

REFERENCE TITLE: general appropriations; fiscal year 2006-2007

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1563

Introduced by
Senators Burns, Bee, Bennett (with permission of committee on Rules)

AN ACT

AMENDING LAWS 2005, CHAPTER 286, SECTIONS 13, 20, 38 AND 75; MAKING APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(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 revenue
 3 set forth in this act are appropriated for the fiscal years indicated and
 4 only from the funding sources listed for the purposes and objects specified
 5 and the performance measures are indicated as legislative intent. If monies
 6 from funding sources in this act are made unavailable, no other funding
 7 source shall be used.

8 Sec. 2. DEPARTMENT OF ADMINISTRATION

9		<u>2006-07</u>
10	<u>State general fund</u>	
11	FTE positions	301.3
12	Operating lump sum appropriation	\$ 18,483,800
13	ENSCO	5,330,400
14	Arizona financial information	
15	system	967,400
16	Statewide telecommunications	
17	management contract lease	
18	payment	<u>894,000</u>
19	Total - general fund	\$ 25,675,600

20 Performance measures:

21	Per cent of ADOA services receiving a good	
22	(6) or better rating from customers,	
23	based on annual survey (Scale 1-8)	75
24	Per cent of procurement plan award dates	
25	met for the RFP process	89
26	Customer satisfaction with establishing	
27	contracts (Scale 1-8)	5.5
28	Customer satisfaction with administering	
29	contracts (Scale 1-8)	5.0
30	Customer satisfaction rating for the	
31	operation of AFIS (Scale 1-8)	6.5
32	Average capitol police response time to	
33	emergency calls (in minutes and seconds)	1:40

34 The department may collect an amount of not to exceed \$1,762,600 from
 35 other funding sources, excluding federal funds, to recover pro rata costs of
 36 operating AFIS II. Any amounts left unspent from the Arizona financial
 37 information system special line item shall revert to the state general fund.

38	<u>Air quality fund</u>	
39	Lump sum appropriation	\$ 575,100
40	Performance measures:	
41	Customer satisfaction with all travel reduction	
42	services (Scale 1-8)	6.5

1 The amounts appropriated for the state employee transportation service
 2 subsidy shall be used for up to a one hundred per cent subsidy of charges
 3 payable for transportation service expenses as provided in section 41-786,
 4 Arizona Revised Statutes, of nonuniversity state employees in a vehicle
 5 emissions control area as defined in section 49-541, Arizona Revised
 6 Statutes, of a county with a population of more than four hundred thousand
 7 persons.

8 Capital outlay stabilization fund

9	FTE positions	56.7
10	Operating lump sum appropriation	\$ 5,235,400
11	Utilities	5,733,800
12	Relocation	<u>60,000</u>
13	Total - capital outlay stabilization	
14	fund	\$ 11,029,200

15 Performance measures:
 16 Customer satisfaction rating for building
 17 maintenance (Scale 1-8) 6.5

18 Monies in the relocation special line item are exempt from the
 19 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
 20 of appropriations until December 31, 2007.

21 Corrections fund

22	FTE positions	9.3
23	Lump sum appropriation	\$ 669,700

24 The intent of the legislature is for the amount appropriated from the
 25 corrections fund to be expended solely for the oversight of construction
 26 projects benefiting the state department of corrections or the department of
 27 juvenile corrections.

28 Motor vehicle pool revolving fund

29	FTE positions	19.0
30	Lump sum appropriation	\$ 11,655,100

31 Performance measures:
 32 Customer satisfaction with short-term (day use)
 33 vehicle rental (Scale 1-8) 7.7

34 It is the intent of the legislature that the department not replace
 35 vehicles until an average of six years and 120,000 miles, or later.

36 Telecommunications fund

37	FTE positions	22.0
38	Lump sum appropriation	\$ 2,896,000

39 Performance measures:
 40 Customer satisfaction rating for the wide area
 41 network (MAGNET) (Scale 1-8) 7.0

1	Customer satisfaction rating for statewide	
2	telecommunications management contract	
3	services (Scale 1-8)	7.0
4	<u>Automation operations fund</u>	
5	FTE positions	158.4
6	Lump sum appropriation	\$ 23,467,900
7	Performance measures:	
8	Customer satisfaction rating for mainframe	
9	services based on annual survey (Scale 1-8)	7.0
10	The appropriation for the automation operations fund is an estimate	
11	representing all monies, including balance forward, revenue and transfers	
12	during fiscal year 2006-2007. These monies are appropriated to the	
13	department of administration for the purposes established in section 41-711,	
14	Arizona Revised Statutes. The appropriation shall be adjusted as necessary	
15	to reflect receipts credited to the automation operations fund for automation	
16	operation center projects. Expenditures for all additional automation	
17	operation center projects shall be subject to review by the joint legislative	
18	budget committee, following approval of the government information technology	
19	agency. Expenditures for each additional project shall not exceed the	
20	specific revenues of that project.	
21	<u>Risk management fund</u>	
22	FTE positions	96.0
23	Operating lump sum appropriation	\$ 7,420,000
24	Risk management losses and premiums	47,322,400
25	Workers' compensation losses and	
26	premiums	24,517,700
27	External legal services	5,672,100
28	Nonlegal related expenditures	<u>3,153,800</u>
29	Total - risk management fund	\$ 88,086,000
30	Performance measures:	
31	Workers' compensation incidence rates/100	
32	FTE positions	5.0
33	Customer satisfaction with self-insurance	
34	(Scale 1-8)	6.8
35	<u>Personnel division fund</u>	
36	FTE positions	139.0
37	Operating lump sum appropriation	\$ 12,205,900
38	Human resources information solution	
39	certificate of participation	<u>4,077,000</u>
40	Total - personnel division fund	\$ 16,282,900

1	Performance measures:	
2	Customer satisfaction with employee training	
3	(Scale 1-8)	6.1
4	<u>Special employee health insurance</u>	
5	<u>trust fund</u>	
6	FTE positions	36.0
7	Lump sum appropriation	\$ 4,924,100
8	Performance measures:	
9	Customer satisfaction with benefit plans	
10	(Scale 1-8)	6.2
11	<u>State surplus materials revolving</u>	
12	<u>fund</u>	
13	FTE positions	16.0
14	Operating lump sum appropriation	\$ 1,156,800
15	State surplus property sales	
16	proceeds	<u>3,000,000</u>
17	Total - state surplus materials	
18	revolving fund	\$ 4,156,800
19	All state surplus property sales proceeds received by the department in	
20	excess of \$3,000,000 are appropriated. Before the expenditure of any state	
21	surplus property sales proceeds in excess of \$3,000,000, the department shall	
22	report the intended use of the monies to the joint legislative budget	
23	committee.	
24	<u>Federal surplus materials revolving</u>	
25	<u>fund</u>	
26	FTE positions	7.0
27	Lump sum appropriation	<u>\$ 399,000</u>
28	Total appropriation - department of	
29	administration	\$189,817,400
30	Fund sources:	
31	State general fund	\$ 25,675,600
32	Other appropriated funds	164,141,800
33	Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
34		<u>2006-07</u>
35	<u>Administration</u>	
36	FTE positions	3,096.8
37	Operating lump sum appropriation	\$ 65,759,800
38	DOA data center charges	5,717,500
39	Indian advisory council	211,900
40	DES eligibility	47,442,100
41	DES title XIX pass-through	320,700

1	Healthcare group administration	
2	and reinsurance	3,602,000
3	Office of administrative hearings	248,600
4	KidsCare - administration	8,622,300
5	Proposition 204 - AHCCCS	
6	administration	10,616,500
7	Proposition 204 - DES	
8	eligibility	<u>34,405,500</u>
9	Total appropriation and expenditure	
10	authority - administration	\$176,946,900
11	Fund sources:	
12	State general fund	\$ 75,017,800
13	Budget neutrality compliance	
14	fund	2,531,900
15	Children's health insurance	
16	program fund	6,605,800
17	Health care group fund	3,602,000
18	Expenditure authority	89,189,400
19	Performance measures:	
20	Per cent of applications processed on time	95
21	Customer satisfaction rating for eligibility	
22	determination clients (Scale 1-8)	6.0

23 It is the intent of the legislature that the appropriation for the
24 department of administration data center charges be used only for the payment
25 of charges incurred by the department for the use of computing services
26 provided by the department of administration data center.

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

34 The Arizona health care cost containment system administration shall
35 report to the joint legislative budget committee by January 1 of each year on
36 the agency's use of the cost savings that results from entering into an
37 agreement with another state as outlined in Laws 1999, chapter 313, section
38 27. The report shall also include detail on the source of all revenues and
39 expenditure of monies from the intergovernmental service fund.

1 The Arizona health care cost containment system shall report by
 2 September 30 of each year to the joint legislative budget committee on the
 3 services that receive reimbursement from the federal government under the
 4 medicaid in public school initiative. The report shall include information
 5 on the type of services, how those services meet the definition of medical
 6 necessity and the total amount of federal dollars that the schools have
 7 received under the medicaid in public school initiative.

8 AHCCCS shall report by November 30, 2006 to the joint legislative
 9 budget committee on the fiscal impact of implementing certain provisions in
 10 the federal deficit reduction act of 2005 that provided states greater
 11 flexibility in the operation of their Medicaid programs. The report shall
 12 address: the fiscal impact associated with 1) Enacting the maximum amount of
 13 cost sharing subject to the federal limitations that aggregate cost sharing
 14 and premiums can not exceed five per cent of household income. 2) Cost
 15 sharing for prescription drugs that are not preferred drugs within a class.
 16 3) Cost sharing for nonemergency care provided in a hospital. 4) Cost
 17 sharing for an alternative benefit package that is actuarially equivalent to
 18 federal "benchmark" benefit packages. AHCCCS shall report to the joint
 19 legislative budget committee by September 1, 2006 on which benefit
 20 alternative was selected as a "benchmark".

21 Acute care

22	Capitation	\$1,792,095,600
23	Reinsurance	101,818,700
24	Fee-for-service	445,569,400
25	Medicare premiums	121,660,900
26	Graduate medical education	22,512,800
27	Dual eligible part D copay subsidy	1,029,700
28	Disproportionate share payments	143,477,300
29	Critical access hospitals	1,700,000
30	Breast and cervical cancer	1,253,000
31	Ticket to work	4,701,700
32	Proposition 204 - capitation	1,009,219,000
33	Proposition 204 - reinsurance	83,034,200
34	Proposition 204 - fee-for-service	148,204,600
35	Proposition 204 - medicare	
36	premiums	29,579,800
37	Proposition 204 - county hold	
38	harmless	4,825,600
39	KidsCare - children	103,282,000
40	KidsCare - parents	44,657,400
41	Rural hospital reimbursement	12,158,100
42	Medicare clawback payments	<u>27,082,200</u>
43	Total appropriation and expenditure	
44	authority - acute care	\$4,097,862,000

1	Fund sources:	
2	State general fund	\$ 966,329,500
3	Children's health insurance	
4	program fund	115,145,000
5	Tobacco tax and health care	
6	fund - medically needy	
7	account	83,162,500
8	Tobacco products tax fund -	
9	emergency health services	
10	account	29,371,200
11	Expenditure authority	2,903,853,800
12	Performance measures:	
13	Per cent of well child visits in the first	
14	15 months of life (EPSDT)	72
15	Per cent of children's access to primary	
16	care provider	85
17	Per cent of women receiving annual cervical	
18	screening	55
19	Member satisfaction as measured by	
20	percentage of enrollees that choose	
21	to change health plans	3.5

22 The fiscal year 2006-2007 disproportionate share payment of
 23 \$143,477,300 is based on the federal fiscal year 2006-2007 authorized
 24 expenditure level of \$95,369,400. If the final federal expenditure
 25 authorization is an amount different from the estimate, the governor shall
 26 direct the Arizona health care cost containment system administration,
 27 subject to the availability of monies and subject to review of the joint
 28 legislative budget committee, to proportionately adjust authorization amounts
 29 among the identified recipients of the disproportionate share hospital
 30 payment. Before the final payment, the governor shall provide notification
 31 to the president of the senate, the speaker of the house of representatives,
 32 the chairpersons of the senate and house of representatives appropriations
 33 committees and the staff director of the joint legislative budget committee
 34 of the adjusted federal authorized expenditure level and the proposed
 35 distribution plan for these monies.

36 The appropriation for disproportionate share payments for fiscal year
 37 2006-2007 made pursuant to section 36-2903.01, subsection P, Arizona Revised
 38 Statutes, includes \$88,854,700 for qualifying county operated hospitals,
 39 \$26,147,700 for private qualifying disproportionate share hospitals and
 40 \$28,474,900 for deposit in the Arizona state hospital fund.

1 Of the \$4,825,600 appropriated for the proposition 204 county hold
 2 harmless line, \$234,200 is allocated to Graham county, \$3,817,800 to Pima
 3 county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800 to
 4 Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in
 5 revenue due to the implementation of proposition 204, and shall be used for
 6 indigent health care costs.

7 Long-term care

8	Program lump sum appropriation	\$1,060,536,000
9	Medicare clawback payments	19,475,200
10	Dual eligible part D copay	
11	subsidy	470,300
12	Board of nursing	<u>209,700</u>
13	Total appropriation and expenditure	
14	authority - long-term care	\$1,080,691,200
15	Fund sources:	
16	State general fund	\$ 126,326,900
17	Expenditure authority	954,364,300

18 Performance measures:

19	Per cent of members utilizing home and	
20	community based services (HCBS)	67
21	Per cent of ALTCS eligibility as measured by	
22	quality control sample	99

23 Any federal funds that the Arizona health care cost containment system
 24 administration passes through to the department of economic security for use
 25 in long-term administration care for the developmentally disabled shall not
 26 count against the long-term care expenditure authority above.

27 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
 28 county portion of the fiscal year 2006-2007 nonfederal portion of the costs
 29 of providing long-term care system services is \$244,880,500. This amount is
 30 included in the expenditure authority fund source.

31	Total appropriation and expenditure	
32	authority - Arizona health	
33	care cost containment system	<u>\$5,355,500,100</u>
34	Appropriated fund sources:	
35	State general fund	\$1,167,674,200
36	Budget neutrality compliance fund	2,531,900
37	Children's health insurance	
38	program fund	121,750,800
39	Health care group fund	3,602,000
40	Tobacco products tax fund -	
41	emergency health services	
42	account	29,371,200
43	Tobacco tax and health care	
44	fund - medically needy account	83,162,500
45	Expenditure authority	\$3,947,407,500

1 Performance measures:
 2 Per cent of people under age 65 that
 3 are uninsured

24

4 It is the intent of the legislature that on October 1, 2006, the
 5 Arizona health care cost containment system administration use the following
 6 cost sharing schedule in fiscal year 2006-2007 that was the basis for the
 7 budget savings incorporated into the fiscal year 2003-2004 budget:

	<u>Copayments</u>	<u>Premiums</u>	<u>Enrollment fees</u>
10 KidsCare:			
11 100-150% FPL			
12 One child	\$10 nonemergency ER visit	\$15/month	\$25
13	\$5 prescriptions, nonemergency		
14	transportation and all other		
15	services		
16 Two or more	\$10 nonemergency ER visit	\$25/month	\$25
17 children	\$5 prescriptions, nonemergency		
18	transportation and all other		
19	services		
20			
21 KidsCare:			
22 150-175% FPL			
23 One child	\$30 nonemergency ER visit	\$20/month	\$25
24	\$10 nonemergency transportation		
25	\$5 prescriptions and all other		
26	services		
27			
28 Two or more	\$30 nonemergency ER visit	\$30/month	\$25
29 children	\$10 nonemergency transportation		
30	\$5 prescriptions and all other		
31	services		
32			
33 KidsCare:			
34 175-200% FPL			
35 One child	\$30 nonemergency ER visit	\$25/month	\$25
36	\$10 nonemergency transportation		
37	\$5 prescriptions and all other		
38	services		
39			
40 Two or more	\$30 nonemergency ER visit	\$35/month	\$25
41 children	\$10 nonemergency transportation		
42	\$5 prescriptions and all other		
43	services		

1	Acute Care			
2	Traditional			
3	Medicaid:	\$6 nonemergency ER visit	none	none
4		\$5 nonemergency transportation		
5		\$2 all other services		
6				
7	Proposition 204	\$30 nonemergency ER visit	none	\$25
8		\$10 nonemergency transportation		
9		\$8 brand name prescriptions		
10		\$3 generic prescriptions and all		
11		other services		
12				

13 If any of the cost sharing measures require a federal waiver, the
 14 administration shall submit such a waiver request to the federal government.
 15 The request shall include any components of the cost sharing schedule that
 16 have not been implemented due to action by the courts. The administration
 17 shall report to the joint legislative budget committee by September 1, 2006
 18 on the implementation of this cost-sharing plan.

19 Before making fee-for-service program or rate changes that pertain to
 20 hospital, nursing facility or home and community based services rates or for
 21 any of the other fee-for-service rate categories that have increases that, in
 22 the aggregate, are two per cent above and \$1,500,000 from the state general
 23 fund greater than budgeted medical inflation in fiscal year 2006-2007, the
 24 Arizona health care cost containment system administration shall report its
 25 expenditure plan to the joint legislative budget committee for review.

26 The Arizona health care cost containment system shall report to the
 27 joint legislative budget committee by March 1 of each year on the preliminary
 28 actuarial estimates of the capitation rate changes for the following fiscal
 29 year along with the reasons for the estimated changes. For any actuarial
 30 estimates that include a range, the total range from minimum to maximum shall
 31 be no more than one per cent. Before implementation of any changes in
 32 capitation rates, the Arizona health care cost containment system
 33 administration shall report its expenditure plan to the joint legislative
 34 budget committee for review. Unless required for compliance with federal
 35 law, before the administration implements any changes in policy affecting the
 36 amount, sufficiency, duration and scope of health care services and who may
 37 provide services, the administration shall prepare a fiscal impact analysis
 38 on the potential effects of this change on the following year's capitation
 39 rates. If the fiscal analysis demonstrates that these changes will result in
 40 additional state costs of \$500,000 or greater for a given fiscal year, the
 41 administration shall submit the policy changes to the joint legislative
 42 budget committee for review. The administration shall also report quarterly
 43 to the joint legislative budget committee itemizing all policy changes with
 44 fiscal impacts of less than \$500,000 in state costs. If statutory language
 45 is enacted to prohibit these policy changes, the portion of the footnote

1 regarding joint legislative budget committee review of policy changes shall
 2 not apply.

3 The monies in the dual eligible part D copay subsidy special line items
 4 shall be used to offset a portion of the prescription drug copay of those
 5 title XIX participants eligible for the medicare part D program. These dual
 6 eligible individuals are responsible for the copays on their first four
 7 prescriptions each month. The special line item provides funding for the
 8 state to make the copay for more than four prescriptions per month.

9 Sec. 4. ATTORNEY GENERAL - DEPARTMENT OF LAW

	<u>2006-07</u>
10	
11	619.9
12	\$ 28,407,200
13	7,823,300
14	827,400
15	197,700
16	88,600
17	4,489,100
18	915,800
19	160,100
20	3,228,300
21	
22	<u>8,621,500</u>
23	
24	\$ 54,759,000
25	
26	\$ 18,396,500
27	
28	208,200
29	
30	6,041,000
31	
32	4,281,500
33	2,699,900
34	
35	11,282,100
36	8,621,500
37	3,228,300
38	
39	
40	60
41	
42	7.3

1 The \$160,100 appropriated for state grand jury expenses is for costs
 2 incurred pursuant to section 21-428, subsection C, Arizona Revised Statutes.
 3 It is the intent of the legislature that state grand jury expenses be limited
 4 to the amount appropriated and that a supplemental appropriation will not be
 5 provided.

6 The attorney general shall notify the president of the senate, the
 7 speaker of the house of representatives and the joint legislative budget
 8 committee before entering into a settlement of \$100,000 or more that will
 9 result in the receipt of monies by the attorney general or any other person.
 10 The attorney general shall not allocate or expend these monies until the
 11 joint legislative budget committee reviews the allocations or expenditures.
 12 Settlements that pursuant to statute must be deposited in the state general
 13 fund need not be reviewed by the joint legislative budget committee. This
 14 paragraph does not apply to actions under title 13, Arizona Revised Statutes,
 15 or other criminal matters.

16 In addition to the \$11,282,100 appropriated from the interagency
 17 service agreements fund, an additional \$800,000 and 11 FTE positions are
 18 appropriated from the interagency service agreements fund for new or expanded
 19 interagency service agreements. The attorney general shall report to the
 20 joint legislative budget committee whenever an interagency service agreement
 21 is established that will require expenditures from the additional amount.
 22 The report shall include the name of the agency or entity with which the
 23 agreement is made, the dollar amount of the contract by fiscal year and the
 24 number of associated FTE positions.

25 All revenues received by the antitrust enforcement revolving fund in
 26 excess of \$208,200 are appropriated. Expenditures from the fund may not
 27 exceed \$750,000 in fiscal year 2006-2007. Before the expenditure of any
 28 antitrust enforcement revolving fund receipts in excess of \$208,200 in fiscal
 29 year 2006-2007, the attorney general shall submit the intended uses of the
 30 monies for review by the joint legislative budget committee.

