

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

HOUSE BILL 2695

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

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

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

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

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

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

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

1 Fund sources:

2 State general fund ~~\$155,092,100~~

3 \$229,852,500

4 University collections fund 516,830,500

5 It is the intent of the legislature that the STATE general fund base

6 funding for Arizona state university - Tempe and downtown Phoenix campuses is

7 \$229,852,500. This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL

8 FUND APPROPRIATION of \$74,760,400 ~~from fiscal year 2015-2016 to fiscal year~~

9 ~~2016-2017. This deferral shall be paid as required in this act.~~

10 The state general fund appropriations may not be used for alumni

11 association funding.

12 The increased state general fund appropriations from Laws 2014,

13 chapter 18 may not be used for medical marijuana research.

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

15 newspaper.

16 The appropriated monies may not be used by the Arizona state university

17 college of law legal clinic for any lawsuits involving inmates of the state

18 department of corrections in which the state is the adverse party.

19 Any unencumbered balances remaining in the collections account on June

20 30, 2015 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 appropriated for the purpose of conducting summer sessions but

29 are excluded from the amounts enumerated above.

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

31 Sec. 104. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2015-16</u>
FTE positions	425.6
Operating lump sum appropriation	\$ 45,098,400
	\$ 50,848,600
TRIF lease-purchase payment	<u>2,000,000</u>
Total appropriation - Arizona state	
university - East campus	\$ 47,098,400
	\$ 52,848,600

40 Fund sources:

41 State general fund ~~\$ 15,588,900~~

42 \$ 21,339,100

43 University collections fund 29,509,500

44 Technology and research initiative

45 fund 2,000,000

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

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

8 The increased state general fund appropriations from Laws 2014, chapter
9 18 may not be used for medical marijuana research.

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

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

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

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

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

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

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

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

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

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

19 Sec. 106. NORTHERN ARIZONA UNIVERSITY

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

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

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

40 The increased state general fund appropriations from Laws 2014, chapter
41 18 may not be used for medical marijuana research.

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

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

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

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

17 Sec. 107. UNIVERSITY OF ARIZONA

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

1	Fund sources:	
2	State general fund	\$ 52,307,300
3		\$ 69,084,000
4	University collections fund	43,434,900
5	Total appropriation - university of	
6	Arizona	\$504,956,300
7		\$583,886,100

8	Fund sources:	
9	State general fund	\$159,961,100
10		\$238,890,900
11	University collections fund	344,995,200

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

17 It is the intent of the legislature that the STATE general fund base
18 funding for university of Arizona - health sciences center is \$69,084,000.
19 This appropriation includes a ~~deferral~~ ONE-TIME STATE GENERAL FUND
20 APPROPRIATION of \$16,776,700 ~~from fiscal year 2015-2016 to fiscal year~~
21 ~~2016-2017. This deferral shall be paid as required in this act.~~

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

24 The increased state general fund appropriations from Laws 2014, chapter
25 18 may not be used for medical marijuana research.

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

28 Any unencumbered balances remaining in the collections account on June
29 30, 2015 and all collections received by the university during the fiscal
30 year, when paid into the state treasury, are appropriated for operating
31 expenditures, capital outlay and fixed charges. Earnings on state lands and
32 interest on the investment of the permanent land funds are appropriated in
33 compliance with the enabling act and the Constitution of Arizona. No part of
34 this appropriation may be expended for supplemental life insurance or
35 supplemental retirement. Receipts from summer session, when deposited in the
36 state treasury, together with any unencumbered balance in the summer session
37 account, are appropriated for the purpose of conducting summer sessions but
38 are excluded from the amounts enumerated above.

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

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

42 Notwithstanding any other law, after July 1, 2016 but on or before June
43 30, 2017, the amount of ~~\$100,000,000~~ \$78,900,000 is transferred from the
44 special employee health insurance trust fund established by section 38-654,

1 Arizona Revised Statutes, to the state general fund for the purpose of
 2 providing adequate support and maintenance for agencies of this state.

3 Sec. 9. Repeal

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

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

10 Sec. 11. ARIZONA STATE BOARD OF ACCOUNTANCY

	<u>2016-17</u>
11 FTE positions	13.0
12 Lump sum appropriation	\$ 1,939,100

14 Fund sources:

15 Board of accountancy fund	\$ 1,939,100
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16 Sec. 12. ACUPUNCTURE BOARD OF EXAMINERS

	<u>2016-17</u>
17 FTE positions	1.0
18 Operating lump sum appropriation	\$ 165,000
19 Annual leave payout	<u>13,200</u>

20 Total appropriation - acupuncture board 21 of examiners	\$ 178,200
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22 Fund sources:

23 Acupuncture board of examiners 24 fund	\$ 178,200
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26 Sec. 13. DEPARTMENT OF ADMINISTRATION

	<u>2016-17</u>
27 FTE positions	535.1
28 Operating lump sum appropriation	\$ 91,827,100
29 Utilities	8,275,600
30 Arizona financial information 31 system	9,406,300
32 Telecommunications infrastructure	175,000
33 Risk management administrative 34 expenses	8,747,200
35 Risk management losses and 36 premiums	45,372,700
37 Workers' compensation losses 38 and premiums	31,159,200
39 Statewide information security 40 and privacy office	872,200
41 State surplus property sales 42 proceeds	1,810,000

1	Southwest defense contracts	25,000
2	Government transformation office	<u>1,000,000</u>
3	Total appropriation - department of	
4	administration	\$198,670,300
5	Fund sources:	
6	State general fund	\$ 10,877,300
7	Air quality fund	927,300
8	Arizona financial information	
9	system collections fund	9,406,300
10	Automation operations fund	23,964,100
11	Capital outlay stabilization fund	18,082,800
12	Corrections fund	571,200
13	Federal surplus materials revolving	
14	fund	464,600
15	Information technology fund	2,942,100
16	Motor vehicle pool revolving fund	10,148,800
17	Personnel division fund	12,885,100
18	Risk management revolving fund	93,033,400
19	Special employee health insurance	
20	trust fund	5,262,300
21	Special services revolving fund	590,700
22	State surplus materials revolving	
23	fund	2,947,900
24	State web portal fund	4,543,000
25	Telecommunications fund	2,023,400

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

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

32 The appropriation from the automation operations fund established by
 33 section 41-711, Arizona Revised Statutes, is an estimate representing all
 34 monies, including balance forward, revenues and transfers during fiscal year
 35 2016-2017. These monies are appropriated to the department of administration
 36 for the purposes established in section 41-711, Arizona Revised Statutes.
 37 The appropriation is adjusted as necessary to reflect monies credited to the
 38 automation operations fund for automation operation center projects. Before
 39 the expenditure of any automation operations fund monies in excess of
 40 \$23,964,100 in fiscal year 2016-2017, the department of administration shall
 41 report the intended use of monies to the joint legislative budget committee.

1 The amounts appropriated for the state employee public transportation
2 service subsidy shall be used for up to a fifty percent subsidy of charges
3 payable for public transportation service expenses as provided in section
4 41-710.01, Arizona Revised Statutes, of nonuniversity state employees in a
5 vehicle 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 It is the intent of the legislature that the department not replace
9 vehicles until they have an average of 80,000 miles or more.

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

13 All state surplus materials revolving fund monies received by the
14 department of administration in excess of \$2,947,900 in fiscal year 2016-2017
15 are appropriated to the department. Before the expenditure of state surplus
16 materials revolving fund monies in excess of \$2,947,900 in fiscal year
17 2016-2017, the department of administration shall report the intended use of
18 monies to the joint legislative budget committee.

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

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

29 Sec. 14. OFFICE OF ADMINISTRATIVE HEARINGS

30			<u>2016-17</u>
31	FTE positions		12.0
32	Lump sum appropriation	\$	861,700
33	Fund sources:		
34	State general fund	\$	861,700

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

36			<u>2016-17</u>
37	FTE positions		3.0
38	Lump sum appropriation	\$	125,000
39	Fund sources:		
40	State general fund	\$	125,000

1	Sec. 16. ARIZONA DEPARTMENT OF AGRICULTURE	
2		<u>2016-17</u>
3	FTE positions	194.4
4	Operating lump sum appropriation	\$ 10,221,000
5	Agricultural employment relations	
6	board	23,300
7	Animal damage control	65,000
8	Red imported fire ant control	23,200
9	Agricultural consulting and	
10	training	<u>128,500</u>
11	Total appropriation - Arizona department	
12	of agriculture	\$ 10,461,000
13	Fund sources:	
14	State general fund	\$ 9,021,200
15	Air quality fund	1,439,800
16	Sec. 17. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
17		<u>2016-17</u>
18	FTE positions	2,326.3
19	Operating lump sum appropriation	\$ 91,439,300
20	DES eligibility	54,874,500
21	Proposition 204 - acute care	
22	administration	<u>6,832,800</u>
23	Proposition 204 - behavioral	
24	health administration	5,832,000
25	Proposition 204 - DES eligibility	38,358,700
26	<u>Medical services</u>	
27	Traditional medicaid services	3,936,187,500
28	Proposition 204 services	2,777,688,100
29	Adult expansion services	462,284,600
30	Children's rehabilitative services	275,375,700
31	KidsCare services	1,955,000
32	ALTCS services	1,422,354,600
33	<u>Behavioral health services</u>	
34	Medicaid behavioral health -	
35	traditional services	960,228,100
36	Medicaid behavioral health -	
37	proposition 204 services	612,844,800
38	Medicaid behavioral health -	
39	adult expansion services	77,702,300
40	Medicaid behavioral health -	
41	comprehensive medical and	
42	dental program	208,027,400

1	Crisis services	16,391,300
2	Nonmedicaid seriously mentally	
3	ill services	78,846,900
4	Supported housing	5,324,800
5	<u>Hospital payments</u>	
6	Disproportionate share payments	5,087,100
7	Disproportionate share payments -	
8	voluntary match	19,896,000
9	Rural hospitals	22,650,000
10	Graduate medical education	162,992,600
11	Safety net care pool	<u>137,000,000</u>
12	Total appropriation and expenditure	
13	authority - Arizona health	
14	care cost containment system	\$11,380,174,100
15	Fund sources:	
16	State general fund	\$ 1,751,080,800
17	Budget neutrality compliance fund	3,563,300
18	Children's health insurance	
19	program fund	3,672,200
20	Prescription drug rebate	
21	fund - state	113,778,800
22	Substance abuse services fund	2,250,200
23	Tobacco products tax fund -	
24	emergency health services	
25	account	18,747,200
26	Tobacco tax and health care	
27	fund - medically needy account	72,998,200
28	Expenditure authority	9,414,083,400

29 Operating budget

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

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

1 Medical services and behavioral health services

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

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

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

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

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

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

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

1 Any supplemental payments received in excess of \$71,950,100 for nursing
2 facilities that serve medicaid patients in fiscal year 2016-2017, including
3 any federal matching monies, by the Arizona health care cost containment
4 system administration are appropriated to the administration in fiscal year
5 2016-2017. Before the expenditure of these increased monies, the
6 administration shall notify the joint legislative budget committee and the
7 governor's office of strategic planning and budgeting of the amount of monies
8 that will be expended under this provision. These payments are included in
9 the expenditure authority fund source.

