

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 305
SENATE BILL 1522

AN ACT

AMENDING LAWS 2014, CHAPTER 14, SECTION 9, AS AMENDED BY LAWS 2015, CHAPTER 8, SECTION 3 AND LAWS 2016, CHAPTER 117, SECTION 1; AMENDING LAWS 2016, CHAPTER 117, SECTION 130; AMENDING LAWS 2016, CHAPTER 117, SECTION 156; AMENDING LAWS 2016, CHAPTER 117, SECTION 164; 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
3 2015, chapter 8, section 3 and Laws 2016, chapter 117, section 1, is
4 amended to read:

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

7 Of the \$28,638,000 appropriated to the department of administration
8 in fiscal year 2013-2014 by Laws 2013, first special session, chapter 1,
9 section 115, subsection A, the sum of \$4,132,000 is exempt from the
10 provisions of section 35-190, Arizona Revised Statutes, relating to
11 lapsing of appropriations for fiscal years 2014-2015, 2015-2016, ~~and~~
12 ~~2016-2017 AND 2017-2018~~ for the purpose of paying contingency costs
13 related to the replacement of the Arizona financial information system.
14 Of this amount, \$212,000 for rent and \$817,000 for private third-party
15 consultant oversight are not subject to review by the joint legislative
16 budget committee. Subject to review by the joint legislative budget
17 committee, the remaining \$3,103,000 shall be used for the replacement of
18 the ~~state's e-procurement system~~ CHILDREN'S INFORMATION LIBRARY AND DATA
19 SOURCE SYSTEM AT THE DEPARTMENT OF CHILD SAFETY.

20 Sec. 2. Laws 2016, chapter 117, section 130 is amended to read:

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

24 A. The sum of ~~\$12,000,000~~ \$9,000,000 is appropriated from the
25 automation projects fund established by section 41-714, Arizona Revised
26 Statutes, in fiscal year 2016-2017 to the department of administration for
27 the replacement of the state's e-procurement system. It is the intent of
28 the legislature that the cost of replacing the state's e-procurement
29 system be distributed proportionately among other funds.

30 B. The amount of \$3,000,000 is appropriated from the state general
31 fund in fiscal year 2016-2017 for deposit into the automation projects
32 fund established by section 41-714, Arizona Revised Statutes, FOR
33 IMPLEMENTING UPGRADES TO THE CHILDREN'S INFORMATION LIBRARY AND DATA
34 SOURCE SYSTEM AT THE DEPARTMENT OF CHILD SAFETY. THIS AMOUNT IS EXEMPT
35 FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING
36 TO LAPSING OF APPROPRIATIONS FOR FISCAL YEAR 2017-2018.

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

42 D. For all fund sources that are not the state general fund, the
43 joint legislative budget committee staff shall determine and the
44 department of administration shall allocate to each agency or department
45 an amount for the cost of replacing the state's e-procurement system. The

1 joint legislative budget committee staff shall also determine and the
2 department of administration shall allocate adjustments, as necessary, in
3 appropriations and expenditure authority to allow for the cost of
4 replacing the state's e-procurement system.

5 Sec. 3. Laws 2016, chapter 117, section 156 is amended to read:

6 Sec. 156. Fund balance transfers; fiscal years 2016-2017 and
7 2017-2018

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

- 12 1. Judiciary - supreme court:
 - 13 Alternative dispute resolution fund - \$300,000
 - 14 Arizona lengthy trial fund - \$300,000
 - 15 Court appointed special advocate fund - \$500,000
- 16 2. Judiciary - superior court:
 - 17 Drug treatment and education fund - \$250,000
 - 18 Juvenile probation services fund - \$3,650,000
- 19 3. Department of administration:
 - 20 Automation operations fund - \$461,600

21 B. Notwithstanding any other law, on or before June 30, 2018, the
22 following amounts from the following sources are transferred to the state
23 general fund for the purposes of providing adequate support and
24 maintenance for agencies of this state:

- 25 1. Judiciary - supreme court:
 - 26 Alternative dispute resolution fund - \$300,000
 - 27 Arizona lengthy trial fund - \$200,000
 - 28 ~~Court appointed special advocate fund - \$400,000~~
- 29 2. Judiciary - superior court:
 - 30 Drug treatment and education fund - \$250,000
 - 31 Juvenile probation services fund - \$1,850,000

32 Sec. 4. Laws 2016, chapter 117, section 164 is amended to read:

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

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

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

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

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

1	Sec. 6. ARIZONA STATE BOARD OF ACCOUNTANCY	
2		<u>2017-18</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 2,024,400
5	Fund sources:	
6	Board of accountancy fund	\$ 2,024,400
7	Sec. 7. ACUPUNCTURE BOARD OF EXAMINERS	
8		<u>2017-18</u>
9	FTE positions	1.0
10	Operating lump sum appropriation	\$ 172,300
11	Annual leave payout	<u>13,200</u>
12	Total appropriation - acupuncture board	
13	of examiners	\$ 185,500
14	Fund sources:	
15	Acupuncture board of examiners	
16	fund	\$ 185,500
17	Sec. 8. DEPARTMENT OF ADMINISTRATION	
18		<u>2017-18</u>
19	FTE positions	535.1
20	Operating lump sum appropriation	\$ 91,365,300
21	Utilities	8,275,600
22	Arizona financial information	
23	system	9,406,300
24	Risk management administrative	
25	expenses	8,747,200
26	Risk management losses and	
27	premiums	42,530,300
28	Workers' compensation losses	
29	and premiums	31,830,300
30	Statewide information security	
31	and privacy office	870,900
32	State surplus property sales	
33	proceeds	1,810,000
34	Southwest defense contracts	25,000
35	Government transformation office	2,000,000
36	Office of grants and federal	
37	resources	<u>375,900</u>
38	Total appropriation - department of	
39	administration	\$197,236,800
40	Fund sources:	
41	State general fund	\$ 10,264,500
42	Administration - AFIS II	
43	collections fund	375,900

1	Air quality fund	927,300
2	Arizona financial information	
3	system collections fund	9,406,300
4	Automation operations fund	23,937,600
5	Capital outlay stabilization fund	18,069,600
6	Corrections fund	570,400
7	Federal surplus materials revolving	
8	fund	464,500
9	Information technology fund	2,936,000
10	Motor vehicle pool revolving fund	10,151,300
11	Personnel division fund	12,857,900
12	Risk management revolving fund	90,875,000
13	Special employee health insurance	
14	trust fund	5,256,100
15	Special services revolving fund	809,900
16	State surplus materials revolving	
17	fund	2,947,000
18	State web portal fund	5,542,400
19	Telecommunications fund	1,845,100

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

24 The appropriation from the automation operations fund established by
 25 section 41-711, Arizona Revised Statutes, is an estimate representing all
 26 monies, including balance forward, revenues and transfers during fiscal
 27 year 2017-2018. These monies are appropriated to the department of
 28 administration for the purposes established in section 41-711, Arizona
 29 Revised Statutes. The appropriation is adjusted as necessary to reflect
 30 monies credited to the automation operations fund for automation operation
 31 center projects. Before the expenditure of any automation operations fund
 32 monies in excess of \$23,937,600 in fiscal year 2017-2018, the department
 33 of administration shall report the intended use of monies to the joint
 34 legislative budget committee.

35 The amounts appropriated for the state employee public
 36 transportation service subsidy shall be used for up to a fifty percent
 37 subsidy of charges payable for public transportation service expenses as
 38 provided in section 41-710.01, Arizona Revised Statutes, of nonuniversity
 39 state employees in a vehicle emissions control area as defined in section
 40 49-541, Arizona Revised Statutes, of a county with a population of more
 41 than four hundred thousand persons.

1 It is the intent of the legislature that the department not replace
 2 vehicles until they have an average of 80,000 miles or more. On or before
 3 August 1, 2017, the department shall submit a report for review by the
 4 joint legislative budget committee on the maintenance savings achieved by
 5 replacing vehicles that have an average of 80,000 miles or more.

6 All state surplus materials revolving fund monies received by the
 7 department of administration in excess of \$2,947,000 in fiscal year
 8 2017-2018 are appropriated to the department. Before the expenditure of
 9 state surplus materials revolving fund monies in excess of \$2,947,000 in
 10 fiscal year 2017-2018, the department of administration shall report the
 11 intended use of monies to the joint legislative budget committee.

12 On or before October 1, 2017, the department shall submit a report
 13 for review by the joint legislative budget committee of the expenditures
 14 to date and progress of implementation for any monies received from the
 15 state and local implementation grant program associated with the national
 16 public safety broadband network initiative. The joint legislative budget
 17 committee may require the department to submit more frequent reports as
 18 necessary for further review.

19 Sec. 9. OFFICE OF ADMINISTRATIVE HEARINGS

		<u>2017-18</u>
	FTE positions	12.0
	Lump sum appropriation	\$ 860,500
	Fund sources:	
	State general fund	\$ 860,500

25 Sec. 10. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

		<u>2017-18</u>
	FTE positions	3.0
	Lump sum appropriation	\$ 125,000
	Fund sources:	
	State general fund	\$ 125,000

31 Sec. 11. ARIZONA DEPARTMENT OF AGRICULTURE

		<u>2017-18</u>
	FTE positions	194.4
	Operating lump sum appropriation	\$ 10,243,700
	Agricultural employment relations board	23,300
	Animal damage control	65,000
	Red imported fire ant control	23,200
	Agricultural consulting and training	<u>128,500</u>
	Total appropriation - Arizona department of agriculture	\$ 10,483,700
	Fund sources:	
	State general fund	\$ 9,049,300
	Air quality fund	1,434,400

1	Sec. 12. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
2		<u>2017-18</u>
3	FTE positions	2,326.3
4	Operating lump sum appropriation	\$ 95,720,900
5	DES eligibility	88,874,500
6	Proposition 204 - AHCCCS	
7	administration	12,760,600
8	Proposition 204 - DES eligibility	44,358,700
9	<u>Medical services</u>	
10	Traditional medicaid services	4,037,329,200
11	Proposition 204 services	2,911,986,200
12	Adult expansion services	484,329,900
13	Children's rehabilitative services	270,673,900
14	KidsCare services	111,961,100
15	ALTCS services	1,544,082,800
16	<u>Behavioral health services</u>	
17	Medicaid behavioral health -	
18	traditional services	1,015,591,300
19	Medicaid behavioral health -	
20	proposition 204 services	649,608,300
21	Medicaid behavioral health -	
22	adult expansion services	77,403,100
23	Medicaid behavioral health -	
24	comprehensive medical and	
25	dental program	217,719,100
26	Crisis services	16,391,300
27	Nonmedicaid seriously mentally	
28	ill services	78,846,900
29	Supported housing	5,324,800
30	<u>Hospital payments</u>	
31	Disproportionate share payments	5,087,100
32	Disproportionate share payments -	
33	voluntary match	0
34	Rural hospitals	22,650,000
35	Graduate medical education	265,729,800
36	Safety net care pool	<u>75,000,000</u>
37	Total appropriation and expenditure	
38	authority - Arizona health	
39	care cost containment system	\$12,031,429,500
40	Fund sources:	
41	State general fund	\$ 1,774,761,000
42	Budget neutrality compliance fund	3,655,300