31 Sec. 5. DEPARTMENT OF COMMERCE

	<u>2006-07</u>
32 FTE positions	74.9
33 Operating lump sum appropriation	\$ 3,606,200
34 Military base economic impact study	250,000
35 Arizona trade office in Sonora	25,000
36 International trade offices	1,319,300
37 Economic development matching funds	104,000
38 Main street	130,000
39 REDI matching grants	45,000
40 Rural economic development	304,000
41	

1	Advertising and promotion	659,200
2	Motion picture development	309,300
3	CEDC commission	257,000
4	National law center/free trade	200,000
5	Oil overcharge administration	164,800
6	Minority and women owned business	110,500
7	Small business advocate	108,300
8	Apprenticeship services	<u>165,100</u>
9	Total appropriation - department of	
10	commerce	\$ 7,757,700
11	Fund sources:	
12	State general fund	\$ 4,234,600
13	Bond fund	131,100
14	CEDC fund	2,970,200
15	Oil overcharge fund	164,800
16	State lottery fund	257,000
17	Performance measures:	
18	Number of workers trained	25,000
19	Per cent of job training fund monies	
20	distributed to small businesses	25
21	Customer satisfaction rating for business	
22	development program (percentage rating	
23	services as good or excellent)	88
24	Of the \$2,970,200 appropriated from the CEDC fund, \$250,000 shall be	
25	utilized for implementation of cross-industry business/infrastructure	
26	development projects and related project coordination in support of regional	
27	technology councils and high technology clusters operating in Arizona.	
28	Sec. 6. ARIZONA COMMUNITY COLLEGES	
29		<u>2006-07</u>
30	<u>Equalization aid</u>	
31	Cochise	\$ 3,857,400
32	Graham	11,504,000
33	Navajo	3,373,200
34	Yuma/La Paz	<u>1,278,100</u>
35	Total - equalization aid	\$ 20,012,700
36	<u>Operating state aid</u>	
37	Cochise	\$ 8,349,000
38	Coconino	3,322,500
39	Gila	294,800
40	Graham	5,370,400
41	Maricopa	57,528,300
42	Mohave	4,196,900
43	Navajo	4,412,300
44	Pima	19,593,500
45	Pinal	6,014,700

1	Yavapai	4,738,700
2	Yuma/La Paz	<u>5,657,200</u>
3	Total - operating state aid	\$119,478,300
4	<u>Capital outlay state aid</u>	
5	Cochise	\$ 1,052,300
6	Coconino	421,300
7	Gila	65,500
8	Graham	525,800
9	Maricopa	11,421,900
10	Mohave	597,500
11	Navajo	568,900
12	Pima	3,262,900
13	Pinal	3,789,800
14	Yavapai	678,500
15	Yuma/La Paz	<u>911,200</u>
16	Total - capital outlay state aid	\$ 23,295,600
17	Total appropriation - Arizona community	
18	colleges	\$162,786,600
19	Fund sources:	
20	State general fund	\$162,786,600
21	Performance measures:	
22	Per cent of students who transfer to Arizona	
23	public universities without loss of credits	96
24	Number of applied baccalaureate programs	
25	collaboratively developed with universities	8
26	Of the \$3,789,800 Pinal community college receives in capital outlay	
27	state aid, \$2,000,000 shall be used for construction of a regional law	
28	enforcement officers training center and \$1,000,000 shall be used for a	
29	firefighters training facility at Central Arizona College.	
30	Sec. 7. CORPORATION COMMISSION	
31		<u>2006-07</u>
32	FTE positions	318.3
33	Operating lump sum appropriation	\$ 24,780,700
34	Corporation filings, same day	
35	service	400,400
36	Utilities audits, studies,	
37	investigations and hearings	<u>380,000*</u>
38	Total appropriation - corporation commission	\$ 25,561,100
39	Fund sources:	
40	State general fund	\$ 5,133,000
41	Arizona arts trust fund	44,100
42	Investment management regulatory	
43	and enforcement fund	828,200
44	Public access fund	3,673,000

1	Securities regulatory and	
2	enforcement fund	3,505,500
3	Utility regulation revolving fund	12,377,300
4	Performance measures:	
5	Average turnaround time in days for processing	
6	of regular corporate filings	70.0
7	Average turnaround time in days for processing	
8	of expedited corporate filings	3.0
9	Number of months required to review complaints	
10	received by securities division	1.5
11	Customer satisfaction rating for corporations	
12	program (Scale 1-8)	7.1

13 The corporation commission corporations division shall provide a report
 14 by the end of each calendar quarter during fiscal year 2006-2007 to the joint
 15 legislative budget committee on the total number of filings received by the
 16 corporations division, the total number of filings processed by the
 17 corporations division and the amount of time to process the filings. The
 18 corporation commission corporations division shall include in the first
 19 quarterly report for fiscal year 2006-2007 a plan for resolving the backlog
 20 of corporation filings.

21 The \$400,400 appropriated from the public access fund for the
 22 corporation filings same day service special line item shall revert to the
 23 public access fund at the end of fiscal year 2006-2007 if the commission
 24 cannot process all expedited services within five business days and all other
 25 documents and services within thirty business days in accordance with section
 26 10-122, Arizona Revised Statutes.
 27 Sec. 8. DEPARTMENT OF CORRECTIONS

28		<u>2006-07</u>
29	FTE positions	9,726.9
30	Correctional officer personal services	\$231,444,300
31	Health care personal services	40,920,200
32	All other personal services	72,308,100
33	Employee related expenditures	126,228,000
34	Health care all other operating	
35	expenditures	62,596,200
36	Non-health care all other operating	
37	expenditures	<u>121,203,900</u>
38	Total - operating budget	\$654,700,700
39	Fund sources:	
40	State general fund	\$639,753,300
41	State education fund for	
42	correctional education	1,528,900
43	Alcohol abuse treatment fund	599,300
44	Penitentiary land fund	869,200

1	State charitable, penal and	
2	reformatory institutions	
3	land fund	570,000
4	Corrections fund	350,000
5	Transition office fund	180,000
6	Transition program drug treatment	
7	fund	600,000
8	Prison construction and operations	
9	fund	10,250,000
10	County jail beds	\$ 2,518,500
11	Fund sources:	
12	State general fund	\$ 2,518,500
13	Overtime/compensatory time	\$ 36,688,100
14	Fund sources:	
15	State general fund	\$ 36,688,100
16	Private prison per diem	\$ 81,846,800
17	Fund sources:	
18	State general fund	\$ 53,172,500
19	Corrections fund	28,674,300
20	Provisional beds	\$ 34,933,400
21	Fund sources:	
22	State general fund	\$ 34,933,400
23	Performance measures:	
24	Escapes from secure facilities	0
25	Number of inmates receiving GED	3,000
26	Number of inmate random positive	
27	urinalysis results	900

28 Twenty-five per cent of land earnings and interest from the state
 29 charitable, penal and reformatory institutions land fund shall be distributed
 30 to the state department of corrections in compliance with section 25 of the
 31 enabling act and the Constitution of Arizona to be used for the support of
 32 state penal institutions.

33 One hundred per cent of land earnings and interest from the
 34 penitentiary land fund shall be distributed to the department of corrections
 35 in compliance with section 25 of the enabling act and the constitution to be
 36 used for the support of state penal institutions.

37 Before the expenditure of any state education fund for correctional
 38 education receipts in excess of \$1,528,900, the department of corrections
 39 shall report the intended use of the monies to the director of the joint
 40 legislative budget committee.

41 Before altering its bed capacity by closing state-operated prison beds,
 42 canceling or not renewing contracts for privately-operated prison beds, the
 43 department of corrections shall submit a bed plan detailing the proposed bed
 44 closures for approval by the joint legislative budget committee.

1 The appropriated amount includes \$8,751,300 for a \$1,000 salary
2 increase beginning July 1, 2006 for each employee in the correctional officer
3 series.

4 The overtime/compensatory time line item includes monies for personal
5 services and employee related expenditure costs from overtime and
6 compensatory time payouts accrued by department employees in fiscal year
7 2006-2007.

8 Before placing any additional inmates in out-of-state provisional beds,
9 the department shall place inmates in all available prison beds within
10 privately operated facilities that are located in Arizona and that house
11 Arizona inmates, unless the out-of-state provisional beds are of a comparable
12 security level and price.

13 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
14 any transfer to or from the amounts appropriated for county jail beds,
15 overtime/compensatory time, private prison per diem or provisional beds line
16 items shall require review by the joint legislative budget committee.

17 The private prison per diem line item includes \$2,382,600 from the
18 state general fund for a 4.5 per cent increase for private prison contracts
19 for facilities that are located within Arizona and that house Arizona inmates
20 as of July 1, 2006. The department shall provide this increase to all
21 applicable contractors by August 1, 2006.

22 The Arizona department of administration shall charge the department of
23 corrections for employer general fund health and dental insurance based on
24 actual enrollment in fiscal year 2006-2007.

25 By October 1, 2006, the department of corrections shall report to the
26 joint legislative budget committee on "off-site" vehicles that are owned by
27 the department and that do not remain on department property at the end of
28 the work day. These may include "take-home" vehicles as well as vehicles
29 that are stationed off-site of department property at the end of the work
30 day. The list shall also include those vehicles that are used by department
31 employees and that are taken home or parked at a location other than an
32 employee's residence. The report shall identify all position classifications
33 and their corresponding assignments and locations of all persons who qualify
34 for an off-site vehicle. The report shall indicate the current number of
35 positions and vehicles that are being used as off-site vehicles, the total
36 number of vehicles that the department owns by category and the policy and
37 guidelines relating to off-site vehicles.

38 A monthly report comparing department of corrections expenditures for
39 the month and year-to-date as compared to prior year expenditures shall be
40 forwarded to the president of the senate, the speaker of the house of
41 representatives, the chairpersons of the senate and house of representatives
42 appropriations committees and the director of the joint legislative budget
43 committee by the thirtieth of the following month. The report shall include
44 at least each line item of appropriation and the main components of all other
45 operating expenditures. The report shall include an estimate of potential

1 shortfalls, potential surpluses that may be available to offset these
 2 shortfalls and a plan, if necessary, for eliminating any shortfall without a
 3 supplemental appropriation.

4 By July 1, 2006, the department of corrections shall transmit to the
 5 joint legislative budget committee the operating per capita cost report for
 6 fiscal year 2004-2005. By February 1, 2007, the department of corrections
 7 shall transmit to the joint legislative budget committee the operating per
 8 capita cost report for fiscal year 2005-2006.

9 Sec. 9. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND
 10 2006-07

11	<u>Phoenix day school for the deaf</u>	
12	FTE positions	177.2
13	Operating lump sum appropriation	\$ 9,616,100
14	School bus replacement	<u>425,000</u>
15	Total - Phoenix day school for the deaf	\$ 10,041,100
16	Fund sources:	
17	State general fund	\$ 4,713,900
18	Schools for the deaf and the	
19	blind fund	5,327,200
20	<u>Tucson campus</u>	
21	FTE positions	312.1
22	Operating lump sum appropriation	\$ 14,537,100
23	School bus replacement	<u>425,000</u>
24	Total - Tucson campus	\$ 14,962,100
25	Fund sources:	
26	State general fund	\$ 9,809,100
27	Schools for the deaf and the	
28	blind fund	5,153,000
29	<u>Regional cooperatives</u>	
30	FTE positions	28.1
31	Lump sum appropriation	\$ 1,691,900
32	Fund sources:	
33	State general fund	\$ 1,270,500
34	Schools for the deaf and the	
35	blind fund	421,400
36	<u>Preschool/outreach programs</u>	
37	FTE positions	69.8
38	Lump sum appropriation	\$ 5,546,500
39	Fund sources:	
40	State general fund	\$ 2,631,200
41	Schools for the deaf and the	
42	blind fund	<u>2,915,300</u>
43	Total appropriation - Arizona state schools	
44	for the deaf and the blind	\$ 32,241,600

1	Fund sources:	
2	State general fund	\$ 18,424,700
3	Schools for the deaf and the	
4	blind fund	13,816,900
5	Performance measures:	
6	Per cent of parents rating overall quality of	
7	services as "good" or "excellent" based	
8	on annual survey	95
9	Per cent of students in grade 5 meeting or	
10	exceeding state academic standards in:	
11	Reading	20
12	Writing	25
13	Math	20
14	Per cent of students in high school meeting or	
15	exceeding state academic standards in:	
16	Reading	20
17	Writing	25
18	Math	20

19 Before the expenditure of any schools for the deaf and the blind fund
 20 monies in excess of \$13,816,900 in fiscal year 2006-2007, the joint
 21 legislative budget committee shall review the intended use of the funds.

22 All endowment earnings above \$200,000 in fiscal year 2006-2007 that are
 23 received by the schools for the deaf and the blind and deposited into the
 24 schools for the deaf and the blind fund are appropriated for operating
 25 expenditures.

26 Before expending any funds for school bus replacement, the Arizona
 27 state schools for the deaf and the blind shall submit an expenditure plan to
 28 the joint legislative budget committee for review.

29 Sec. 10. DEPARTMENT OF ECONOMIC SECURITY

30		<u>2006-07</u>
31	<u>Administration</u>	
32	FTE positions	299.2
33	Operating lump sum appropriation	\$ 36,670,000
34	Fund sources:	
35	State general fund	\$ 29,166,100
36	Federal child care and	
37	development fund block grant	1,090,400
38	Federal temporary assistance	
39	for needy families block grant	4,623,100
40	Public assistance collections	
41	fund	130,000
42	Special administration fund	573,500

1	Spinal and head injuries trust	
2	fund	86,900
3	Statewide cost allocation plan	
4	fund	1,000,000
5	Finger imaging	\$ 726,700
6	Fund sources:	
7	State general fund	\$ 453,400
8	Federal temporary assistance	
9	for needy families block	
10	grant	273,300
11	Lease-purchase equipment	\$ 1,799,000
12	Fund sources:	
13	State general fund	\$ 1,138,000
14	Federal temporary assistance	
15	for needy families block	
16	grant	661,000
17	Public assistance collections	\$ 485,700
18	Fund sources:	
19	Federal temporary assistance for	
20	needy families block grant	\$ 237,700
21	Public assistance collections	
22	fund	248,000
23	Attorney general legal services	\$ 657,400
24	Fund sources:	
25	State general fund	\$ 397,100
26	Federal child care and development	
27	fund block grant	15,600
28	Federal temporary assistance for	
29	needy families block grant	149,700
30	Public assistance collections	
31	fund	95,000
32	Triagency disaster recovery	\$ 271,500
33	Fund sources:	
34	Risk management fund	\$ 271,500

35 In accordance with section 35-142.01, Arizona Revised Statutes, the
36 department of economic security shall remit to the department of
37 administration any monies received as reimbursement from the federal
38 government or any other source for the operation of the department of
39 economic security west building and any other building lease-purchased by the
40 state of Arizona in which the department of economic security occupies space.
41 The department of administration shall deposit these monies in the state
42 general fund.

1 In accordance with section 38-654, Arizona Revised Statutes, the
 2 department of economic security shall transfer to the department of
 3 administration for deposit in the special employee health insurance trust
 4 fund any unexpended state general fund monies at the end of each fiscal year
 5 appropriated for employer health insurance contributions.

6 Developmental disabilities

7	FTE positions	197.9
8	Operating lump sum appropriation	\$ 3,743,800
9	Fund sources:	
10	State general fund	\$ 3,743,800
11	Case management	\$ 4,044,000
12	Fund sources:	
13	State general fund	\$ 4,044,000
14	Home and community based	
15	services	\$ 35,377,200
16	Fund sources:	
17	State general fund	\$ 34,529,100
18	Long term care system fund	848,100
19	Institutional services	\$ 294,900
20	Fund sources:	
21	State general fund	\$ 294,900
22	Arizona training program at	
23	Coolidge	\$ 500,000
24	Fund sources:	
25	State general fund	\$ 500,000
26	State-funded long-term care	
27	services	\$ 21,802,400
28	Fund sources:	
29	State general fund	\$ 762,900
30	Long-term care system fund	21,039,500
31	Performance measures:	
32	Per cent of consumer satisfaction with	
33	case management services	95
34	Per cent of consumers living at home who	
35	are satisfied with services and supports	70
36	Per cent of families of children under 18	
37	who are satisfied with services and supports	65
38	Per cent of families or individuals 18 years	
39	or older, who do not live at home with	
40	family, who are satisfied with services	
41	and supports	89

1 It is the intent of the legislature that any available surplus monies
 2 for developmental disability programs be applied toward the waiting list,
 3 unless there are insufficient monies to annualize these costs in the
 4 subsequent year. The children's waiting list shall receive first priority.
 5 The amount appropriated for developmental disabilities shall be used to
 6 provide for services for nontitle XIX eligible clients. The amount shall not
 7 be used for other purposes, unless a transfer of monies is reviewed by the
 8 joint legislative budget committee.

9 The department of economic security shall report all new placements
 10 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
 11 in fiscal year 2006-2007 to the president of the senate, the speaker of the
 12 house of representatives, the chairpersons of the senate and house of
 13 representatives appropriations committees and the director of the joint
 14 legislative budget committee and the reason why this placement, rather than a
 15 placement into a privately run facility for the developmentally disabled, was
 16 deemed as the most appropriate placement. The department should also report
 17 if no new placements were made. This report shall be made available by July
 18 15, 2007.

19 Long-term care

20	FTE positions	1,615.0
21	Operating lump sum appropriation	\$ 29,350,200
22	Fund sources:	
23	State general fund	\$ 9,803,700
24	Expenditure authority	19,546,500
25	Case management	\$ 32,482,200
26	Fund sources:	
27	State general fund	\$ 10,849,700
28	Expenditure authority	21,632,500
29	Home and community based	
30	services	\$511,250,800
31	Fund sources:	
32	State general fund	\$170,740,100
33	Expenditure authority	340,510,700
34	Institutional services	\$ 18,314,700
35	Fund sources:	
36	State general fund	\$ 6,117,600
37	Expenditure authority	12,197,100
38	Medical services	\$ 90,258,600
39	Fund sources:	
40	State general fund	\$ 30,148,600
41	Expenditure authority	60,110,000
42	Arizona training program at	
43	Coolidge	\$ 14,773,900

1 Fund sources:

2 State general fund	\$ 4,934,900
3 Expenditure authority	9,839,000
4 Medicare clawback payments	\$ 2,069,000

5 Fund sources:

6 State general fund	\$ 2,069,000
----------------------	--------------

7 All monies in the long-term care system fund unexpended and
 8 unencumbered at the end of fiscal year 2006-2007 revert to the state general
 9 fund, subject to approval by the Arizona health care cost containment system.

10 The department shall report to the joint legislative budget committee
 11 by March 1 of each year on preliminary actuarial estimates of the capitation
 12 rate changes for the following fiscal year along with the reasons for the
 13 estimated changes. For any actuarial estimates that include a range, the
 14 total range from minimum to maximum shall be not more than one per cent.
 15 Before implementation of any changes in capitation rates for the long-term
 16 care program, the department of economic security shall report its
 17 expenditure plan to the joint legislative budget committee for its review.
 18 Unless required for compliance with federal law, before the department
 19 implements any changes in policy affecting the amount, sufficiency, duration
 20 and scope of health care services and who may provide services, the
 21 department shall prepare a fiscal impact analysis on the potential effects of
 22 this change on the following year's capitation rates. If the fiscal analysis
 23 demonstrates that these changes will result in additional state costs of
 24 \$500,000 or greater for a given fiscal year, the department shall submit the
 25 policy changes to the joint legislative budget committee for review. The
 26 department shall also report quarterly to the joint legislative budget
 27 committee itemizing all policy changes with fiscal impacts of less than
 28 \$500,000 in state costs. If statutory language is enacted to prohibit these
 29 policy changes, the portion of the footnote regarding joint legislative
 30 budget committee review of policy changes shall not apply.

31 The monies in the home and community based services special line item
 32 include \$55,600 to offset a portion of the prescription drug copay of those
 33 title XIX participants eligible for the medicare part D program. These dual
 34 eligible individuals are responsible for the copays on their first four
 35 prescriptions each month. The special line item provides funding for the
 36 state to make the copay for more than four prescriptions per month.

37 Benefits and medical eligibility

38 FTE positions	569.9
39 Operating lump sum appropriation	\$ 32,273,800

1	Fund sources:	
2	State general fund	\$ 23,125,300
3	Federal temporary assistance	
4	for needy families block	
5	grant	9,148,500
6	Temporary assistance for	
7	needy families cash	
8	benefits	\$135,605,400
9	Fund sources:	
10	State general fund	\$ 56,308,200
11	Federal temporary assistance	
12	for needy families block	
13	grant	79,297,200
14	General assistance	\$ 4,260,800
15	Fund sources:	
16	State general fund	\$ 4,260,800
17	FLSA supplement	\$ 508,900
18	Fund sources:	
19	Federal temporary assistance for	
20	needy families block grant	\$ 508,900
21	Tribal pass-through funding	\$ 4,288,700
22	Fund sources:	
23	State general fund	\$ 4,288,700
24	Tuberculosis control payments	\$ 32,200
25	Fund sources:	
26	State general fund	\$ 32,200
27	Performance measures:	
28	Per cent of cash benefits issued timely	98.6
29	Per cent of total cash benefits payments	
30	issued accurately	95.0
31	Per cent of total food stamps payments	
32	issued accurately	95.0
33	Per cent of clients satisfied with family	
34	assistance administration	93.0

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

38 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
39 any transfer to or from the \$135,605,400 appropriated for temporary
40 assistance for needy families cash benefits requires approval of the joint
41 legislative budget committee.

1 Of the amount appropriated for temporary assistance for needy families
 2 cash benefits, \$500,000 reflects appropriation authority only to ensure
 3 sufficient cashflow to administer cash benefits for tribes operating their
 4 own welfare programs. The department shall notify the joint legislative
 5 budget committee and the governor's office of strategic planning and
 6 budgeting staff before the use of any of the \$500,000 appropriation
 7 authority.

8 The department shall report to the joint legislative budget committee
 9 by the end of each calendar quarter on progress made in meeting federal TANF
 10 work participation requirements.

11 Child support enforcement

12	FTE positions	863.8
13	Operating lump sum appropriation	\$ 36,729,400
14	Fund sources:	
15	State general fund	\$ 4,262,800
16	Child support enforcement	
17	administration fund	8,100,100
18	Expenditure authority	24,366,500
19	Genetic testing	\$ 723,600
20	Fund sources:	
21	State general fund	\$ 72,400
22	Expenditure authority	651,200
23	Central payment processing	\$ 3,275,700
24	Fund sources:	
25	State general fund	\$ 444,700
26	Child support enforcement	
27	administration fund	1,573,800
28	Expenditure authority	1,257,200
29	County participation	\$ 6,845,200
30	Fund sources:	
31	Child support enforcement	
32	administration fund	\$ 1,384,100
33	Expenditure authority	5,461,100
34	Attorney general legal services	\$ 8,523,500
35	Fund sources:	
36	State general fund	\$ 673,900
37	Child support enforcement	
38	administration fund	2,139,800
39	Expenditure authority	5,709,800
40	Performance measures:	
41	Total IV-D collections	\$275,000,000
42	Ratio of current IV-D support collected	
43	and distributed to current IV-D support	
44	due	42.0

1 All state share of retained earnings, fees and federal incentives above
 2 \$13,197,800 received by the division of child support enforcement are
 3 appropriated for operating expenditures. New full-time equivalent positions
 4 may be authorized with the increased funding. The division of child support
 5 enforcement shall report the intended use of the monies to the president of
 6 the senate, the speaker of the house of representatives, the chairpersons of
 7 the senate and house of representatives appropriations committees and the
 8 director of the joint legislative budget committee and the director of the
 9 governor's office of strategic planning and budgeting.

10 Aging and community services

11	FTE positions	80.6
12	Operating lump sum appropriation	\$ 5,302,500
13	Fund sources:	
14	State general fund	\$ 5,079,400
15	Federal temporary assistance	
16	for needy families block	
17	grant	223,100
18	Adult services	\$ 15,599,300
19	Fund sources:	
20	State general fund	\$ 15,599,300
21	Community and emergency	
22	services	\$ 5,924,900
23	Fund sources:	
24	Federal temporary assistance	
25	for needy families block	
26	grant	\$ 5,424,900
27	Utility assistance fund	500,000
28	Coordinated hunger	\$ 1,786,600
29	Fund sources:	
30	State general fund	\$ 1,286,600
31	Federal temporary assistance	
32	for needy families block	
33	grant	500,000
34	Coordinated homeless	\$ 2,804,900
35	Fund sources:	
36	State general fund	\$ 1,155,400
37	Federal temporary assistance	
38	for needy families block	
39	grant	1,649,500
40	Domestic violence prevention	\$ 13,647,400

1	Fund sources:	
2	State general fund	\$ 5,326,700
3	Federal temporary assistance	
4	for needy families block	
5	grant	6,620,700
6	Domestic violence shelter fund	1,700,000
7	Community-based marriage and	
8	communication skills program	
9	fund deposit	\$ 1,200,000
10	Fund sources:	
11	State general fund	\$ 1,200,000
12	Performance measures:	

13 Adult protective services investigation
 14 per cent rate 83

15 All domestic violence shelter fund monies above \$1,700,000 received by
 16 the department of economic security are appropriated for the domestic
 17 violence prevention special line item. The department of economic security
 18 shall report the intended use of the monies above \$1,700,000 to the joint
 19 legislative budget committee.