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

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

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

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

34 Payments to hospitals

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

40 Any monies received for disproportionate share payments from political
41 subdivisions of this state, tribal governments and any university under the
42 jurisdiction of the Arizona board of regents, and any federal monies used to
43 match those payments, in fiscal year 2016-2017 by the Arizona health care
44 cost containment system administration in excess of \$19,896,000 are
45 appropriated to the administration in fiscal year 2016-2017. Before the

1 expenditure of these increased monies, the administration shall notify the
2 joint legislative budget committee and the governor's office of strategic
3 planning and budgeting of the amount of monies that will be expended under
4 this provision.

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

11 Any monies for graduate medical education received in fiscal year
12 2016-2017, including any federal matching monies, by the Arizona health care
13 cost containment system administration in excess of \$162,992,600 are
14 appropriated to the administration in fiscal year 2016-2017. Before the
15 expenditure of these increased monies, the administration shall notify the
16 joint legislative budget committee and the governor's office of strategic
17 planning and budgeting of the amount of monies that will be expended under
18 this provision.

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

27 Other reports

28 On or before January 6, 2017, the Arizona health care cost containment
29 system administration shall report to the director of the joint legislative
30 budget committee the total amount of medicaid reconciliation payments and
31 penalties received on or before that date since July 1, 2016. On June 30,
32 2017, the administration shall report the same information for all of fiscal
33 year 2016-2017.

34 Sec. 18. BOARD OF ATHLETIC TRAINING

35			<u>2016-17</u>
36	FTE positions		1.5
37	Lump sum appropriation	\$	118,900
38	Fund sources:		
39	Athletic training fund	\$	118,900

40 Sec. 19. ATTORNEY GENERAL - DEPARTMENT OF LAW

41			<u>2016-17</u>
42	FTE positions		574.7
43	Operating lump sum appropriation	\$	50,206,900
44	Capital postconviction prosecution		799,400

1	Internet crimes against children	
2	enforcement	1,250,000
3	Federalism unit	1,000,000
4	Risk management interagency	
5	service agreement	9,426,900
6	State grand jury	180,600
7	Southern Arizona law enforcement	1,200,000
8	Tobacco enforcement	819,500
9	Victims' rights	<u>3,759,400</u>
10	Total appropriation - attorney general -	
11	department of law	\$ 68,642,700
12	Fund sources:	
13	State general fund	\$ 24,688,100
14	Antitrust enforcement revolving	
15	fund	244,800
16	Attorney general legal services	
17	cost allocation fund	2,086,800
18	Collection enforcement revolving	
19	fund	6,869,700
20	Consumer protection - consumer	
21	fraud revolving fund	5,094,000
22	Interagency service agreements	
23	fund	15,573,000
24	Internet crimes against children	
25	enforcement fund	900,000
26	Risk management revolving fund	9,426,900
27	Victims' rights fund	3,759,400

28 In addition to the \$15,573,000 appropriated from the interagency
 29 service agreements fund in fiscal year 2016-2017, an additional \$800,000 and
 30 11 FTE positions are appropriated from the interagency service agreements
 31 fund in fiscal year 2016-2017 for new or expanded interagency service
 32 agreements. The attorney general shall report to the joint legislative
 33 budget committee whenever an interagency service agreement is established
 34 that will require expenditures from the additional amount. The report shall
 35 include the name of the agency or entity with which the agreement is made,
 36 the dollar amount of the contract by fiscal year and the number of associated
 37 FTE positions.

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

41 The \$900,000 appropriation from the internet crimes against children
 42 enforcement fund and the \$350,000 appropriation from the state general fund
 43 for the internet crimes against children enforcement line item are continuing
 44 appropriations and are exempt from the provisions of section 35-190, Arizona

1 Revised Statutes, relating to lapsing of appropriations, through June
2 30, 2018.

3 Sec. 20. AUTOMOBILE THEFT AUTHORITY

	<u>2016-17</u>
4	
5 FTE positions	6.0
6 Operating lump sum appropriation	\$ 639,800
7 Automobile theft authority grants	4,607,700
8 Reimbursable programs	<u>50,000</u>
9 Total appropriation - automobile theft	
10 authority	\$ 5,297,500
11 Fund sources:	
12 Automobile theft authority fund	\$ 5,297,500

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

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

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

23 Sec. 21. BOARD OF BARBERS

	<u>2016-17</u>
24	
25 FTE positions	4.0
26 Lump sum appropriation	\$ 370,300
27 Fund sources:	
28 Board of barbers fund	\$ 370,300

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

37 Sec. 22. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	<u>2016-17</u>
38	
39 FTE positions	17.0
40 Lump sum appropriation	\$ 1,760,500
41 Fund sources:	
42 Board of behavioral health	
43 examiners fund	\$ 1,760,500

1	Sec. 23. STATE BOARD FOR CHARTER SCHOOLS	
2		<u>2016-17</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 1,194,100
5	Fund sources:	
6	State general fund	\$ 1,194,100
7	Sec. 24. DEPARTMENT OF CHILD SAFETY	
8		<u>2016-17</u>
9	FTE positions	3,193.1
10	Operating lump sum appropriation	\$116,103,100
11	Caseworkers	101,200,000
12	Backlog privatization	2,700,000
13	New case aides	3,077,700
14	Overtime pay	8,400,000
15	Attorney general legal services	25,588,700
16	Records retention staff	595,600
17	Inspections bureau	2,486,500
18	General counsel	156,100
19	Office of child welfare	
20	investigations	10,706,700
21	Retention pay	1,707,000
22	Adoption services	225,698,100
23	Preventive services	15,148,300
24	Out-of-home support services	198,272,500
25	Emergency and residential	
26	placement	98,900,100
27	Foster care placement	65,595,500
28	Independent living maintenance	4,660,000
29	In-home mitigation	28,988,100
30	Permanent guardianship subsidy	12,516,900
31	Grandparent stipends	1,000,000
32	Training resources	5,150,000
33	DCS child care subsidy	<u>45,159,400</u>
34	Total appropriation and expenditure	
35	authority - department of	
36	child safety	\$973,810,300
37	Fund sources:	
38	State general fund	\$379,863,800
39	Federal child care and	
40	development fund block grant	27,000,000
41	Federal temporary assistance for	
42	needy families block grant	149,472,700

1	Child abuse prevention fund	1,459,300
2	Children and family services	
3	training program fund	207,900
4	Child safety expenditure authority	415,806,600

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 For open reports, the department's benchmark is to have fewer than
18 13,000 open reports as of June 30, 2017 and thereafter.

19 For out-of-home children, the department's benchmark is to reduce the
20 number of children in out-of-home care by an average of an additional 2.0
21 percent every quarter with respect to the out-of-home care population as of
22 December 31, 2016. It is the intent of the legislature that the out-of-home
23 care population be below 17,500 and that the cumulative reduction as compared
24 to the population as of December 31, 2016 be 11.4 percent on or before June
25 30, 2018.

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

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

1 contractor awards to address the backlog. After the report is reviewed by
2 the joint legislative budget committee, the remaining \$1,958,000 from the
3 state general fund, \$2,894,600 from the federal temporary assistance for
4 needy families block grant and \$1,447,300 from the child safety expenditure
5 authority in the overtime pay appropriation, along with \$2,700,000 from the
6 state general fund in the backlog privatization appropriation and \$2,500,000
7 from the state general fund and \$577,700 from child safety expenditure
8 authority in the new case aides appropriation, are available to the
9 department.

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

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

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

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

36 Sec. 25. STATE BOARD OF CHIROPRACTIC EXAMINERS

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

1 Sec. 26. ARIZONA COMMUNITY COLLEGES

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

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

1	Private prison per diem	168,617,100
2	Inmate health care contracted	
3	services	<u>147,137,100</u>
4	Total appropriation - state department	
5	of corrections	\$1,102,434,400
6	Fund sources:	
7	State general fund	\$1,052,558,200
8	State education fund for	
9	correctional education	673,400
10	Alcohol abuse treatment fund	555,300
11	Penitentiary land fund	979,200
12	State charitable, penal and	
13	reformatory institutions	
14	land fund	1,861,200
15	Corrections fund	30,317,800
16	Transition program fund	1,803,300
17	Prison construction and operations	
18	fund	13,686,000

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

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

33 The state department of corrections shall provide a report on bed
 34 capacity to the joint legislative budget committee for its review on or
 35 before August 1, 2016. The report shall reflect the bed capacity for each
 36 security classification by gender at each state-run and private institution,
 37 divided by rated and total beds. The report shall include bed capacity data
 38 for June 30, 2015 and June 30, 2016 and the projected capacity for June 30,
 39 2017, as well as the reasons for any change within that time period. Within
 40 the total bed count, the department shall provide the number of temporary and
 41 special use beds. If the department develops a plan subsequent to its August
 42 1 report to close state-operated prison rated beds or cancel or not renew
 43 contracts for privately operated prison beds, the state department of
 44 corrections shall submit a bed plan detailing the proposed bed closures for

1 review by the joint legislative budget committee before implementing these
 2 changes.

