

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

# SENATE BILL 1614

AN ACT

AMENDING TITLE 38, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 5;  
AMENDING TITLE 41, CHAPTER 4, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING  
SECTION 41-763.05; AMENDING LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 3,  
SECTION 9; RELATING TO STATE BUDGET PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 38, chapter 4, Arizona Revised Statutes, is amended  
3 by adding article 5, to read:

4 ARTICLE 5. EMPLOYEE BENEFITS

5 38-671. Employee benefits; exclusion

6 A. ANY EMPLOYEE HIRED AFTER THE EFFECTIVE DATE OF THIS SECTION IS  
7 ELIGIBLE FOR STATE EMPLOYEE BENEFITS ONLY ON A PRO RATA BASIS IF THE EMPLOYEE  
8 IS REGULARLY SCHEDULED TO WORK LESS THAN FORTY HOURS PER WEEK.

9 B. FOR THE PURPOSES OF THIS SECTION, STATE EMPLOYEE BENEFITS DO NOT  
10 INCLUDE BENEFITS PROVIDED BY THE ARIZONA STATE RETIREMENT SYSTEM ESTABLISHED  
11 BY CHAPTER 5, ARTICLE 2 OF THIS TITLE, THE LONG-TERM DISABILITY PROGRAM  
12 ESTABLISHED BY CHAPTER 5, ARTICLE 2.1 OF THIS TITLE, THE ELECTED OFFICIALS'  
13 RETIREMENT PLAN ESTABLISHED BY CHAPTER 5, ARTICLE 3 OF THIS TITLE, THE PUBLIC  
14 SAFETY PERSONNEL RETIREMENT SYSTEM ESTABLISHED BY CHAPTER 5, ARTICLE 4 OF  
15 THIS TITLE OR THE CORRECTIONS OFFICER RETIREMENT PLAN ESTABLISHED BY CHAPTER  
16 5, ARTICLE 6 OF THIS TITLE.

17 Sec. 2. Title 41, chapter 4, article 5, Arizona Revised Statutes, is  
18 amended by adding section 41-763.05, to read:

19 41-763.05. Required reduction in hours

20 AN AGENCY DIRECTOR MAY REQUIRE AGENCY COVERED EMPLOYEES TO WORK REDUCED  
21 HOURS IN ORDER TO COMPLY WITH ANY REDUCTION IN APPROPRIATIONS. THE DIRECTOR  
22 OF THE DEPARTMENT OF ADMINISTRATION SHALL PRESCRIBE PROCEDURES TO IMPLEMENT  
23 THESE REDUCTIONS.

24 Sec. 3. Laws 2010, seventh special session, chapter 3, section 9 is  
25 amended to read:

26 Sec. 9. Mandatory furloughs; 2009-2010; 2010-2011; terms;  
27 exceptions; definitions

28 A. In order to the implement the expenditure reductions for personnel  
29 expenses in the 2010-2011 general appropriations act, the joint legislative  
30 budget committee staff shall determine and the department of administration  
31 shall allocate to each state agency, department, board or commission an  
32 amount sufficient to implement the mandatory furloughs pursuant to this  
33 section. All monies from other appropriated funds and nonfederal  
34 nonappropriated funds that are reduced pursuant to this section shall be  
35 transferred to the state general fund. The joint legislative budget  
36 committee staff also shall determine and the department of administration  
37 shall allocate reductions, as necessary, in total expenditure authority  
38 resulting from the mandatory furloughs required by this section.

39 B. Unless otherwise exempted by this section, each state agency,  
40 department, board or commission, in addition to any other furlough program  
41 implemented by the agency, shall furlough employees as follows:

- 42 1. In fiscal year 2009-2010: One day
- 43 2. In fiscal year 2010-2011: ~~Six~~ FIVE days
- 44 3. ~~In fiscal year 2011-2012: Six days~~

1 C. It is the intent of the legislature that the furlough days required  
2 by this section be taken no more than once a month and in a way that  
3 maximizes utility savings and minimizes customer inconvenience. The  
4 department of administration shall publish a list of the preferred furlough  
5 dates that best achieve these goals. These published dates shall be the  
6 presumptive furlough dates for all governmental units unless otherwise  
7 approved by the department of administration. Notwithstanding any other law,  
8 for fiscal years 2009-2010, ~~AND 2010-2011 and 2011-2012,~~ the furlough dates  
9 published by the department of administration shall authorize participating  
10 state offices to be closed on those dates in order to meet the furlough  
11 requirements of this section.

12 D. Employees who are subject to the furlough requirement of this  
13 section shall be on leave without pay and are not eligible to use any form of  
14 paid leave on a designated furlough day unless allowance for the use of paid  
15 leave in any specific case is otherwise required by state or federal law.

16 E. On or before April 16, 2010, the department of administration shall  
17 develop a list of governmental unit functions or services requiring  
18 continuous operations throughout the entire week or workweek that would be  
19 significantly and negatively affected by the implementation of a furlough  
20 program due to either:

21 1. The critical nature of the services delivered, such as direct  
22 public safety activities or direct care of patients, residents, inmates,  
23 detainees or other similar service populations.

24 2. Other compelling demands for a governmental unit's functions or  
25 services.

26 F. Employees whose services are determined to be essential pursuant to  
27 subsection E to ensuring that functions or services are delivered safely and  
28 effectively are exempt from the furlough requirements of this section. It is  
29 the intent of the legislature to exempt from the furlough requirements of  
30 this section only those employees considered absolutely essential for the  
31 proper performance and oversight of these essential functions or services.