20 The department of economic security shall report to the joint
 21 legislative budget committee on the amount of state and federal monies
 22 available statewide for domestic violence funding by December 15, 2006. The
 23 report shall include, at a minimum, the amount of monies available and the
 24 state fiscal agent receiving those monies.

25 It is the intent of the legislature that the department use at least
 26 \$1,038,900 of federal temporary assistance for needy families block grant
 27 monies in the appropriation for community and emergency services to ensure
 28 that councils of governments and tribal governments receive at least the same
 29 amount of federal social services block grant monies that those entities
 30 received in fiscal year 2000-2001.

31 The department shall apply for the maximum allowable federal temporary
 32 assistance for needy families block grant funding in fiscal year 2006-2007
 33 available to the state through a grant program to promote healthy marriages
 34 and responsible fatherhood. These monies shall be deposited in the
 35 community-based marriage and communication skills program fund established by
 36 section 41-2032, Arizona Revised Statutes, for at least the following
 37 purposes:

- 38 1. Marketing and advertising of marriage skills classes.
 - 39 2. The community-based relationship skills high school pilot program.
- 40 The department shall increase expenditures from the domestic violence
 41 special line item to faith-based programs by at least \$1,409,400 over the
 42 fiscal year 2005-2006 level.

1	<u>Children, youth and families</u>	
2	FTE positions	1,535.5
3	Operating lump sum appropriation	\$ 74,705,800
4	Fund sources:	
5	State general fund	\$ 47,200,400
6	Children and family services	
7	training program fund	209,600
8	Federal temporary assistance	
9	for needy families block	
10	grant	27,295,800
11	Adoption services	\$ 40,237,300
12	Fund sources:	
13	State general fund	\$ 29,551,200
14	Federal temporary assistance	
15	for needy families block	
16	grant	10,686,100
17	Adoption services - family	
18	preservation projects	\$ 1,000,000
19	Fund sources:	
20	Federal temporary assistance	
21	for needy families block	
22	grant	\$ 1,000,000
23	Attorney general legal	
24	services	\$ 9,048,000
25	Fund sources:	
26	State general fund	\$ 9,000,200
27	Federal temporary assistance	
28	for needy families block	
29	grant	47,800
30	Child abuse prevention	\$ 819,700
31	Fund sources:	
32	Child abuse prevention fund	\$ 819,700
33	Children support services	\$ 42,195,700
34	Fund sources:	
35	State general fund	\$ 29,316,600
36	Child abuse prevention fund	750,000
37	Federal temporary assistance	
38	for needy families block	
39	grant	12,129,100
40	Comprehensive medical and dental	
41	program	\$ 2,057,000
42	Fund sources:	
43	State general fund	\$ 2,057,000
44	Child protective services appeals	\$ 659,400

1	Fund sources:	
2	State general fund	\$ 659,400
3	Child protective services	
4	expedited substance abuse	
5	treatment fund deposit	\$ 224,500
6	Fund sources:	
7	State general fund	\$ 224,500
8	CPS emergency placement	\$ 7,892,200
9	Fund sources:	
10	State general fund	\$ 3,685,800
11	Federal temporary assistance	
12	for needy families block	
13	grant	4,206,400
14	Family builders program	\$ 5,200,000
15	Fund sources:	
16	Federal temporary assistance for	
17	needy families block grant	\$ 5,200,000
18	Foster care placement	\$ 14,715,000
19	Fund sources:	
20	State general fund	\$ 8,491,900
21	Federal temporary assistance for	
22	needy families block grant	6,223,100
23	Healthy families	\$ 13,750,000
24	Fund sources:	
25	State general fund	\$ 8,715,800
26	Federal temporary assistance for	
27	needy families block grant	5,034,200
28	Homeless youth intervention	\$ 400,000
29	Fund sources:	
30	Federal temporary assistance for	
31	needy families block grant	\$ 400,000
32	Intensive family services	\$ 1,985,600
33	Fund sources:	
34	State general fund	\$ 1,985,600
35	Joint substance abuse treatment	
36	fund - state general fund	\$ 3,000,000
37	Fund sources:	
38	State general fund	\$ 3,000,000
39	Permanent guardianship subsidy	\$ 6,909,500
40	Fund sources:	
41	State general fund	\$ 6,050,200
42	Federal temporary assistance for	
43	needy families block grant	859,300
44	CPS residential placement	\$ 21,754,600

1	Fund sources:	
2	State general fund	\$ 7,788,000
3	Federal temporary assistance for	
4	needy families block grant	13,966,600
5	Temporary assistance for needy	
6	families deposit to the joint	
7	substance abuse treatment fund	\$ 2,000,000
8	Fund sources:	
9	Federal temporary assistance for	
10	needy families block grant	\$ 2,000,000
11	Performance measures:	
12	Per cent of newly hired CPS specialists	
13	completing training within 7 months	
14	of hire	100
15	Per cent of children in out-of-home care	
16	who have not returned to their families	
17	or been permanently placed elsewhere	
18	for more than 24 consecutive months	21
19	Per cent of CPS reports responded to by CPS	
20	staff	100
21	Per cent of CPS original dependencies	
22	cases where court denied or dismissed	<1
23	Per cent of office of administrative hearings	
24	where CPS case findings are affirmed	90
25	Per cent of CPS complaints reviewed by	
26	the office of the ombudsman-citizens	
27	aide where allegations are reported	
28	as valid by the ombudsman	13
29	Average number of days spent in shelter	
30	placements	15
31	Number of children in shelter care more	
32	than 21 days	0
33	Number of children under 3 in shelter care	0
34	Number of children under 6 in group homes	0

35 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 36 any transfer to or from the amounts appropriated for children support
 37 services, CPS emergency placement, CPS residential placement or foster care
 38 placement requires approval of the joint legislative budget committee.

39 Of the amounts appropriated for children support services, CPS
 40 emergency placement, CPS residential placement and foster care placement,
 41 \$22,613,100 is appropriated from the federal temporary assistance for needy
 42 families block grant to the social services block grant for deposit in the
 43 following line items in the following amounts:

1	Children support services	5,371,700
2	CPS emergency placement	2,333,700
3	CPS residential placement	9,833,300
4	Foster care placement	5,074,400

5 Of the sums appropriated, \$3,841,500 from the adoption services special
 6 line item and \$2,487,500 from the foster care placement special line item
 7 shall be used to fund a 12.5 per cent increase in the adoption subsidy and
 8 foster care rates in fiscal year 2006-2007.

9 The department of economic security shall provide training to any new
 10 child protective services full-time equivalent positions before assigning to
 11 any of these employees any client caseload duties.

12 It is the intent of the legislature that the department of economic
 13 security shall use the funding in the division of children, youth and
 14 families to achieve a one hundred per cent investigation rate.

15 It is the intent of the legislature that the \$1,000,000 appropriated to
 16 the adoption services - family preservation projects special line item be
 17 used to promote adoption as an option for children, including but not limited
 18 to promoting the agency's adoption program and temporary adoption subsidy
 19 payment increases to current adoption subsidy clients. The department shall
 20 report the intended use of these monies to the joint legislative budget
 21 committee by August 1 of each year for the committee's review. The report
 22 shall include an evaluation of the most effective means of expending these
 23 funds and performance measures to gauge the program's success. The report
 24 shall reflect the recommendations of any statutory committee established to
 25 provide recommendations on this appropriation.

26	<u>Employment and rehabilitation services</u>	
27	FTE positions	488.9
28	Operating lump sum appropriation	\$ 25,880,000
29	Fund sources:	
30	State general fund	\$ 8,918,700
31	Federal child care and development	
32	fund block grant	9,103,300
33	Federal temporary assistance for	
34	needy families block grant	5,212,300
35	Workforce investment act grant	2,051,700
36	Special administration fund	85,000
37	Spinal and head injuries trust	
38	fund	509,000
39	JOBBS	\$ 22,942,300
40	Fund sources:	
41	State general fund	\$ 1,823,500
42	Federal temporary assistance for	
43	needy families block grant	17,618,800

1	Workforce investment act grant	2,000,000
2	Special administration fund	1,500,000
3	Day care subsidy	\$155,000,100
4	Fund sources:	
5	State general fund	\$ 75,482,900
6	Federal child care and	
7	development fund block grant	71,496,900
8	Federal temporary assistance for	
9	needy families block grant	8,020,300
10	Transitional child care	\$ 34,481,900
11	Fund sources:	
12	Federal child care and	
13	development fund block	
14	grant	\$ 34,481,900
15	Vocational rehabilitation	
16	services	\$ 5,419,100
17	Fund sources:	
18	State general fund	\$ 5,214,400
19	Spinal and head injuries	
20	trust fund	204,700
21	Independent living rehabilitation	
22	services	\$ 2,491,900
23	Fund sources:	
24	State general fund	\$ 784,200
25	Spinal and head injuries trust	
26	fund	1,707,700
27	Workforce investment act - local	
28	governments	\$ 48,040,600
29	Fund sources:	
30	Workforce investment act grant	\$ 48,040,600
31	Workforce investment act -	
32	discretionary	\$ 3,614,000
33	Fund sources:	
34	Workforce investment act grant	\$ 3,614,000
35	Performance measures:	
36	Number of TANF recipients who obtained	
37	employment	20,000
38	Per cent of customer satisfaction with	
39	child care	95.6
40	Vocational rehabilitation individuals	
41	successfully rehabilitated	1,900

1 It is the intent of the legislature that the \$22,942,300 appropriated
2 for JOBS may be used to support nonpermanent and seasonal positions to
3 fulfill federal program requirements when contracts for services cannot be
4 established with outside parties. The use of such positions shall be
5 reviewed by the joint legislative budget committee.

6 It is the intent of the legislature that the department shall use
7 \$4,500,000 of the monies appropriated for the JOBS special line item for
8 contracts with education and training entities. These contracts shall focus
9 on assisting JOBS clients in obtaining jobs paying, on average, ten dollars
10 per hour or more. The department shall report to the joint legislative
11 budget committee by October 15, 2006 on these efforts. The report shall
12 include expenditure details and placement data.

13 Of the \$155,000,100 appropriated for day care subsidy, \$120,087,700 is
14 for a program in which the upper income limit is no more than one hundred
15 sixty-five per cent of the federal poverty level. This provision shall not
16 be construed to impose a duty on an officer, agent or employee of the state
17 to discharge a responsibility or to create any right in a person or group if
18 the discharge or right would require an expenditure of state monies in excess
19 of the \$120,087,700 appropriation.

20 The amounts appropriated for day care subsidy and transitional child
21 care shall be used exclusively for child care costs unless a transfer of
22 monies is approved by the joint legislative budget committee. Monies shall
23 not be used from these appropriated amounts for any other expenses of the
24 department of economic security unless a transfer of monies is approved by
25 the joint legislative budget committee.

26 Monies in the child care subsidy and transitional child care special
27 line items shall be used to provide services only to residents of the state
28 of Arizona who are citizens or legal residents of the United States or who
29 are otherwise lawfully present in the United States.

30 The department shall report by October 1, 2006 to the joint legislative
31 budget committee the number of child care programs receiving reimbursements
32 that are operated out of public school facilities, the square footage used,
33 the number of children enrolled and the total rent costs for each of those
34 programs.

35 All spinal and head injuries trust fund receipts received by the
36 department of economic security in excess of \$2,421,400 are appropriated to
37 the independent living rehabilitation services special line item. Before the
38 expenditure of any spinal and head injuries trust fund receipts in excess of
39 \$2,421,400, the department of economic security shall submit the intended use
40 of the monies for review by the joint legislative budget committee.

41 Monies appropriated to the workforce investment act - discretionary
42 special line item may not be expended until a proposed expenditure plan has
43 been reviewed by the joint legislative budget committee.

1 All federal workforce investment act discretionary funds that are
2 received by the state in excess of \$3,614,000 are appropriated to the
3 workforce investment act - discretionary special line item. Excess monies
4 may not be spent until a proposed expenditure plan for the excess monies has
5 been reviewed by the joint legislative budget committee.

6 All federal workforce investment act funds for local governments that
7 are received by the state in excess of \$48,040,600 are appropriated to the
8 workforce investment act - local governments special line item. Excess
9 monies may not be spent until a proposed expenditure plan for the excess
10 monies has been reviewed by the joint legislative budget committee.

11 Performance measures:

12 Agencywide customer satisfaction rating

13 (Scale 1-5)

3.7

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

19 A monthly report comparing total expenditures for the month and
20 year-to-date as compared to prior year totals shall be forwarded to the
21 president of the senate, the speaker of the house of representatives, the
22 chairpersons of the senate and house of representatives appropriations
23 committees and the director of the joint legislative budget committee by the
24 thirtieth of the following month. The report shall include an estimate of
25 (1) potential shortfalls in entitlement programs, (2) potential federal and
26 other funds, such as the statewide assessment for indirect costs, and any
27 projected surplus in state supported programs that may be available to offset
28 these shortfalls and a plan, if necessary, for eliminating any shortfall
29 without a supplemental appropriation, (3) shortfalls resulting from new
30 leases or renegotiations of current leases and associated costs, and (4)
31 total expenditure authority of the child support enforcement program for the
32 month and year-to-date as compared to prior year totals.

33 The department of economic security shall report the receipt and
34 intended use of all current and prior year reversions from nonappropriated
35 sources to the joint legislative budget committee.

36 The amounts above include \$8,171,200 from the state general fund and
37 \$13,596,200 from matching federal expenditure authority to raise rates of
38 community service providers and independent service agreement providers
39 contracting with the division of developmental disabilities to 98.56 per cent
40 of fiscal year 2005-2006 market rates for all services on the published rate
41 schedule. It is the intent of the legislature that the division request the
42 Arizona health care cost containment system to approve a capitation rate
43 increase retroactive to July 1, 2006 to make provider rate increases
44 effective July 1, 2006. By July 1, 2006, the division shall obtain approval
45 for a rate increase implementation proposal from the Arizona health care cost

1 containment system. By August 1, 2006, the division shall submit the
 2 implementation plan for review by the joint legislative budget committee.
 3 The adjusted rates shall be implemented beginning with provider payments due
 4 for services performed in August 2006. Payment for retroactive reimbursement
 5 due for services provided in July 2006 shall be paid to providers no later
 6 than September 15, 2006.

7 Sec. 11. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION
 8 2006-07

9 Administration

10	FTE positions		70.5
11	Operating lump sum appropriation	\$	5,758,600
12	Information technology		<u>2,500,000</u>
13	Total - administration	\$	8,258,600

14 Fund sources:

15	State general fund	\$	8,258,600
----	--------------------	----	-----------

16 The operating lump sum appropriation includes \$291,100 and 4 FTE
 17 positions for average daily membership auditing.

18 The appropriated amount for the information technology special line
 19 item program is for improving access to currently-collected data, is not
 20 intended to be used to expand data collection or hire additional permanent
 21 staff and is exempt from the provisions of section 35-190, Arizona Revised
 22 Statutes, relating to lapsing of appropriations through June 30, 2008.

23 Formula programs

24	FTE positions		29.0
25	Operating lump sum appropriation	\$	1,998,800
26	Basic state aid	\$	3,113,411,800

27 Fund sources:

28	State general fund	\$	3,068,191,100
29	Permanent state school fund		45,220,700

30 The above appropriation provides basic state support to school
 31 districts for maintenance and operations funding as provided by section
 32 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in
 33 expendable income derived from the permanent state school fund and from state
 34 trust lands pursuant to section 37-521, subsection B, Arizona Revised
 35 Statutes, for fiscal year 2006-2007.

36 Receipts derived from the permanent state school fund and any other
 37 nonstate general fund revenue source that is dedicated to fund basic state
 38 aid will be expended, whenever possible, before expenditure of state general
 39 fund monies.

40 Except as required by section 37-521, Arizona Revised Statutes, all
 41 monies received during the fiscal year from national forests, interest
 42 collected on deferred payments on the purchase of state lands, the income
 43 from the investment of permanent funds as prescribed by the enabling act and
 44 the Constitution of Arizona and all monies received by the superintendent of
 45 public instruction from whatever source, except monies received pursuant to

1 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 2 state treasury are appropriated for apportionment to the various counties in
 3 accordance with law. An expenditure shall not be made except as specifically
 4 authorized above.

5	Additional state aid to schools	\$ 324,224,300
6	Special education fund	35,232,300
7	Other state aid to districts	<u>983,900</u>
8	Total - formula programs	\$3,475,851,100

9 Fund sources:

10	State general fund	\$3,430,630,400
11	Permanent state school fund	45,220,700

12 Non-formula programs

13	FTE positions	124.4
14	Operating lump sum appropriation	\$ 1,275,800
15	Achievement testing	10,227,600

16 Before making any changes to the achievement testing program that will
 17 increase program costs, the state board of education shall report the
 18 estimated fiscal impact of those changes to the joint legislative budget
 19 committee.

20	AIMS intervention; dropout	
21	prevention	\$ 5,550,000
22	School accountability	4,698,100
23	Adult education and GED	4,451,000

24 The appropriated amount is for classes in adult basic education,
 25 general education development and citizenship on a statewide basis.

26 It is the intent of the legislature that no more than ten per cent of
 27 the appropriation for adult education assistance be used by the department of
 28 education for operating the division of adult education. It is also the
 29 intent of the legislature that the greatest possible proportion of the monies
 30 appropriated for adult education programs be devoted to instructional, rather
 31 than administrative, aspects of the programs.

32 The department shall give persons under twenty-one years of age
 33 priority in gaining access to services pertaining to general education
 34 development testing.

35	Chemical abuse	806,200
36	English learner programs	332,600
37	Extended school year	500,000
38	Family literacy	1,004,900
39	Gifted support	1,367,400
40	School safety program	6,709,700
41	Small pass-through programs	581,600

1 The appropriated amount includes \$50,000 for the academic contest fund,
 2 \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance,
 3 \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's
 4 academy, \$234,000 for Arizona school service through education technology,
 5 \$50,000 for project citizen and \$50,000 for the economic academic council.

6	State block grant for early	
7	childhood education	19,424,600
8	State block grant for vocational	
9	education	11,256,800

10 The appropriated amount is for block grants to charter schools and
 11 school districts that have vocational education programs. It is the intent
 12 of the legislature that monies appropriated in the general appropriation act
 13 for the state block grant for vocational education be used to promote
 14 improved student achievement by providing vocational education programs with
 15 flexible supplemental funding that is linked both to numbers of students in
 16 such programs and to numbers of program completers who enter jobs in fields
 17 directly related to the vocational education program that they completed. It
 18 is the intent of the legislature that the amount of the state block grant for
 19 vocational education funding that is used for state level administration of
 20 the program be limited to no more than the amount used for such costs during
 21 the prior fiscal year plus the applicable amount of any pay raise that may be
 22 provided for state employees through legislative appropriation.

23	Vocational education extended year	600,000
24	Teacher certification	1,438,100

25 Monies collected by the department of education for teacher
 26 certification fees, as authorized by section 15-531, paragraphs 1 and 2,
 27 Arizona Revised Statutes, shall be deposited in a teacher certification fund
 28 for use in funding costs of the teacher certification program.

29	Parental choice for reading success	1,000,000
30	Optional performance incentive	
31	programs	<u>120,000</u>

32 Total - nonformula programs \$ 71,344,400

33 Fund sources:

34	State general fund	\$ 62,702,300
35	Proposition 301 fund	7,000,000
36	Teacher certification fund	1,642,100

37 Performance measures:

38	Per cent of students tested who perform	
39	at or above the national norm on the	
40	norm-referenced test (grade 2)	
41	-- reading	54
42	-- math	54

1	Per cent of students tested who perform	
2	at or above the national norm on the	
3	norm-referenced test (grade 9)	
4	-- reading	54
5	-- math	54
6	Per cent of schools with at least 75% of	
7	students meeting or exceeding standards in:	
8	-- reading	40
9	-- writing	45
10	-- math	40
11	Per cent of Arizona high school students	
12	who enter grade 9 and graduate within	
13	4 years	76
14	Per cent of students in grade 3 meeting	
15	or exceeding state academic standards in:	
16	-- reading	78
17	-- writing	82
18	-- math	78
19	Per cent of students in grade 5 meeting	
20	or exceeding state academic standards in:	
21	-- reading	75
22	-- writing	73
23	-- math	75
24	Per cent of students in grade 8 meeting	
25	or exceeding state academic standards in:	
26	-- reading	71
27	-- writing	84
28	-- math	68
29	Per cent of students in grade 12 meeting	
30	or exceeding state academic standards in:	
31	-- reading	90
32	-- writing	90
33	-- math	90
34	Per cent of students tested:	
35	-- norm-referenced test (grades 2 and 9)	96
36	-- AIMS	97
37	Per cent of Arizona schools receiving an	
38	underperforming label	5
39	Maximum number of days to process	
40	complete certification applications	8
41	Per cent of customers satisfied with	
42	certification services	90

1	<u>State board of education</u>	
2	FTE positions	7.0
3	Lump sum appropriation	\$ 625,700
4	Fund sources:	
5	State general fund	\$ 276,200
6	Teacher certification fund	349,500
7	Performance measures:	
8	Per cent of parents who rate "A+" the public	
9	school that their oldest school-age child	
10	attends	8.0

11 The appropriated amount includes \$100,000 for administering a survey to
 12 a random sample of parents of children in public schools statewide. The
 13 survey shall consist of the following question: "Students are given the
 14 grades A+, A, B, C, D and Fail to denote the quality of their work. Using
 15 the same A+, A, B, C, D and Fail scale, what grade would you give the school
 16 that your oldest child attends?"

17 The state board of education program may establish its own strategic
 18 plan separate from that of the department of education and based on its own
 19 separate mission, goals and performance measures.

20	Total appropriation - state board of	
21	education and superintendent	
22	of public instruction	\$3,556,079,800
23	Fund sources:	
24	State general fund	\$3,501,867,500
25	Proposition 301 fund	7,000,000
26	Permanent state school fund	45,220,700
27	Teacher certification fund	1,991,600

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

38 Within fifteen days of each apportionment of state aid that occurs
 39 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
 40 department shall provide the joint legislative budget committee staff and the
 41 governor's office of strategic planning and budgeting with an electronic
 42 spreadsheet or database copy of data included in the apor55-1 report for that
 43 apportionment for each school district and the char55-1 report for that
 44 apportionment for each charter school.