1	Children's health insurance	
2	program fund	117,681,000
3	Prescription drug rebate	
4	fund - state	145,490,300
5	Substance abuse services fund	2,250,200
6	Tobacco products tax fund -	
7	emergency health services	
8	account	19,244,300
9	Tobacco tax and health care	
10	fund - medically needy account	72,998,200
11	Expenditure authority	9,895,349,200

12 Operating budget

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

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

25 Medical services and behavioral health services

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

30 The Arizona health care cost containment system administration shall
31 report to the joint legislative budget committee on or before March 1,
32 2018 on preliminary actuarial estimates of the capitation rate changes for
33 the following fiscal year along with the reasons for the estimated
34 changes. For any actuarial estimates that include a range, the total
35 range from minimum to maximum may not be more than two percent. Before
36 implementation of any changes in capitation rates, the Arizona health care
37 cost containment system administration shall report its expenditure plan
38 for review by the joint legislative budget committee. Before the
39 administration implements any change in policy affecting the amount,
40 sufficiency, duration and scope of health care services and who may
41 provide services, the administration shall prepare a fiscal impact
42 analysis on the potential effects of this change on the following year's
43 capitation rates. If the fiscal impact analysis demonstrates that this
44 change will result in additional state costs of \$500,000 or more for any

1 fiscal year, the administration shall submit the policy change for review
2 by the joint legislative budget committee.

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

6 The Arizona health care cost containment system administration shall
7 transfer up to \$1,200,000 from the traditional medicaid services line item
8 for fiscal year 2017-2018 to the attorney general for costs associated
9 with tobacco settlement litigation.

10 The Arizona health care cost containment system administration shall
11 transfer \$436,000 from the traditional medicaid services line item for
12 fiscal year 2017-2018 to the department of revenue for enforcement costs
13 associated with the March 13, 2013 master settlement agreement with
14 tobacco companies.

15 The Arizona health care cost containment system administration shall
16 transfer \$1,200,000 from the nonmedicaid seriously mentally ill services
17 line item for fiscal year 2017-2018 to the department of health services
18 for the costs of prescription medications for persons with a serious
19 mental illness at the Arizona state hospital.

20 On or before December 31, 2017, and June 30, 2018, the Arizona
21 health care cost containment system administration shall report to the
22 joint legislative budget committee on the progress in implementing the
23 *Arnold v. Sarn* lawsuit settlement. The report shall include at a minimum
24 the administration's progress toward meeting all criteria specified in the
25 2014 joint stipulation, including the development and estimated cost of
26 additional behavioral health service capacity in Maricopa county for
27 supported housing services for 1,200 class members, supported employment
28 services for 750 class members, eight assertive community treatment teams
29 and consumer operated services for 1,500 class members. The
30 administration shall also report by fund source the amounts it plans to
31 use to pay for expanded services.

32 Long-term care

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

38 Pursuant to section 11-292, subsection B, Arizona Revised Statutes,
39 the county portion of the fiscal year 2017-2018 nonfederal costs of
40 providing long-term care system services is \$264,673,200. This amount is
41 included in the expenditure authority fund source.

42 Any supplemental payments received in excess of \$108,974,800 for
43 nursing facilities that serve Arizona long-term care system medicaid
44 patients in fiscal year 2017-2018, including any federal matching monies,
45 by the Arizona health care cost containment system administration are

1 appropriated to the administration in fiscal year 2017-2018. Before the
2 expenditure of these increased monies, the administration shall notify the
3 joint legislative budget committee and the governor's office of strategic
4 planning and budgeting of the amount of monies that will be expended under
5 this provision. These payments are included in the expenditure authority
6 fund source.

7 Payments to hospitals

8 The \$5,087,100 appropriation for disproportionate share payments for
9 fiscal year 2017-2018 made pursuant to section 36-2903.01, subsection 0,
10 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county
11 health care district and \$884,800 for private qualifying disproportionate
12 share hospitals.

13 Any monies received for disproportionate share hospital payments
14 from political subdivisions of this state, tribal governments and any
15 university under the jurisdiction of the Arizona board of regents, and any
16 federal monies used to match those payments, in fiscal year 2017-2018 by
17 the Arizona health care cost containment system administration in excess
18 of \$0 are appropriated to the administration in fiscal year 2017-2018.
19 Before the expenditure of these increased monies, the administration shall
20 notify the joint legislative budget committee and the governor's office of
21 strategic planning and budgeting of the amount of monies that will be
22 expended under this provision.

23 The expenditure authority fund source includes voluntary payments
24 made from political subdivisions for payments to hospitals that operate a
25 graduate medical education program or treat low-income patients. The
26 political subdivision portions of the fiscal year 2017-2018 costs of
27 graduate medical education, disproportionate share payments - voluntary
28 match and safety net care pool line items are included in the expenditure
29 authority fund source.

30 Any monies for graduate medical education received in fiscal year
31 2017-2018, including any federal matching monies, by the Arizona health
32 care cost containment system administration in excess of \$265,729,800 are
33 appropriated to the administration in fiscal year 2017-2018. Before the
34 expenditure of these increased monies, the administration shall notify the
35 joint legislative budget committee and the governor's office of strategic
36 planning and budgeting of the amount of monies that will be expended under
37 this provision.

38 Any monies received in excess of \$75,000,000 for the safety net care
39 pool by the Arizona health care cost containment system administration in
40 fiscal year 2017-2018, including any federal matching monies, are
41 appropriated to the administration in fiscal year 2017-2018. Before the
42 expenditure of these increased monies, the administration shall notify the
43 joint legislative budget committee and the governor's office of strategic
44 planning and budgeting of the amount of monies that will be expended under
45 this provision.

1 Other

2 On or before January 5, 2018, the Arizona health care cost
 3 containment system administration shall report to the director of the
 4 joint legislative budget committee the total amount of medicaid
 5 reconciliation payments and penalties received on or before that date
 6 since July 1, 2017. On June 30, 2018, the administration shall report the
 7 same information for all of fiscal year 2017-2018.

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

11 Sec. 13. BOARD OF ATHLETIC TRAINING

	<u>2017-18</u>
12 FTE positions	1.5
13 Lump sum appropriation	\$ 119,100
14 Fund sources:	
15 Athletic training fund	\$ 119,100

17 Sec. 14. ATTORNEY GENERAL - DEPARTMENT OF LAW

	<u>2017-18</u>
18 FTE positions	580.7
19 Operating lump sum appropriation	\$ 53,503,500
20 Capital postconviction prosecution	795,700
21 Internet crimes against children	
22 enforcement	1,250,000
23 Federalism unit	995,600
24 Risk management interagency	
25 service agreement	9,406,700
26 State grand jury	180,100
27 Southern Arizona law enforcement	1,193,000
28 Tobacco enforcement	816,000
29 Victims' rights	<u>3,758,900</u>

31 Total appropriation - attorney general -
 32 department of law \$ 71,899,500

33 Fund sources:	
34 State general fund	\$ 26,079,800
35 Antitrust enforcement revolving	
36 fund	244,300
37 Attorney general legal services	
38 cost allocation fund	2,080,400
39 Collection enforcement revolving	
40 fund	6,845,200
41 Consumer protection-consumer	
42 fraud revolving fund	6,275,700
43 Interagency service agreements fund	16,308,500

1	Internet crimes against children	
2	enforcement fund	900,000
3	Risk management revolving fund	9,406,700
4	Victims' rights fund	3,758,900

5 All monies appropriated to the attorney general legal services line
6 item in the department of child safety budget do not count toward the
7 attorney general's interagency service agreements fund appropriation in
8 fiscal year 2017-2018.

9 The sum of \$1,500,000 in fiscal year 2018-2019 and the sum of
10 \$1,500,000 in fiscal year 2019-2020 are appropriated from the state
11 general fund to the attorney general for operating expenses of the
12 criminal division.

13 On or before June 1, 2017, the department shall submit an
14 expenditure plan for the fiscal year 2017-2018 internet crimes against
15 children enforcement line item for review by the joint legislative budget
16 committee.

17 The \$900,000 appropriation from the internet crimes against children
18 enforcement fund and the \$350,000 appropriation from the state general
19 fund for the internet crimes against children enforcement line item are
20 continuing appropriations and are exempt from the provisions of section
21 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
22 through June 30, 2019.

23 Sec. 15. AUTOMOBILE THEFT AUTHORITY

24		<u>2017-18</u>
25	FTE positions	6.0
26	Operating lump sum appropriation	\$ 637,800
27	Arizona vehicle theft task force	3,650,000
28	Local grants	957,700
29	Reimbursable programs	<u>50,000</u>
30	Total appropriation - automobile theft	
31	authority	\$ 5,295,500

32 Fund sources:

33	Automobile theft authority fund	\$ 5,295,500
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34 The automobile theft authority shall submit a report to the joint
35 legislative budget committee before expending any monies for the
36 reimbursable programs line item. The agency shall show sufficient monies
37 collected to cover the expenses indicated in the report.

38 Local grants shall be awarded with consideration given to areas with
39 greater automobile theft problems and shall be used to combat economic
40 automobile theft operations.