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

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

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

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

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

21 Sec. 30. BOARD OF COSMETOLOGY

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

27 Sec. 31. ARIZONA CRIMINAL JUSTICE COMMISSION

		<u>2016-17</u>
	FTE positions	9.0
	Operating lump sum appropriation	\$ 1,253,700
	State aid to county attorneys	973,600
	Victim compensation and assistance	<u>4,220,500</u>
	Total appropriation - Arizona criminal justice commission	\$ 6,447,800
	Fund sources:	
	Criminal justice enhancement fund	\$ 648,800
	Drug and gang prevention resource center fund	604,900
	State aid to county attorneys fund	973,600
	Victim compensation and assistance fund	4,220,500

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

7 All monies received by the Arizona criminal justice commission in
 8 excess of \$973,600 in fiscal year 2016-2017 from the state aid to county
 9 attorneys fund established by section 11-539, Arizona Revised Statutes, are
 10 appropriated to the state aid to the county attorneys program. Before the
 11 expenditure of any state aid to county attorneys fund monies in excess of
 12 \$973,600, the Arizona criminal justice commission shall report the intended
 13 use of the monies to the joint legislative budget committee.

14 On or before August 31, 2016, the Arizona criminal justice commission
 15 shall report to the joint legislative budget committee regarding
 16 noncompliance with the reporting requirements contained in section
 17 13-2314.01, subsection H and section 13-2314.03, subsection H, Arizona
 18 Revised Statutes.

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

	<u>2016-17</u>
21 FTE positions	541.2
22 Administration/statewide	\$ 4,152,100
23 Phoenix day school for the deaf	9,456,700
24 Tucson campus	13,755,600
25 Regional cooperatives	821,900
26 Preschool/outreach programs	4,233,500
27 School bus replacement	738,000
28 Voucher fund adjustment	<u>145,900</u>
29 Total appropriation - Arizona state schools	
30 for the deaf and the blind	\$ 33,303,700
31 Fund sources:	
32 State general fund	\$ 21,596,400
33 Schools for the deaf and the	
34 blind fund	11,707,300

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

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

	<u>2016-17</u>
41 FTE positions	15.0
42 Lump sum appropriation	\$ 4,312,800
43 Fund sources:	
44 Telecommunication fund for	
45 the deaf	\$ 4,312,800

1	Sec. 34. STATE BOARD OF DENTAL EXAMINERS	
2		<u>2016-17</u>
3	FTE positions	11.0
4	Lump sum appropriation	\$ 1,215,500
5	Fund sources:	
6	Dental board fund	\$ 1,215,500
7	Sec. 35. DEPARTMENT OF ECONOMIC SECURITY	
8		<u>2016-17</u>
9	FTE positions	4,218.0
10	Operating lump sum appropriation	\$157,701,000
11	<u>Administration</u>	
12	Attorney general legal services	11,067,600
13	<u>Aging and adult services</u>	
14	Adult services	7,924,100
15	Community and emergency services	3,724,000
16	Coordinated homeless services	2,522,600
17	Domestic violence prevention	13,903,700
18	<u>Benefits and medical eligibility</u>	
19	Temporary assistance for needy	
20	families - cash benefits	27,736,400
21	Coordinated hunger services	1,754,600
22	Tribal pass-through funding	4,680,300
23	<u>Child support enforcement</u>	
24	County participation	8,740,200
25	<u>Developmental disabilities</u>	
26	DDD operating lump sum	49,590,200
27	Case management - medicaid	55,627,300
28	Home and community based	
29	services - medicaid	994,348,600
30	Institutional services -	
31	medicaid	22,632,900
32	Medical services - medicaid	165,542,400
33	Arizona training program at	
34	Coolidge - medicaid	15,822,100
35	Medicare clawback payments	3,370,600
36	Case management - state-only	3,912,700
37	Home and community based	
38	services - state-only	16,913,400
39	State-funded long-term care	
40	services	26,554,000
41	<u>Employment and rehabilitation services</u>	
42	JOBS	13,005,600
43	Child care subsidy	98,396,600
44	Independent living rehabilitation	
45	services	1,289,400

1	Rehabilitation services	7,249,100
2	Workforce investment act	
3	services	<u>51,654,600</u>
4	Total appropriation and expenditure	
5	authority - department of	
6	economic security	\$1,765,664,000
7	Fund sources:	
8	State general fund	\$ 530,204,500
9	Federal child care and	
10	development fund block grant	107,773,600
11	Federal temporary assistance for	
12	needy families block grant	72,964,700
13	Long-term care system fund	26,554,000
14	Public assistance collections	
15	fund	424,600
16	Special administration fund	2,939,700
17	Spinal and head injuries trust	
18	fund	2,324,800
19	Statewide cost allocation plan	
20	fund	1,000,000
21	Child support enforcement	
22	administration fund	16,719,600
23	Domestic violence shelter fund	4,000,000
24	Workforce investment act grant	56,050,500
25	Child support enforcement	
26	administration fund expenditure	
27	authority	42,479,100
28	Developmental disabilities medicaid	
29	expenditure authority	902,228,900

30 Aging and adult services

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

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

41 The department of economic security shall report to the joint
 42 legislative budget committee on the amount of state and federal monies
 43 available statewide for domestic violence funding on or before December
 44 15, 2016. The report shall include, at a minimum, the amount of monies
 45 available and the state fiscal agent receiving those monies.

1 Benefits and medical eligibility

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

5 Child support enforcement

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

12 Developmental disabilities

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

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

35 The department shall report to the joint legislative budget committee
36 on or before March 1 of each year on preliminary actuarial estimates of the
37 capitation rate changes for the following fiscal year along with the reasons
38 for the estimated changes. For any actuarial estimates that include a range,
39 the total range from minimum to maximum may not be more than two percent.
40 Before implementation of any changes in capitation rates for the long-term
41 care system, the department shall submit a report for review by the joint
42 legislative budget committee. Before the department implements any change in
43 policy affecting the amount, sufficiency, duration and scope of health care
44 services and who may provide services, the department shall prepare a fiscal
45 impact analysis on the potential effects of this change on the following

1 year's capitation rates. If the fiscal impact analysis demonstrates that
2 this change will result in additional state costs of \$500,000 or more for any
3 fiscal year, the department shall submit the policy change for review by the
4 joint legislative budget committee.

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

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

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

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

28 Employment and rehabilitation services

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

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

1 Departmentwide

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

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

17 Sec. 36. STATE BOARD OF EDUCATION

18		<u>2016-17</u>
19	FTE positions	11.0
20	Lump sum appropriation	\$ 1,705,000
21	Fund sources:	
22	State general fund	\$ 1,325,200
23	Teacher certification fund	379,800

24 Sec. 37. SUPERINTENDENT OF PUBLIC INSTRUCTION

25		<u>2016-17</u>
26	FTE positions	164.9
27	Operating lump sum appropriation	\$ 12,375,700
28	Fund sources:	
29	State general fund	\$ 8,739,400
30	Teacher certification fund	137,300
31	Department of education empowerment	
32	scholarship account fund	799,000
33	Department of education professional	
34	development revolving fund	2,700,000

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

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

1 The amount appropriated for the department's operating budget includes
2 \$500,000 for technical assistance and state level administration of the K-3
3 reading program established pursuant to section 15-211, Arizona Revised
4 Statutes.

5	Basic state aid	\$2,793,140,500
6	Fund sources:	
7	State general fund	\$2,573,336,300
8	Permanent state school fund	219,804,200

9 The above appropriation provides basic state support to school
10 districts for maintenance and operations funding as provided by section
11 15-973, Arizona Revised Statutes, and includes an estimated \$219,804,200 in
12 expendable income derived from the permanent state school fund and from state
13 trust lands pursuant to section 37-521, subsection B, Arizona Revised
14 Statutes, for fiscal year 2016-2017, except that if Proposition 123 is not
15 approved by voters, the amount of expendable income derived from the
16 permanent state school fund and from state trust lands pursuant to section
17 37-521, subsection B, Arizona Revised Statutes, for fiscal year 2016-2017 is
18 estimated to be \$47,359,500.

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

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

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

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

1 funding for fiscal year 2016-2017 by the amount that the district's budget
2 limits would be increased for additional inflation if the school district was
3 eligible to receive basic state aid funding for fiscal year 2016-2017. The
4 additional inflation amount is not an increase in the base level as defined
5 in section 15-901, Arizona Revised Statutes.

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

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

20 The department also shall increase the base support level of a school
21 district that operated a district-sponsored charter school in fiscal year
22 2015-2016 but that does not qualify for state aid in fiscal year 2016-2017 by
23 an amount equal to the average per pupil base support level increase provided
24 per former district-sponsored charter school pupil under this line item for a
25 school district that qualifies for state aid for fiscal year 2016-2017,
26 multiplied by the number of average daily membership pupils who attended
27 district-sponsored charter schools in the school district in fiscal year
28 2015-2016, and shall increase the school district's budget limits
29 accordingly.