1	Sec. 12. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	
2		<u>2006-07</u>
3	<u>Administration</u>	
4	FTE positions	13.9
5	Lump sum appropriation	\$ 1,860,800
6	Fund sources:	
7	State general fund	\$ 1,860,800
8	<u>Emergency management</u>	
9	FTE positions	11.0
10	Operating lump sum appropriation	\$ 979,000
11	Civil air patrol	<u>54,200</u>
12	Total - emergency management	\$ 1,033,200
13	Fund sources:	
14	State general fund	\$ 900,500
15	Emergency response fund	132,700
16	<u>Military affairs</u>	
17	FTE positions	66.2
18	Operating lump sum appropriation	\$ 2,880,900
19	Guardsmen tuition reimbursement	1,446,000
20	Project challenge	<u>2,092,200</u>
21	Total - military affairs	\$ 6,419,100
22	Fund sources:	
23	State general fund	<u>\$ 6,419,100</u>
24	Total appropriation - department of	
25	emergency and military affairs	\$ 9,313,100
26	Fund sources:	
27	State general fund	\$ 9,180,400
28	Emergency response fund	132,700
29	Performance measures:	
30	Per cent of project challenge graduates	
31	either employed or in school	95
32	Customer satisfaction rating for communities	
33	served during disasters (Scale 1-8)	6.0
34	The department of emergency and military affairs appropriation includes	
35	\$1,215,000 for service contracts. This amount is exempt from section 35-190,	
36	Arizona Revised Statutes, relating to lapsing of appropriations, except that	
37	all fiscal year 2006-2007 monies remaining unexpended and unencumbered on	
38	October 31, 2007 revert to the state general fund.	
39	It is the intent of the legislature that the department of emergency	
40	and military affairs submit a request to the United States department of	
41	defense by September 30, 2006 to allow the department of emergency and	
42	military affairs to conduct training exercises for Arizona national guard	
43	units at the Arizona-Mexico border. The department of emergency and military	
44	affairs shall report to the joint legislative budget committee by December	

1 31, 2006 on the response of the United States department of defense to this
 2 request.

3 Sec. 13. DEPARTMENT OF ENVIRONMENTAL QUALITY

4		<u>2006-07</u>
5	<u>Administration</u>	
6	FTE positions	134.2
7	Personal services	\$ 5,873,900
8	Employee related expenditures	1,671,500
9	All other operating expenditures	<u>6,521,500</u>
10	Total - administration	\$ 14,066,900
11	Fund sources:	
12	State general fund	\$ 4,097,500
13	Indirect cost recovery fund	9,969,400
14	<u>Air division</u>	
15	FTE positions	117.4
16	Personal services	\$ 269,400
17	Employee related expenditures	74,700
18	All other operating expenditures	31,200
19	Air permits administration	
20	program	5,502,000
21	Air quality program	4,637,600
22	Emissions control contractor	
23	payment	31,739,600
24	Emissions control program -	
25	administration	4,012,500
26	Transfers to counties program	165,000
27	Maricopa, Pima and Pinal counties	
28	travel reduction plan	<u>1,676,900</u>
29	Total - air division	\$ 48,108,900
30	Fund sources:	
31	State general fund	\$ 2,052,200
32	Air quality fund	4,802,600
33	Air permits administration	5,502,000
34	Emissions inspection fund	35,752,100
35	<u>Waste division</u>	
36	FTE positions	59.0
37	Personal services	\$ 860,700
38	Employee related expenditures	291,600
39	All other operating expenditures	65,300
40	Hazardous waste program	1,246,100
41	Solid waste program	3,467,400
42	Waste tire program	<u>219,800</u>
43	Total - waste division	\$ 6,150,900

1	Fund sources:	
2	State general fund	\$ 1,695,600
3	Hazardous waste management fund	746,100
4	Recycling fund	2,138,800
5	Solid waste fee fund	1,411,800
6	Underground storage tank fund	22,000
7	Used oil fund	136,600
8	<u>Water division</u>	
9	FTE positions	117.8
10	Personal services	\$ 1,246,700
11	Employee related expenditures	371,400
12	All other operating expenditures	30,900
13	Surface water regulation program	993,000
14	Arizona pollution discharge	
15	elimination system	672,000
16	Underground water regulation	
17	program	2,319,500
18	Water quality program	3,853,200
19	Clean water revolving loan	
20	program	1,551,900
21	Drinking water revolving loan	
22	program	<u>893,200</u>
23	Total - water division	\$ 11,931,800
24	Fund sources:	
25	State general fund	\$ 7,878,600
26	Water quality fee fund	4,053,200
27	Total appropriation - department of	
28	environmental quality	\$ 80,258,500
29	Fund sources:	
30	State general fund	\$ 15,723,900
31	Air permits administration fund	5,502,000
32	Air quality fund	4,802,600
33	Emissions inspection fund	35,752,100
34	Hazardous waste management fund	746,100
35	Indirect cost recovery fund	9,969,400
36	Recycling fund	2,138,800
37	Solid waste fee fund	1,411,800
38	Underground storage tank fund	22,000
39	Used oil fund	136,600
40	Water quality fee fund	4,053,200

1	Performance measures:	
2	Per cent of contaminated sites closed	
3	requiring no further action (cumulative)	
4	versus known sites	77.0
5	Number of nonattainment areas exceeding	
6	national ambient air quality standards	5
7	Per cent of statutorily set permit timelines	
8	met through licensing time frames rule	99
9	Number of days per year exceeding national	
10	ambient air quality standards for ozone,	
11	carbon monoxide or particulates	0
12	Per cent of facilities from drinking water	
13	priority log assigned to enforcement staff	50
14	Customer satisfaction rating for citizens	
15	(Scale 1-8)	7.4

16 Of the monies appropriated to the Maricopa, Pima and Pinal counties
17 travel reduction plan special line item in fiscal year 2006-2007, \$948,000
18 shall be allocated to Maricopa county, \$373,000 shall be allocated to the
19 Pima association of governments, \$87,000 shall be allocated to Pinal county
20 and \$268,300 shall be allocated to Pima county.

21 When expenditures from the hazardous waste or environmental health
22 reserves are authorized, the director of the department of environmental
23 quality shall report the nature of the emergency and the authorized
24 expenditure amount to the president of the senate, the speaker of the house
25 of representatives, the chairpersons of the senate and house of
26 representatives appropriations committees and the director of the joint
27 legislative budget committee.

28 Pursuant to section 49-282, Arizona Revised Statutes, the department of
29 environmental quality shall submit a fiscal year 2007-2008 budget for the
30 water quality assurance revolving fund before September 1, 2006, for review
31 by the senate and house of representatives appropriations committees.

32 The amounts appropriated for the clean water revolving loan program and
33 the drinking water revolving loan program in fiscal year 2006-2007 shall be
34 used to provide a twenty per cent match of the fiscal year 2006-2007 federal
35 safe drinking water and clean water revolving fund allocations to this state.
36 Of the amount appropriated, any amount in excess of the required twenty per
37 cent match reverts to the state general fund.

38 The monies appropriated in the transfers to counties program special
39 line item are for use by Arizona counties to avoid being declared in
40 nonattainment of particulate matter standards by establishing public
41 notification and outreach programs, minimizing exposure to particulate matter
42 concentrations and to abatement and minimization of controllable sources of
43 particulate matter through best available control measures. Of the monies in
44 the transfers to counties program special line item in fiscal year 2006-2007,
45 \$50,000 shall be used by Pima county for carbon monoxide monitoring as

1 required by the Pima county limited maintenance plan with the federal
2 environmental protection agency.

3 The appropriation from the air permits administration fund is an
4 estimate representing all monies distributed to this fund, including balance
5 forward, revenue and transfers during fiscal year 2006-2007. These monies
6 are appropriated to the Arizona department of environmental quality for the
7 purposes established in section 49-455, Arizona Revised Statutes. The
8 appropriation shall be adjusted as necessary to reflect actual final receipts
9 credited to the air permits administration fund.

10 The water quality assurance revolving fund advisory board shall report
11 on improvements to the WQARF program that would result in efficiency savings
12 of time or funding for the remediation of listed sites, the reduction of
13 program costs not directly associated with a listed site, and the enhancement
14 of the recovery of costs from responsible parties. The board shall present
15 its findings in writing to the governor, the president of the senate, the
16 speaker of the house of representatives, and the joint legislative budget
17 committee, by no later than December 1, 2006.

18 The department of environmental quality shall report annually on the
19 progress of WQARF activities, including emergency response, priority site
20 remediation, cost recovery activity, revenue and expenditure activity and
21 other WQARF-funded program activity. This report shall also include a budget
22 for the WQARF program which is developed in consultation with the WQARF
23 advisory board. The fiscal year 2006-2007 report shall be submitted to the
24 joint legislative budget committee by September 1, 2006. This budget shall
25 specify the monies budgeted for each listed site during fiscal year
26 2006-2007. In addition, the department and the advisory board shall prepare
27 and submit to the joint legislative budget committee, by October 2, 2006, a
28 report in a table format summarizing the current progress on remediation of
29 each listed site on the WQARF registry. The table shall include the stage
30 of remediation for each site at the end of fiscal year 2005-2006, whether the
31 current stage of remediation is anticipated to be completed in fiscal year
32 2006-2007 and the anticipated stage of remediation at each listed site at the
33 end of fiscal year 2007-2008 assuming fiscal year 2006-2007 funding levels.
34 The department and advisory board may include other relevant information
35 about the listed sites in the table.

36 The department of environmental quality shall submit to the joint
37 legislative budget committee for review a written report detailing the
38 maximum, minimum and average water quality permit processing times for fiscal
39 year 2005-2006 and fiscal year 2006-2007 by December 1, 2006. The fiscal
40 year 2006-2007 data shall contain the year-to-date actual data and projected
41 totals for fiscal year 2006-2007. This report shall also include total
42 number of staff hours devoted to water quality permit processing in fiscal
43 year 2005-2006 and fiscal year 2006-2007, the total costs to process these
44 permits and the progress made in reducing water quality permit processing
45 times.

1 All indirect cost recovery fund revenues received by the department of
 2 environmental quality in excess of \$9,969,400 in fiscal year 2006-2007 are
 3 appropriated to the department. Before the expenditure of indirect cost
 4 recovery fund receipts in excess of \$9,969,400 in fiscal year 2006-2007, the
 5 department of environmental quality shall submit the intended use of the
 6 monies to the joint legislative budget committee for review.

7 Any transfer from the amount appropriated for the Arizona pollution
 8 discharge elimination system special line item shall require prior joint
 9 legislative budget committee review.

10 Sec. 14. STATE BOARD OF EQUALIZATION

	<u>2006-07</u>
11 FTE positions	7.0
12 Lump sum appropriation	\$ 584,500
13 Fund sources:	
14 State general fund	\$ 584,500
15 Performance measures:	
16 Average calendar days to process a	
17 property tax appeal from receipt to	
18 issuance	28
19 Per cent of rulings upheld in tax courts	100
20 Customer satisfaction rating (Scale 1-8)	6.1

21 Sec. 15. DEPARTMENT OF FINANCIAL INSTITUTIONS

	<u>2006-07</u>
22 FTE positions	55.1
23 Operating lump sum appropriation	\$ 3,350,100
24 Document imaging project	<u>75,000</u>
25 Total appropriation - department of	
26 financial institutions	\$ 3,425,100
27 Fund sources:	
28 State general fund	\$ 3,425,100
29 Performance measures:	
30 Per cent of examinations reports mailed	
31 within 25 days of examiner's completion	
32 of exam procedures	90.0
33 Per cent of license applications approved	
34 within 45 days of receipt	95.0
35 Per cent of examinations receiving	
36 satisfactory rating	91.0
37 Average days from receipt to resolution	
38 of regular complaints	28.0
39 Per cent of complainants indicating they	
40 received "good" or better service when	
41 filing a complaint	65.0

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

4 Sec. 16. OFFICE OF THE GOVERNOR

5 2006-07
 6 Lump sum appropriation \$ 6,288,600*

7 Fund sources:

8 State general fund \$ 6,288,600

9 Included in the lump sum appropriation of \$6,288,600 for fiscal year
 10 2006-2007 is \$10,000 for the purchase of mementos and items for visiting
 11 officials.

12 Sec. 17. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

13 2006-07
 14 FTE positions 26.0

15 Lump sum appropriation \$ 2,075,400

16 Fund sources:

17 State general fund \$ 2,075,400

18 Performance measures:

19 Per cent of participants rating budget and
 20 planning training "good" or "excellent" 98

21 Sec. 18. DEPARTMENT OF HEALTH SERVICES

22 2006-07
 23 Administration

24 FTE positions 419.8

25 Operating lump sum appropriation \$ 15,987,700

26 Fund sources:

27 State general fund \$ 14,212,100

28 Capital outlay stabilization
 29 fund 1,576,100

30 Emergency medical services
 31 operating fund 199,500

32 Assurance and licensure \$ 10,392,600

33 Fund sources:

34 State general fund \$ 8,489,600

35 Federal child care and development
 36 fund block grant 750,100

37 Hearing and speech professionals
 38 fund 302,300

39 Nursing care institution resident
 40 protection fund 38,000

41 Expenditure authority 812,600

42 Attorney general legal services \$ 444,900

1	Fund sources:		
2	State general fund	\$	394,900
3	Emergency medical services		
4	operating fund		50,000
5	Newborn screening fund - indirect		
6	costs	\$	478,600
7	Fund sources:		
8	Newborn screening fund	\$	478,600
9	Indirect cost fund	\$	7,299,400
10	Fund sources:		
11	Indirect cost fund	\$	7,299,400
12	Nursing care institution		
13	incentive grants	\$	128,500
14	Fund sources:		
15	Nursing care institution		
16	resident protection fund	\$	128,500
17	Performance measures:		
18	Per cent of relicensure surveys completed		
19	on time:		
20	Child care facilities		50
21	Health care facilities		25
22	Per cent of complaint investigations initiated		
23	later than investigative guidelines:		
24	Child care facilities		5
25	Health care facilities		25
26	The assurance and licensure special line item includes an additional		
27	\$745,900 from the state general fund and \$167,100 in federal expenditure		
28	authority in fiscal year 2006-2007 to address backlogs in the department's		
29	office of assisted living, office of medical facilities, office of behavioral		
30	licensing and office of long-term care only.		
31	<u>Public health</u>		
32	FTE positions		240.5
33	Operating lump sum appropriation	\$	5,900,000
34	Fund sources:		
35	State general fund	\$	5,095,600
36	Emergency medical services		
37	operating fund		804,400
38	AIDS reporting and surveillance	\$	1,125,000
39	Fund sources:		
40	State general fund	\$	1,125,000
41	Alzheimer's disease research	\$	5,000,000

1	Fund sources:	
2	State general fund	\$ 4,000,000
3	Health research fund	1,000,000
4	Arizona statewide immunization	
5	information system	\$ 472,400
6	Fund sources:	
7	State general fund	\$ 472,400
8	Community health centers	\$ 10,426,600
9	Fund sources:	
10	State general fund	\$ 10,426,600
11	County public health	\$ 200,000
12	Fund sources:	
13	State general fund	\$ 200,000
14	County tuberculosis provider	
15	care and control	\$ 1,010,500
16	Fund sources:	
17	State general fund	\$ 1,010,500
18	Diabetes prevention and control	\$ 100,000
19	Fund sources:	
20	State general fund	\$ 100,000
21	Direct grants	\$ 460,300
22	Fund sources:	
23	State general fund	\$ 460,300
24	EMS operations	\$ 2,992,900
25	Fund sources:	
26	Emergency medical services	
27	operating fund	\$ 2,992,900
28	Hepatitis C surveillance	\$ 370,900
29	Fund sources:	
30	State general fund	\$ 370,900
31	Kidney program	\$ 50,500
32	Fund sources:	
33	State general fund	\$ 50,500
34	Laboratory services	\$ 4,319,600
35	Fund sources:	
36	State general fund	\$ 3,436,400
37	Environmental laboratory licensure	
38	revolving fund	883,200
39	Loan repayment	\$ 250,000
40	Fund sources:	
41	State general fund	\$ 100,000
42	Emergency medical services	
43	operating fund	150,000
44	Poison control center funding	\$ 925,000

1	Fund sources:	
2	State general fund	\$ 925,000
3	Reimbursement to counties	\$ 67,900
4	Fund sources:	
5	State general fund	\$ 67,900
6	Renal and nonrenal disease management	\$ 468,000
7	Fund sources:	
8	State general fund	\$ 468,000
9	Scorpion antivenom	\$ 150,000
10	Fund sources:	
11	State general fund	\$ 150,000
12	STD control subventions	\$ 26,300
13	Fund sources:	
14	State general fund	\$ 26,300
15	Telemedicine	\$ 260,000
16	Fund sources:	
17	State general fund	\$ 260,000
18	Trauma advisory board	\$ 369,100
19	Fund sources:	
20	Emergency medical services	
21	operating fund	\$ 369,100
22	University of Arizona poison	
23	control center funding	\$ 1,275,000
24	Fund sources:	
25	State general fund	\$ 1,275,000
26	Vaccines	\$ 3,784,300
27	Fund sources:	
28	State general fund	\$ 3,784,300
29	Vital records maintenance	\$ 500,000
30	Fund sources:	
31	Vital records electronic	
32	systems fund	\$ 500,000
33	Performance measures:	
34	Immunization rate among 2-year-old children	80
35	Per cent of high school youth who smoked	
36	in the last month	18
37	Customer waiting time in vital records	
38	lobby (in minutes)	20

39 Of the \$10,426,600 appropriated for community health centers, at least
40 \$564,000 shall be distributed to Yavapai county for county primary care
41 programs.

42 The department of health services may use up to four per cent of the
43 amounts appropriated for renal and nonrenal disease management, community
44 health centers and telemedicine for the administrative costs to implement
45 each program.

1 Monies appropriated for AIDS reporting and surveillance and renal and
 2 nonrenal disease management shall be used to provide services only to
 3 residents of the state of Arizona who are citizens or legal residents of the
 4 United States or who are otherwise lawfully present in the United States.

5 The department of health services shall require the screening of
 6 potential recipients of vaccines for private insurance coverage, eligibility
 7 for the federal vaccines for children program and eligibility for the state
 8 children's health insurance program. This requirement applies to vaccines
 9 purchased with state monies appropriated for the vaccines special line item
 10 for both the federal 317 program and the state-only immunization program.

11 The department of health services shall report to the joint legislative
 12 budget committee by February 1, 2007 on the amount of federal monies received
 13 for fiscal year 2006-2007 for the 317 vaccine program.

14 The appropriation for direct grants is to provide for local health work
 15 and a portion of the cost of employing 1 public health nurse and 1 sanitarian
 16 in counties with populations of less than 500,000 persons. The monies are to
 17 be divided equally among eligible counties on a nonmatching basis. All
 18 monies that are received by a county under this appropriation and that are
 19 not used for the prescribed purposes revert to the state general fund.

20 The \$67,900 appropriated for reimbursement to counties is to provide
 21 matching monies to counties with populations of less than 500,000 persons for
 22 local health work on an equal matching basis and shall be distributed based
 23 on the proportion of funding each county received in fiscal year 2002-2003.

24 The \$200,000 appropriated for county public health shall be distributed
 25 as follows to the following counties to reimburse local health departments
 26 pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220;
 27 Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

28 Family health

29	FTE positions	96.8
30	Operating lump sum appropriation	\$ 5,398,400
31	Fund sources:	
32	State general fund	\$ 3,404,600
33	Expenditure authority	1,993,800
34	Abstinence funding	\$ 1,500,000
35	Fund sources:	
36	State general fund	\$ 1,500,000
37	Adult cystic fibrosis	\$ 105,200
38	Fund sources:	
39	State general fund	\$ 105,200
40	Adult sickle cell anemia	\$ 33,000
41	Fund sources:	
42	State general fund	\$ 33,000
43	AHCCCS - children's rehabilitative	
44	services	\$ 56,500,200

1	Fund sources:	
2	State general fund	\$ 18,872,500
3	Expenditure authority	37,627,700
4	Breast and cervical cancer	
5	screening	\$ 1,091,200
6	Fund sources:	
7	State general fund	\$ 1,091,200
8	Child fatality review team	\$ 100,000
9	Fund sources:	
10	Child fatality review fund	\$ 100,000
11	Children's rehabilitative	
12	services	\$ 3,587,000
13	Fund sources:	
14	State general fund	\$ 3,587,000
15	County nutrition services	\$ 330,300
16	Fund sources:	
17	State general fund	\$ 330,300
18	County prenatal services grant	\$ 1,148,500
19	Fund sources:	
20	State general fund	\$ 1,148,500
21	Folic acid	\$ 200,000
22	Fund sources:	
23	Tobacco tax and health care fund -	
24	medically needy account	\$ 200,000
25	Health start	\$ 226,600
26	Fund sources:	
27	State general fund	\$ 226,600
28	High risk perinatal services	\$ 3,630,600
29	Fund sources:	
30	State general fund	\$ 3,180,600
31	Emergency medical services	
32	operating fund	450,000
33	Medicaid special exemption	
34	payments	\$ 1,220,800
35	Fund sources:	
36	State general fund	\$ 407,800
37	Expenditure authority	813,000
38	Mobile dental units	\$ 200,000
39	Fund sources:	
40	State general fund	\$ 200,000
41	Newborn screening program	\$ 5,480,100
42	Fund sources:	
43	Newborn screening program fund	\$ 5,480,100
44	Women's services	\$ 500,000

1	Fund sources:	
2	State general fund	\$ 500,000
3	Performance measures:	
4	Number of newborns screened under newborn	
5	screening program	92,500

6 The amounts appropriated for children's rehabilitative services and for
 7 AHCCCS - children's rehabilitative services are intended to cover all costs
 8 in full for contracts for the provision of services to clients, unless a
 9 transfer of monies is approved by the joint legislative budget committee.

10 The department of health services may transfer up to \$350,000 in
 11 revenues from the indirect cost fund to the Arizona health care cost
 12 containment system for the purpose of meeting indirect cost state match
 13 requirements related to AHCCCS - children's rehabilitative services program.

14 Of the \$3,630,600 appropriated for high risk perinatal services
 15 \$583,000 shall be distributed to counties.

16 The department of health services shall distribute all monies
 17 appropriated for the county prenatal services grant on a pass-through basis
 18 with consideration to population, need and amount received in prior years.

19 Monies in the women's services special line item shall be used to
 20 provide \$20,000 in individual grants to non-profit agencies whose primary
 21 function is to assist pregnant women in seeking alternatives to abortion.
 22 Grant monies shall be used to provide medically accurate services and
 23 programs related to pregnancy and up to twelve months after birth. Grant
 24 monies shall not be used for abortion or abortion referral services or
 25 granted to entities that promote, refer or perform abortions. The department
 26 may use up to two per cent of monies appropriated to this line item for any
 27 associated administrative costs.