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

1	Sec. 16. BOARD OF BARBERS	
2		<u>2017-18</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 341,800
5	Fund sources:	
6	Board of barbers fund	\$ 341,800
7	Sec. 17. BOARD OF BEHAVIORAL HEALTH EXAMINERS	
8		<u>2017-18</u>
9	FTE positions	17.0
10	Lump sum appropriation	\$ 1,759,100
11	Fund sources:	
12	Board of behavioral health	
13	examiners fund	\$ 1,759,100
14	Sec. 18. STATE BOARD FOR CHARTER SCHOOLS	
15		<u>2017-18</u>
16	FTE positions	14.0
17	Lump sum appropriation	\$ 1,185,200
18	Fund sources:	
19	State general fund	\$ 1,185,200
20	Sec. 19. DEPARTMENT OF CHILD SAFETY	
21		<u>2017-18</u>
22	FTE positions	3,193.1
23	Operating lump sum appropriation	\$109,997,300
24	<u>Additional operating resources</u>	
25	Caseworkers	99,617,700
26	New case aides	3,060,600
27	Attorney general legal services	25,416,800
28	General counsel	155,500
29	Inspections bureau	2,470,100
30	Litigation expenses	2,471,200
31	Office of child welfare	
32	investigations	9,611,100
33	Overtime pay	8,370,000
34	Records retention staff	592,900
35	Retention pay	1,707,000
36	Training resources	9,150,000
37	<u>Out-of-home placements</u>	
38	Adoption services	245,498,100
39	Emergency and residential placement	98,900,100
40	Foster care placement	59,595,500
41	Foster home recruitment, study	
42	and supervision	32,753,600
43	Kinship stipends	2,000,000
44	Independent living maintenance	4,660,000
45	Permanent guardianship subsidy	12,516,900

1	<u>Support services</u>	
2	DCS child care subsidy	48,159,400
3	In-home mitigation	28,988,100
4	Preventive services	15,148,300
5	Out-of-home support services	<u>154,518,900</u>
6	Total appropriation and expenditure	
7	authority - department of	
8	child safety	\$975,359,100
9	Fund sources:	
10	State general fund	\$379,479,400
11	Federal child care and	
12	development fund block grant	27,000,000
13	Federal temporary assistance for	
14	needy families block grant	149,472,700
15	Child abuse prevention fund	1,459,300
16	Children and family services	
17	training program fund	207,100
18	Risk management revolving fund	2,471,200
19	Child safety expenditure authority	415,269,400

20 Additional operating resources

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

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

27 The department of child safety shall submit an expenditure plan for
 28 review by the joint legislative budget committee before expending any
 29 monies in the retention pay line item. It is the intent of the
 30 legislature that monies in the retention pay line item be transferred to
 31 the department's operating budget in fiscal year 2018-2019.

32 Out-of-home placements

33 Of the amounts appropriated for out-of-home support services,
 34 emergency and residential placement and foster care placement, the
 35 department of child safety may transfer up to ten percent of the total
 36 amount of federal temporary assistance for needy families block grant
 37 monies appropriated to the department of economic security and the
 38 department of child safety to the social services block grant for use in
 39 the following line items in the department of child safety: out-of-home
 40 support services, emergency and residential placement and foster care
 41 placement. Before transferring federal temporary assistance for needy
 42 families block grant monies to the social services block grant, the
 43 department of child safety shall report the proposed amount of the
 44 transfer to the director of the joint legislative budget committee. This
 45 report may be in the form of an expenditure plan that is submitted at the

1 beginning of the fiscal year and updated, if necessary, throughout the
2 fiscal year.

3 The amount appropriated for kinship stipends shall be used for a
4 stipend of seventy-five dollars per month for a relative caretaker,
5 including a grandparent, any level of great-grandparent or any
6 nongrandparent relative, or a caretaker of fictive kinship, if a dependent
7 child is placed in the care of a relative caretaker or caretaker of
8 fictive kinship pursuant to department guidelines. To be eligible for the
9 stipend, the caretaker's income may not exceed two hundred percent of the
10 federal poverty guidelines. Before changing the eligibility for the
11 program or the amount of the stipend, the department shall submit a report
12 for review by the joint legislative budget committee detailing the
13 proposed changes.

14 Support services

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

20 Departmentwide

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

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

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

35 1. Means any nonactive case for which documentation has not been
36 entered in the child welfare automated system for at least sixty days and
37 for which services have not been authorized for at least sixty days and
38 any case that has had an investigation, has been referred to another unit
39 and has had no contact for at least sixty days.

40 2. Includes any case for which the investigation has been open
41 without any documentation or contact for at least sixty days, any case
42 involving in-home services for which there has been no contact or services
43 authorized for at least sixty days and any case involving foster care in
44 which there has been no contact or any documentation entered in the child
45 welfare automated system for at least sixty days.

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

3 On or before September 30, 2017, and on or before the last day of
4 every calendar quarter through June 30, 2018, the department of child
5 safety shall present a report for review by the joint legislative budget
6 committee on the progress made in increasing the number of filled FTE
7 positions, meeting the caseload standard and reducing the number of
8 backlog cases and out-of-home children. The report shall include the
9 number of backlog cases, the number of open reports, the number of
10 out-of-home children and the caseworker workload on March 31, 2016 in
11 comparison to the latest quarter. The report shall provide the number of
12 backlog cases by disposition, including the number of backlog cases in the
13 investigation phase, the number of backlog cases associated with
14 out-of-home placements and the number of backlog cases associated with
15 in-home cases.

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

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

23 For backlog cases, the department's quarterly benchmark is 1,000
24 cases as of June 30, 2017 and thereafter.

25 For open reports, the department's benchmark is to have fewer than
26 8,000 open reports as of June 30, 2017 and thereafter. The open reports
27 benchmark represents the average number of incoming reports for each two
28 month period beginning March 1, 2016 through February 28, 2017.

29 For out-of-home children, the department's benchmark is to reduce
30 the number of children in out-of-home care by an average of an additional
31 2.0 percent every quarter with respect to the out-of-home care population
32 as of December 31, 2016. It is the intent of the legislature that the
33 cumulative reduction in the out-of-home care population as compared to the
34 population as of December 31, 2016 be 11.4 percent, or at or below 15,191
35 children, on or before June 30, 2018.

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

42 Beginning on the seventh day of the month following the effective
43 date of this act and on the seventh day of each month thereafter through
44 June 30, 2018, the department of child safety shall issue to the governor,
45 the chairpersons of the house of representatives appropriations and

1 judiciary and public safety committees and the senate appropriations and
 2 health and human services committees and the directors of the joint
 3 legislative budget committee and the governor's office of strategic
 4 planning and budgeting a report on new hires and separations. The report
 5 shall include the total number of FTE positions funded and the total
 6 number of FTE positions filled on the last day of each month. The
 7 department shall also delineate new hires and separations by case-carrying
 8 caseworkers, hotline staff, caseworkers-in-training, assistant program
 9 managers, unit supervisors, case aides, office of child welfare
 10 investigations staff and administrative staff by function.

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

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

19 On or before September 15, 2017 and March 15, 2018, the department
 20 of child safety shall submit a report for review by the joint legislative
 21 budget committee on the department's progress in implementing
 22 recommendations included in the Moss-Adams audit.

23 Sec. 20. STATE BOARD OF CHIROPRACTIC EXAMINERS

24		<u>2017-18</u>
25	FTE positions	5.0
26	Lump sum appropriation	\$ 451,100
27	Fund sources:	
28	Board of chiropractic examiners	
29	fund	\$ 451,100

30 Sec. 21. ARIZONA COMMUNITY COLLEGES

31		<u>2017-18</u>
32	<u>Equalization aid</u>	
33	Cochise	\$ 5,210,200
34	Graham	15,028,600
35	Navajo	<u>6,672,100</u>
36	Total - equalization aid	\$ 26,910,900
37	<u>Operating state aid</u>	
38	Cochise	\$ 4,589,600
39	Coconino	1,731,100
40	Gila	298,400
41	Graham	2,288,300
42	Mohave	1,195,500
43	Navajo	1,649,000
44	Pinal	1,621,400

1	Santa Cruz	96,800
2	Yavapai	639,400
3	Yuma/La Paz	<u>2,622,100</u>
4	Total - operating state aid	\$ 16,731,600
5	<u>STEM and workforce programs state aid</u>	
6	Cochise	\$ 986,400
7	Coconino	409,000
8	Gila	136,500
9	Graham	609,000
10	Mohave	462,500
11	Navajo	369,100
12	Pinal	96,500
13	Santa Cruz	67,000
14	Yavapai	717,000
15	Yuma/La Paz	<u>845,500</u>
16	Total - STEM and workforce programs	
17	state aid	\$ 4,698,500
18	Rural county reimbursement subsidy	\$ 1,273,800
19	Additional Gila workforce	
20	development aid	<u>250,000</u>
21	Total appropriation - Arizona community	
22	colleges	\$ 49,864,800
23	Fund sources:	
24	State general fund	\$ 49,864,800
25	Of the \$1,273,800 appropriated to the rural county reimbursement	
26	subsidy line item, Apache county receives \$699,300 and Greenlee county	
27	receives \$574,500.	
28	Sec. 22. REGISTRAR OF CONTRACTORS	
29		<u>2017-18</u>
30	FTE positions	105.6
31	Operating lump sum appropriation	\$ 11,147,800
32	Office of administrative hearings	
33	costs	<u>1,017,600</u>
34	Total appropriation - registrar of	
35	contractors	\$ 12,165,400
36	Fund sources:	
37	Registrar of contractors fund	\$ 12,165,400
38	Any transfer to or from the amount appropriated for the office of	
39	administrative hearings costs line item requires review by the joint	
40	legislative budget committee.	

1	Sec. 23. CORPORATION COMMISSION	
2		<u>2017-18</u>
3	FTE positions	300.9
4	Operating lump sum appropriation	\$ 26,159,900
5	Corporation filings, same-day	
6	service	397,300
7	Utilities audits, studies,	
8	investigations and hearings	<u>380,000*</u>
9	Total appropriation - corporation commission	\$ 26,937,200
10	Fund sources:	
11	State general fund	\$ 611,600
12	Arizona arts trust fund	49,900
13	Investment management regulatory	
14	and enforcement fund	708,900
15	Public access fund	6,558,800
16	Securities regulatory and	
17	enforcement fund	4,909,600
18	Utility regulation revolving fund	14,098,400
19	The \$397,300 appropriated from the public access fund for the	
20	corporation filings, same-day service line item reverts to the public	
21	access fund established by section 10-122.01, Arizona Revised Statutes, at	
22	the end of fiscal year 2017-2018 if the commission has not established a	
23	same-day service pursuant to section 10-122, Arizona Revised Statutes.	
24	Sec. 24. STATE DEPARTMENT OF CORRECTIONS	
25		<u>2017-18</u>
26	FTE positions	9,541.0
27	Operating lump sum appropriation	\$ 788,985,200
28	Private prison per diem	169,220,200
29	Inmate health care contracted	
30	services	<u>148,811,700</u>
31	Total appropriation - state department	
32	of corrections	\$1,107,017,100
33	Fund sources:	
34	State general fund	\$1,055,469,400
35	State education fund for	
36	correctional education	669,500
37	Alcohol abuse treatment fund	555,500
38	Penitentiary land fund	2,062,500
39	State charitable, penal and	
40	reformatory institutions	
41	land fund	2,661,500
42	Corrections fund	30,312,300

1	Transition program fund	2,400,100
2	Prison construction and operations	
3	fund	12,500,000
4	Inmate store proceeds fund	386,300

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

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

21 On or before August 1, 2017, the state department of corrections
22 shall provide a report on bed capacity to the joint legislative budget
23 committee for its review. The report shall reflect the bed capacity for
24 each security classification by gender at each state-run and private
25 institution, divided by rated and total beds. The report shall include
26 bed capacity data for June 30, 2016 and June 30, 2017 and the projected
27 capacity for June 30, 2018, as well as the reasons for any change within
28 that time period. Within the total bed count, the department shall
29 provide the number of temporary and special use beds. If the department
30 develops a plan after its August 1 report to close state-operated prison
31 rated beds or cancel or not renew contracts for privately operated prison
32 beds, the state department of corrections shall submit a bed plan
33 detailing the proposed bed closures for review by the joint legislative
34 budget committee before implementing these changes.