30	Additional state aid -	
31	homeowner's rebate	\$391,456,100
32	Additional state aid -	
33	1 percent cap	7,380,300
34	Special education fund	32,242,100
35	Other state aid to districts	983,900
36	Accountability and achievement	
37	testing	\$ 16,422,400
38	Fund sources:	
39	State general fund	\$ 9,422,400
40	Proposition 301 fund	7,000,000

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

1	Adult education	\$ 4,500,000
2	Alternative teacher development	
3	program	500,000
4	Arizona structured English	
5	immersion fund	4,960,400
6	English learner administration	6,507,900

7 The department of education shall use the appropriated amount to
8 provide English language acquisition services for the purposes of section
9 15-756.07, Arizona Revised Statutes, and for the costs of providing English
10 language proficiency assessments, scoring and ancillary materials as
11 prescribed by the department of education to school districts and charter
12 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
13 Statutes. The department of education may use a portion of the appropriated
14 amount to hire staff or contract with a third party to carry out the purposes
15 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
16 41-192, Arizona Revised Statutes, the superintendent of public instruction
17 also may use a portion of the appropriated amount to contract with one or
18 more private attorneys to provide legal services in connection with the case
19 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

20	Geographic literacy	\$ 100,000
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21 The department of education shall use the appropriated one-time amount
22 to issue a grant to a statewide geographic alliance for the purpose of
23 strengthening geographic literacy in this state. The appropriated amount is
24 exempt from the provisions of section 35-190, Arizona Revised Statutes,
25 relating to lapsing of appropriations.

26	JTED soft capital and equipment	\$ 1,000,000
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27 The department of education shall distribute the appropriated amount to
28 joint technical education districts with fewer than two thousand average
29 daily membership pupils for soft capital and equipment expenses. The
30 appropriated amount shall be allocated on a pro rata basis based on the
31 average daily membership of eligible joint technical education districts.

32	School safety program	\$ 3,646,500
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33	State block grant for vocational	
34	education	11,560,900

35	Teacher certification	\$ 1,834,500
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36 Fund sources:

37	Teacher certification fund	\$ 1,834,500
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38	Tribal college dual enrollment	
39	program fund	\$ 250,000

40 Fund sources:

41	Tribal college dual enrollment	
42	program fund	\$ 250,000

43	Total appropriation - superintendent	
44	of public instruction	
45		<hr/> \$3,290,009,200

1	Fund sources:	
2	State general fund	\$3,057,484,200
3	Proposition 301 fund	7,000,000
4	Permanent state school fund	219,804,200
5	Teacher certification fund	1,971,800
6	Tribal college dual enrollment	
7	program fund	250,000
8	Department of education empowerment	
9	scholarship account fund	799,000
10	Department of education professional	
11	development revolving fund	2,700,000

12 After review by the joint legislative budget committee, in fiscal year
 13 2016-2017, the department may use a portion of its fiscal year 2016-2017
 14 state general fund appropriations for basic state aid or additional state aid
 15 to fund a shortfall in funding for basic state aid or additional state aid,
 16 if any, that occurred in fiscal year 2015-2016.

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

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

31 Sec. 38. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

32		<u>2016-17</u>
33	FTE positions	63.1
34	<u>Administration</u>	\$ 1,819,200
35	<u>Emergency management</u>	727,300
36	<u>Military affairs</u>	3,024,400
37	Matching funds	<u>1,540,900</u>
38	Total appropriation - department of	
39	emergency and military affairs	\$ 7,111,800
40	Fund sources:	
41	State general fund	\$ 7,111,800

1 The department of emergency and military affairs appropriation includes
 2 \$1,700,000 for service contracts. This amount is exempt from the provisions
 3 of section 35-190, Arizona Revised Statutes, relating to lapsing of
 4 appropriations, except that all fiscal year 2016-2017 monies remaining
 5 unexpended and unencumbered on December 31, 2017 revert to the state general
 6 fund.

7 Sec. 39. DEPARTMENT OF ENVIRONMENTAL QUALITY

	<u>2016-17</u>
8 FTE positions	322.0
9 Operating lump sum appropriation	\$ 46,353,800
10 Safe drinking water program	1,800,000
11 Emissions control contractor	
12 payment	<u>21,119,500</u>
13	
14 Total appropriation - department of	
15 environmental quality	\$ 69,273,300
16 Fund sources:	
17 Air quality fund	\$ 5,369,300
18 Emergency response fund	132,800
19 Emissions inspection fund	28,381,700
20 Hazardous waste management fund	1,738,800
21 Indirect cost recovery fund	13,373,700
22 Permit administration fund	7,129,700
23 Recycling fund	1,356,300
24 Solid waste fee fund	1,241,000
25 Underground storage tank	
26 revolving fund	22,000
27 Water quality fee fund	10,528,000

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

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

35 The department of environmental quality shall report annually on the
 36 progress of WQARF activities, including emergency response, priority site
 37 remediation, cost recovery activity, revenue and expenditure activity and
 38 other WQARF-funded program activity. The department shall submit the fiscal
 39 year 2016-2017 report to the joint legislative budget committee on or before
 40 September 1, 2016. This report shall also include a budget for the WQARF
 41 program that is developed in consultation with the WQARF advisory board.
 42 This budget shall specify the monies budgeted for each listed site during
 43 fiscal year 2016-2017. In addition, the department and the advisory board
 44 shall prepare and submit to the joint legislative budget committee, on or
 45 before October 1, 2016, a report in a table format summarizing the current

1 progress on remediation of each listed site on the WQARF registry. The table
 2 shall include the stage of remediation for each site at the end of fiscal
 3 year 2015-2016, indicate whether the current stage of remediation is
 4 anticipated to be completed in fiscal year 2016-2017 and indicate the
 5 anticipated stage of remediation at each listed site at the end of fiscal
 6 year 2016-2017, assuming fiscal year 2016-2017 funding levels. The
 7 department and advisory board may include other relevant information about
 8 the listed sites in the table.

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

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

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

22			<u>2016-17</u>
23	FTE positions		4.0
24	Lump sum appropriation	\$	189,000
25	Fund sources:		
26	State general fund	\$	189,000

27 Sec. 41. STATE BOARD OF EQUALIZATION

28			<u>2016-17</u>
29	FTE positions		7.0
30	Lump sum appropriation	\$	642,800
31	Fund sources:		
32	State general fund	\$	642,800

33 Sec. 42. BOARD OF EXECUTIVE CLEMENCY

34			<u>2016-17</u>
35	FTE positions		14.0
36	Lump sum appropriation	\$	956,000
37	Fund sources:		
38	State general fund	\$	956,000

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

1	Sec. 43. ARIZONA EXPOSITION AND STATE FAIR BOARD	
2		<u>2016-17</u>
3	FTE positions	184.0
4	Lump sum appropriation	\$ 11,616,100
5	Fund sources:	
6	Arizona exposition and state	
7	fair fund	\$ 11,616,100
8	Sec. 44. DEPARTMENT OF FINANCIAL INSTITUTIONS	
9		<u>2016-17</u>
10	FTE positions	69.1
11	Operating lump sum appropriation	\$ 4,453,100
12	Real estate appraisal	<u>817,200</u>
13	Total appropriation - department of	
14	financial institutions	\$ 5,270,300
15	Fund sources:	
16	State general fund	\$ 3,812,600
17	Financial services fund	1,457,700
18	The department of financial institutions shall assess and set fees to	
19	ensure that monies deposited in the state general fund will equal or exceed	
20	the department's expenditure from the state general fund.	
21	Of the amount appropriated from the state general fund, the sum of	
22	\$817,200 reverts to the state general fund and the sum of \$817,200 is	
23	appropriated from the board of appraisal fund established by section 32-3608,	
24	Arizona Revised Statutes, if the board of appraisal fund is not repealed in	
25	the fifty-second legislature, second regular session.	
26	Sec. 45. STATE FORESTER	
27		<u>2016-17</u>
28	FTE positions	67.0
29	Operating lump sum appropriation	\$ 2,953,000
30	Environmental county grants	250,000
31	Inmate fire crews	691,000
32	Fire suppression	1,000,000
33	One-time equipment	302,500
34	State fire marshal	747,300
35	State fire school	172,700
36	Hazardous vegetation removal	<u>1,350,000</u>
37	Total appropriation - state forester	\$ 7,466,500
38	Fund sources:	
39	State general fund	\$ 7,466,500
40	Sec. 46. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
41		<u>2016-17</u>
42	FTE positions	4.0
43	Lump sum appropriation	\$ 376,200

1 Fund sources:
 2 Board of funeral directors' and
 3 embalmers' fund \$ 376,200
 4 The appropriation includes \$24,000 for data system updates and online
 5 renewals. Before the expenditure of these monies, the state board of funeral
 6 directors and embalmers shall complete a project investment justification
 7 that has been approved by the department of administration. It is the intent
 8 of the legislature that the Arizona strategic enterprise technology office
 9 determine whether the board's project investment justification is consistent
 10 with statewide information technology enterprise architecture strategy and
 11 whether one-time information technology purchases can be consolidated with
 12 other appropriations in this act.