28	<u>Behavioral health</u>	
29	FTE positions	122.0
30	Operating lump sum appropriation	\$ 8,875,500

31	Fund sources:	
32	State general fund	\$ 4,274,800
33	Expenditure authority	4,600,700
34	Arnold v. Sarn	\$ 37,468,900

35	Fund sources:	
36	State general fund	\$ 27,500,000
37	Expenditure authority	9,968,900
38	Children's behavioral health	
39	services	\$ 9,351,800

40	Fund sources:	
41	State general fund	\$ 9,351,800
42	Children's behavioral health state	
43	match for title XIX	\$290,378,100

1	Fund sources:	
2	State general fund	\$ 96,993,600
3	Expenditure authority	193,384,500
4	Court monitoring	\$ 197,500
5	Fund sources:	
6	State general fund	\$ 197,500
7	Dual eligible part D copay subsidy	\$ 480,000
8	Fund sources:	
9	State general fund	\$ 480,000
10	Medicaid special exemption	
11	payments	\$ 16,980,900
12	Fund sources:	
13	State general fund	\$ 5,672,100
14	Expenditure authority	11,308,800
15	Medicare clawback payments	\$ 10,062,700
16	Fund sources:	
17	State general fund	\$ 10,062,700
18	Mental health and substance abuse	
19	state match for title XIX	\$ 87,612,900
20	Fund sources:	
21	State general fund	\$ 29,264,900
22	Expenditure authority	58,348,000
23	Mental health nontitle XIX	\$ 2,447,300
24	Fund sources:	
25	State general fund	\$ 2,447,300
26	Proposition 204 - administration	\$ 6,230,500
27	Fund sources:	
28	State general fund	\$ 2,031,000
29	Expenditure authority	4,199,500
30	Proposition 204 - children's	
31	behavioral health services	\$ 3,861,400
32	Fund sources:	
33	State general fund	\$ 1,289,800
34	Expenditure authority	2,571,600
35	Proposition 204 - general mental	
36	health and substance abuse	\$ 83,449,400
37	Fund sources:	
38	State general fund	\$ 27,874,200
39	Expenditure authority	55,575,200
40	Proposition 204 - seriously	
41	mentally ill services	\$160,688,400

1	Fund sources:	
2	State general fund	\$ 53,673,900
3	Expenditure authority	107,014,500
4	Seriously emotionally handicapped	
5	children	\$ 500,000
6	Fund sources:	
7	State general fund	\$ 500,000
8	Seriously mentally ill nontitle	
9	XIX	\$ 61,116,700
10	Fund sources:	
11	State general fund	\$ 30,691,900
12	Tobacco tax and health care fund	
13	medically needy account	30,424,800
14	Seriously mentally ill state match	
15	for title XIX	\$162,835,400
16	Fund sources:	
17	State general fund	\$ 54,391,100
18	Expenditure authority	108,444,300
19	Substance abuse nontitle XIX	\$ 14,635,400
20	Fund sources:	
21	State general fund	\$ 12,135,400
22	Substance abuse services fund	2,500,000
23	Performance measures:	
24	Per cent of RBHA title XIX clients	
25	satisfied with services	90
26	Per cent of title XIX population that is	
27	enrolled in a behavioral health service	13.5

28 The amount appropriated for children's behavioral health services shall
29 be used to provide services for nontitle XIX eligible children. The amount
30 shall not be used to pay for either federally or nonfederally reimbursed
31 services for title XIX eligible children, unless a transfer of monies is
32 reviewed by the joint legislative budget committee.

33 On a monthly basis, the department shall provide information to the
34 joint legislative budget committee by program for all populations on the
35 number of new and nontitle XIX clients reviewed for title XIX eligibility
36 under proposition 204 as well as the number that convert from nontitle XIX
37 status or that are newly enrolled.

38 It is the intent of the legislature that the total amount available in
39 the Arnold v. Sarn special line item be used for the population covered by
40 the Arnold v. Sarn lawsuit in counties with a population of over two million
41 or more persons and for seriously mentally ill persons that meet the same
42 criteria as those covered by the Arnold v. Sarn lawsuit in counties with
43 populations of less than two million persons.

1 It is the intent of the legislature that the per cent attributable to
 2 administration/profit for the regional behavioral health authority in
 3 Maricopa county is nine per cent of the overall capitation rate.

4 The department shall expend tobacco tax and state general fund monies
 5 from the nontitle XIX SMI special line item in proportion to the line items
 6 funding.

7 The department of health services shall report to the joint legislative
 8 budget committee thirty days after the end of each calendar quarter on the
 9 progress the department is making toward settling the Arnold v. Sarn lawsuit.

10 The monies in the dual eligible part D copay subsidy special line items
 11 shall be used to offset one hundred per cent of the prescription drug
 12 co-payment costs of those individuals eligible for both medicare and
 13 Medicaid.

14 Arizona state hospital

15 FTE positions 876.7

16 Operating lump sum appropriation \$ 52,150,900

17 Fund sources:

18 State general fund \$ 44,967,000

19 Arizona state hospital fund 6,833,900

20 ASH land earnings fund 350,000

21 Community placement treatment \$ 6,704,800

22 Fund sources:

23 State general fund \$ 5,574,100

24 Arizona state hospital fund 1,130,700

25 Sexually violent persons \$ 9,971,700

26 Fund sources:

27 State general fund \$ 9,971,700

28 Performance measures:

29 Per cent of adult clients successfully
 30 placed in community who return for
 31 another stay within 1 year of discharge 5.0

32 The department shall report to the joint legislative budget committee
 33 by March 1 of each year on preliminary actuarial estimates of the capitation
 34 rate changes for the following fiscal year along with the reasons for the
 35 estimated changes. For any actuarial estimates that include a range, the
 36 total range from minimum to maximum shall be no more than one per cent.
 37 Before implementation of any changes in capitation rates for the AHCCCS -
 38 children's rehabilitative services special line item and any title XIX
 39 behavioral health line items, the department of health services shall report
 40 its expenditure plan to the joint legislative budget committee for its
 41 review. Unless required for compliance with federal law, before the
 42 department implements any changes in policy affecting the amount,
 43 sufficiency, duration and scope of health care services and who may provide
 44 services, the department shall prepare a fiscal impact analysis on the
 45 potential effects of this change on the following year's capitation rates.

1 If the fiscal analysis demonstrates that these changes will result in
2 additional state costs of \$500,000 or greater for a given fiscal year, the
3 department shall submit the policy changes to the joint legislative budget
4 committee for review. The department shall also report quarterly to the
5 joint legislative budget committee itemizing all policy changes with fiscal
6 impacts of less than \$500,000 in state costs. If statutory language is
7 enacted to prohibit these policy changes, the portion of the footnote
8 regarding joint legislative budget committee review of policy changes shall
9 not apply.

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

14 The \$52,150,900 lump sum appropriation includes \$3,100,000 from the
15 state general fund for salary increases for direct care workers and
16 psychiatrists at the Arizona state hospital. The department of health
17 services shall submit to the joint legislative budget committee an
18 expenditure plan for the \$3,100,000 allocated for salary increases prior to
19 the expenditure of these monies.

20 A monthly report comparing total expenditures for the month and
21 year-to-date as compared to prior year totals shall be forwarded to the
22 president of the senate, the speaker of the house of representatives, the
23 chairpersons of the senate and house of representatives appropriations
24 committees and the director of the joint legislative budget committee by the
25 thirtieth of the following month. The report shall include an estimate of
26 (1) potential shortfalls in programs, (2) potential federal and other funds,
27 such as the statewide assessment for indirect costs, that may be available to
28 offset these shortfalls, and a plan, if necessary, for eliminating any
29 shortfall without a supplemental appropriation, and (3) total expenditure
30 authority of the month and year-to-date for seriously mentally ill state
31 match for title XIX, seriously mentally ill nontitle XIX, children's
32 behavioral health services, children's behavioral health state match for
33 title XIX, mental health nontitle XIX, substance abuse nontitle XIX,
34 seriously emotionally handicapped children and children's rehabilitative
35 services.

36 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
37 any transfer to or from the amounts appropriated for seriously mentally ill
38 state match for title XIX, seriously mentally ill nontitle XIX,
39 Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral
40 health services, children's behavioral health state match for title XIX,
41 mental health nontitle XIX, substance abuse nontitle XIX, mental health and
42 substance abuse state match for title XIX, seriously emotionally handicapped
43 children, children's rehabilitative services, AHCCCS - children's
44 rehabilitative services, adult cystic fibrosis, adult sickle cell anemia,
45 high risk perinatal services, county prenatal services grant, community

1 placement treatment, dual eligible copay subsidy, sexually violent persons,
 2 county tuberculosis provider care and control, kidney program, county
 3 nutrition services, community health centers, vaccines, renal and nonrenal
 4 disease management, AIDS reporting and surveillance, telemedicine, university
 5 of Arizona poison center funding and the poison control center funding shall
 6 require review by the joint legislative budget committee. The department may
 7 transfer monies between the amounts appropriated for proposition 204
 8 children's behavioral health services, proposition 204 seriously mentally ill
 9 services, and proposition 204 general mental health and substance abuse
 10 without review by the joint legislative budget committee but may not transfer
 11 monies to and from these line items to any other line item except as provided
 12 above without review by the joint legislative budget committee. The amounts
 13 appropriated for these items shall be used exclusively for contracts for the
 14 provision of services to clients unless a transfer of monies is reviewed by
 15 the joint legislative budget committee or unless otherwise permitted to be
 16 expended for administrative costs as specified in this act. Monies shall not
 17 be used from these appropriated amounts for any other expenses of the
 18 department of health services, unless a transfer of monies is reviewed by the
 19 joint legislative budget committee.

20 Sec. 19. ARIZONA JUDICIARY

		<u>2006-07</u>
21		
22	<u>Supreme court</u>	
23	FTE positions	194.9
24	Operating lump sum appropriation	\$ 16,972,600
25	Automation	12,337,200
26	Case and cash management system	1,517,300
27	County reimbursements	246,000
28	Court appointed special advocate	2,775,300
29	Domestic relations	643,800
30	Foster care review board	1,670,200
31	Commission on judicial conduct	286,400
32	Judicial nominations and	
33	performance review	229,000
34	Model court	514,300
35	Rural state aid to courts	418,500
36	State aid	<u>5,580,700</u>
37	Total appropriation - supreme court	\$ 43,191,300
38	Fund sources:	
39	State general fund	\$ 16,488,400
40	Confidential intermediary and	
41	fiduciary fund	436,600
42	Court appointed special advocate	
43	fund	3,423,900

1	Criminal justice enhancement fund	3,053,800
2	Defensive driving school fund	5,344,700
3	Judicial collection enhancement	
4	fund	12,001,700
5	State aid to the courts fund	2,442,200

6 Performance measures:

7 Customer satisfaction rating for defensive
 8 driving schools (Scale 1-8) 7.6

9 By September 1, 2006, the supreme court shall report to the joint
 10 legislative budget committee on current and future automation projects
 11 coordinated by the administrative office of the courts. The report shall
 12 include a list of court automation projects receiving or anticipated to
 13 receive state monies in the current or next two fiscal years as well as a
 14 description of each project, number of FTE positions, the entities involved,
 15 and the goals and anticipated results for each automation project. The
 16 report shall be submitted in one summary document. The report shall indicate
 17 each project's total multi-year cost by fund source and budget line item,
 18 including any prior year, current year and any future year expenditures.

19 By December 31, 2006 and June 30, 2007, the administrative office of
 20 the courts shall report to the joint legislative budget committee on monies
 21 expended from the case and cash management system special line item and
 22 progress relative to the development and deployment of the case and cash
 23 management system. The report shall include a timeline and expenditure plan
 24 for the project, identify the courts involved and their respective monetary
 25 and non-monetary contributions and indicate progress and changes relative to
 26 the project since the previous timeline and expenditure plan was submitted.

27 Included in the appropriation for the supreme court program is \$1,000
 28 for the purchase of mementos and items for visiting officials.

29 All case processing assistance fund receipts received by the
 30 administrative office of the courts in excess of \$3,053,800 in fiscal year
 31 2006-2007 are appropriated to the supreme court. Before the expenditure of
 32 any case processing assistance fund receipts in excess of \$3,053,800 in
 33 fiscal year 2006-2007, the administrative office of the courts shall submit
 34 the intended use of the monies for review by the joint legislative budget
 35 committee.

36 All defensive driving school fund receipts received by the
 37 administrative office of the courts in excess of \$5,344,700 in fiscal year
 38 2006-2007 are appropriated to the supreme court. Before the expenditure of
 39 any defensive driving school fund receipts in excess of \$5,344,700 in fiscal
 40 year 2006-2007, the administrative office of the courts shall submit the
 41 intended use of the monies for review by the joint legislative budget
 42 committee.

43 Notwithstanding any other law, the amount appropriated for rural state
 44 aid to courts shall be allocated to counties with populations of less than
 45 500,000 persons.

1 All judicial collection enhancement fund receipts, excluding revenues
 2 resulting from the probation surcharge, received by the administrative office
 3 of the courts in excess of \$12,001,700 in fiscal year 2006-2007 are
 4 appropriated to the supreme court. Before the expenditure of judicial
 5 collection enhancement fund receipts in excess of \$12,001,700 in fiscal year
 6 2006-2007, the administrative office of the courts shall submit the intended
 7 use of the monies for review by the joint legislative budget committee.

8 The administrative office of the courts shall not transfer monies
 9 between the supreme court operating budget and the automation line item
 10 without review by the joint legislative budget committee.

11 Court of appeals

12	FTE positions	147.6
13	Division I	\$ 8,659,900
14	Performance measures:	
15	Customer satisfaction rating for	
16	settlement program (Scale 1-8)	6.8
17	Division II	\$ 3,933,700
18	Performance measures:	
19	Customer satisfaction rating for	
20	settlement program (Scale 1-8)	7.6
21	Total appropriation - court of appeals	\$ 12,593,600
22	Fund sources:	
23	State general fund	\$ 12,593,600

24 Of the 147.6 full-time equivalent positions for fiscal year 2006-2007,
 25 107.8 FTE positions are for Division I and 39.8 FTE positions are for
 26 Division II.

27 Superior court

28	FTE positions	231.2
29	Judges compensation	\$ 16,046,500
30	Adult standard probation	11,769,300
31	Adult intensive probation	10,427,000
32	Community punishment	2,766,600
33	Interstate compact	587,400
34	Juvenile standard probation	7,845,200
35	Juvenile intensive probation	13,496,800
36	Juvenile treatment services	22,184,800
37	Juvenile family counseling	660,400
38	Juvenile crime reduction	5,165,300
39	Probation surcharge	2,723,800
40	Progressively increasing	
41	consequences	9,551,500
42	Special water master	<u>20,000</u>
43	Total appropriation - superior court	\$103,244,600

1	Fund sources:	
2	State general fund	\$ 93,025,100
3	Criminal justice enhancement fund	6,995,700
4	Drug treatment and education fund	500,000
5	Judicial collection enhancement	
6	fund	2,723,800
7	Performance measures:	
8	Customer satisfaction rating by states	
9	participating in the interstate compact	
10	(Scale 1-8)	7.2
11	<u>Juvenile standard probation:</u>	
12	Per cent of probationers successfully	
13	completing probation without a referral	
14	(a notice of misbehavior)	75
15	<u>Juvenile intensive probation (JIPS):</u>	
16	Per cent of probationers successfully	
17	completing probation without a referral	
18	(a notice of misbehavior)	69
19	<u>Adult standard probation:</u>	
20	Per cent of probationers exiting probation	
21	and not committed to county jail or prison	83
22	<u>Adult intensive probation (AIPS):</u>	
23	Per cent of probationers exiting intensive	
24	probation and not committed to county jail	
25	or prison	52

26 Of the 231.2 FTE positions, 166 FTE positions represent superior court
 27 judges. One-half of their salaries are provided by state general fund
 28 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is
 29 not meant to limit the counties' ability to add judges pursuant to section
 30 12-121, Arizona Revised Statutes.

31 Up to 4.6 per cent of the amounts appropriated for juvenile probation
 32 services - treatment services and progressively increasing consequences may
 33 be retained and expended by the supreme court to administer the programs
 34 established by section 8-322, Arizona Revised Statutes, and to conduct
 35 evaluations as needed. The remaining portion of the treatment services and
 36 progressively increasing consequences programs shall be deposited in the
 37 juvenile probation services fund established by section 8-322, Arizona
 38 Revised Statutes.

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

43 All community punishment program receipts received by the
 44 administrative office of the courts in excess of \$2,766,600 in fiscal year
 45 2006-2007 are appropriated to the community punishment line item. Before the

1 expenditure of any community punishment receipts in excess of \$2,766,600 in
2 fiscal year 2006-2007, the administrative office of the courts shall submit
3 the intended use of the monies for review by the joint legislative budget
4 committee.

5 All juvenile crime reduction fund receipts received by the
6 administrative office of the courts in excess of \$5,165,300 in fiscal year
7 2006-2007 are appropriated to the juvenile crime reduction line item. Before
8 the expenditure of any juvenile crime reduction fund receipts in excess of
9 \$5,165,300 in fiscal year 2006-2007, the administrative office of the courts
10 shall submit the intended use of the monies for review by the joint
11 legislative budget committee.

12 The administrative office of the courts shall not allocate any monies
13 appropriated for adult probation services to Maricopa county. It is the
14 intent of the legislature that Maricopa county will pay for adult probation
15 programs in that county.

16 All judicial collection enhancement fund receipts received by the
17 administrative office of the courts resulting from the probation surcharge in
18 excess of \$2,723,800 in fiscal year 2006-2007 are appropriated to the
19 superior court. Before the expenditure of judicial collection enhancement
20 fund receipts in excess of \$2,723,800 in fiscal year 2006-2007, the
21 administrative office of the courts shall submit the intended use of the
22 monies for review by the joint legislative budget committee.

23 The administrative office of the courts shall include with their fiscal
24 year 2007-2008 budget request a report indicating fiscal year 2005-2006
25 actual, fiscal year 2006-2007 estimated and fiscal year 2007-2008 requested
26 amounts for the following:

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

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

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

42

43 Total appropriation - Arizona judiciary \$159,029,500

1	Fund sources:	
2	State general fund	\$122,107,100
3	Confidential intermediary and	
4	fiduciary fund	436,600
5	Court appointed special advocate	
6	fund	3,423,900
7	Criminal justice enhancement fund	10,049,500
8	Defensive driving school fund	5,344,700
9	Drug treatment and education fund	500,000
10	Judicial collection enhancement	
11	fund	14,725,500
12	State aid to the courts fund	2,442,200

13 The administrative office of the courts shall submit the intended use
 14 of any reimbursement monies received for review to the joint legislative
 15 budget committee prior to their expenditure.

16 Sec. 20. DEPARTMENT OF JUVENILE CORRECTIONS

17		<u>2006-07</u>
18	FTE positions	1,183.7
19	Operating lump sum appropriation	\$ 77,922,800
20	Adobe mountain well renovation	<u>340,000</u>
21	Total appropriation - department of juvenile	
22	corrections	\$ 78,262,800

23	Fund sources:	
24	State general fund	\$ 73,504,300
25	State charitable, penal and	
26	reformatory institutions	
27	land fund	1,094,900
28	Criminal justice enhancement fund	685,300
29	State education fund for committed	
30	youth	2,638,300
31	ADOA risk management fund	340,000

32	Performance measures:	
33	Escapes from DJC secure care facilities	0
34	Juveniles passing the GED language test	92
35	Per cent of juveniles who show progress in	
36	their primary treatment problem area	80
37	Per cent of juveniles returned to custody	
38	within 12 months of release	22

39 Prior to expending \$495,000 for completion of suicide prevention
 40 renovation projects, the department shall submit an expenditure plan to the
 41 joint committee on capital review for review.

42 The amounts appropriated include \$888,400 for a \$1,000 salary increase
 43 beginning July 1, 2006 for each employee in the youth correctional officer
 44 series.

1 The department shall provide a travel stipend to all southwest regional
 2 juvenile correction complex staff whose residence is at least twenty miles
 3 from work.

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

9 Before the expenditure of any state education fund for committed youth
 10 receipts in excess of \$2,638,300, the department of juvenile corrections
 11 shall report the intended use of the monies to the director of the joint
 12 legislative budget committee.

13 Sec. 21. STATE LAND DEPARTMENT

14		<u>2006-07</u>
15	FTE positions	212.9
16	Operating lump sum appropriation	\$ 15,719,100
17	Natural resource conservation	
18	districts	650,000
19	Environmental county grants	250,000
20	CAP user fees	1,347,900
21	Inmate fire crews	903,500
22	Fiscal year 2006-2007 fire season	1,500,000
23	Fire suppression operating	
24	expenses	1,907,000
25	Due diligence fund deposit	<u>500,000</u>
26	Total appropriation - state land department	\$ 22,777,500
27	Fund sources:	
28	State general fund	\$ 22,326,900
29	Environmental special plate fund	220,000
30	ADOA risk management fund	230,600
31	Performance measures:	
32	Average land sales processing time	
33	(application to auction, in months)	14
34	Per cent of customers giving the department	
35	a rating above 4 (5 = very satisfied)	87
36	Total trust earnings generated	\$486,200,000
37	Total expendable fund earnings generated	\$127,800,000
38	Total trust land sales	\$500,000,000
39	Total number of trust land acres sold in	
40	Maricopa, Pima and Pinal counties	3,000
41	Total number of trust land acres sold in	
42	all other remaining counties	1,000

1 The appropriation includes \$1,347,900 for central Arizona project user
2 fees in fiscal year 2006-2007. For fiscal year 2006-2007, from cities that
3 assume their allocation of central Arizona project water every dollar
4 received as reimbursement to the state in for past central Arizona water
5 conservation district payments, one dollar reverts to the state general fund
6 in the year that the reimbursement is collected.

7 Of the amount appropriated for natural resource conservation districts
8 in fiscal year 2006-2007, \$30,000 shall be used to provide grants to NRCDC
9 environmental education centers.

10 Of the operating lump sum appropriation, the sum of \$3,893,600
11 supplements planning and disposition funding and shall be used by the state
12 land department for the sole purpose of the planning and disposition of state
13 trust land as follows:

14 1. The employment of outside professional services.

15 2. At least two of the twelve full-time equivalent employment
16 positions appropriated in the fiscal year 2005-2006 budget for the planning
17 and disposition of state trust land located within five miles of the
18 corporate boundaries of incorporated cities and towns having a population of
19 less than one hundred thousand persons.

20 3. The state land commissioner shall provide for the disposition of
21 state trust land in the most expeditious manner consistent with the fiduciary
22 duties prescribed by the enabling act and the Constitution of Arizona. Each
23 calendar quarter the commissioner shall provide a report to the joint
24 legislative budget committee on the planning, sale and lease of trust land in
25 the preceding quarter. The report shall:

26 (a) Identify the number of acres that were added to a conceptual plan,
27 added to a master plan or otherwise planned or prepared for disposition, sale
28 and long-term commercial lease.

29 (b) Include an analysis of the volume of trust land in each county
30 entering the real estate market in comparison with private and other land in
31 the real estate market.

32 (c) Distinguish between urban and rural parcels.

33 (d) Indicate the value added or revenue received.

34 (e) List the resources used and dedicated to trust land planning and
35 disposition, including full-time equivalent positions, contracts and
36 appropriated and nonappropriated expenditures for each of the items included
37 in the report.

38 (f) Include in the report for the final quarter of the fiscal year a
39 fiscal year-end inventory of trust land prepared for sale, including the
40 appraised value and fiscal year-end totals for the fiscal year regarding:

41 (i) The amount of trust land sold.