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

39 Of the amount appropriated for the private prison per diem line
40 item, \$17,463,300 shall be used for the purpose of making a debt service
41 payment on the financing agreement authorized by Laws 2016, chapter 119,
42 section 24.

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

6 Before the expenditure of any state education fund for correctional
 7 education monies in excess of \$669,500, the state department of
 8 corrections shall report the intended use of the monies to the director of
 9 the joint legislative budget committee.

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

13 Sec. 25. BOARD OF COSMETOLOGY

14		<u>2017-18</u>
15	FTE positions	24.5
16	Operating lump sum appropriation	\$ 1,805,200
17	Annual leave payout	<u>34,200</u>
18	Total appropriation - board of cosmetology	\$ 1,839,400
19	Fund sources:	
20	Board of cosmetology fund	\$ 1,839,400

21 Sec. 26. ARIZONA CRIMINAL JUSTICE COMMISSION

22		<u>2017-18</u>
23	FTE positions	9.0
24	Operating lump sum appropriation	\$ 1,251,100
25	State aid to county attorneys	973,700
26	Victim compensation and	
27	assistance	<u>4,220,600</u>
28	Total appropriation - Arizona criminal	
29	justice commission	\$ 6,445,400
30	Fund sources:	
31	Criminal justice enhancement fund	\$ 646,600
32	Resource center fund	604,500
33	State aid to county attorneys fund	973,700
34	Victim compensation and assistance	
35	fund	4,220,600

36 All victim compensation and assistance monies received by the
 37 Arizona criminal justice commission in excess of \$4,220,600 in fiscal year
 38 2017-2018 are appropriated to the crime victims program. Before the
 39 expenditure of any victim compensation and assistance fund monies in
 40 excess of \$4,220,600 in fiscal year 2017-2018, the Arizona criminal
 41 justice commission shall report the intended use of the monies to the
 42 joint legislative budget committee.

1 All monies received by the Arizona criminal justice commission in
 2 excess of \$973,700 in fiscal year 2017-2018 from the state aid to county
 3 attorneys fund established by section 11-539, Arizona Revised Statutes,
 4 are appropriated to the state aid to county attorneys program. Before the
 5 expenditure of any state aid to county attorneys fund monies in excess of
 6 \$973,700, the Arizona criminal justice commission shall report the
 7 intended use of the monies to the joint legislative budget committee.

8 Sec. 27. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

9		<u>2017-18</u>
10	FTE positions	541.2
11	Administration/statewide	\$ 4,010,600
12	Phoenix day school for the deaf	9,477,700
13	Tucson campus	13,502,500
14	Regional cooperatives	1,001,400
15	Preschool/outreach programs	4,325,600
16	School bus replacement	738,000
17	Voucher fund adjustment	<u>161,200</u>
18	Total appropriation - Arizona state schools	
19	for the deaf and the blind	\$ 33,217,000
20	Fund sources:	
21	State general fund	\$ 21,378,100
22	Schools for the deaf and the	
23	blind fund	11,838,900

24 Before the expenditure of any schools for the deaf and the blind
 25 fund monies in excess of \$11,838,900 in fiscal year 2017-2018, the Arizona
 26 state schools for the deaf and the blind shall report to the joint
 27 legislative budget committee the intended use of the monies.

28 Sec. 28. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

29		<u>2017-18</u>
30	FTE positions	16.0
31	Operating lump sum appropriation	\$ 4,412,300
32	Support services for the	
33	deaf-blind	<u>192,000</u>
34	Total appropriation - commission for the	
35	deaf and the hard of hearing	\$ 4,604,300
36	Fund sources:	
37	Telecommunication fund for	
38	the deaf	\$ 4,604,300

39 Sec. 29. STATE BOARD OF DENTAL EXAMINERS

40		<u>2017-18</u>
41	FTE positions	11.0
42	Lump sum appropriation	\$ 1,214,500
43	Fund sources:	
44	Dental board fund	\$ 1,214,500

1	Sec. 30. OFFICE OF ECONOMIC OPPORTUNITY	
2		<u>2017-18</u>
3	FTE positions	5.0
4	Lump sum appropriation	\$ 484,100
5	Fund sources:	
6	State general fund	\$ 484,100
7	Sec. 31. DEPARTMENT OF ECONOMIC SECURITY	
8		<u>2017-18</u>
9	FTE positions	4,289.4
10	Operating lump sum appropriation	\$159,260,800
11	<u>Administration</u>	
12	Attorney general legal services	10,996,600
13	<u>Aging and adult services</u>	
14	Adult services	9,431,900
15	Community and emergency services	3,724,000
16	Coordinated homeless services	2,522,600
17	Domestic violence prevention	14,003,700
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	23,693,000
27	DDD premium tax payment	27,628,800
28	Case management - medicaid	59,019,700
29	Home and community based	
30	services - medicaid	1,130,889,100
31	Institutional services -	
32	medicaid	24,111,000
33	Medical services - medicaid	176,495,500
34	Arizona training program at	
35	Coolidge - medicaid	15,735,100
36	Medicare clawback payments	4,043,000
37	Case management - state-only	3,893,700
38	Home and community based	
39	services - state-only	20,028,000
40	State-funded long-term care	
41	services	26,559,600

1	<u>Employment and rehabilitation services</u>	
2	JOBS	11,005,600
3	Child care subsidy	98,396,600
4	Independent living rehabilitation	
5	services	1,289,400
6	Rehabilitation services	7,249,100
7	Workforce investment act	
8	services	<u>53,654,600</u>
9	Total appropriation and expenditure	
10	authority - department of	
11	economic security	\$1,926,542,900
12	Fund sources:	
13	State general fund	\$ 573,736,000
14	Federal child care and	
15	development fund block grant	107,773,600
16	Federal temporary assistance for	
17	needy families block grant	72,964,700
18	Long-term care system fund	26,559,600
19	Public assistance collections	
20	fund	421,900
21	Special administration fund	2,928,700
22	Spinal and head injuries trust	
23	fund	2,323,700
24	Statewide cost allocation plan	
25	fund	1,000,000
26	Child support enforcement	
27	administration fund	16,632,600
28	Domestic violence services fund	4,000,000
29	Workforce investment act grant	56,040,200
30	Child support enforcement	
31	administration fund expenditure	
32	authority	42,299,500
33	Health services lottery	
34	monies fund	2,800,000
35	Developmental disabilities	
36	medicaid expenditure authority	1,017,062,400

37 Aging and adult services

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

1 The department of economic security shall report to the joint
2 legislative budget committee on the amount of state and federal monies
3 available statewide for domestic violence funding on or before December
4 15, 2017. The report shall include, at a minimum, the amount of monies
5 available and the state fiscal agent receiving those monies.

6 Benefits and medical eligibility

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

10 Child support enforcement

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

18 Developmental disabilities

19 The department shall report to the president of the senate, the
20 speaker of the house of representatives, the chairpersons of the senate
21 and house of representatives appropriations committees and the director of
22 the joint legislative budget committee any new placement into a
23 state-owned ICF-IID or the Arizona training program at the Coolidge campus
24 in fiscal year 2017-2018 and the reason this placement, rather than a
25 placement into a privately run facility for persons with developmental
26 disabilities, was deemed as the most appropriate placement. The
27 department shall also report if no new placements were made. The
28 department shall make this report available on or before July 15, 2018.

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

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

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

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

16 The department shall report to the joint legislative budget
17 committee on or before August 1, 2017 the number of filled positions for
18 case managers and non-case managers in the division of developmental
19 disabilities as of June 30, 2017. The department shall submit an
20 expenditure plan of its staffing levels for review by the joint
21 legislative budget committee if the department plans on hiring staff for
22 non-case manager, non-case aide, non-case unit supervisor and non-case
23 section manager positions above the staffing level indicated in the
24 August 1, 2017 report.

25 Employment and rehabilitation services

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

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

40 Departmentwide

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

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

13 Sec. 32. STATE BOARD OF EDUCATION

14		<u>2017-18</u>
15	FTE positions	6.0
16	Lump sum appropriation	\$ 1,142,800
17	Fund sources:	
18	State general fund	\$ 1,142,800

19 Sec. 33. SUPERINTENDENT OF PUBLIC INSTRUCTION

20		<u>2017-18</u>
21	FTE positions	171.9
22	Operating lump sum appropriation	\$ 12,868,800
23	Fund sources:	
24	State general fund	\$ 8,856,300
25	Teacher certification fund	514,600
26	Department of education empowerment	
27	scholarship account fund	797,900
28	Department of education professional	
29	development revolving fund	2,700,000

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

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

37	Basic state aid	\$2,900,114,200
38	Fund sources:	
39	State general fund	\$2,664,770,700
40	Permanent state school fund	235,343,500

1 The above appropriation provides basic state support to school
2 districts for maintenance and operations funding as provided by section
3 15-973, Arizona Revised Statutes, and includes an estimated \$235,343,500
4 in expendable income derived from the permanent state school fund and from
5 state trust lands pursuant to section 37-521, subsection B, Arizona
6 Revised Statutes, for fiscal year 2017-2018.

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

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

21 Additional teacher salary increase \$ 34,000,000

22 Each school district or charter school shall use its allocation from
23 this line item only to increase the salary of each teacher who taught at
24 an Arizona school district or charter school during the 2016-2017 school
25 year and who teaches at the school district or charter school during the
26 2017-2018 school year by 1.06 percent in fiscal year 2017-2018. The 1.06
27 percent salary increase that a school district or charter school provides
28 to each eligible teacher from this line item shall be in addition to any
29 other salary increase that the school district or charter school would
30 have provided to the teacher for the 2017-2018 school year apart from this
31 line item. The 1.06 percent salary increase shall supplement and not
32 supplant any salary increase that the school district or charter school
33 would have provided to the teacher for the 2017-2018 school year apart
34 from this line item.