13 Sec. 47. ARIZONA GAME AND FISH DEPARTMENT
 14 2016-17
 15 FTE positions 273.5
 16 Operating lump sum appropriation \$ 41,325,200
 17 Watercraft grants 1,000,000
 18 Total appropriation - game and fish
 19 department \$ 42,325,200

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

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

33 Sec. 48. DEPARTMENT OF GAMING
 34 2016-17
 35 FTE positions 155.8
 36 Operating lump sum appropriation \$ 8,295,500
 37 Additional operating expenses 800,400
 38 Casino operations certification 2,089,900
 39 County fairs livestock and
 40 agriculture promotion 1,779,500
 41 Division of racing 2,894,200
 42 Problem gambling 2,287,000
 43 Total appropriation - department of gaming \$ 18,146,500

1	Fund sources:	
2	State general fund	\$ 1,779,500
3	Tribal-state compact fund	2,089,900
4	Arizona benefits fund	11,082,900
5	State lottery fund	300,000
6	Racing regulation fund	2,894,200
7	The department of gaming shall report to the directors of the joint	
8	legislative budget committee and the governor's office of strategic planning	
9	and budgeting on or before December 1, 2016 on the expected amount and	
10	purpose of expenditures from the additional operating expenses line item for	
11	fiscal year 2016-2017. The report shall include the projected line item	
12	detail.	
13	The amount appropriated to the county fairs livestock and agriculture	
14	promotion line item is for deposit in the county fairs livestock and	
15	agriculture promotion fund established by section 5-113, Arizona Revised	
16	Statutes, and to be administered by the office of the governor.	
17	Sec. 49. OFFICE OF THE GOVERNOR	
18		<u>2016-17</u>
19	Lump sum appropriation	\$ 6,889,000*
20	Fund sources:	
21	State general fund	\$ 6,889,000
22	Included in the lump sum appropriation of \$6,889,000 for fiscal year	
23	2016-2017 is \$10,000 for the purchase of mementos and items for visiting	
24	officials.	
25	Sec. 50. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	
26		<u>2016-17</u>
27	FTE positions	22.0
28	Lump sum appropriation	\$ 1,994,000*
29	Fund sources:	
30	State general fund	\$ 1,994,000
31	Sec. 51. DEPARTMENT OF HEALTH SERVICES	
32		<u>2016-17</u>
33	FTE positions	1,065.5
34	Operating lump sum appropriation	\$ 49,200,000
35	<u>Public health/family health</u>	
36	Adult cystic fibrosis care	105,200
37	AIDS reporting and surveillance	1,000,000
38	Alzheimer's disease research	1,125,000
39	Breast and cervical cancer and	
40	bone density screening	1,369,400
41	County tuberculosis provider care	
42	and control	590,700
43	Emergency medical services local	
44	allocation	442,000

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

1 Public health/family health

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

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

8 Arizona state hospital

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

13 Departmentwide

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

25 Sec. 52. ARIZONA HISTORICAL SOCIETY

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

36 Sec. 53. PRESCOTT HISTORICAL SOCIETY

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

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

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

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

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

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

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

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

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

7 Court of appeals

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

12 Fund sources:

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

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

21 Superior court

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

40 Fund sources:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 Sec. 61. DEPARTMENT OF JUVENILE CORRECTIONS

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

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

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

16 Sec. 62. STATE LAND DEPARTMENT

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

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

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

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

40 Sec. 63. LEGISLATURE

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

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

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

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

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

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

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

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

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

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

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

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

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

36 Sec. 64. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

37 2016-17
 38 FTE positions 45.2

39 Lump sum appropriation \$ 3,017,600

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

1 Sec. 65. ARIZONA STATE LOTTERY COMMISSION

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

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

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

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

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

27 Sec. 66. BOARD OF MASSAGE THERAPY

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

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

1 Sec. 67. ARIZONA MEDICAL BOARD

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

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

11 Sec. 68. STATE MINE INSPECTOR

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

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

27 Sec. 69. NATUROPATHIC PHYSICIANS MEDICAL BOARD

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

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

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

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

1 meet the revenue sharing agreement with the city of Show Low and the United
 2 States forest service.

3 Sec. 78. STATE PERSONNEL BOARD

4		<u>2016-17</u>
5	FTE positions	3.0
6	Lump sum appropriation	\$ 375,700
7	Fund sources:	
8	Personnel division fund -	
9	personnel board subaccount	\$ 375,700

10 Sec. 79. OFFICE OF PEST MANAGEMENT

11		<u>2016-17</u>
12	FTE positions	30.0
13	Lump sum appropriation	\$ 1,699,500
14	Fund sources:	
15	Pest management fund	\$ 1,699,500

16 Sec. 80. ARIZONA STATE BOARD OF PHARMACY

17		<u>2016-17</u>
18	FTE positions	18.0
19	Operating lump sum appropriation	\$ 2,120,500
20	Annual leave payout	<u>20,000</u>
21	Total appropriation - Arizona state	
22	board of pharmacy	\$ 2,140,500
23	Fund sources:	
24	Arizona state board of pharmacy	
25	fund	\$ 2,140,500

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

35 Sec. 81. BOARD OF PHYSICAL THERAPY

36		<u>2016-17</u>
37	FTE positions	4.0
38	Lump sum appropriation	\$ 487,000
39	Fund sources:	
40	Board of physical therapy fund	\$ 487,000

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

1 whether the board's project investment justification is consistent with
 2 statewide information technology enterprise architecture strategy and whether
 3 one-time information technology purchases can be consolidated with other
 4 appropriations in this act.

5 Sec. 82. ARIZONA PIONEERS' HOME

6		<u>2016-17</u>
7	FTE positions	106.3
8	Operating lump sum appropriation	\$ 6,004,900
9	Prescription drugs	<u>200,000</u>
10	Total appropriation - pioneers' home	\$ 6,204,900
11	Fund sources:	
12	Miners' hospital fund	\$ 2,040,000
13	State charitable fund	4,164,900

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

18 Sec. 83. STATE BOARD OF PODIATRY EXAMINERS

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

24 Sec. 84. COMMISSION FOR POSTSECONDARY EDUCATION

25		<u>2016-17</u>
26	FTE positions	5.0
27	Operating lump sum appropriation	\$ 184,300
28	Leveraging educational assistance	
29	partnership (LEAP)	2,319,500
30	Arizona college and career guide	21,300
31	Math and science teacher	
32	initiative	176,000
33	Arizona minority educational	
34	policy analysis center	100,000
35	Twelve plus partnership	<u>130,500</u>
36	Total appropriation - commission for	
37	postsecondary education	\$ 2,931,600
38	Fund sources:	
39	State general fund	\$ 1,396,800
40	Postsecondary education fund	1,534,800

41 Each participating institution, public or private, in order to be
 42 eligible to receive state matching monies under the leveraging educational
 43 assistance partnership for grants to students, shall provide an amount of
 44 institutional matching monies that equals the amount of monies provided by
 45 the state to the institution for the leveraging educational assistance

1 partnership. Administrative expenses incurred by the commission for
 2 postsecondary education shall be paid from institutional matching funds and
 3 may not exceed twelve percent of the monies in fiscal year 2016-2017.

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

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

17 Sec. 85. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION
 18 2016-17

19	FTE positions		4.0
20	Lump sum appropriation	\$	396,300
21	Fund sources:		
22	Board for private postsecondary		
23	education fund	\$	396,300

24 Sec. 86. STATE BOARD OF PSYCHOLOGIST EXAMINERS
 25 2016-17

26	FTE positions		4.0
27	Lump sum appropriation	\$	476,500
28	Fund sources:		
29	Board of psychologist examiners		
30	fund	\$	476,500

31 Sec. 87. DEPARTMENT OF PUBLIC SAFETY
 32 2016-17

33	FTE positions		1,956.7
34	Operating lump sum appropriation	\$	229,233,700
35	ACTIC		1,450,000
36	Border strike task force ongoing		6,778,800
37	Border strike task force one-time		18,600,000
38	Border strike task force		
39	local support		1,261,700
40	Civil air patrol		150,000
41	GIITEM		22,629,000
42	GIITEM subaccount		2,390,000

1	Law enforcement officer virtual	
2	training	2,100,000
3	Motor vehicle fuel	5,454,600
4	Public safety equipment	2,890,000
5	Sexual assault kit testing	<u>500,000</u>
6	Total appropriation - department of public	
7	safety	\$293,437,800
8	Fund sources:	
9	State general fund	\$121,397,900
10	Automobile theft authority fund	3,000,000
11	Arizona highway user revenue fund	96,409,200
12	State highway fund	7,331,300
13	Arizona highway patrol fund	24,198,200
14	State aid to indigent defense fund	700,000
15	Criminal justice enhancement fund	2,872,700
16	Safety enforcement and transportation	
17	infrastructure fund - department	
18	of public safety subaccount	1,559,100
19	Crime laboratory assessment fund	872,400
20	Crime laboratory operations fund	13,660,600
21	Arizona deoxyribonucleic acid	
22	identification system fund	4,997,300
23	Arizona automated fingerprint	
24	identification system fund	2,910,500
25	Gang and immigration intelligence	
26	team enforcement mission border	
27	security and law enforcement	
28	subaccount	2,527,700
29	Motorcycle safety fund	205,000
30	Risk management revolving fund	1,269,300
31	Parity compensation fund	2,139,700
32	Public safety equipment fund	2,893,000
33	Concealed weapons permit fund	3,493,900
34	Drug and gang prevention resource	
35	center fund	1,000,000

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

- 42 1. Strict enforcement of all federal laws relating to illegal aliens
- 43 and arresting illegal aliens.

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

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

8 4. Taking strict enforcement action.

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

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

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

24 Before the expenditure of any monies appropriated in fiscal year
25 2016-2017 in the border strike task force ongoing, border strike task force
26 one-time and border strike task force local support line items, the
27 department shall submit an expenditure plan for these line items to the joint
28 legislative budget committee for review.

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

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

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

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

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

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

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

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

17 The operating lump sum appropriation and GIITEM line item include
18 \$4,440,000 from the state general fund, \$215,800 from the Arizona highway
19 patrol fund and \$30,900 from the risk management revolving fund for a three
20 percent aggregate pay full-year pay adjustment for sworn officer positions.
21 The appropriated amount also includes \$156,400 from the state general fund
22 for a three percent aggregate pay full-year pay adjustment for civilian
23 employees of the highway patrol division. On or before August 1, 2016, the
24 department shall report its pay adjustment plan to the joint legislative
25 budget committee.