42 (ii) The amount of trust land put under long-term commercial lease.

43 (iii) The amount of revenue collected from the sale of trust land.

44 (iv) The amount of revenue collected from the long-term commercial
45 lease of trust land.

1 (v) The amount of purchase price financed on installment sales of
 2 state trust land and the principal payoff terms and anticipated yield to the
 3 trust over the terms of the installment sales.

4 The appropriation includes \$230,600 from the risk management fund in
 5 fiscal year 2006-2007 for fifty per cent of the costs to update the emergency
 6 action plan and dam breach analysis, to assess earth fissures and earth
 7 fissure risk zoning and to repair cracks at three dams located in the
 8 Maricopa county flood control district. If the district does not offer the
 9 remaining fifty per cent of the costs to repair the dams, these monies shall
 10 revert to the department of administration risk management fund.

11 The appropriation includes \$96,000 in fiscal year 2006-2007 for radio
 12 system upgrades. Before any expenditure for the radio system upgrade, the
 13 department shall submit an expenditure plan to the joint legislative budget
 14 committee for review. The submittal shall include an assessment by the
 15 public safety communications commission as to whether the department's
 16 proposal is consistent and compatible with the statewide interoperable
 17 microwave system.

18 Sec. 22. LEGISLATURE

19 2006-07

20 Senate

21 Lump sum appropriation \$ 8,109,800*

22 Fund sources:

23 State general fund \$ 8,109,800

24 Included in the lump sum appropriation of \$8,109,800 for fiscal year
 25 2006-2007 is \$1,000 for the purchase of mementos and items for visiting
 26 officials.

27 House of representatives

28 Lump sum appropriation \$ 12,399,900*

29 Fund sources:

30 State general fund \$ 12,399,900

31 Included in the lump sum appropriation of \$12,399,900 for fiscal year
 32 2006-2007 is \$1,000 for the purchase of mementos and items for visiting
 33 officials.

34 Legislative council

35 FTE positions 47.8

36 Operating lump sum appropriation \$ 4,761,200*

37 Ombudsman-citizens aide office 383,100*

38 Total appropriation - legislative

39 council \$ 5,144,300*

40 Fund sources:

41 State general fund \$ 5,144,300

1	Performance measures:	
2	Per cent of customers rating accuracy and	
3	timeliness of bill drafting "good" or	
4	"excellent" based on annual survey	97
5	Per cent of customers rating accuracy of	
6	computer help desk "good" or "excellent"	
7	based on annual survey	94
8	Per cent of investigations completed	
9	within 3 months by office of the	
10	ombudsman-citizens aide	91
11	Per cent of customers rating overall	
12	experience with the office of the	
13	ombudsman-citizens aide "good" or	
14	"excellent"	85
15	<u>Joint legislative budget committee</u>	
16	FTE positions	35.0
17	Lump sum appropriation	\$ 2,775,000*
18	Fund sources:	
19	State general fund	\$ 2,775,000
20	Performance measures:	
21	Survey of legislator satisfaction (4=high)	3.66
22	Errors in budget bills	0
23	Maximum per cent actual revenues vary	
24	from forecasted revenues	+ -3.0
25	Days to transmit fiscal notes	14
26	By November 1, 2006, the joint legislative budget committee staff shall	
27	present a study on the possible fiscal impacts of the privatization of health	
28	care services in the Arizona department of corrections to the joint	
29	legislative budget committee.	
30	<u>Auditor general</u>	
31	FTE positions	184.4
32	Lump sum appropriation	\$ 14,349,300*
33	Fund sources:	
34	State general fund	\$ 14,349,300
35	Performance measures:	
36	Per cent of single audit recommendations	
37	implemented or adopted within 1 year	
38	for financial audits	65
39	Per cent of administrative recommendations	
40	implemented or adopted within 2 years for	
41	performance audits	95
42	Customer satisfaction rating (Scale 1-8)	6.8

1	<u>Library, archives and public records</u>	
2	FTE positions	115.8
3	Operating lump sum appropriation	\$ 6,936,400
4	Grants-in-aid	651,400
5	Statewide radio reading service	
6	for the blind	<u>97,000</u>
7	Total appropriation - library,	
8	archives and public records	\$ 7,684,800*
9	Fund sources:	
10	State general fund	\$ 7,058,100
11	Records services fund	626,700
12	Performance measures:	
13	Customer satisfaction rating (Scale 1-8)	7.4
14	All records services fund receipts, including prior year fund balances,	
15	received by the Arizona state library, archives and public records in excess	
16	of \$626,700 in fiscal year 2006-2007 are appropriated to the Arizona state	
17	library, archives and public records. Before the expenditure of records	
18	services fund receipts in excess of \$626,700 in fiscal year 2006-2007, the	
19	Arizona state library, archives and public records shall submit the intended	
20	use of the monies for review by the joint legislative budget committee.	
21	Sec. 23. BOARD OF MEDICAL STUDENT LOANS	
22		<u>2006-07</u>
23	Medical student financial	
24	assistance	\$ 1,809,800
25	Fund sources:	
26	State general fund	\$ 1,500,000
27	Medical student loan fund	309,800
28	Performance measures:	
29	Per cent of physicians meeting service	
30	requirement	93
31	Customer satisfaction rating (Scale 1-8)	7.5
32	Sec. 24. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	
33		<u>2006-07</u>
34	FTE positions	2.0
35	Lump sum appropriation	\$ 164,800
36	Fund sources:	
37	State general fund	\$ 164,800
38	Performance measures:	
39	Per cent of Arizona rivers and	
40	streams adjudicated	100
41	Customer satisfaction rating for hearing	
42	attendees (Scale 1-8)	7.5

1	Sec. 25. STATE BOARD OF DISPENSING OPTICIANS	
2		<u>2006-07</u>
3	FTE positions	1.0
4	Lump sum appropriation	\$ 102,700
5	Fund sources:	
6	Board of dispensing opticians fund	\$ 102,700
7	Performance measures:	
8	Average calendar days to resolve a complaint	90
9	Average calendar days to renew a license	3
10	Customer satisfaction rating (Scale 1-8)	6.0
11	Sec. 26. COMMISSION FOR POSTSECONDARY EDUCATION	
12		<u>2006-07</u>
13	FTE positions	5.0
14	Operating lump sum appropriation	\$ 355,100
15	Leveraging educational assistance	
16	partnership (LEAP)	3,364,500
17	Private postsecondary education	
18	student financial assistance	
19	program	400,000
20	Family college savings program	108,600
21	Arizona college and career guide	21,200
22	Arizona minority educational	
23	policy analysis center	150,600
24	Twelve plus partnership	<u>119,600</u>
25	Total appropriation - commission for	
26	postsecondary education	\$ 4,519,600
27	Fund sources:	
28	State general fund	\$ 1,620,800
29	Postsecondary education fund	2,898,800
30	Performance measures:	
31	LEAP student grants awarded	4,000
32	Per cent of customers rating commission	
33	services as "good" or "excellent"	95
34	The appropriation for leveraging educational assistance partnership is	
35	provided to create grants under the Arizona state student incentive grant	
36	program administered by the Arizona commission for postsecondary education.	
37	Grants may be made according to the provisions of applicable federal and	
38	state laws and regulations relating to this program. Only Arizona residents	
39	who demonstrate financial need and who are attending, on at least a half-time	
40	basis, an approved program at a properly accredited Arizona postsecondary	
41	educational institution are eligible for the program.	

1 Each participating institution, public or private, in order to be
 2 eligible to receive state matching funds under the state student incentive
 3 grant program for grants to students, shall provide an amount of
 4 institutional matching funds that equals the amount of funds provided by the
 5 state to the institution for the state student incentive grant program.
 6 Administrative expenses incurred by the commission for postsecondary
 7 education shall be paid from institutional matching funds and shall not
 8 exceed twelve per cent of the funds in fiscal year 2006-2007.

9 For fiscal year 2006-2007, any unencumbered balance remaining in the
 10 postsecondary education fund on June 30, 2006 and all grant monies and other
 11 revenues received by the commission for postsecondary education during this
 12 fiscal year, when paid into the state treasury, are appropriated for the
 13 explicit purposes designated by special line items and for additional
 14 responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised
 15 Statutes.

16 Of the total amount appropriated for the private postsecondary
 17 education student financial assistance program, no more than ten per cent may
 18 be used for program administrative costs.

19 The appropriations for Arizona college and career guide, Arizona
 20 minority educational policy analysis center and twelve plus partnership are
 21 estimates representing all monies distributed to this fund, including balance
 22 forward, revenue and transfers, during fiscal year 2006-2007. The
 23 appropriations shall be adjusted as necessary to reflect actual final
 24 receipts credited to the postsecondary education fund.

25 The commission for postsecondary education shall not transfer funds out
 26 of the private postsecondary education student financial assistance program
 27 special line item.

28 Sec. 27. DEPARTMENT OF PUBLIC SAFETY

	<u>2006-07</u>
29 FTE positions	2,069.8
30 Operating lump sum appropriation	\$172,842,000
31 Additional highway patrol personnel	5,520,900
32 GITEM	28,952,900
33 Highway patrol safety equipment	3,000,000
34 Motor vehicle fuel	3,808,800
35 Statewide interoperability design	1,258,100
36 Sworn officer salary adjustments	<u>2,768,100</u>
37 Total appropriation - department of public	
38 safety	\$218,150,800
39 Fund sources:	
40 State general fund	\$159,989,400
41 Highway user revenue fund	10,000,000
42 State highway fund	10,000,000
43 Arizona highway patrol fund	19,745,700

1	Criminal justice enhancement fund	2,980,100
2	Safety enforcement and transportation	
3	infrastructure fund	1,352,100
4	Crime laboratory assessment fund	4,974,100
5	Arizona deoxyribonucleic acid	
6	identification system fund	2,582,900
7	Automated fingerprint identification	
8	system fund	3,257,200
9	Motorcycle safety fund	205,000
10	Risk management fund	296,200
11	Parity compensation fund	2,768,100

12	Performance measures:	
13	Per cent of scientific analysis cases over	
14	30 calendar days old	2.0
15	Per cent of system reliability of the Arizona	
16	automated fingerprint identification network	98
17	Clandestine labs dismantled	50

18 Any monies remaining in the department of public safety joint account
 19 on June 30, 2007 shall revert to the funds from which they were appropriated.
 20 The reverted monies shall be returned in direct proportion to the amounts
 21 appropriated.

22 Of the \$28,952,900 appropriated to GITEM, \$10,000,000 is to be used to
 23 expand the existing gang intelligence team enforcement mission into a
 24 multijurisdiction task force known as the gang and immigration intelligence
 25 team enforcement mission. If the department of public safety uses any of the
 26 monies appropriated for GITEM for an agreement or contract with a city, town,
 27 county or other entity to provide services for the GITEM program, the city,
 28 town, county or other entity shall provide fifteen per cent of the cost of
 29 the services and the department of public safety shall provide eighty-five
 30 per cent of the cost for each agreement or contract. The \$10,000,000 is to
 31 be used for new functions relating to immigration enforcement, including
 32 border security and border personnel. This appropriation is for the purpose
 33 of expanding GITEM and not to add a new unit or increased administration to
 34 the mission. Prior to expending the \$10,000,000, the department shall submit
 35 an expenditure plan to the joint legislative budget committee for review.
 36 Within thirty days after the last day of each calendar quarter, the
 37 department shall provide a summary of quarterly and year-to-date expenditures
 38 to the joint legislative budget committee.

39 Of the \$28,952,900 appropriated to GITEM, \$10,000,000 is to be used for
 40 the gang and immigration intelligence team enforcement mission and is for an
 41 additional one hundred department of public safety sworn personnel, fifty of
 42 whom shall be used for immigration and border security. Prior to expending
 43 the \$10,000,000, the department shall submit an expenditure plan to the joint
 44 legislative budget committee for review. Within thirty days after the last
 45 day of each calendar quarter, the department shall provide a summary of

1 quarterly and year-to-date expenditures to the joint legislative budget
2 committee.

3 If H.B. 2577 or similar legislation to fund the GITEM program at a
4 level of \$28,952,900 is enacted into law during the forty-seventh
5 legislature, second regular session, the sum of \$28,952,900 and 161.8 FTE
6 positions appropriated in this act for GITEM revert to the general fund.

7 By October 1, 2006, the department of public safety shall report to the
8 joint legislative budget committee on take home vehicles that are owned by
9 the department and that are assigned on a 24-hour basis to employees or other
10 individuals. The report shall identify all position classifications and
11 their corresponding assignments and locations of all persons who qualify for
12 a take home vehicle. The report shall indicate the current number of
13 positions and vehicles being used as take home vehicles, the total number of
14 vehicles the department owns by category and the policy and guidelines
15 relating to take home vehicles.

16 Distribution of the monies appropriated for sworn officer salary
17 adjustments shall be determined by the department. Before expending any
18 monies appropriated through the sworn officer salary adjustments special line
19 item, the department of public safety shall submit the intended distribution
20 of the monies to the joint legislative budget committee for review.

21 Of the \$159,989,400 appropriated from the state general fund,
22 \$4,327,300 is appropriated to fund the salary increase authorized by Laws
23 2006, chapter 1, in lieu of any highway user revenue fund and state highway
24 fund monies being expended for this purpose.

25 The department of public safety shall submit an expenditure plan to the
26 joint legislative budget committee for review before expending any monies
27 appropriated through the additional highway patrol special line item.

28 The department of public safety shall report monthly to the joint
29 legislative budget committee on sworn personnel staffing levels and crime lab
30 personnel staffing levels. The report shall identify the number of filled
31 and appropriated positions by job classification and, if applicable, the
32 program to which the position is assigned. The report shall identify the
33 department of public safety's progress in filling the additional positions
34 appropriated through the additional highway patrol personnel special line
35 item. In addition, the report shall include the department's progress in
36 hiring the additional positions funded in the fiscal year 2005-2006 budget.

37 The department of public safety shall submit an expenditure plan to the
38 joint legislative budget committee for approval before transferring monies
39 from the additional highway patrol personnel special line item.

40 It is the intent of the legislature that the department of public
41 safety fill the 25 positions intentionally held vacant by the department in
42 fiscal year 2005-2006.

1	Sec. 28. STATE RETIREMENT SYSTEM	
2		<u>2006-07</u>
3	FTE positions	231.0
4	Operating lump sum appropriation	\$ 16,908,300
5	Information technology plan	<u>2,881,500</u>
6	Total appropriation - state retirement	
7	system	\$ 19,789,800
8	Fund sources:	
9	State retirement system	
10	administration account	\$ 16,892,100
11	Long-term disability	
12	administration account	2,897,700
13	Performance measures:	
14	Per cent of members satisfied with ASRS	
15	telephone services	87
16	Per cent of investment returns	8.0
17	Per cent of benefit payment calculations	
18	that are accurate as measured by quality	
19	control sample	96
20	The state retirement system shall provide a report by the end of each	
21	calendar quarter during fiscal year 2006-2007 to the joint legislative budget	
22	committee on the discussions and actions of the state retirement system board	
23	regarding their efforts to minimize the retirement contribution rate.	
24	Before the expenditure of the appropriation of \$2,881,500 in fiscal	
25	year 2006-2007 and the hiring of FTE positions appropriated for the agency's	
26	information technology plan, the retirement system shall present an	
27	expenditure plan to the joint legislative budget committee staff for review.	
28	The expenditure plan shall include current year and prior years'	
29	appropriations to be spent in the current year and prior year appropriation	
30	balances. The retirement system shall include the approval of the project	
31	investment justification document by the information technology authorization	
32	committee as part of its submission to the joint legislative budget committee	
33	staff. The agency shall provide semiannual reports to the joint legislative	
34	budget committee staff regarding the expenditures and project tasks completed	
35	to date. Actual divestiture of monies from the retirement fund for	
36	expenditure shall occur following the joint legislative budget committee	
37	staff review of the agency's information technology plan.	
38	Sec. 29. DEPARTMENT OF REVENUE	
39		<u>2006-07</u>
40	FTE positions	1,148.0
41	Operating lump sum appropriation	\$ 58,456,700
42	Revenue generating program	6,989,400
43	Unclaimed property administration	<u>1,609,000</u>
44	Total appropriation - department of revenue	\$ 67,055,100

1	Fund sources:	
2	State general fund	\$ 64,582,800
3	Estate and unclaimed property fund	1,609,000
4	Liability setoff fund	393,500
5	Tobacco tax and health care fund	469,800
6	Performance measures:	
7	Average calendar days to refund income tax	12
8	Per cent of written taxpayer inquiries	
9	answered within 30 calendar days	
10	of receipt	90
11	Per cent of delinquent accounts collected	11
12	Customer satisfaction rating for taxpayer	
13	information section (Scale 1-5)	4.6

14 The department shall provide the department's general fund revenue
 15 enforcement goals for fiscal year 2006-2007 to the joint legislative budget
 16 committee for review by July 31, 2006. The department shall provide
 17 quarterly progress reports to the joint legislative budget committee as to
 18 the effectiveness of the department's overall enforcement and collections
 19 program. The reports shall include a comparison of projected and actual
 20 general fund revenue enforcement collections for fiscal year 2006-2007. The
 21 reports are due within thirty days after the end of each calendar quarter.

22 The department of revenue shall pay not more than \$368,100 from all
 23 funds in fiscal year 2006-2007 for their risk management payment to the
 24 department of administration.

25 An amount equal to 12.5 per cent of the dollar value of the properties
 26 recovered by unclaimed property contract auditors is appropriated from the
 27 estate and unclaimed property fund to pay unclaimed property contract auditor
 28 fees in accordance with section 44-313, Arizona Revised Statutes, requiring
 29 that administrative expenses be appropriated. This amount is currently
 30 estimated at \$1,770,000 in fiscal year 2006-2007.

31 Sec. 30. SCHOOL FACILITIES BOARD

32		<u>2006-07</u>
33	FTE positions	18.0
34	Operating lump sum appropriation	\$ 1,646,100
35	New school facilities debt service	75,733,500
36	New school facilities	<u>200,000,000</u>
37	Total appropriation - school facilities	
38	board	\$277,379,600
39	Fund sources:	
40	State general fund	\$277,379,600

1 Performance measures:
 2 Per cent of school districts inspected
 3 meeting minimum adequacy standards 100
 4 Per cent of school districts rating the
 5 board's services as "good" or "excellent"
 6 in an annual survey 90

7 Sec. 31. DEPARTMENT OF STATE - SECRETARY OF STATE
 8 2006-07
 9 FTE positions 48.3
 10 Operating lump sum appropriation \$ 2,718,100
 11 Election services 4,304,400
 12 Help America vote act 20,000,000
 13 Total appropriation - secretary of state \$ 27,022,500

14 Fund sources:
 15 State general fund \$ 6,860,100
 16 Election systems improvement fund 20,000,000
 17 Professional employer organization
 18 fund 162,400

19 Performance measures:
 20 Per cent of documents returned to public
 21 filer in 48 hours (business services
 22 division) 85
 23 Per cent of election law complaints reviewed
 24 and acted on within 7 days 100

25 The secretary of state shall report to the joint legislative budget
 26 committee and the governor's office of strategic planning and budgeting by
 27 December 31, 2006 the actual amount and purpose of expenditures from the
 28 election systems improvement fund in fiscal year 2005-2006 and the expected
 29 amount and purpose of expenditures from the fund for fiscal years 2006-2007
 30 and 2007-2008.

31 Any transfer to or from the amount appropriated for the elections
 32 services special line item shall require review by the joint legislative
 33 budget committee.

34 Sec. 32. DEPARTMENT OF TRANSPORTATION
 35 2006-07
 36 Administration
 37 FTE positions 412.0
 38 Operating lump sum appropriation \$ 38,817,700
 39 Attorney general legal services 2,574,800
 40 Total appropriation - administration \$ 41,392,500
 41 Fund sources:
 42 State highway fund \$ 41,392,500

1	<u>Highways</u>	
2	FTE positions	2,516.0
3	Operating lump sum appropriation	\$121,825,600
4	Highway maintenance	112,395,800
5	Vehicles and heavy equipment	36,277,200
6	Vehicles and heavy equipment	
7	fuel surcharge	<u>2,000,000</u>
8	Total - highways	\$272,498,600
9	Fund sources:	
10	State general fund	\$ 74,700
11	Safety enforcement and	
12	transportation	
13	infrastructure fund	558,700
14	State highway fund	234,588,000
15	Transportation department	
16	equipment fund	37,277,200
17	Performance measures:	
18	Per cent of Maricopa regional freeway	
19	miles completed	100
20	Per cent of overall highway construction	
21	projects completed on schedule	100
22	Of the total amount appropriated for the highways program, \$112,395,800	
23	in fiscal year 2006-2007 for highway maintenance is exempt from the	
24	provisions of section 35-190, Arizona Revised Statutes, relating to lapsing	
25	of appropriations, except that all unexpended and unencumbered monies of the	
26	appropriation revert to their fund of origin, either the state highway fund	
27	or the safety enforcement and transportation infrastructure fund, on August	
28	31, 2007.	
29	<u>Motor vehicle</u>	
30	FTE positions	1,730.0
31	Operating lump sum appropriation	\$ 96,226,000
32	Abandoned vehicle administration	930,800
33	New third party funding	<u>671,700</u>
34	Total appropriation - motor vehicle	\$ 97,828,500
35	Fund sources:	
36	Air quality fund	\$ 61,500
37	Driving under the influence	
38	abatement fund	131,500
39	Highway user revenue fund	588,000
40	Motor vehicle liability insurance	
41	enforcement fund	1,577,800

1	Safety enforcement and	
2	transportation infrastructure	
3	fund	2,184,800
4	State highway fund	91,847,900
5	Vehicle inspection and title	
6	enforcement fund	1,437,000
7	Performance measures:	
8	Average office wait time from receiving	
9	numbered ticket to arriving at counter	
10	(minutes)	15.0
11	Per cent of office customers rating	
12	services "good" or "excellent"	83
13	Average telephone wait time to speak	
14	to an MVD employee (minutes)	16.2
15	Per cent of alternative vehicle	
16	registration renewal methods	
17	(mail, internet, third party)	78.1

18 The new third party funding special line item includes a total of
 19 \$671,700 and 16 FTE positions for motor vehicle division third party
 20 workload. The amounts include \$318,100 and 8 FTE positions added in fiscal
 21 year 2005-2006, and \$353,600 and 8 FTE positions added in fiscal year
 22 2006-2007. The fiscal year 2005-2006 amounts added \$113,400 and 3 FTE
 23 positions for title and registration quality assurance and \$204,700 and 5 FTE
 24 positions to allow commercial driver schools and up to 15 motorcycle dealers
 25 to become authorized third parties to administer their respective driver
 26 license examination. The fiscal year 2006-2007 amounts include \$265,200 and
 27 6 FTE positions to contract with 145 authorized title and registration third
 28 parties and \$88,400 and 2 FTE positions to eliminate the vehicle
 29 identification number inspections waiting list. It is the intent of the
 30 legislature that the new funding of \$265,200 and 6 FTE positions in fiscal
 31 year 2006-2007 will not be continued in fiscal year 2007-2008 if the number
 32 of title and registration third parties does not reach 145 by December 31,
 33 2006. It is the intent of the legislature that the new funding of \$88,400
 34 and 2 FTE positions in fiscal year 2006-2007 will not be continued in fiscal
 35 year 2007-2008 if the waiting list for vehicle identification number
 36 inspection third parties is not eliminated by December 31, 2006.