35 The department of education shall use the appropriated amount to
36 provide school districts and charter schools with funding for additional
37 teacher salary increases for fiscal year 2017-2018.

38 On or before December 1, 2017, the department shall allocate to each
39 school district and charter school in this state the amount of funding
40 needed to increase by 1.06 percent the salary of each teacher who teaches
41 at the school district or charter school during the 2017-2018 school year
42 and who taught at an Arizona school district or charter school during the
43 2016-2017 school year, including the amount of funding needed to pay the
44 employer share of related increases in employee-related expenses for the
45 Arizona state retirement system or other employee retirement systems and

1 the federal insurance contributions act. The employer share of
2 employee-related retirement system expenses for a teacher not
3 participating in the Arizona state retirement system may not exceed
4 expenses for a teacher participating in the Arizona state retirement
5 system. The 1.06 percent salary increase for each eligible teacher shall
6 be computed by the school district or charter school based on the
7 teacher's teaching salary for the 2016-2017 school year. The department
8 shall add the amount computed for each school district and charter school
9 pursuant to this paragraph to the base support level that otherwise would
10 be computed for the school district or charter school for fiscal year
11 2017-2018 pursuant to section 15-943 or 15-943.02, Arizona Revised
12 Statutes.

13 The members of a school district governing board or a charter school
14 governing body shall conduct a separate vote regarding the allocation of
15 monies that it receives from this line item. It also shall notify
16 teachers of the scheduled date and time of action of the board or body for
17 this issue and shall transmit a notice of public hearing to the department
18 of education for posting on the department's website at least ten days
19 before the hearing. If the school district or charter school maintains a
20 website, the school district or charter school shall post on its website
21 the notice of the public hearing.

22 The members of the governing board of a school district or the
23 governing body of a charter school shall attest on the page of the school
24 district's or charter school's fiscal year 2017-2018 budget that the
25 members sign that the budget adopted by the school district or charter
26 school for fiscal year 2017-2018 meets the requirements of this line item.
27 This attestation shall also pertain to the following information provided
28 by the school district or charter school regarding teachers who taught at
29 an Arizona school district or charter school during the 2016-2017 school
30 year and who teach at the school district or charter school during the
31 2017-2018 school year: the number of teachers, the total amount of teacher
32 salaries for the 2016-2017 school year, the total amount of teacher
33 salaries for the 2017-2018 school year apart from this line item, the
34 total of the employer share of related increases in employee-related
35 expenses for required contributions to employee retirement systems and the
36 federal insurance contributions act and the total amount of funding needed
37 to increase by 1.06 percent the salary of each teacher who teaches at the
38 school district or charter school during the 2017-2018 school year and who
39 taught at an Arizona school district or charter school during the
40 2016-2017 school year.

41 A school district or charter school shall submit to the department
42 of education the school district's or charter school's adopted budget.
43 The department shall distribute funding for additional teacher salary
44 increases for fiscal year 2017-2018 based on the adopted budget. This
45 calculation is subject to the independent annual audit of the school

1 district or charter school pursuant to section 15-914, Arizona Revised
2 Statutes. Any audit findings regarding the miscalculation of this line
3 item shall be reported to the department of education and are subject to a
4 budget correction pursuant to section 15-915, Arizona Revised Statutes.

5 Monies that a school district receives from this line item shall be
6 included in the school district's general budget limit for the maintenance
7 and operation fund for fiscal year 2017-2018 pursuant to section 15-947,
8 Arizona Revised Statutes. Monies that a joint technical education
9 district receives from this line item shall be included in the joint
10 technical education district's general budget limit for the maintenance
11 and operation fund for fiscal year 2017-2018 pursuant to section
12 15-947.01, Arizona Revised Statutes.

13 The legislature and governor intend for this appropriation to result
14 in an increase in the compensation of Arizona's public schoolteachers for
15 fiscal year 2017-2018 and intend to include funding for an additional 1.06
16 percent teacher salary increase in fiscal year 2018-2019. Appropriations
17 for teacher salary increases in fiscal year 2018-2019 shall be distributed
18 in the same manner as distributions for fiscal year 2017-2018.

19 For the purposes of this footnote, "teacher" means a person who was
20 eligible to be included in the year-end full-time equivalent teacher count
21 of a school district or charter school for the 2016-2017 school year in
22 the annual financial report of a school district or charter school for
23 fiscal year 2016-2017 and who teaches at a school district or charter
24 school during the 2017-2018 school year. Teacher does not include
25 purchased services personnel or substitute teachers.

26	Results-based funding	\$ 37,600,000
27	Additional state aid -	
28	homeowner's rebate	386,215,500
29	Additional state aid -	
30	1 percent cap	24,330,500
31	Special education fund	32,242,100
32	Other state aid to districts	983,900
33	Accountability and achievement	
34	testing	16,420,800

35 Fund sources:

36	State general fund	\$ 9,420,800
37	Proposition 301 fund	7,000,000

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

1	Adult education	\$ 4,498,200
2	Alternative teacher development	
3	program	500,000
4	Arizona structured English	
5	immersion fund	4,960,400
6	College credit by examination	
7	incentive program	5,000,000
8	Early literacy	8,000,000
9	The English learner administration	6,495,000

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

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

30	JTED completion grants	\$ 1,000,000
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31 Monies appropriated for joint technical education district
32 completion grants are intended to help fund program completion for
33 students who complete at least fifty percent of a joint technical
34 education program before graduating from high school and who successfully
35 complete the joint technical education district program after graduating
36 from high school. The department of education shall develop application
37 procedures for the joint technical education district completion grant
38 program. The procedures shall award grant funding only after an eligible
39 student has successfully completed a joint technical education district
40 program.

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

1 The appropriated amount is exempt from the provisions of section
 2 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

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

4 The department of education shall distribute the appropriated amount
 5 to joint technical education districts with fewer than two thousand
 6 average daily membership pupils for soft capital and equipment expenses.
 7 The appropriated amount shall be allocated on a pro rata basis based on
 8 the average daily membership of eligible joint technical education
 9 districts.

10 School safety program \$ 4,145,600

11 State block grant for vocational
 12 education 11,576,300

13 Teacher certification \$ 1,828,100

14 Fund sources:

15 Teacher certification fund \$ 1,828,100

16 Tribal college dual enrollment
 17 program \$ 250,000

18 Fund sources:

19 Tribal college dual enrollment
 20 program fund \$ 250,000

21 Total appropriation - superintendent
 22 of public instruction \$3,494,129,400

23
 24 Fund sources:

25 State general fund \$3,245,695,300

26 Proposition 301 fund 7,000,000

27 Permanent state school fund 235,343,500

28 Teacher certification fund 2,342,700

29 Tribal college dual enrollment
 30 program fund 250,000

31 Department of education empowerment
 32 scholarship account fund 797,900

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

35 After review by the joint legislative budget committee, in fiscal
 36 year 2017-2018, the department may use a portion of its fiscal year
 37 2017-2018 state general fund appropriations for basic state aid or
 38 additional state aid to fund a shortfall in funding for basic state aid or
 39 additional state aid, if any, that occurred in fiscal year 2016-2017.

40 The department shall provide an updated report on its budget status
 41 every three months for the first half of each fiscal year and every month
 42 thereafter to the president of the senate, the speaker of the house of
 43 representatives, the chairpersons of the senate and house of
 44 representatives appropriations committees, the director of the joint
 45 legislative budget committee and the director of the governor's office of

1 strategic planning and budgeting. Each report shall include, at a
 2 minimum, the department's current funding surplus or shortfall projections
 3 for basic state aid and other major formula-based programs and is due
 4 thirty days after the end of the applicable reporting period.

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

9 Sec. 34. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	<u>2017-18</u>
10	
11	FTE positions 63.1
12	<u>Administration</u> \$ 1,818,000
13	<u>Emergency management</u> 725,200
14	<u>Military affairs</u> 3,021,000
15	Matching funds <u>1,540,900</u>
16	Total appropriation - department of
17	emergency and military affairs \$ 7,105,100

18 Fund sources:

19	State general fund \$ 7,105,100
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20 The department of emergency and military affairs appropriation
 21 includes \$1,700,000 for service contracts. This amount is exempt from the
 22 provisions of section 35-190, Arizona Revised Statutes, relating to
 23 lapsing of appropriations, except that all fiscal year 2017-2018 monies
 24 remaining unexpended and unencumbered on December 31, 2018 revert to the
 25 state general fund.

26 Sec. 35. DEPARTMENT OF ENVIRONMENTAL QUALITY

	<u>2017-18</u>
27	
28	FTE positions 322.0
29	Operating lump sum appropriation \$ 46,290,400
30	Safe drinking water program 1,800,000
31	Emissions control contractor
32	payment <u>21,119,500</u>

33	Total appropriation - department of
34	environmental quality \$ 69,209,900

35 Fund sources:

36	Air quality fund \$ 5,361,400
37	Emergency response fund 132,800
38	Emissions inspection fund 26,570,500
39	Hazardous waste management fund 1,734,600
40	Indirect cost recovery fund 13,375,200
41	Permit administration fund 7,114,100
42	Recycling fund 1,352,900

1	Safe drinking water program	
2	fund	1,800,000
3	Solid waste fee fund	1,239,000
4	Underground storage tank	
5	revolving fund	22,000
6	Water quality fee fund	10,507,400

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

10 Pursuant to section 49-282, Arizona Revised Statutes, the department
11 of environmental quality shall submit a fiscal year 2018-2019 budget for
12 the water quality assurance revolving fund before September 1, 2017, for
13 review by the senate and house of representatives appropriations
14 committees.

15 The department of environmental quality shall report annually on the
16 progress of WQARF activities, including emergency response, priority site
17 remediation, cost recovery activity, revenue and expenditure activity and
18 other WQARF-funded program activity. The department shall submit the
19 fiscal year 2017-2018 report to the joint legislative budget committee on
20 or before September 1, 2017. This report shall also include a budget for
21 the WQARF program that is developed in consultation with the WQARF
22 advisory board. This budget shall specify the monies budgeted for each
23 listed site during fiscal year 2017-2018. In addition, the department and
24 the advisory board shall prepare and submit to the joint legislative
25 budget committee, on or before October 1, 2017, a report in a table format
26 summarizing the current progress on remediation of each listed site on the
27 WQARF registry. The table shall include the stage of remediation for each
28 site at the end of fiscal year 2016-2017, indicate whether the current
29 stage of remediation is anticipated to be completed in fiscal year
30 2017-2018 and indicate the anticipated stage of remediation at each listed
31 site at the end of fiscal year 2017-2018, assuming fiscal year 2017-2018
32 funding levels. The department and advisory board may include other
33 relevant information about the listed sites in the table.