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

36 Sec. 88. RADIATION REGULATORY AGENCY

37		<u>2016-17</u>
38	FTE positions	29.0
39	Lump sum appropriation	\$ 1,626,500
40	Fund sources:	
41	State general fund	\$ 775,300
42	State radiologic technologist	
43	certification fund	272,500
44	Radiation regulatory fee fund	578,700

1	Sec. 89. STATE REAL ESTATE DEPARTMENT	
2		<u>2016-17</u>
3	FTE positions	37.0
4	Lump sum appropriation	\$ 3,004,000
5	Fund sources:	
6	State general fund	\$ 3,004,000
7	Sec. 90. RESIDENTIAL UTILITY CONSUMER OFFICE	
8		<u>2016-17</u>
9	FTE positions	11.0
10	Operating lump sum appropriation	\$ 1,190,000
11	Professional witnesses	<u>145,000*</u>
12	Total appropriation - residential utility	
13	consumer office	\$ 1,335,000
14	Fund sources:	
15	Residential utility consumer	
16	office revolving fund	\$ 1,335,000
17	Sec. 91. BOARD OF RESPIRATORY CARE EXAMINERS	
18		<u>2016-17</u>
19	FTE positions	4.0
20	Lump sum appropriation	\$ 300,100
21	Fund sources:	
22	Board of respiratory care	
23	examiners fund	\$ 300,100
24	Sec. 92. ARIZONA STATE RETIREMENT SYSTEM	
25		<u>2016-17</u>
26	FTE positions	250.9
27	Operating lump sum appropriation	\$ 25,495,000
28	Automation upgrades	<u>2,070,000*</u>
29	Total appropriation - state	
30	retirement system	\$ 27,565,000
31	Fund sources:	
32	Arizona state retirement system	
33	administration account	\$ 24,765,000
34	Long-term disability trust fund	
35	administration account	2,800,000
36	Sec. 93. DEPARTMENT OF REVENUE	
37		<u>2016-17</u>
38	FTE positions	880.8
39	Operating lump sum appropriation	\$ 63,694,300
40	BRITS operational support	7,538,900
41	Unclaimed property administration	
42	and audit	1,218,500
43	TPT simplification	990,600
44	Income tax fraud prevention	<u>3,150,000</u>
45	Total appropriation - department of revenue	\$ 76,592,300

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

7 If the total value of properties retained by unclaimed property
 8 contract auditors exceeds \$1,218,500, the excess amount is transferred from
 9 the state general fund to the DOR administrative fund established by section
 10 42-1116.01, Arizona Revised Statutes, and appropriated to the department for
 11 contract auditor fees.

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

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

24 On or before November 1, 2016, the department shall report the results
 25 of private fraud prevention investigation services during fiscal year
 26 2015-2016 to the joint legislative budget committee. The report shall
 27 include the total number of fraudulent returns prevented and the total dollar
 28 amount of fraudulent returns prevented during fiscal year 2015-2016.

29 Sec. 94. SCHOOL FACILITIES BOARD

30		<u>2016-17</u>
31	FTE positions	17.0
32	Operating lump sum appropriation	\$ 1,672,500
33	New school facilities debt service	170,006,600
34	Building renewal grants	31,667,900
35	New school facilities	<u>24,253,200</u>
36	Total appropriation - school facilities	
37	board	\$227,600,200

38	Fund sources:	
39	State general fund	\$227,600,200

40 Pursuant to section 35-142.01, Arizona Revised Statutes, any
 41 reimbursement received by or allocated to the school facilities board under
 42 the federal qualified school construction bond program in fiscal year
 43 2016-2017 shall be deposited in or revert to the state general fund.

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

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

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

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

21		<u>2016-17</u>
22	FTE positions	141.1
23	Operating lump sum appropriation	\$ 11,609,300
24	Election services	3,390,800
25	Help America vote act	2,941,500
26	Library grants-in-aid	651,400*
27	Statewide radio reading service	
28	for the blind	<u>97,000</u>
29	Total appropriation - secretary of state	\$ 18,690,000
30	Fund sources:	
31	State general fund	\$ 15,006,500
32	Election systems improvement fund	2,941,500
33	Records services fund	742,000

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

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

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

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

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

		<u>2016-17</u>
14	FTE positions	4.0
15	Lump sum appropriation	\$ 266,400
16	Fund sources:	
17	State general fund	\$ 266,400

18 Sec. 97. STATE BOARD OF TECHNICAL REGISTRATION

		<u>2016-17</u>
20	FTE positions	25.0
21	Lump sum appropriation	\$ 2,922,600
22	Fund sources:	
23	Technical registration fund	\$ 2,922,600

24 The appropriation includes \$800,000 for an e-licensing and case
 25 management system. Before the expenditure of these monies, the state board
 26 of technical registration shall complete a project investment justification
 27 that has been approved by the department of administration. It is the intent
 28 of the legislature that the Arizona strategic enterprise technology office
 29 determine whether the board's project investment justification is consistent
 30 with statewide information technology enterprise architecture strategy and
 31 whether one-time information technology purchases can be consolidated with
 32 other appropriations in this act.

33 Sec. 98. OFFICE OF TOURISM

		<u>2016-17</u>
35	FTE positions	28.0
36	Tourism fund deposit	\$ 7,110,400
37	Fund sources:	
38	State general fund	\$ 7,110,400

39 Sec. 99. DEPARTMENT OF TRANSPORTATION

		<u>2016-17</u>
41	FTE positions	4,552.0
42	Operating lump sum appropriation	\$205,331,600
43	Attorney general legal services	3,577,700
44	Highway maintenance	140,593,200

1	Vehicles and heavy equipment	18,545,500
2	Fraud investigation	767,000
3	New third-party funding	631,800
4	Statewide drainage structures	4,300,000
5	Phoenix area freeway lighting	<u>1,500,000</u>
6	Total appropriation - department of	
7	transportation	\$375,246,800
8	Fund sources:	
9	State general fund	\$ 50,400
10	Air quality fund	162,200
11	Driving under the influence	
12	abatement fund	153,200
13	Arizona highway user revenue fund	652,700
14	Motor vehicle liability	
15	insurance enforcement fund	1,316,100
16	Safety enforcement and	
17	transportation infrastructure	
18	fund - department of	
19	transportation subaccount	1,875,500
20	State aviation fund	1,622,900
21	State highway fund	349,410,200
22	Transportation department	
23	equipment fund	18,545,500
24	Vehicle inspection and title	
25	enforcement fund	1,458,100

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

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

37 The department of transportation shall submit an annual report to the
 38 joint legislative budget committee on progress in improving motor vehicle
 39 division wait times and vehicle registration renewal by mail turnaround times
 40 in a format similar to prior years. The report is due on or before July 31,
 41 2017 for fiscal year 2016-2017.

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

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

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

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

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

26 Sec. 100. STATE TREASURER

27		<u>2016-17</u>
28	FTE positions	30.4
29	Operating lump sum appropriation	\$ 2,848,100
30	Justice of the peace salaries	1,205,100
31	Law enforcement/boating safety	
32	fund grants	<u>2,183,800</u>
33	Total appropriation - state treasurer	\$ 6,237,000
34	Fund sources:	
35	State general fund	\$ 1,205,100
36	Law enforcement and boating	
37	safety fund	2,183,800
38	State treasurer empowerment	
39	scholarship account fund	79,700
40	State treasurer's operating fund	2,571,800
41	State treasurer's management fund	196,600

1	Sec. 101. ARIZONA BOARD OF REGENTS	
2		<u>2016-17</u>
3	FTE positions	25.9
4	Operating lump sum appropriation	\$ 2,352,500
5	Arizona teachers incentive program	90,000
6	Arizona transfer articulation	
7	support system	213,700
8	Performance funding	5,000,000
9	Student financial assistance	10,041,200
10	Western interstate commission	
11	office	141,000
12	WICHE student subsidies	<u>4,090,000</u>
13	Total appropriation - Arizona board of	
14	regents	\$ 21,928,400
15	Fund sources:	
16	State general fund	\$ 21,928,400

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

22 It is the intent of the legislature that the Arizona board of regents
23 adopt a performance funding model and report to the joint legislative budget
24 committee the final allocation of the \$5,000,000 performance funding lump sum
25 appropriation on or before July 1, 2016. The formula shall be consistent
26 with board objectives previously adopted in the board's enterprise plan. The
27 performance funding model shall use select performance metrics that include,
28 at a minimum, the increase in degrees awarded, the increase in completed
29 student credit hours and the increase in externally generated research and
30 public service funding. The formula may give added weight to degrees related
31 to science, technology, engineering and mathematics, as well as other
32 high-value degrees that are in short supply or are essential to the state's
33 long-term economic development strategy.

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

40 Within ten days after the acceptance of the universities' semiannual
41 all funds budget reports, the Arizona board of regents shall submit an
42 expenditure plan for review to the joint legislative budget committee. The
43 expenditure plan shall include any tuition revenue amounts that are greater
44 than the appropriated amounts and all retained tuition and fee revenue

1 expenditures for the current fiscal year. The additional revenue expenditure
2 plan shall provide as much detail as the university budget requests.

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

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

	<u>2016-17</u>
8	
9 FTE positions	6,552.6
10 Operating lump sum appropriation	\$651,566,500
11 Biomedical informatics	2,791,900
12 School of civic and economic	
13 thought and leadership	3,000,000
14 Downtown Phoenix campus	<u>127,166,100</u>
15 Total appropriation - Arizona state	
16 university - Tempe and downtown	
17 Phoenix campuses	\$784,524,500
18 Fund sources:	
19 State general fund	\$233,303,600
20 University collections fund	551,220,900

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

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

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

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

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

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

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

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

20 Sec. 103. ARIZONA STATE UNIVERSITY - EAST CAMPUS

21		<u>2016-17</u>
22	FTE positions	416.2
23	Operating lump sum appropriation	\$ 57,297,300
24	TRIF lease-purchase payment	<u>2,000,000</u>
25	Total appropriation - Arizona state	
26	university - East campus	\$ 59,297,300
27	Fund sources:	
28	State general fund	\$ 21,574,400
29	University collections fund	35,722,900
30	Technology and research initiative	
31	fund	2,000,000

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

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

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

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

1 state treasury, together with any unencumbered balance in the summer session
2 account, are appropriated for the purpose of conducting summer sessions but
3 are excluded from the amounts enumerated above.