37 The department shall submit quarterly progress reports to the joint
 38 legislative budget committee for review of the progress in increasing third
 39 party transactions, the status of motor vehicle division third party
 40 staffing, workload and quality assurance backlog. The quarterly progress
 41 report shall also include the number of existing third parties and the number
 42 of entities on the third party waiting lists. The quarterly report shall
 43 address title and registration, vehicle identification number inspection,
 44 commercial driver license examination, noncommercial driver license
 45 examination, commercial driver training school, noncommercial driver training

1 school and traffic survival school. The reports are due within thirty days
2 after the end of each calendar quarter.

3 It is the intent of the legislature that the department of
4 transportation identify in their fiscal year 2007-2008 budget request the
5 total third party staff resources.

6 The department of transportation shall submit a report to the joint
7 legislative budget committee for review by November 30, 2006, on whether the
8 per cent of reviewed third party transactions can be reduced below 10 per
9 cent and still retain statistical validity.

10 The operating lump sum appropriation includes \$500,000 for the study of
11 new motor vehicle division (MVD) computer system planning. Before the
12 expenditure of these monies the department shall provide the proposed
13 assessment plan to the joint legislative budget committee for review. With
14 the submission of the plan, the department shall submit comments of the
15 information technology authorization committee (ITAC) on the proposed plan.
16 The department's assessment shall include a comprehensive assessment of the
17 scope of the project and evaluation of technology options for a proposed
18 replacement MVD computer system. The proposed new computer system would
19 integrate the databases of the division's major computer systems, including
20 driver license, commercial driver license and title and registration. ITAC's
21 approval shall also address whether the department's proposed assessment
22 addresses the need for adequate project controls and external oversight, the
23 estimated total cost and timeframe for completing all major systems, an
24 evaluation of the department's ability to manage such a technology project,
25 the estimated cost of any additional department resources needed for the
26 project to succeed and any estimated continuing additional costs to operate
27 the proposed new computer system.

28 Before its release, ITAC shall review the department's request for
29 proposals for the assessment of the new computer system.

30 On completion of the assessment for a proposed replacement MVD computer
31 system, the department shall submit the completed assessment to the joint
32 legislative budget committee for review. With the submission, the department
33 shall submit comments of ITAC on the completed assessment.

34 The department shall not transfer any funds to or from the motor
35 vehicle division without the approval of the joint legislative budget
36 committee.

37 The department shall report to the joint legislative budget committee
38 by July 31, 2006 for review on where funding for MVD counter clerks in
39 customer service offices has been shifted. The average number of MVD counter
40 clerks decreased from 866 in fiscal year 2002-2003, to 756 in fiscal year
41 2003-2004 and to 725 in fiscal year 2004-2005.

1 The department of transportation shall submit quarterly progress
 2 reports to the joint legislative budget committee on their progress in
 3 improving motor vehicle division wait times and vehicle registration renewal
 4 by mail turnaround times. The reports shall document the monthly averages
 5 for the total time customers spent at the office and the reasons for changes
 6 in these times for each motor vehicle division field office equipped with
 7 electronic customer monitoring devices. The reports shall document the wait
 8 time to get a numbered ticket from a motor vehicle division employee, the
 9 time between receiving the numbered ticket and arriving at the counter and
 10 the transaction time at the counter. The reports shall document the number
 11 of customers who arrived at motor vehicle division offices but who did not
 12 complete their transaction, and the motor vehicle division's average
 13 turnaround time for vehicle registration renewal by mail. The reports are
 14 due within thirty days after the end of each calendar quarter. This new
 15 report replaces any prior report requirements.

16	<u>Aeronautics</u>	
17	FTE positions	33.0
18	Lump sum appropriation	\$ 2,029,800
19	Fund sources:	
20	State aviation fund	\$ 2,029,800
21	Performance measures:	
22	Per cent of airport development projects	
23	completed on schedule	100
24	Total appropriation - department of	
25	transportation	<u>\$413,749,400</u>
26	Fund sources:	
27	State general fund	\$ 74,700
28	Air quality fund	61,500
29	Driving under the influence	
30	abatement fund	131,500
31	Highway user revenue fund	588,000
32	Motor vehicle liability	
33	insurance enforcement fund	1,577,800
34	Safety enforcement and	
35	transportation infrastructure	
36	fund	2,743,500
37	State aviation fund	2,029,800
38	State highway fund	367,828,400
39	Transportation department	
40	equipment fund	37,277,200
41	Vehicle inspection and title	
42	enforcement fund	1,437,000

1 Of the \$413,749,400 appropriation to the Arizona department of
 2 transportation, the department shall pay \$16,773,800 in fiscal year 2006-2007
 3 from all funds to the Arizona department of administration for their risk
 4 management payment.

5 Sec. 33. STATE TREASURER

6		<u>2006-07</u>
7	FTE positions	33.4
8	Operating lump sum appropriation	\$ 2,616,400
9	Justice of the peace salaries	<u>2,949,000</u>
10	Total appropriation - state treasurer	\$ 5,565,400
11	Fund sources:	
12	State general fund	\$ 5,565,400
13	Performance measures:	
14	Ratio of yield of LGIP to Standard	
15	and Poor's LGIP index	1.2
16	Ratio of yield of endowment pools to	
17	Big Bond Index	1.1
18	Customer satisfaction rating for local	
19	government investment pool participants	
20	(Scale 1-8)	6.1

21 It is the intent of the legislature that the investment management fee
 22 on monies managed by the state treasurer be set at eight basis points.

23 Sec. 34. ARIZONA BOARD OF REGENTS

24		<u>2006-07</u>
25	FTE positions	27.9
26	Operating lump sum appropriation	\$ 2,194,700
27	Arizona teachers incentive program	90,000
28	Arizona transfer articulation	
29	support system	213,700
30	Student financial assistance	2,161,200
31	Western interstate commission	
32	office	112,000
33	WICHE student subsidies	<u>3,570,700</u>
34	Total appropriation - Arizona board of	
35	regents	\$ 8,342,300
36	Fund sources:	
37	State general fund	\$ 8,342,300
38	Performance measures:	
39	Per cent of graduating seniors who rate	
40	their overall university experience	
41	as "good"/"excellent"	95
42	Per cent of full-time undergraduate students	
43	enrolled per semester in 3 or more	
44	primary courses with ranked faculty	77

1	Per cent of full-time undergraduate students	
2	enrolled per semester in 3 or more primary	
3	courses with professors of any rank	60
4	Average number of years taken to graduate	
5	for students who began as freshmen	4.7
6	Within ten days of the acceptance of the universities' semiannual all	
7	funds budget reports, the Arizona board of regents shall submit an	
8	expenditure plan to the joint legislative budget committee for its review.	
9	The expenditure plan shall include any tuition revenue amounts that are	
10	greater than the appropriated amounts and all retained tuition and fee	
11	revenue expenditures for the current fiscal year. The additional revenue	
12	expenditure plan shall provide as much detail as the university budget	
13	requests.	
14	Sec. 35. ARIZONA STATE UNIVERSITY	
15		<u>2006-07</u>
16	<u>Main campus</u>	
17	FTE positions	6,757.9
18	Operating lump sum appropriation	\$485,198,000
19	Biomedical informatics	1,000,000
20	Downtown Phoenix campus	<u>32,751,200</u>
21	Total - Main campus	\$518,949,200
22	Fund sources:	
23	State general fund	\$314,206,400
24	University collections fund	204,742,800
25	Performance measures:	
26	Per cent of graduating seniors who rate	
27	their overall university experience	
28	as "good"/"excellent"	95
29	Per cent of full-time undergraduate	
30	students enrolled per semester in 3 or	
31	more primary courses with ranked faculty	72
32	Per cent of full-time undergraduate students	
33	enrolled per semester in 3 or more primary	
34	courses with professors of any rank	60
35	Average number of years taken to graduate	
36	for students who began as freshmen	4.6
37	External dollars for research and creative	
38	activity	\$180,000,000
39	<u>East campus</u>	
40	FTE positions	413.0
41	Operating lump sum appropriation	\$ 32,709,000
42	Lease-purchase payment	<u>2,000,000</u>
43	Total - East campus	\$ 34,709,000

1	Fund sources:	
2	State general fund	\$ 18,088,600
3	University collections fund	14,620,400
4	Technology and research initiative	
5	fund	2,000,000
6	Performance measures:	
7	Per cent of graduating seniors who rate	
8	their overall university experience	
9	as "good"/"excellent"	96
10	Per cent of full-time undergraduate students	
11	enrolled per semester in 3 or more primary	
12	courses with ranked faculty	68
13	Per cent of full-time undergraduate students	
14	enrolled per semester in 3 or more primary	
15	courses with professors of any rank	60
16	Average number of years taken to graduate	
17	for students who began as freshmen	4.8
18	<u>West campus</u>	
19	FTE positions	804.6
20	Operating lump sum appropriation	\$ 64,757,500
21	Lease-purchase payment	<u>1,600,000</u>
22	Total - West campus	\$ 66,357,500
23	Fund sources:	
24	State general fund	\$ 45,419,900
25	University collections fund	19,337,600
26	Technology and research initiative	
27	fund	1,600,000
28	Performance measures:	
29	Per cent of graduating seniors who rate	
30	their overall university experience	
31	as "good"/"excellent"	98
32	Per cent of full-time undergraduate students	
33	enrolled per semester in 3 or more primary	
34	courses with ranked faculty	72
35	Per cent of full-time undergraduate students	
36	enrolled per semester in 3 or more primary	
37	courses with professors of any rank	60
38	Average number of years taken to graduate for	
39	students who began as freshmen	4.5
40	Total appropriation - Arizona state	
41	university	<u>\$620,015,700</u>

1 Fund sources:

2	State general fund	\$377,714,900
3	University collections fund	238,700,800
4	Technology and research initiative	
5	fund	3,600,000

6 The state general fund appropriations shall not be used for alumni
7 association funding.

8 The appropriated monies are not to be used for scholarships.

9 The appropriated monies are not to be used to support any student
10 newspaper.

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

14 University budget requests shall provide as much detail for the
15 downtown Phoenix campus as for any other budget program. Notwithstanding
16 section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer
17 to or from the amounts appropriated for the downtown Phoenix campus line item
18 shall require prior review by the joint legislative budget committee.

19 Any unencumbered balances remaining in the collections account on June
20 30, 2006 and all collections received by the university during the fiscal
21 year, when paid into the state treasury, are appropriated for operating
22 expenditures, capital outlay and fixed charges. Earnings on state lands and
23 interest on the investment of the permanent land funds are appropriated in
24 compliance with the enabling act and the Constitution of Arizona. No part of
25 this appropriation may be expended for supplemental life insurance or
26 supplemental retirement. Receipts from summer session, when deposited in the
27 state treasury, together with any unencumbered balance in the summer session
28 account, are hereby appropriated for the purpose of conducting summer
29 sessions but are excluded from the amounts enumerated above.

30 Sec. 36. NORTHERN ARIZONA UNIVERSITY

31		<u>2006-07</u>
32	FTE positions	2,074.9
33	Operating lump sum appropriation	\$159,428,800
34	NAU - Yuma	<u>2,266,000</u>

35 Total appropriation - Northern Arizona
36 university \$161,694,800

37 Fund sources:

38	State general fund	\$122,150,800
39	University collections fund	39,544,000

40 Performance measures:

41 Per cent of graduating seniors who rate
42 their overall university experience
43 as "good"/"excellent" 98

1	Per cent of full-time undergraduate	
2	students enrolled per semester in	
3	3 or more primary courses with	
4	ranked faculty	93
5	Per cent of full-time undergraduate students	
6	enrolled per semester in 3 or more primary	
7	courses with professors of any rank	60
8	Average number of years taken to graduate for	
9	students who began as freshmen	4.5
10	The state general fund appropriations shall not be used for alumni	
11	association funding.	
12	The appropriated monies are not to be used for scholarships.	
13	The appropriated monies are not to be used to support any student	
14	newspaper.	
15	Any unencumbered balances remaining in the collections account on June	
16	30, 2006 and all collections received by the university during the fiscal	
17	year, when paid into the state treasury, are appropriated for operating	
18	expenditures, capital outlay and fixed charges. Earnings on state lands and	
19	interest on the investment of the permanent land funds are appropriated in	
20	compliance with the enabling act and the Constitution of Arizona. No part of	
21	this appropriation may be expended for supplemental life insurance or	
22	supplemental retirement. Receipts from summer session, when deposited in the	
23	state treasury, together with any unencumbered balance in the summer session	
24	account, are hereby appropriated for the purpose of conducting summer	
25	sessions but are excluded from the amounts enumerated above.	
26	Sec. 37. UNIVERSITY OF ARIZONA	
27		<u>2006-07</u>
28	<u>Main campus</u>	
29	FTE positions	5,559.4
30	Operating lump sum appropriation	\$343,044,800
31	Agriculture	49,097,000
32	Sierra Vista campus	<u>5,367,600</u>
33	Total - Main campus	\$397,509,400
34	Fund sources:	
35	State general fund	\$289,131,300
36	University collections fund	108,378,100
37	Performance measures:	
38	Per cent of graduating seniors who rate	
39	their overall university experience	
40	as "good"/"excellent"	96

1	Per cent of full-time undergraduate students	
2	enrolled per semester in 3 or more primary	
3	courses with ranked faculty	80
4	Per cent of full-time undergraduate students	
5	enrolled per semester in 3 or more primary	
6	courses with professors of any rank	60
7	Average number of years taken to graduate	
8	for students who began as freshmen	4.6
9	<u>Health sciences center</u>	
10	FTE positions	911.6
11	Operating lump sum appropriation	\$ 61,800,700
12	Clinical rural rotation	485,800
13	Clinical teaching support	9,733,000
14	Liver research institute	512,600
15	Phoenix medical campus	6,000,000
16	Telemedicine network	<u>1,191,900</u>
17	Total - health sciences center	\$ 79,724,000
18	Fund sources:	
19	State general fund	\$ 64,210,400
20	University collections fund	15,513,600
21	Performance measures:	
22	Per cent of graduating seniors who rate	
23	their overall university experience	
24	as "good"/"excellent"	99
25	Total appropriation - university of	
26	Arizona	<u>\$477,233,400</u>
27	Fund sources:	
28	State general fund	\$353,341,700
29	University collections fund	123,891,700
30	The state general fund appropriations shall not be used for alumni	
31	association funding.	
32	The appropriated monies are not to be used for scholarships.	
33	The appropriated monies are not to be used to support any student	
34	newspaper.	
35	Any unencumbered balances remaining in the collections account on June	
36	30, 2006 and all collections received by the university during the fiscal	
37	year, when paid into the state treasury, are appropriated for operating	
38	expenditures, capital outlay and fixed charges. Earnings on state lands and	
39	interest on the investment of the permanent land funds are appropriated in	
40	compliance with the enabling act and the Constitution of Arizona. No part of	
41	this appropriation may be expended for supplemental life insurance or	
42	supplemental retirement. Receipts from summer session, when deposited in the	
43	state treasury, together with any unencumbered balance in the summer session	
44	account, are hereby appropriated for the purpose of conducting summer	
45	sessions but are excluded from the amounts enumerated above.	

1 The Sierra Vista campus special line item includes \$1,200,000 to
 2 replace previously reallocated funds.

3 University budget requests shall provide as much detail for the Phoenix
 4 medical campus as for any other budget program. Notwithstanding section
 5 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or
 6 from the amounts appropriated for the Phoenix medical campus line item shall
 7 require prior review by the joint legislative budget committee.

8 The university of Arizona and the Arizona board of regents shall
 9 report, on August 15, 2006 and February 15, 2007, updates concerning the
 10 formal relationship between the Phoenix medical campus and area hospitals,
 11 partnerships with private medical schools, the availability of clinical
 12 rotations for medical students in this state, the creation of new residency
 13 positions in this state, the expansion of medical services in this state's
 14 rural areas, the attraction of out-of-state medical students to practice in
 15 this state and any other strategies being considered or employed to prevent a
 16 doctor shortage in this state or the rural areas of this state.

17 Sec. 38. DEPARTMENT OF WATER RESOURCES

	<u>2006-07</u>
18 FTE positions	212.7
19 Operating lump sum appropriation	\$ 15,185,600
20 Assured and adequate water supply	
21 administration	2,800,000
22 Arizona water protection fund	
23 deposit	- 0 -
24 Rural water studies	1,911,000
25 Adjudication support	500,000
26 Automated groundwater monitoring	<u>500,000</u>
27 Total appropriation - department of water	
28 resources	\$ 20,896,600
29 Fund sources:	
30 State general fund	\$ 19,796,600
31 Assured and adequate water	
32 supply administration fund	1,100,000
33 Performance measures:	
34 Number of rural water studies initiated	4
35 Customer satisfaction rating for hydrology	
36 program (Scale 1-8)	8.0

37 Funding appropriated for the purposes of rural water studies is exempt
 38 from the provisions of section 35-190, Arizona Revised Statutes, relating to
 39 lapsing of appropriations through June 30, 2008.

40 It is the intent of the legislature that monies in the assured and
 41 adequate water supply special line item will only be spent for the assured
 42 and adequate water supply program and not be made available for other
 43 department operating expenditures.
 44

1 Any transfer to or from the amount appropriated for the assured and
 2 adequate water supply special line item shall require review by the joint
 3 legislative budget committee.

4 Prior to August 1, 2006, the department shall submit an expenditure
 5 plan to the joint legislative budget committee describing how the monies in
 6 the assured and adequate water supply special line item will be used to
 7 accelerate the assured and adequate water supply program application process.
 8 The expenditure plan shall include information on the number and processing
 9 time of applications received by the program.

10 The department shall report on the amount of fees collected by the
 11 assured and adequate water supply program within thirty days after the end of
 12 each calendar year quarter.

13 The appropriation includes \$500,000 for automated groundwater
 14 monitoring to establish automated groundwater monitoring sites that monitor
 15 hydrologic behavior of groundwater basins and assess groundwater levels over
 16 time. Of the \$500,000 appropriation, \$325,000 shall be used for the costs
 17 associated with the installation, operation and maintenance of field
 18 equipment. The remaining \$175,000 shall be used to fund 2 FTE positions.

19 Sec. 39. DEPARTMENT OF WEIGHTS AND MEASURES

	<u>2006-07</u>
21 <u>General services</u>	
22 FTE positions	25.9
23 Lump sum appropriation	\$ 1,638,100
24 Fund sources:	
25 State general fund	\$ 1,531,400
26 Motor vehicle liability insurance	
27 enforcement fund	106,700
28 <u>Vapor recovery</u>	
29 FTE positions	8.5
30 Lump sum appropriation	\$ 561,800
31 Fund sources:	
32 Air quality fund	\$ 561,800
33 <u>Oxygenated fuel</u>	
34 FTE positions	6.0
35 Lump sum appropriation	\$ 807,600
36 Fund sources:	
37 Air quality fund	<u>\$ 807,600</u>
38 Total appropriation - department	
39 of weights and measures	\$ 3,007,500
40 Fund sources:	
41 State general fund	\$ 1,531,400
42 Air quality fund	1,369,400
43 Motor vehicle liability insurance	
44 enforcement fund	106,700

1	Performance measures:		
2	Average customer satisfaction rating		
3	(Scale 1-5)	4.7	
4	Per cent of retail stores' price		
5	scanning devices in compliance	68	
6	Per cent of cleaner burning gas		
7	samples in compliance with oxygenated		
8	fuel standards	100	
9	Per cent of gasoline dispensing facilities		
10	inspected annually that are in compliance		
11	with vapor recovery standards	90	
12	Sec. 40. Laws 2005, chapter 286, section 13 is amended to read:		
13	Sec. 13. BOARD OF BARBERS		
14		<u>2005-06</u>	<u>2006-07</u>
15	FTE positions	4.0	4.0
16	Lump sum appropriation	\$ 230,600**	\$ 230,600
17			\$ 274,600
18	Fund sources:		
19	Board of barbers fund	\$ 230,600	\$ 230,600
20			\$ 274,600
21	Performance measures:		
22	Average calendar days to resolve a complaint	21	21
23	Average calendar days to renew a license	2	2
24	Customer satisfaction rating (Scale 0-100)	90	90
25	Sec. 41. Laws 2005, chapter 286, section 20 is amended to read:		
26	Sec. 20. REGISTRAR OF CONTRACTORS		
27		<u>2005-06</u>	<u>2006-07</u>
28	FTE positions	138.8	138.8
29	Operating lump sum appropriation	\$ 8,616,700	\$ 8,617,300
30	Office of administrative hearings		
31	costs	869,500	869,500
32			900,500
33	Incentive pay	<u>113,500</u>	<u>113,500</u>
34	Total appropriation - registrar of		
35	contractors	\$ 9,599,700**	\$ 9,600,300
36			\$ 9,631,300
37	Fund sources:		
38	Registrar of contractors fund	\$ 9,599,700	\$ 9,600,300
39			\$ 9,631,300
40	Performance measures:		
41	Average calendar days from receipt of		
42	complaint to jobsite inspection	14	14
43	Customer satisfaction rating (Scale 1-8)	7.1	7.1

1 ANY TRANSFER TO OR FROM THE AMOUNT APPROPRIATED FOR THE OFFICE OF
 2 ADMINISTRATIVE HEARINGS COSTS SPECIAL LINE ITEM SHALL REQUIRE REVIEW BY THE
 3 JOINT LEGISLATIVE BUDGET COMMITTEE.

4 Sec. 42. Laws 2005, chapter 286, section 38 is amended to read:

5 Sec. 38. GAME AND FISH DEPARTMENT

	<u>2005-06</u>	<u>2006-07</u>
6 FTE positions	274.5	274.5
7 Operating lump sum appropriation	\$ 22,700,600	\$ 22,622,700
8		\$ 24,247,300
9		
10 LOWER COLORADO MULTI-SPECIES		
11 CONSERVATION	- 0 -	350,000
12 Pittman - Robertson/Dingell -		
13 Johnson act	2,808,000	2,808,000
14 Performance incentive pay program	<u>346,800*</u>	<u>346,800*</u>
15 Total appropriation - game and fish		
16 department	\$ 25,855,400	\$ 25,777,500
17		\$ 27,752,100
18 Fund sources:		
19 Game and fish fund	\$ 23,312,600	\$ 23,234,700
20		\$ 24,409,300
21 Waterfowl conservation fund	43,400	43,400
22 Wildlife endowment fund	16,000	16,000
23 Watercraft licensing fund	2,183,200	2,183,200
24		2,983,200
25 Game, nongame, fish and		
26 endangered species fund	300,200	300,200
27 Performance measures:		
28 Per cent of public satisfaction with		
29 off-highway vehicle and watercraft		
30 information products and services	65	65
31 Per cent of anglers rating their experience		
32 as "excellent", or greater than or equal		
33 to 9, on a scale of 1 to 10	69	69

34 In addition to the \$2,808,000 for the Pittman - Robertson/Dingell -
 35 Johnson act special line item, the lump sum appropriation includes \$40,000
 36 for cooperative fish and wildlife research which may be used for the purpose
 37 of matching federal and apportionment funds.