34 All permit administration fund monies received by the department of
35 environmental quality in excess of \$10,827,400 in fiscal year 2017-2018
36 are appropriated to the department. Before the expenditure of permit
37 administration fund monies in excess of \$10,827,400 in fiscal year
38 2017-2018, the department of environmental quality shall report the
39 intended use of the monies to the joint legislative budget committee.

40 All indirect cost recovery fund monies received by the department of
41 environmental quality in excess of \$13,375,200 in fiscal year 2017-2018
42 are appropriated to the department. Before the expenditure of indirect
43 cost recovery fund monies in excess of \$13,375,200 in fiscal year
44 2017-2018, the department of environmental quality shall report the
45 intended use of the monies to the joint legislative budget committee.

1	Sec. 36. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY		
2			<u>2017-18</u>
3	FTE positions		4.0
4	Lump sum appropriation	\$	189,100
5	Fund sources:		
6	State general fund	\$	189,100
7	Sec. 37. STATE BOARD OF EQUALIZATION		
8			<u>2017-18</u>
9	FTE positions		7.0
10	Lump sum appropriation	\$	643,000
11	Fund sources:		
12	State general fund	\$	643,000
13	Sec. 38. BOARD OF EXECUTIVE CLEMENCY		
14			<u>2017-18</u>
15	FTE positions		14.0
16	Lump sum appropriation	\$	952,600
17	Fund sources:		
18	State general fund	\$	952,600
19	The board of executive clemency shall report to the directors of the		
20	joint legislative budget committee and the governor's office of strategic		
21	planning and budgeting on or before November 1, 2017 on the total number		
22	and types of cases the board reviewed in fiscal year 2016-2017.		
23	Sec. 39. ARIZONA EXPOSITION AND STATE FAIR BOARD		
24			<u>2017-18</u>
25	FTE positions		184.0
26	Lump sum appropriation	\$	12,113,300
27	Fund sources:		
28	Arizona exposition and state		
29	fair fund	\$	12,113,300
30	Sec. 40. DEPARTMENT OF FINANCIAL INSTITUTIONS		
31			<u>2017-18</u>
32	FTE positions		69.1
33	Operating lump sum appropriation	\$	4,681,700
34	Real estate appraisal		<u>815,100</u>
35	Total appropriation - department of		
36	financial institutions	\$	5,496,800
37	Fund sources:		
38	State general fund	\$	1,478,200
39	Board of appraisal fund		815,100
40	Financial services fund		3,203,500
41	The department of financial institutions shall assess and set fees		
42	to ensure that monies deposited in the state general fund will equal or		
43	exceed the department's expenditure from the state general fund.		

1	Sec. 41. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	
2		<u>2017-18</u>
3	FTE positions	88.0
4	Operating lump sum appropriation	\$ 3,124,300
5	Environmental county grants	250,000
6	Inmate firefighting crews	686,200
7	Postrelease firefighting crews	1,465,100
8	Fire suppression	1,065,000
9	State fire marshal	742,600
10	State fire school	172,100
11	Hazardous vegetation removal	<u>1,350,000</u>
12	Total appropriation - Arizona department	
13	of forestry and fire management	\$ 8,855,300
14	Fund sources:	
15	State general fund	\$ 8,855,300
16	The appropriation for the hazardous vegetation removal line item is	
17	exempt from the provisions of section 35-190, Arizona Revised Statutes,	
18	relating to lapsing of appropriations, through June 30, 2019.	
19	Sec. 42. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
20		<u>2017-18</u>
21	FTE positions	4.0
22	Lump sum appropriation	\$ 373,300
23	Fund sources:	
24	Board of funeral directors' and	
25	embalmers' fund	\$ 373,300
26	Sec. 43. ARIZONA GAME AND FISH DEPARTMENT	
27		<u>2017-18</u>
28	FTE positions	273.5
29	Operating lump sum appropriation	\$ 41,773,300
30	Game and fish trucks	485,700
31	Watercraft safety equipment	701,000
32	Watercraft grants	<u>1,000,000</u>
33	Total appropriation - Arizona game and fish	
34	department	\$ 43,960,000
35	Fund sources:	
36	Capital improvement fund	\$ 1,001,200
37	Game and fish fund	36,800,100
38	Wildlife endowment fund	16,200
39	Watercraft licensing fund	5,796,700
40	Game, non-game, fish and	
41	endangered species fund	345,800

1	Sec. 44. DEPARTMENT OF GAMING	
2		<u>2017-18</u>
3	FTE positions	155.8
4	Operating lump sum appropriation	\$ 8,295,500
5	Additional operating expenses	768,400
6	Casino operations certification	2,081,800
7	County fairs livestock and	
8	agriculture promotion	1,779,500
9	Division of racing	1,886,000
10	Problem gambling	<u>2,287,000</u>
11	Total appropriation - department of gaming	\$ 17,098,200
12	Fund sources:	
13	State general fund	\$ 1,779,500
14	Tribal-state compact fund	2,081,800
15	Arizona benefits fund	11,050,900
16	State lottery fund	300,000
17	Racing regulation fund	1,886,000

18 The department of gaming shall report to the directors of the joint
 19 legislative budget committee and the governor's office of strategic
 20 planning and budgeting on or before December 1, 2017 on the expected
 21 amount and purpose of expenditures from the additional operating expenses
 22 line item for fiscal year 2017-2018. The report shall include the
 23 projected line item detail.

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

29	Sec. 45. OFFICE OF THE GOVERNOR	
30		<u>2017-18</u>
31	Lump sum appropriation	\$ 6,849,900*

32 Fund sources:

33	State general fund	\$ 6,849,900
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34 Included in the lump sum appropriation of \$6,849,900 for fiscal year
 35 2017-2018 is \$10,000 for the purchase of mementos and items for visiting
 36 officials.

37	Sec. 46. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	
38		<u>2017-18</u>
39	FTE positions	22.0
40	Lump sum appropriation	\$ 1,994,000*
41	Fund sources:	
42	State general fund	\$ 1,994,000

1	Sec. 47. DEPARTMENT OF HEALTH SERVICES	
2		<u>2017-18</u>
3	FTE positions	1,065.5
4	Operating lump sum appropriation	\$ 46,603,200
5	<u>Public health/family health</u>	
6	Adult cystic fibrosis care	105,200
7	AIDS reporting and surveillance	1,000,000
8	Alzheimer's disease research	2,125,000
9	Breast and cervical cancer and	
10	bone density screening	1,369,400
11	County tuberculosis provider care	
12	and control	590,700
13	Emergency medical services local	
14	allocation	442,000
15	Folic acid program	400,000
16	High-risk perinatal services	2,543,400
17	Newborn screening program	7,210,300
18	Nonrenal disease management	198,000
19	Nursing care special projects	100,000
20	Poison control centers funding	990,000
21	Renal dental care and nutrition	
22	supplements	300,000
23	Renal transplant drugs	183,000
24	State loan repayment program	1,000,000
25	<u>Arizona state hospital</u>	
26	Arizona state hospital -	
27	operating	60,805,600
28	Arizona state hospital -	
29	restoration to competency	900,000
30	Arizona state hospital -	
31	sexually violent persons	<u>9,639,100</u>
32	Total appropriation - department of	
33	health services	\$ 136,504,900
34	Fund sources:	
35	State general fund	\$ 86,734,700
36	Arizona state hospital fund	6,762,000
37	Arizona state hospital land fund	970,000
38	Capital outlay stabilization fund	1,559,900
39	Child fatality review fund	94,700
40	DHS indirect cost fund	9,546,100

1	Emergency medical services	
2	operating fund	5,707,900
3	Environmental laboratory licensure	
4	revolving fund	924,200
5	Federal child care and development	
6	fund block grant	872,300
7	Health services licensing fund	9,232,300
8	Newborn screening program fund	7,643,100
9	Nursing care institution resident	
10	protection revolving fund	138,200
11	Tobacco tax and health care fund -	
12	health research account	2,000,000
13	Tobacco tax and health care fund -	
14	medically needy account	700,000
15	Vital records electronic systems	
16	fund	3,619,500

17 Public health/family health

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

21 Of the \$2,125,000 for Alzheimer's disease research, \$2,000,000 is
22 from the tobacco tax and health care fund - health research account
23 established by section 36-773, Arizona Revised Statutes.

24 Arizona state hospital

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

29 Departmentwide

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

1	Sec. 48. ARIZONA HISTORICAL SOCIETY	
2		<u>2017-18</u>
3	FTE positions	50.9
4	Operating lump sum appropriation	\$ 2,114,100
5	Field services and grants	66,000
6	Papago park museum	<u>542,800</u>
7	Total appropriation - Arizona historical	
8	society	\$ 2,722,900
9	Fund sources:	
10	State general fund	\$ 2,722,900
11	Sec. 49. PRESCOTT HISTORICAL SOCIETY	
12		<u>2017-18</u>
13	FTE positions	13.0
14	Lump sum appropriation	\$ 824,500
15	Fund sources:	
16	State general fund	\$ 824,500
17	Sec. 50. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS	
18		<u>2017-18</u>
19	FTE positions	1.0
20	Lump sum appropriation	\$ 87,300
21	Fund sources:	
22	Board of homeopathic and	
23	integrated medicine	
24	examiners' fund	\$ 87,300
25	Sec. 51. ARIZONA DEPARTMENT OF HOUSING	
26		<u>2017-18</u>
27	FTE positions	20.0
28	Lump sum appropriation	\$ 1,129,900
29	Fund sources:	
30	State general fund	\$ 811,400
31	Housing trust fund	318,500
32	Sec. 52. INDUSTRIAL COMMISSION OF ARIZONA	
33		<u>2017-18</u>
34	FTE positions	235.6
35	Lump sum appropriation	\$ 19,881,300
36	Fund sources:	
37	Administrative fund	\$ 19,881,300
38	Sec. 53. DEPARTMENT OF INSURANCE	
39		<u>2017-18</u>
40	FTE positions	72.3
41	Lump sum appropriation	\$ 5,824,300
42	Fund sources:	
43	State general fund	\$ 5,824,300

1	Sec. 54. ARIZONA JUDICIARY	
2		<u>2017-18</u>
3	<u>Supreme court</u>	
4	FTE positions	183.0
5	Operating lump sum appropriation	\$ 13,861,100
6	Automation	19,977,700
7	County reimbursements	187,900
8	Court appointed special advocate	3,262,900
9	Domestic relations	613,400
10	State foster care review board	3,178,500
11	Commission on judicial conduct	498,600
12	Judicial nominations and	
13	performance review	409,100
14	Model court	437,600
15	State aid	<u>5,648,500</u>
16	Total appropriation - supreme court	\$ 48,075,300
17	Fund sources:	
18	State general fund	\$ 18,716,500
19	Confidential intermediary and	
20	fiduciary fund	488,900
21	Court appointed special advocate	
22	fund	3,343,200
23	Criminal justice enhancement fund	4,365,200
24	Defensive driving school fund	4,198,500
25	Judicial collection enhancement	
26	fund	14,017,900
27	State aid to the courts fund	2,945,100

28 On or before September 1, 2017, the supreme court shall report to
 29 the joint legislative budget committee on current and future automation
 30 projects coordinated by the administrative office of the courts. The
 31 report shall include a list of court automation projects receiving or
 32 anticipated to receive state monies in the current or next two fiscal
 33 years as well as a description of each project, the number of FTE
 34 positions, the entities involved and the goals and anticipated results for
 35 each automation project. The report shall be submitted in one summary
 36 document. The report shall indicate each project's total multiyear cost
 37 by fund source and budget line item, including any prior-year,
 38 current-year and future-year expenditures.