4 Sec. 104. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	<u>2016-17</u>
5	
6 FTE positions	521.1
7 Operating lump sum appropriation	\$ 73,417,700
8 TRIF lease-purchase payment	<u>1,600,000</u>
9 Total appropriation - Arizona state	
10 university - West campus	\$ 75,017,700
11 Fund sources:	
12 State general fund	\$ 29,176,300
13 University collections fund	44,241,400
14 Technology and research initiative	
15 fund	1,600,000

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

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

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

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

33 Sec. 105. NORTHERN ARIZONA UNIVERSITY

	<u>2016-17</u>
34	
35 FTE positions	2,249.7
36 Operating lump sum appropriation	\$233,388,600
37 NAU - Yuma	3,066,600
38 Teacher training	<u>2,290,600</u>
39 Total appropriation - Northern Arizona	
40 university	\$238,745,800
41 Fund sources:	
42 State general fund	\$ 93,459,200
43 University collections fund	145,286,600

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

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

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

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

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

22 Sec. 106. UNIVERSITY OF ARIZONA

		<u>2016-17</u>
23		
24	<u>Main campus</u>	
25	FTE positions	5,605.5
26	Operating lump sum appropriation	\$467,520,000
27	Agriculture	39,423,400
28	Arizona cooperative extension	16,017,700
29	Center for the philosophy	
30	of freedom	2,500,000
31	Sierra Vista campus	<u>7,649,600</u>
32	Total - Main campus	\$533,110,700
33	Fund sources:	
34	State general fund	\$171,961,100
35	University collections fund	361,149,600
36	<u>Health sciences center</u>	
37	FTE positions	1,375.9
38	Operating lump sum appropriation	\$ 69,113,200
39	Clinical rural rotation	350,500
40	Clinical teaching support	8,484,400
41	Liver research institute	450,600
42	Phoenix medical campus	32,445,800
43	Telemedicine network	<u>1,838,500</u>
44	Total - health sciences center	\$112,683,000

1 Fund sources:
2 State general fund \$ 68,629,200
3 University collections fund 44,053,800
4 Total appropriation - university of
5 Arizona \$645,793,700
6 Fund sources:
7 State general fund \$240,590,300
8 University collections fund 405,203,400
9 The state general fund appropriation may not be used for alumni
10 association funding.
11 The increased state general fund appropriation from Laws 2014, chapter
12 18 may not be used for medical marijuana research.
13 The appropriated monies may not be used for scholarships or any student
14 newspaper.
15 The appropriated amount for the center for the philosophy of freedom
16 may not supplant any existing state funding or private or external donations
17 to the center or the philosophy department of the university of Arizona. The
18 appropriated monies and all private and external donations to the center
19 shall be used only for the direct operation of the center and may not be used
20 for indirect costs of the university. The center shall submit a report to
21 the president of the senate, the speaker of the house of representatives, the
22 chairpersons of the senate education committee and the house of
23 representatives government and higher education committee and the director of
24 the joint legislative budget committee on or before October 3, 2016. The
25 report shall include at least the following for the center:
26 1. The total amount of funding received from all sources.
27 2. A description of faculty positions and courses offered.
28 3. The total undergraduate and graduate student participation.
29 4. Significant community events, initiatives or publications.
30 The chairpersons of the senate education committee and the house of
31 representatives government and higher education committee may request the
32 director of the center to appear before the committees to report on the
33 center's annual achievements.
34 Any unencumbered balances remaining in the collections account on June
35 30, 2016 and all collections received by the university during the fiscal
36 year, when paid into the state treasury, are appropriated for operating
37 expenditures, capital outlay and fixed charges. Earnings on state lands and
38 interest on the investment of the permanent land funds are appropriated in
39 compliance with the enabling act and the Constitution of Arizona. No part of
40 this appropriation may be expended for supplemental life insurance or
41 supplemental retirement. Monies from summer session, when deposited in the
42 state treasury, together with any unencumbered balance in the summer session
43 account, are appropriated for the purpose of conducting summer sessions but
44 are excluded from the amounts enumerated above.

1 Sec. 107. DEPARTMENT OF VETERANS' SERVICES

2

3 2016-17

4 FTE positions 512.3

5 Operating lump sum appropriation \$ 3,219,000

6 Arizona state veterans' homes 31,264,600

7 Arizona state veterans' cemeteries 928,000

8 Veterans' benefit counseling 2,833,700

9 Total appropriation - department of

10 veterans' services \$ 38,245,300

11 Fund sources:

12 State general fund \$ 6,077,800

13 State home for veterans trust

14 fund 31,264,600

15 State veterans' conservatorship

16 fund 902,900

17 Sec. 108. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

18 2016-17

19 FTE positions 6.0

20 Lump sum appropriation \$ 655,100

21 Fund sources:

22 Veterinary medical examining

23 board fund \$ 655,100

24 The appropriation includes \$68,300 for online licensing software and

25 database revisions. Before the expenditure of these monies, the Arizona

26 state veterinary medical examining board shall complete a project investment

27 justification that has been approved by the department of administration. It

28 is the intent of the legislature that the Arizona strategic enterprise

29 technology office determine whether the board's project investment

30 justification is consistent with statewide information technology enterprise

31 architecture strategy and whether one-time information technology purchases

32 can be consolidated with other appropriations in this act.

33 Sec. 109. DEPARTMENT OF WATER RESOURCES

34 2016-17

35 FTE positions 129.0

36 Operating lump sum appropriation \$ 9,204,800

37 Adjudication support 1,251,800

38 Assured and adequate water supply

39 administration 1,983,200

40 Rural water studies 1,164,500

41 Conservation and drought program 408,300

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

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

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

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

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

30 Fiscal Year 2015-2016 Appropriation Adjustments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 payments. The department of economic security shall request review by the
2 joint legislative budget committee before spending monies for any other
3 purpose.

4 C. In addition to any other appropriations made in fiscal year
5 2015-2016, the sum of \$14,893,200 is appropriated from the long-term care
6 fund expenditure authority in fiscal year 2015-2016 to the department of
7 economic security's home and community based services medicaid line item.
8 The department of economic security shall request review by the joint
9 legislative budget committee before spending monies for any other purpose.

10 D. In addition to any other appropriations made in fiscal year
11 2015-2016, the appropriation to the department of economic security's
12 temporary assistance for needy families cash benefits line is reduced by
13 \$9,905,000 from the temporary assistance for needy families block grant in
14 fiscal year 2015-2016.

15 Sec. 117. Superintendent of public instruction; supplemental
16 appropriations; fiscal year 2015-2016

17 A. In addition to any other appropriations made in fiscal year
18 2015-2016, the sum of \$2,700,000 is appropriated from the department of
19 education professional development revolving fund established by section
20 15-237.01, Arizona Revised Statutes, to the superintendent of public
21 instruction for professional development courses pursuant to section
22 15-237.01, Arizona Revised Statutes.

23 B. In addition to any other appropriations made in fiscal year
24 2015-2016, the sum of \$160,000 is appropriated from the tribal college dual
25 enrollment program fund established by section 15-244.01, Arizona Revised
26 Statutes, to the superintendent of public instruction for the purposes
27 provided in section 15-244.01, Arizona Revised Statutes.

28 Sec. 118. Department of emergency and military affairs;
29 supplemental appropriation; fiscal year 2015-2016;
30 exemption

31 A. In addition to any other appropriations made in fiscal year
32 2015-2016, the sum of \$746,700 is appropriated from the state general fund in
33 fiscal year 2015-2016 to the department of emergency and military affairs for
34 service contracts.

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

39 Sec. 119. State forester; supplemental appropriation; fiscal
40 year 2015-2016

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

1 fund in fiscal year 2015-2016 to the secretary of state for the purpose of
2 reimbursing expenses incurred by counties for the administration of the 2016
3 presidential preference election.

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

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

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

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

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

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

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

29 2. Maintenance of infrastructure, machinery and equipment.

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

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

37 F. The appropriation and reimbursement rates prescribed in this
38 section do not set a precedent that the costs of administration of any
39 process to select party nominees for a presidential election held after March
40 22, 2016 will be reimbursed by the state at any particular level. It is the
41 responsibility of future legislatures to determine the appropriate funding
42 levels for any future presidential nominee selection process.

1	La Paz	\$ 25,700
2	Maricopa	\$ 4,777,300
3	Mohave	\$ 250,500
4	Navajo	\$ 134,500
5	Pima	\$ 1,226,900
6	Pinal	\$ 470,300
7	Santa Cruz	\$ 59,300
8	Yavapai	\$ 264,100
9	Yuma	\$ 245,000

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

13 Sec. 129. Automation projects fund; appropriations; fiscal year
14 2016-2017; report

15 Appropriations

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

- 21 1. \$1,050,000 for enhancing enterprise architecture.
- 22 2. \$1,500,000 for project management of statewide automation and
23 information technology projects.
- 24 3. \$1,300,000 for projects related to e-government.
- 25 4. \$5,700,000 for improving and maintaining the network and security
26 infrastructure.
- 27 5. \$3,248,400 for enhancing statewide data security.

28 B. The sum of \$800,000 is appropriated to the department of
29 administration from the automation projects fund established by section
30 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for a third-party
31 information technology consolidation assessment that assesses the
32 implementation, transfer, coordination and modernization of state agencies'
33 information technology systems. On completion of the assessment, the
34 department of administration shall submit to the president of the senate, the
35 speaker of the house of representatives and the joint legislative budget
36 committee a report that summarizes the assessment. Any new information
37 technology project with an estimated total cost of greater than fifteen
38 million dollars may not begin until the completion of the assessment.