38 THE ARIZONA GAME AND FISH DEPARTMENT SHALL SUBMIT TO THE JOINT
 39 LEGISLATIVE BUDGET COMMITTEE FOR REVIEW AN EXPENDITURE PLAN FOR THE \$160,000
 40 ALLOCATED FOR WATERCRAFT OPERATION UNDER THE INFLUENCE ENFORCEMENT EQUIPMENT
 41 PRIOR TO THE EXPENDITURES OF THESE MONIES.

1 The \$300,000 from the game and fish fund and \$46,800 from the
 2 watercraft licensing fund in fiscal year 2005-2006 and fiscal year 2006-2007
 3 for the performance incentive pay program special line item shall be used for
 4 personal services and employee related expenditures associated with the
 5 department's performance incentive pay program in accordance with Laws 1999,
 6 chapter 138. This appropriation is a continuing appropriation and is exempt
 7 from the provisions of section 35-190, Arizona Revised Statutes, relating to
 8 lapsing of appropriations.

9 ~~The game and fish department and the department of transportation shall
 10 conduct a joint study to examine the transfer of responsibility for
 11 processing watercraft registration from the game and fish department to the
 12 department of transportation. This study shall be submitted to the joint
 13 legislative budget committee by December 30, 2005 and is to include an
 14 implementation plan with a proposed date for the transfer of watercraft
 15 registration and examine the overall impact to citizens, potential cost
 16 savings, and the number of full-time equivalent positions to be transferred
 17 from the game and fish department to the department of transportation.~~

18 The shooting range appropriation of \$100,000 in fiscal year 2005-2006
 19 and fiscal year 2006-2007, included in the lump sum appropriation, is a
 20 continuing appropriation and is exempt from the provisions of section 35-190,
 21 Arizona Revised Statutes, relating to lapsing of appropriations, until
 22 December 31, 2007.

23 Sec. 43. Laws 2005, chapter 286, section 71 is amended to read:

24 Sec. 71. STATE PARKS BOARD

	<u>2005-06</u>	<u>2006-07</u>
FTE positions	249.3	249.3
Operating lump sum appropriation	\$ 12,784,500	\$ 12,784,500
Kartchner caverns state park	<u>1,654,800</u>	1,654,800
		<u>2,354,800</u>
Total appropriation - Arizona state parks board	\$ 14,439,300	\$ 14,439,300 \$ 15,139,300
Fund sources:		
State general fund	\$ 2,380,500	\$ 2,380,500 \$ 5,730,500
State parks enhancement fund	10,505,800	10,505,800 7,855,800
Law enforcement and boating safety fund	1,092,700	1,092,700
Reservation surcharge revolving fund	460,300	460,300

1 Performance measures:

2 Annual park attendance	2,500,000	2,500,000
3 Per cent of park visitors rating their		
4 experience "good" or "excellent"	96	96

5 The appropriation for law enforcement and boating safety fund projects
6 is an estimate representing all monies distributed to this fund, including
7 balance forward, revenue and transfers during fiscal years 2005-2006 and
8 2006-2007. These monies are appropriated to the Arizona state parks board
9 for the purposes established in section 5-383, Arizona Revised Statutes. The
10 appropriation shall be adjusted as necessary to reflect actual final receipts
11 credited to the law enforcement and boating safety fund.

12 All other operating expenditures include \$26,000 from the state parks
13 enhancement fund for Fool Hollow state park revenue sharing. If receipts to
14 Fool Hollow exceed \$260,000 in fiscal years 2005-2006 and 2006-2007, an
15 additional ten per cent of this increase of Fool Hollow receipts is
16 appropriated from the state parks enhancement fund to meet the revenue
17 sharing agreement with the city of Show Low and the United States forest
18 service.

19 All reservation surcharge revolving fund receipts received by the
20 Arizona state parks board in excess of \$460,300 in fiscal years 2005-2006 and
21 2006-2007 are appropriated to the reservation surcharge revolving fund.
22 Before the expenditure of any reservation surcharge revolving fund monies in
23 excess of \$460,300 in fiscal years 2005-2006 and 2006-2007, the Arizona state
24 parks board shall submit the intended use of the monies for review by the
25 joint legislative budget committee.

26 During fiscal years 2005-2006 and 2006-2007, no more than \$5,000 each
27 year from appropriated or non-appropriated monies may be used for the
28 purposes of out-of-state travel expenses by state parks board staff. No
29 appropriated or non-appropriated monies may be used for out-of-country travel
30 expenses. The state parks board shall submit by June 30, 2006 and June 30,
31 2007, a report to the joint legislative budget committee on out-of-state
32 travel activities and expenditures for that fiscal year.

33 The state parks board shall submit to the joint legislative budget
34 committee, on a quarterly basis, the operating expenditures of each state
35 park.

36 Sec. 44. Laws 2005, chapter 286, section 75 is amended to read:

37 Sec. 75. PIONEERS' HOME

	<u>2005-06</u>	<u>2006-07</u>
38 FTE positions	115.8	115.8
39 Personal services	\$ 3,267,400	3,267,400
40 Employee related expenditures	1,172,200	1,172,200
41 Professional and outside services	129,300	129,300
42 Travel in-state	25,000	25,000
43 Other operating expenditures	446,800	446,800
44 Food	202,200	202,200

1	Equipment	12,000	12,000
2	Prescription drugs	<u>436,400</u>	<u>436,400</u>
3	Total appropriation - pioneers' home	\$ 5,691,300	\$ 5,691,300
4	Fund sources:		
5	STATE GENERAL FUND	\$ - 0 -	\$ 800,100
6	Miners' hospital fund	1,468,900	1,468,900
7	State charitable fund	4,222,400	4,222,400
8			3,422,300
9	Performance measures:		
10	Per cent of residents rating services as		
11	"good" or "excellent"	98	98
12	Earnings on state lands and interest on the investment of the permanent		
13	land funds are appropriated for the pioneers' home and the hospital for		
14	disabled miners in compliance with the enabling act and the Constitution of		
15	Arizona.		
16	The pioneers' home shall not exceed its expenditure authority for		
17	monies appropriated from the miners' hospital for disabled miners' land fund.		
18	Sec. 45. Laws 2005, chapter 286, section 82 is amended to read:		
19	Sec. 82. RADIATION REGULATORY AGENCY		
20		<u>2005-06</u>	<u>2006-07</u>
21	FTE positions	25.0	25.0
22			29.0
23	Lump sum appropriation	\$ 1,352,900	\$ 1,352,900
24			\$ 1,608,300
25	Fund sources:		
26	State general fund	\$ 1,105,600	\$ 1,105,600
27			\$ 1,361,000
28	State radiologic technologist		
29	certification fund	247,300	247,300
30	Performance measures:		
31	Per cent of x-ray tubes overdue for inspection	22	22
32	Radiological incidents (non-Palo Verde related)	15	15
33	Radiological incidents (Palo Verde)	0	0
34	Customer satisfaction rating (Scale 1-8)	7.5	7.5
35	Sec. 46. Laws 2005, chapter 286, section 102 is amended to read:		
36	Sec. 102. DEPARTMENT OF VETERANS' SERVICES		
37		<u>2005-06</u>	<u>2006-07</u>
38	FTE positions	299.3	299.3
39			324.3
40	Operating lump sum appropriation	\$ 14,578,100	\$ 14,554,600
41			\$ 13,659,600

1	Southern Arizona cemetery	134,700	134,700
2			256,200
3	NORTHERN ARIZONA CEMETERY	- 0 -	182,700
4	VETERANS' BENEFITS COUNSELING	- 0 -	2,070,000
5	Telemedicine project	10,000	10,000
6	Veterans' organizations contracts	<u>29,200</u>	<u>29,200</u>
7	Total appropriation - department of		
8	veterans' services	\$ 14,752,000	\$ 14,728,500
9			\$ 16,207,700
10	Fund sources:		
11	State general fund	\$ 2,259,000	\$ 2,259,000
12			\$ 3,738,200
13	State home for veterans' trust fund	11,834,600	11,834,600
14	State veterans' conservatorship fund	658,400	634,900
15	Performance measures:		
16	DHS quality rating of the veterans' home		
17	("excellent", "standard" or "substandard")	Excellent	Excellent
18	Per cent of customers rating department's		
19	services as "good" or "excellent"	95	95
20	Sec. 47. <u>Appropriations; fund deposits</u>		
21	A. The sum of \$269,158,600 is appropriated from the state general fund		
22	in fiscal year 2006-2007 for deposit in funds as follows:		
23	1. \$9,808,600 in the budget stabilization fund established by section		
24	35-144, Arizona Revised Statutes.		
25	2. \$850,000 in the telecommunication fund for the deaf established by		
26	section 36-1947, Arizona Revised Statutes.		
27	3. \$245,000,000 in a separate account of the state highway fund		
28	established by section 28-6991, Arizona Revised Statutes, to be known as the		
29	state transportation acceleration needs account. Any other assets received		
30	by the department of transportation as a result of investment and expenditure		
31	of these monies shall also be deposited in the state transportation		
32	acceleration needs account.		
33	4. \$13,500,000 in the Arizona water banking fund established by		
34	section 45-2425, Arizona Revised Statutes. These monies shall be used to		
35	carry out state obligations related to Indian firming. The department of		
36	water resources shall report its expenditure plans for these monies to the		
37	joint legislative budget committee by November 30, 2006.		
38	B. The sum of \$62,000,000 is appropriated from the state highway fund		
39	in fiscal year 2006-2007 for deposit in a separate account of the state		
40	highway fund established by section 28-6991, Arizona Revised Statutes, to be		
41	known as the state transportation acceleration needs account. Any other		
42	assets received by the department of transportation as a result of investment		
43	and expenditure of these monies shall also be deposited in the state		
44	transportation acceleration needs account.		

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

4 Sec. 48. Appropriation; operating adjustments

5 2006-07

6 Attorney general cost allocation \$ 5,402,600

7 Fund sources:

8 State general fund \$ 4,595,700

9 Other appropriated funds 806,900

10 State employee health insurance
 11 adjustments

\$ 39,327,600

12 Fund sources:

13 State general fund \$ 28,695,900

14 Other appropriated funds 10,631,700

15 State employee retirement
 16 adjustments

\$ 36,925,800

17 Fund sources:

18 State general fund \$ 27,635,500

19 Other appropriated funds 9,290,300

20 State telecommunications adjustments

\$ 9,331,100

21 Fund sources:

22 State general fund \$ 5,300,600

23 Other appropriated funds 4,030,500

24 Biennial agency operating adjustments

\$ 6,400,000

25 Fund sources:

26 State general fund \$ 1,500,000

27 Other appropriated funds 4,900,000

28 The other appropriated funds may be allocated from the following funds:
 29 board of accountancy fund, acupuncture board of examiners fund, air permits
 30 administration fund, air quality fund, antitrust enforcement revolving fund,
 31 board of appraisal fund, Arizona benefits fund, Arizona health care cost
 32 containment system donations fund, Arizona medical board fund, Arizona
 33 protected native plant fund, attorney general legal services cost allocation
 34 fund, Arizona automated fingerprint identification system fund, automobile
 35 theft authority fund, automation operations fund, state aviation fund, board
 36 of barbers fund, board of behavioral health examiners fund, bond fund,
 37 capital outlay stabilization fund, state charitable fund, child abuse
 38 prevention fund, child fatality review fund, child support enforcement
 39 administration fund, children's health insurance program fund, board of
 40 chiropractic examiners fund, citrus, fruit and vegetable revolving fund,
 41 collection enforcement revolving fund, commerce and economic development
 42 commission fund, commercial feed fund, confidential intermediary and
 43 fiduciary fund, agricultural consulting and training fund, consumer
 44 protection-consumer fraud revolving fund, corrections fund, board of
 45 cosmetology fund, crime laboratory assessment fund, criminal justice

1 enhancement fund, county fair racing fund, court appointed special advocate
2 fund, defensive driving school fund, dental board fund, Arizona
3 deoxyribonucleic acid identification system fund, board of dispensing
4 opticians fund, driving under the influence abatement fund, drug and gang
5 prevention resource center fund, state education fund for committed youth,
6 state education fund for correctional education, state egg inspection fund,
7 emergency medical services operating fund, emissions inspection fund,
8 environmental laboratory licensure revolving fund, estate and unclaimed
9 property fund, Arizona exposition and state fair fund, federal child care and
10 development fund block grant, federal surplus materials revolving fund,
11 federal temporary assistance for needy families block grant, fertilizer
12 materials fund, board of funeral directors' and embalmers' fund, fingerprint
13 clearance card fund, game and fish fund, game, nongame, fish and endangered
14 species fund, hazardous waste management fund, healthcare group fund, hearing
15 and speech professionals fund, state highway fund, Arizona highway patrol
16 fund, highway user revenue fund, board of homeopathic medical examiners fund,
17 housing trust fund, DHS indirect cost fund, ADEQ indirect cost fund,
18 industrial commission administrative fund, information technology fund,
19 interagency service agreements fund, intergovernmental agreements and grants,
20 investment management regulatory and enforcement fund, job training fund,
21 judicial collection enhancement fund, land conservation fund administration
22 account, lease-purchase building operating and maintenance fund, liability
23 set-off fund, long-term care system fund, long-term disability administration
24 account, state lottery fund, board of medical examiners fund, the miners'
25 hospital for disabled miners land fund, motor vehicle liability insurance
26 enforcement fund, motor vehicle pool revolving fund, naturopathic physicians
27 board of medical examiners fund, newborn screening program fund, board of
28 nursing fund, nursing care institution administrators' licensing and assisted
29 living facility managers' certification fund, occupational therapy fund, oil
30 overcharge fund, board of optometry fund, board of osteopathic examiners
31 fund, state parks enhancement fund, penitentiary land fund, personnel
32 division fund, pesticide fund, Arizona state board of pharmacy fund, board of
33 physical therapy fund, podiatry fund, postsecondary education fund, prison
34 construction and operations fund, board for private postsecondary education
35 fund, professional employer organization fund, Arizona protected native plant
36 fund, board of psychologist examiners fund, public access fund, public
37 assistance collections fund, racing administration fund, state radiologic
38 technologist certification fund, records services fund, recycling fund,
39 registrar of contractors fund, reservation surcharge revolving fund,
40 residential utility consumer office revolving fund, board of respiratory care
41 examiners fund, state retirement system administration account, risk
42 management revolving fund, safety enforcement and transportation
43 infrastructure fund, schools for the deaf and the blind fund, securities
44 regulatory and enforcement fund, seed law fund, solid waste fee fund, special
45 administration fund, special employee health insurance trust fund, special

1 services revolving fund, spinal and head injuries trust fund, state aid to
2 the courts fund, Arizona state hospital fund, state board of equalization
3 fund, state surplus materials revolving fund, structural pest control
4 commission fund, substance abuse services fund, teacher certification fund,
5 technical registration fund, telecommunications fund, telecommunication fund
6 for the deaf, telecommunications excise tax fund, tobacco tax and health care
7 fund, transportation department equipment fund, tribal-state compact fund,
8 used oil fund, utility regulation revolving fund, vehicle inspection and
9 title enforcement fund, state veterans' conservatorship fund, state home for
10 veterans' trust fund, veterinary medical examining board fund, victims'
11 rights fund, watercraft licensing fund, waterfowl conservation fund, water
12 quality fee fund, and workforce investment act grant.

13 Attorney general cost allocation

14 The amount appropriated for attorney general legal services cost
15 allocation adjustments shall be for agency and department pro rata share
16 contributions for the attorney general legal services cost allocation charge.
17 The joint legislative budget committee staff shall determine and the
18 department of administration shall allocate to each agency or department an
19 amount sufficient to charge the pro rata share contribution of 0.62 per cent
20 to each fund's personal services base.

21 The joint legislative budget committee staff shall also determine and
22 the department of administration shall allocate adjustments, as necessary, in
23 total expenditure authority to allow implementation of pro rata share
24 contribution adjustments.

25 The attorney general pro rata contribution shall not be charged to the
26 department of administration risk management fund and any fund administered
27 by the Arizona health care cost containment system, the Arizona department of
28 agriculture and councils that receive administrative and budgetary services
29 from the Arizona department of agriculture, the department of law, the
30 auditor general, the corporation commission, the department of economic
31 security, the Arizona game and fish department, the office of the governor,
32 the house of representatives, the industrial commission, the joint
33 legislative budget committee, the legislative council, the Arizona state
34 library, archives and public records, the residential utility consumer
35 office, the senate, the superior court, the department of transportation, the
36 universities, the department of water resources or any self-supporting
37 regulatory agency as determined by section 35-143.01, Arizona Revised
38 Statutes.

39 State employee health insurance adjustments

40 The amount appropriated for state employee health insurance adjustments
41 shall be for fiscal year 2006-2007 increases in the employer share of state
42 employee health insurance premiums. The joint legislative budget committee
43 staff shall determine and the department of administration shall allocate to
44 each agency's or department's employee related expenditures an amount
45 sufficient for the employer share of the employee health insurance increases.

1 The joint legislative budget committee staff shall also determine and the
2 department of administration shall allocate adjustments, as necessary, in
3 expenditure authority to allow implementation of state employee health
4 insurance adjustments.

5 State employee retirement adjustments

6 The amount appropriated for state employee retirement contribution
7 adjustments shall be for fiscal year 2006-2007 increases in the employer
8 share of state employee retirement contributions. The joint legislative
9 budget committee staff shall determine and the department of administration
10 shall allocate to each agency's or department's employee related expenditures
11 an amount sufficient for the employer share of the employee retirement
12 contribution increase. The joint legislative budget committee staff shall
13 also determine and the department of administration shall allocate
14 adjustments, as necessary, in expenditure authority to allow implementation
15 of state employee retirement contribution adjustments.

16 State telecommunications adjustments

17 The amount appropriated for state telecommunications adjustments shall
18 be for fiscal year 2006-2007 increases in agency or department
19 telecommunication charges. The joint legislative budget committee staff
20 shall determine and the department of administration shall allocate to each
21 agency or department an amount sufficient for the contribution increase. The
22 joint legislative budget committee staff shall also determine and the
23 department of administration shall allocate adjustments, as necessary, in
24 expenditure authority to allow implementation of state telecommunications
25 adjustments.

26 Biennial agency operating adjustments

27 The amount appropriated for biennial agency operating adjustments shall
28 be to annualize fiscal year 2005-2006 increases made pursuant to Laws 2005,
29 chapter 286, section 107 for agencies that received a fiscal year 2006-2007
30 appropriation in Laws 2005, chapter 286. The joint legislative budget
31 committee staff shall determine and the department of administration shall
32 allocate to each agency or department an amount for these annualization
33 adjustments. The joint legislative budget committee staff shall also
34 determine and the department of administration shall allocate adjustments, as
35 necessary, in expenditure authority to allow implementation of these
36 annualization adjustments.

37 Sec. 49. Legislative intent; expenditure reporting

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

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

3 Sec. 50. FTE positions; reporting

4 Full-time equivalent (FTE) positions contained in this act are subject
5 to appropriation. The director of the department of administration shall
6 account for the use of all appropriated FTE positions excluding those in the
7 department of economic security, the universities and the department of
8 environmental quality. The director shall submit fiscal year 2006-2007
9 reports by February 1, 2007 and August 1, 2007 to the director of the joint
10 legislative budget committee. The reports shall compare the level of FTE
11 usage in each fiscal year to the appropriated level. The director of the
12 department of administration shall notify the director of each budget unit if
13 the budget unit has exceeded its number of appropriated FTE positions. The
14 above excluded agencies shall each report to the director of the joint
15 legislative budget committee in a manner comparable to the department of
16 administration reporting.

17 Sec. 51. Filled FTE positions; reporting

18 By October 1, 2006, each agency, including the judiciary and
19 universities, shall submit a report to the director of the joint legislative
20 budget committee on the number of filled, appropriated full-time equivalent
21 positions by fund source. The number of filled, appropriated full-time
22 equivalent positions reported shall be as of September 1, 2006.

23 Sec. 52. Performance measure results; reporting

24 As part of its fiscal year 2007-2008 budget request, agencies shall
25 submit the fiscal year 2005-2006 result for the performance measures listed
26 in this act. Agencies receiving fiscal year 2006-2007 budgets in Laws 2005,
27 chapter 286, shall submit the fiscal year 2005-2006 result for the
28 performance measures listed in that act as part of their fiscal year
29 2007-2008 budget request. If an agency fails to submit this information, it
30 shall submit a report to the joint legislative budget committee staff and the
31 office of strategic planning and budgeting as part of its fiscal year
32 2007-2008 budget request on why the agency failed to submit its results for
33 the performance measure.

34 Sec. 53. Transfer of spending authority

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

39 Sec. 54. Interim reporting requirements

40 A. State general fund revenue for fiscal year 2005-2006, not including
41 the beginning balance and including one-time revenues, is forecasted to be
42 \$8,878,726,500.

43 B. State general fund revenue for fiscal year 2006-2007, not including
44 the beginning balance and including one-time revenues, is forecasted to be
45 \$9,121,756,800.

1 C. The executive branch shall provide to the joint legislative budget
2 committee a preliminary estimate of the fiscal year 2005-2006 state general
3 fund ending balance by September 15, 2006. The preliminary estimate of the
4 fiscal year 2006-2007 state general fund ending balance shall be provided by
5 September 15, 2007. The estimate shall include projections of total
6 revenues, total expenditures and ending balance. The department of
7 administration shall continue to provide the final report for the fiscal year
8 in its annual financial report pursuant to section 35-131, Arizona Revised
9 Statutes.

10 D. Based on the information provided by the executive branch, the
11 staff of the joint legislative budget committee shall report to the joint
12 legislative budget committee by October 15 of 2006 and 2007 as to whether
13 that fiscal year's revenues and ending balance are expected to change by more
14 than \$50,000,000 from the budgeted projections. The executive branch may
15 also provide its own estimates to the joint legislative budget committee by
16 October 15 of each year.

17 Sec. 55. Office of strategic planning and budgeting; federal
18 revenue maximization reporting

19 The office of strategic planning and budgeting shall report to the
20 joint legislative budget committee by July 1, 2006 and the beginning of each
21 subsequent calendar quarter in the fiscal year on the status of the federal
22 revenue maximization initiative. The report, at a minimum, shall include an
23 update on contracts awarded as a result of the "RevMax" request for
24 proposals, a summary of projects and the potential savings from each project.
25 Any reported savings shall distinguish between potential reductions in
26 current funding levels and foregone future spending increases.

27 Sec. 56. Definition

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

31 Sec. 57. Definition

32 For the purposes of this act, "***" means this appropriation is
33 available for use pursuant to the provisions of section 35-143.01, subsection
34 C, Arizona Revised Statutes, and is exempt from the provisions of section
35 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until
36 June 30, 2007.

37 Sec. 58. Definition

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

41 Sec. 59. Definition

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