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

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

4 Of the \$187,900 appropriated for county reimbursements, state grand
 5 jury is limited to \$97,900 and capital postconviction relief is limited to
 6 \$90,000.

7 Court of appeals

8	FTE positions	136.8
9	Division one	\$ 10,155,900
10	Division two	<u>\$ 4,422,200</u>
11	Total appropriation - court of appeals	\$ 14,578,100

12 Fund sources:

13	State general fund	\$ 14,578,100
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14 Of the 136.8 FTE positions for fiscal year 2017-2018, 98.3 FTE
 15 positions are for division one and 38.5 FTE positions are for
 16 division two.

17 Superior court

18	FTE positions	137.5
19	Operating lump sum appropriation	\$ 4,212,400
20	Judges' compensation	8,399,500
21	Centralized service payments	3,458,000
22	Adult standard probation	17,666,600
23	Adult intensive probation	10,565,100
24	Community punishment	2,310,300
25	Court-ordered removals	75,000
26	Interstate compact	427,500
27	Drug court	993,600
28	Juvenile standard probation	3,610,400
29	Juvenile intensive probation	5,352,000
30	Juvenile treatment services	19,960,900
31	Juvenile family counseling	500,000
32	Juvenile crime reduction	3,308,000
33	Juvenile diversion consequences	8,157,800
34	Special water master	<u>190,700</u>
35	Total appropriation - superior court	\$ 89,187,800

36 Fund sources:

37	State general fund	\$ 77,234,500
38	Criminal justice enhancement fund	5,435,200
39	Drug treatment and education fund	502,900
40	Judicial collection enhancement	
41	fund	6,015,200

1 Operating budget

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

7 Judges

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

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

21 Probation

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

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

29 On or before November 1, 2017, the administrative office of the
30 courts shall report to the joint legislative budget committee the fiscal
31 year 2016-2017 actual, fiscal year 2017-2018 estimated and fiscal year
32 2018-2019 requested amounts for each of the following:

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

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

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

6 All centralized service payments made by the administrative office
7 of the courts on behalf of counties shall be funded only from the
8 centralized service payments line item. Centralized service payments
9 include only training, motor vehicle payments, CORP review board funding,
10 LEARN funding, research, operational reviews and GPS vendor payments.
11 This footnote does not apply to treatment or counseling services payments
12 made from the juvenile treatment services and juvenile diversion
13 consequences line items. Monies in the operating lump sum appropriation
14 or other line items intended for centralized service payments shall be
15 transferred to the centralized service payments line item before
16 expenditure.

17 All monies in the adult standard probation, adult intensive
18 probation, interstate compact, juvenile standard probation and juvenile
19 intensive probation line items shall be used only as pass-through monies
20 to county probation departments. Monies in the operating lump sum
21 appropriation or other line items intended as pass-through for the purpose
22 of administering a county probation program shall be transferred to the
23 appropriate probation line item before expenditure.

24 On or before February 1, 2018, the administrative office of the
25 courts shall report to the joint legislative budget committee on
26 county-approved salary adjustments provided to probation officers since
27 the last report on September 30, 2016. The report shall include, for each
28 county, the:

- 29 1. Approved percentage salary increase by year.
- 30 2. Net increase in the amount allocated to each probation
- 31 department by the administrative office of the courts for each applicable
- 32 year.
- 33 3. Average number of probation officers by applicable year.
- 34 4. Average salary of probation officers for each applicable year.

35 Sec. 55. DEPARTMENT OF JUVENILE CORRECTIONS

36		<u>2017-18</u>
37	FTE positions	738.5
38	Lump sum appropriation	\$ 35,571,400
39	Fund sources:	
40	State general fund	\$ 19,180,400
41	Department of juvenile corrections	
42	local cost sharing fund	11,260,000

1 State charitable, penal and
 2 reformatory institutions
 3 land fund 3,011,300
 4 Criminal justice enhancement fund 531,300
 5 State education fund for committed
 6 youth 1,588,200
 7 Twenty-five percent of land earnings and interest from the state
 8 charitable, penal and reformatory institutions land fund shall be
 9 distributed to the department of juvenile corrections, in compliance with
 10 section 25 of the enabling act and the Constitution of Arizona, to be used
 11 for the support of state juvenile institutions and reformatories.
 12 Sec. 56. STATE LAND DEPARTMENT

	<u>2017-18</u>
13 FTE positions	129.7
14 Operating lump sum appropriation	\$ 15,148,600
15 Natural resource conservation	
16 districts	650,000
17 CAP user fees	994,400
18 Due diligence fund	500,000
19 Professional service contracts	250,000
20 Reassessment of federal permits	750,000
21 Right-of-way digitization	450,000
22 Streambed navigability litigation	220,000
23 Survey assets	500,000
24 Workflow digitization	<u>500,000</u>
25 Total appropriation - state land department	\$ 19,963,000
26 Fund sources:	
27 State general fund	\$ 12,715,900
28 Environmental special plate fund	260,600
29 Due diligence fund	500,000
30 Trust land management fund	6,486,500

31 The appropriation includes \$994,400 for central Arizona project user
 32 fees in fiscal year 2017-2018. For fiscal year 2017-2018, from
 33 municipalities that assume their allocation of central Arizona project
 34 water for every dollar received as reimbursement to the state for past
 35 central Arizona water conservation district payments, one dollar reverts
 36 to the state general fund in the year that the reimbursement is collected.
 37

38 Of the amount appropriated for natural resource conservation
 39 districts in fiscal year 2017-2018, \$30,000 shall be used to provide
 40 grants to natural resource conservation district environmental education
 41 centers.

1 Sec. 57. LEGISLATURE
 2 2017-18
 3 Senate
 4 Lump sum appropriation \$ 9,408,500*
 5 Fund sources:
 6 State general fund \$ 9,408,500
 7 Included in the lump sum appropriation of \$9,408,500 for fiscal year
 8 2017-2018 is \$1,000 for the purchase of mementos and items for visiting
 9 officials.
 10 House of representatives
 11 Lump sum appropriation \$ 13,201,500*
 12 Fund sources:
 13 State general fund \$ 13,201,500
 14 Included in the lump sum appropriation of \$13,201,500 for fiscal
 15 year 2017-2018 is \$1,000 for the purchase of mementos and items for
 16 visiting officials.
 17 Legislative council
 18 FTE positions 49.0
 19 Operating lump sum appropriation \$ 7,392,500
 20 Ombudsman-citizens aide office 822,900
 21 Total appropriation - legislative
 22 council \$ 8,215,400*
 23 Fund sources:
 24 State general fund \$ 8,215,400
 25 Dues for the council of state governments may be expended only on an
 26 affirmative vote of the legislative council.
 27 It is the intent of the legislature that the ombudsman-citizens aide
 28 prioritize the investigation and processing of complaints relating to the
 29 department of child safety.
 30 Joint legislative budget committee
 31 FTE positions 29.0
 32 Lump sum appropriation \$ 2,488,300*
 33 Fund sources:
 34 State general fund \$ 2,488,300
 35 Auditor general
 36 FTE positions 188.8
 37 Lump sum appropriation \$ 18,439,000*
 38 Fund sources:
 39 State general fund \$ 18,439,000
 40 Included in the lump sum appropriation is funding to pay state rent
 41 at the statewide rate.
 42 The sum of \$680,000 and 6 FTE positions are appropriated from the
 43 state general fund in fiscal year 2018-2019 to the auditor general for
 44 operating expenditures.

1	Sec. 58. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
2		<u>2017-18</u>
3	FTE positions	45.2
4	Lump sum appropriation	\$ 3,007,400
5	Fund sources:	
6	Liquor licenses fund	\$ 3,007,400
7	Sec. 59. ARIZONA STATE LOTTERY COMMISSION	
8		<u>2017-18</u>
9	FTE positions	98.8
10	Operating lump sum appropriation	\$ 8,353,700
11	Advertising	<u>15,500,000</u>
12	Total appropriation - Arizona state	
13	lottery commission	\$ 23,853,700
14	Fund source:	
15	State lottery fund	\$ 23,853,700
16	An amount equal to twenty percent of tab ticket sales is	
17	appropriated for payment of sales commissions to charitable organizations.	
18	This amount is currently estimated to be \$1,468,700 in fiscal year	
19	2017-2018.	
20	An amount equal to 3.05 percent of actual instant ticket sales is	
21	appropriated for the printing of instant tickets or for contractual	
22	obligations concerning instant ticket distribution. This amount is	
23	currently estimated to be \$19,894,400 in fiscal year 2017-2018.	
24	An amount equal to a percentage of actual online game sales as	
25	determined by contract is appropriated for payment of online vendor fees.	
26	This amount is currently estimated to be \$10,019,000, or 4.256 percent of	
27	actual online ticket sales, in fiscal year 2017-2018.	
28	An amount equal to 6.5 percent of gross lottery game sales, minus	
29	tab tickets, is appropriated for payment of sales commissions to ticket	
30	retailers. An additional amount not to exceed 0.5 percent of gross	
31	lottery game sales is appropriated for payment of sales commissions to	
32	ticket retailers. The combined amount is currently estimated to be 6.7	
33	percent of total ticket sales, or \$59,080,300, in fiscal year 2017-2018.	
34	Sec. 60. BOARD OF MASSAGE THERAPY	
35		<u>2017-18</u>
36	FTE positions	5.0
37	Lump sum appropriation	\$ 461,100
38	Fund sources:	
39	Board of massage therapy fund	\$ 461,100
40	Sec. 61. ARIZONA MEDICAL BOARD	
41		<u>2017-18</u>
42	FTE positions	61.5
43	Lump sum appropriation	\$ 6,784,000
44	Fund sources:	
45	Arizona medical board fund	\$ 6,784,000

1 The Arizona medical board may use up to seven percent of the Arizona
 2 medical board fund balance remaining at the end of each fiscal year for a
 3 performance based incentive program the following fiscal year based on the
 4 program established pursuant to section 38-618, Arizona Revised Statutes.
 5 Sec. 62. STATE MINE INSPECTOR

6		<u>2017-18</u>
7	FTE positions	14.0
8	Operating lump sum appropriation	\$ 1,017,800
9	Abandoned mines	194,700
10	Aggregate mining land reclamation	<u>112,900</u>
11	Total appropriation - state mine inspector	\$ 1,325,400
12	Fund sources:	
13	State general fund	\$ 1,212,500
14	Aggregate mining reclamation fund	112,900

15 All aggregate mining reclamation fund monies received by the state
 16 mine inspector in excess of \$112,900 in fiscal year 2017-2018 are
 17 appropriated to the aggregate mining land reclamation line item. Before
 18 the expenditure of any aggregate mining reclamation fund monies in excess
 19 of \$112,900 in fiscal year 2017-2018, the state mine inspector shall
 20 report the intended use of the monies to the joint legislative budget
 21 committee.