32 G. In lieu of mandatory furlough participation, the director of a  
33 governmental unit may elect, on written approval of the director of the  
34 department of administration, to reduce employee pay for personnel not  
35 otherwise determined exempt pursuant to subsection F within the governmental  
36 unit by amounts that, when totaled, equal the savings generated by the  
37 furlough days otherwise required in this section. The director of the  
38 department of administration may approve only those written requests in which  
39 the director of the governmental unit establishes, to the satisfaction of the  
40 director of the department of administration, that the governmental unit's  
41 implementation of mandatory furlough days would not be in the best interests  
42 of this state and that an equivalent pay reduction program is more  
43 appropriate. The director of the department of administration may approve or  
44 disapprove only written requests that fully substitute the required furlough  
45 days with an equivalent salary rate and employee related expenditure

1 reduction. Governmental units shall submit written requests pursuant to this  
2 subsection no later than April 16, 2010.

3 H. On or before April 30, 2010, the department of administration shall  
4 report to the joint legislative budget committee those job classifications  
5 and the numbers, by governmental unit, of employees that have been exempted  
6 from the furlough program pursuant to this section. The department shall  
7 provide report updates to the joint legislative budget committee whenever  
8 changes are made to the exempted job classifications or the numbers, by  
9 governmental unit, of exempted employees. The report shall also include any  
10 written requests that were approved to fully substitute the required furlough  
11 days with an equivalent salary rate and employee related expenditure  
12 reduction pursuant to subsection G.

13 I. This section does not apply to:

14 1. Employees of universities under the jurisdiction of the Arizona  
15 board of regents while the maintenance of effort provisions of the federal  
16 education stabilization program are in effect, as required by the American  
17 recovery and reinvestment act of 2009 (P.L. 111-5).

18 2. Employees of elected state officers.

19 J. For the purposes of this section:

20 1. "Employees of elected state officers" means employees of the house  
21 of representatives, the senate, any budget unit that reports to the  
22 legislature, the judiciary, the secretary of state, the state treasurer, the  
23 attorney general, the corporation commission, the state mine inspector, the  
24 Arizona board of regents and the superintendent of public instruction.

25 2. "Governmental unit" means all agencies, departments, boards and  
26 commissions of this state unless otherwise exempt under this section.

27 Sec. 4. Federal stimulus funding; reporting; definitions

28 A. The governor has allocated the government services portion of the  
29 fiscal stabilization fund from the American recovery and reinvestment act of  
30 2009 (P.L. 111-5) to the following expenditure categories and subexpenditure  
31 categories:

32 1. Education reform.

33 (a) Teach for America - \$2,000,000.

34 (b) Education information systems - \$3,000,000.

35 (c) Education innovation project - \$1,636,374.

36 Subtotal - Education reform - \$ 6,636,374.

37 2. Health care and children's programs.

38 (a) Department of health services community health - \$11,600,000.

39 (b) Department of health services Arizona state hospital - \$116,273.

40 (c) Department of economic security autism - \$2,297,824.

41 (d) Department of economic security developmentally disabled -  
42 \$15,000,000.

43 (e) Department of economic security children's services - \$18,000,000.

44 (f) Department of economic security adoption services - \$2,500,000.

1 (g) Department of economic security child protective services -  
2 \$5,500,000.  
3 Subtotal - Health care and children's programs - \$55,014,097.  
4 3. Public safety  
5 (a) Department of corrections - \$50,000,000.  
6 (b) Border security enhancement - \$10,000,000.  
7 (c) Public safety stabilization - \$10,000,000.  
8 (d) Supplemental public safety projects - \$6,545,494.  
9 (e) Department of administration public safety project - \$1,700,000.  
10 Subtotal - Public safety - \$78,245,494.  
11 4. Innovation, technology and economic development.  
12 (a) Commerce economic development - \$15,000,000.  
13 (b) Commerce job training - \$12,000,000.  
14 (c) Commerce jobs agenda - \$12,000,000.  
15 (d) Arizona technology enhancement (department of administration) -  
16 \$182,079.  
17 Subtotal - Innovation, technology and economic development -  
18 \$39,182,079.  
19 5. Arizona county projects (including all categories) - \$4,007,797.  
20 6. Office of economic recovery state fiscal stabilization fund costs -  
21 \$2,000,000.  
22 Total - Government services fiscal stabilization fund - \$185,085,841.  
23 B. Within thirty days after the last day of each calendar quarter, the  
24 governor's office of economic recovery shall provide a report to the joint  
25 legislative budget committee outlining the allocation of monies to the  
26 designated categories.  
27 C. For the designated categories, the report shall include the amount  
28 newly allocated and newly expended in the calendar quarter immediately  
29 preceding the report date listed in subsection B and the total amount  
30 allocated and expended to date by the following:  
31 1. Each state agency that has received an allocation of monies.  
32 2. Each individual grantee that has received an allocation of monies.  
33 D. For the purposes of this section:  
34 1. "Designated category" means an expenditure category or  
35 subexpenditure category listed in subsection A as education information  
36 systems, education innovation project, supplemental public safety projects,  
37 department of administration public safety project, commerce economic  
38 development, commerce job training, commerce jobs agenda or Arizona  
39 technology enhancement (department of administration).  
40 2. "State agency" means any department, office, agency, commission,  
41 board or other instrumentality of state government.  
42 Sec. 5. Unrestricted federal monies  
43 Any unrestricted federal monies received from July 1, 2011 through June  
44 30, 2012 shall be deposited in the state general fund. The monies shall be  
45 used for the payment of essential governmental services.