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

1 D. The sum of \$4,581,600 is appropriated to the department of
2 administration from the automation projects fund established by section
3 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
4 upgrades to the children's information library and data source operated by
5 the department of child safety.

6 E. The amount of \$7,300,000 is appropriated to the department of
7 administration from the automation projects fund established by section
8 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing,
9 upgrading and maintaining the student longitudinal data system and the
10 education learning and accountability system established pursuant to section
11 15-249, Arizona Revised Statutes.

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

19 G. It is the intent of the legislature that the appropriation made by
20 subsection E of this section be used first and foremost to complete a
21 significant portion of the replacement of the student accountability
22 information system established by section 15-1041, Arizona Revised Statutes.
23 The department of education shall provide quantifiable deliverables of the
24 legislature's intended progress to the information technology authorization
25 committee established by section 41-3521, Arizona Revised Statutes, and to
26 the joint legislative budget committee before seeking review of the
27 \$7,300,000 fiscal year 2016-2017 expenditure from the automation projects
28 fund, as required by section 41-714, Arizona Revised Statutes.

29 H. The sum of \$1,294,700 is appropriated to the department of
30 administration from the automation projects fund established by section
31 41-714, Arizona Revised Statutes, in fiscal year 2016-2017 for implementing
32 information technology projects that comply with state and federal security
33 information technology standards determined by the department of economic
34 security.

35 I. The sum of \$1,000,000 is appropriated from the automation projects
36 fund established by section 41-714, Arizona Revised Statutes, in fiscal year
37 2016-2017 to the department of administration for a feasibility study to
38 replace the tax accounting system at the department of revenue.

39 J. In addition to the initial review of expenditures from the
40 automation projects fund by the joint legislative budget committee, pursuant
41 to section 41-714, Arizona Revised Statutes, monies appropriated for projects
42 at each state agency from the automation projects fund established by section
43 41-714, Arizona Revised Statutes, may not be used for projects at any other
44 state agency without prior review by the joint legislative budget committee.

1 Quarterly Report

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

7 L. The funding for the department of education's automation project is
8 contingent on the use of a contracted independent third-party consultant to
9 evaluate and assess the project's feasibility, estimated expenditures,
10 technology approach and scope throughout the life of the project. The
11 department of administration and the department of education shall provide a
12 recent report by the third-party consultant to the information technology
13 authorization committee and the joint legislative budget committee before
14 seeking review of the \$7,300,000 fiscal year 2016-2017 expenditure from the
15 automation projects fund, as required by section 41-714, Arizona Revised
16 Statutes. Following the initial review of fiscal year 2016-2017
17 expenditures, the department of education shall provide ongoing reports from
18 the third-party consultant to the joint legislative budget committee on the
19 progress of the project, as determined by the joint legislative budget
20 committee.

21 M. The funding for the state department of corrections' replacement of
22 the adult inmate management system project is contingent on the use of a
23 contracted independent third-party consultant to evaluate and assess the
24 project's feasibility, estimated expenditures, technology approach and scope
25 throughout the life of the project. The department of administration and the
26 state department of corrections shall provide a recent report by the
27 third-party consultant to the information technology authorization committee
28 and the joint legislative budget committee before seeking review of the
29 \$8,000,000 fiscal year 2016-2017 expenditure from the automation projects
30 fund, as required by section 41-714, Arizona Revised Statutes. Following the
31 initial review of fiscal year 2016-2017 expenditures, the state department of
32 corrections shall provide ongoing reports from the third-party consultant to
33 the joint legislative budget committee on the progress of the project, as
34 determined by the joint legislative budget committee.

35 Non-lapsing

36 N. Any remaining balances on June 30, 2016 in the automation projects
37 fund established by section 41-714, Arizona Revised Statutes, from monies
38 appropriated in fiscal year 2015-2016 are appropriated to the department of
39 administration in fiscal year 2016-2017 for the same purposes specified in
40 fiscal year 2015-2016. The department of administration shall report any
41 fiscal year 2016-2017 expenditure of remaining balances from fiscal year
42 2015-2016 in the automation projects fund in the department's quarterly
43 report to the joint legislative budget committee.

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

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

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

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

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

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

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

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

17 Sec. 143. Judicial salary increase

18 Judicial salaries for supreme court justices, court of appeals judges
19 and superior court judges shall be increased by 1.5 percent effective
20 January 1, 2017, and increased an additional 1.5 percent effective
21 January 1, 2018. The salaries shall be increased only if the number of
22 supreme court justices is increased from five to seven justices in fiscal
23 year 2016-2017.

24 Sec. 144. Administrative office of the courts; appropriation;
25 felony pretrial intervention program; fiscal year
26 2016-2017

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

33 Sec. 145. Arizona state parks board; appropriation; fiscal year
34 2016-2017; review

35 In addition to any other appropriations made in fiscal year 2016-2017,
36 the sum of \$1,500,000 is appropriated from the state parks revenue fund
37 established by section 41-511.21, Arizona Revised Statutes, in fiscal year
38 2016-2017 to the Arizona state parks board for operating costs. This amount
39 may be spent only after the board submits a fiscal year 2016-2017 agency
40 expenditure plan for review by the joint legislative budget committee. The
41 plan must demonstrate that the actual amount of federal monies the board will
42 receive during fiscal year 2016-2017 is less than the actual amount of
43 federal monies the board received in fiscal year 2015-2016. The amount spent
44 by the board during fiscal year 2016-2017 may not exceed the estimated

1 decrease in federal monies between fiscal year 2015-2016 and fiscal year
2 2016-2017.

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

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

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

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

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

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

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

- 33 (a) Substance abuse.
- 34 (b) Mental health.
- 35 (c) Violence.
- 36 (d) Other risky behaviors.

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

40 Sec. 148. Arizona trail fund; appropriation; fiscal year
41 2016-2017

42 The sum of \$150,000 is appropriated from the state parks revenue fund
43 established by section 41-511.21, Arizona Revised Statutes, in fiscal year
44 2016-2017 to the Arizona trail fund established by section 41-511.15, Arizona
45 Revised Statutes.

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

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

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

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

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

18 Fiscal Year 2017-2018 Appropriations

19 Sec. 155. New school facilities fund; appropriation; fiscal
20 year 2017-2018

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

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

33 Fund Balance Transfers

34 Sec. 156. Fund balance transfers; fiscal years 2016-2017 and
35 2017-2018

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

40 1. Judiciary - supreme court:

41 Alternative dispute resolution fund - \$300,000

42 Arizona lengthy trial fund - \$300,000

43 Court appointed special advocate fund - \$500,000

- 1 2. Judiciary - superior court:
2 Drug treatment and education fund - \$250,000
3 Juvenile probation services fund - \$3,650,000
4 3. Department of administration:
5 Automation operations fund - \$461,600
6 B. Notwithstanding any other law, on or before June 30, 2018, the
7 following amounts from the following sources are transferred to the state
8 general fund for the purposes of providing adequate support and maintenance
9 for agencies of this state:
10 1. Judiciary - supreme court:
11 Alternative dispute resolution fund - \$300,000
12 Arizona lengthy trial fund - \$200,000
13 Court appointed special advocate fund - \$400,000
14 2. Judiciary - superior court:
15 Drug treatment and education fund - \$250,000
16 Juvenile probation services fund - \$1,850,000
17 Sec. 157. Fund balance transfer; special employee health
18 insurance trust fund; fiscal year 2015-2016
19 Notwithstanding any other law, after July 1, 2015 but on or before June
20 30, 2016, the amount of \$4,076,000 is transferred from the special employee
21 health insurance trust fund established by section 38-654, Arizona Revised
22 Statutes, to the state general fund for the purpose of providing adequate
23 support and maintenance for agencies of this state.
24 Sec. 158. Appropriation; fund balance transfers; fiscal year
25 2016-2017; automation projects fund
26 A. The amount of \$11,881,600 is appropriated from the state general
27 fund in fiscal year 2016-2017 for deposit in the automation projects fund
28 established by section 41-714, Arizona Revised Statutes.
29 B. Notwithstanding any other law, the following amounts from the
30 following sources are transferred in fiscal year 2016-2017 for deposit in the
31 automation projects fund established by section 41-714, Arizona Revised
32 Statutes:
33 1. In addition to the amount appropriated in subsection A of this
34 section, any remaining balances as of June 30, 2016 from fees collected from
35 universities and community college districts in the education learning and
36 accountability fund established by section 15-249.02, Arizona Revised
37 Statutes.
38 2. \$7,420,600 from the automation operations fund established by
39 section 41-711, Arizona Revised Statutes.
40 3. \$5,650,000 from the state web portal fund established by section
41 41-3506, Arizona Revised Statutes.
42 4. \$527,800 from the information technology fund established by
43 section 41-3505, Arizona Revised Statutes.

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

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

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

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

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

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

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

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

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

23 Sec. 160. Fund balance transfer; corrections fund

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

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

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

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

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

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

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

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

1 Payment Deferrals

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

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

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

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

29 Statewide Adjustments

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

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

1 Employer health insurance contribution reduction

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

14 Arizona financial information system collections

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

26 Agency relocation

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

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

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

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

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

37 Other Provisions

38 Sec. 165. Legislative intent; expenditure reporting

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

1 and incorporated into the budget preparation instructions adopted by the
2 governor's office of strategic planning and budgeting pursuant to section
3 35-112, Arizona Revised Statutes.

4 Sec. 166. FTE positions; reporting; definition

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

21 Sec. 167. Filled FTE positions; reporting

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

26 Sec. 168. Transfer of spending authority

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

31 Sec. 169. Interim reporting requirements

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

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

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

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

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

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

17 Sec. 170. Definition

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

21 Sec. 171. Definition

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

25 Sec. 172. Definition

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