22 Sec. 63. NATUROPATHIC PHYSICIANS MEDICAL BOARD

23		<u>2017-18</u>
24	FTE positions	2.0
25	Lump sum appropriation	\$ 180,200
26	Fund sources:	
27	Naturopathic physicians medical	
28	board fund	\$ 180,200

29 Sec. 64. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

30		<u>2017-18</u>
31	FTE positions	2.0
32	Lump sum appropriation	\$ 324,000
33	Fund sources:	
34	State general fund	\$ 124,000
35	Arizona water banking fund	200,000

36 Sec. 65. ARIZONA STATE BOARD OF NURSING

37		<u>2017-18</u>
38	FTE positions	42.2
39	Operating lump sum appropriation	\$ 4,268,100
40	Certified nursing assistant	
41	credentiaing program	<u>536,700</u>
42	Total appropriation - Arizona state	
43	board of nursing	\$ 4,804,800
44	Fund sources:	
45	Board of nursing fund	\$ 4,804,800

1	Sec. 66.	BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS		
2		AND ASSISTED LIVING FACILITY MANAGERS		
3				<u>2017-18</u>
4		FTE positions		6.0
5		Lump sum appropriation	\$	421,400
6		Fund sources:		
7		Nursing care institution		
8		administrators' licensing and		
9		assisted living facility		
10		managers' certification fund	\$	421,400
11	Sec. 67.	BOARD OF OCCUPATIONAL THERAPY EXAMINERS		
12				<u>2017-18</u>
13		FTE positions		1.5
14		Lump sum appropriation	\$	180,700
15		Fund sources:		
16		Occupational therapy fund	\$	180,700
17	Sec. 68.	STATE BOARD OF DISPENSING OPTICIANS		
18				<u>2017-18</u>
19		FTE positions		1.0
20		Lump sum appropriation	\$	140,000
21		Fund sources:		
22		Board of dispensing opticians fund	\$	140,000
23	Sec. 69.	STATE BOARD OF OPTOMETRY		
24				<u>2017-18</u>
25		FTE positions		2.0
26		Lump sum appropriation	\$	220,100
27		Fund sources:		
28		Board of optometry fund	\$	220,100
29	Sec. 70.	ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		
30				<u>2017-18</u>
31		FTE positions		7.2
32		Lump sum appropriation	\$	905,500
33		Fund sources:		
34		Arizona board of osteopathic		
35		examiners in medicine		
36		and surgery fund	\$	905,500
37	Sec. 71.	ARIZONA STATE PARKS BOARD		
38				<u>2017-18</u>
39		FTE positions		163.0
40		Operating lump sum appropriation	\$	12,027,800
41		Kartchner caverns state park		<u>2,226,300</u>
42	Total appropriation - Arizona state parks	board	\$	14,254,100
43		Fund sources:		
44		State parks revenue fund	\$	14,254,100
45				

1 All other operating expenditures include \$26,000 from the state
 2 parks revenue fund for Fool Hollow state park revenue sharing. If
 3 receipts to Fool Hollow exceed \$260,000 in fiscal year 2017-2018, an
 4 additional ten percent of this increase of Fool Hollow receipts is
 5 appropriated from the state parks revenue fund established by section
 6 41-511.21, Arizona Revised Statutes, to meet the revenue sharing agreement
 7 with the city of Show Low and the United States forest service.

8 Sec. 72. STATE PERSONNEL BOARD

9		<u>2017-18</u>
10	FTE positions	3.0
11	Lump sum appropriation	\$ 375,300
12	Fund sources:	
13	Personnel division fund -	
14	personnel board subaccount	\$ 375,300

15 Sec. 73. ARIZONA STATE BOARD OF PHARMACY

16		<u>2017-18</u>
17	FTE positions	19.0
18	Operating lump sum appropriation	\$ 2,113,200
19	Annual leave payout	24,500
20	Prescriber report card	<u>125,000</u>
21	Total appropriation - Arizona state	
22	board of pharmacy	\$ 2,262,700
23	Fund sources:	
24	Arizona state board of pharmacy	
25	fund	\$ 2,262,700

26 Sec. 74. BOARD OF PHYSICAL THERAPY

27		<u>2017-18</u>
28	FTE positions	4.0
29	Lump sum appropriation	\$ 441,200
30	Fund sources:	
31	Board of physical therapy fund	\$ 441,200

32 Sec. 75. ARIZONA PIONEERS' HOME

33		<u>2017-18</u>
34	FTE positions	106.3
35	Operating lump sum appropriation	\$ 6,292,600
36	Prescription drugs	<u>200,000</u>
37	Total appropriation - Arizona pioneers' home	\$ 6,492,600
38	Fund sources:	
39	Miners' hospital for miners with	
40	disabilities land fund	\$ 2,028,900
41	State charitable fund	4,463,700

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

1	Sec. 76. STATE BOARD OF PODIATRY EXAMINERS		
2			<u>2017-18</u>
3	FTE positions		1.0
4	Lump sum appropriation	\$	148,400
5	Fund sources:		
6	Podiatry fund	\$	148,400
7	Sec. 77. COMMISSION FOR POSTSECONDARY EDUCATION		
8			<u>2017-18</u>
9	FTE positions		5.0
10	Operating lump sum appropriation	\$	183,600
11	Leveraging educational assistance		
12	partnership (LEAP)		2,319,500
13	Arizona college and career guide		21,300
14	Math and science teacher		
15	initiative		426,000
16	Arizona minority educational		
17	policy analysis center		100,000
18	Twelve plus partnership		<u>130,500</u>
19	Total appropriation - commission for		
20	postsecondary education	\$	3,180,900
21	Fund sources:		
22	State general fund	\$	1,646,800
23	Postsecondary education fund		1,534,100

24 In order to be eligible to receive state matching monies under the
 25 leveraging educational assistance partnership for grants to students, each
 26 participating institution, public or private, shall provide an amount of
 27 institutional matching monies that equals the amount of monies provided by
 28 the state to the institution for the leveraging educational assistance
 29 partnership. Administrative expenses incurred by the commission for
 30 postsecondary education shall be paid from institutional matching monies
 31 and may not exceed twelve percent of the monies in fiscal year 2017-2018.

32 Any unencumbered balance remaining in the postsecondary education
 33 fund established by section 15-1853, Arizona Revised Statutes, on June 30,
 34 2017, and all grant monies and other revenues received by the commission
 35 for postsecondary education, when paid into the state treasury, are
 36 appropriated for the specific purposes designated by line items and for
 37 additional responsibilities prescribed in sections 15-1851 and 15-1852,
 38 Arizona Revised Statutes.

39 The appropriations for the Arizona college and career guide, Arizona
 40 minority educational policy analysis center and twelve plus partnership
 41 are estimates representing all monies distributed to these programs,
 42 including balance forward, revenue and transfers, during fiscal year
 43 2017-2018. The appropriations shall be adjusted as necessary to reflect
 44 actual final monies credited to the postsecondary education fund.

1	Sec. 78. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION	
2		<u>2017-18</u>
3	FTE positions	4.0
4	Operating lump sum appropriation	\$ 396,100
5	Annual leave payout	<u>20,800</u>
6	Total appropriation - state board for	
7	private postsecondary education	\$ 416,900
8	Fund sources:	
9	Board for private postsecondary	
10	education fund	\$ 416,900
11	Sec. 79. STATE BOARD OF PSYCHOLOGIST EXAMINERS	
12		<u>2017-18</u>
13	FTE positions	4.0
14	Lump sum appropriation	\$ 475,400
15	Fund sources:	
16	Board of psychologist examiners	
17	fund	\$ 475,400
18	Sec. 80. DEPARTMENT OF PUBLIC SAFETY	
19		<u>2017-18</u>
20	FTE positions	1,945.7
21	Operating lump sum appropriation	\$236,766,300
22	ACTIC	1,450,000
23	Border strike task force ongoing	7,003,200
24	Border strike task force	
25	local support	1,261,700
26	Camera IT infrastructure	500,000
27	Trooper vehicle in-car cameras	500,000
28	Civil air patrol	150,000
29	GIITEM	22,069,500
30	GIITEM subaccount	2,390,000
31	Motor vehicle fuel	5,454,600
32	Public safety equipment	2,890,000
33	Sexual assault kit testing	<u>1,200,000</u>
34	Total appropriation - department of public	
35	safety	\$281,635,300
36	Fund sources:	
37	State general fund	\$108,654,600
38	Arizona highway user revenue fund	99,398,700
39	State highway fund	7,580,900
40	Arizona highway patrol fund	24,992,800
41	State aid to indigent defense fund	700,000
42	Criminal justice enhancement fund	2,873,400

1	Safety enforcement and transportation	
2	infrastructure fund - department	
3	of public safety subaccount	1,617,800
4	Crime laboratory assessment fund	870,300
5	Crime laboratory operations fund	13,611,300
6	Arizona deoxyribonucleic acid	
7	identification system fund	4,970,100
8	Arizona automated fingerprint	
9	identification system fund	2,917,600
10	Gang and immigration intelligence	
11	team enforcement mission border	
12	security and law enforcement	
13	subaccount	2,527,700
14	Motorcycle safety fund	205,000
15	Risk management revolving fund	1,314,200
16	Parity compensation fund	3,397,400
17	Public safety equipment fund	3,893,700
18	Concealed weapons permit fund	1,409,800
19	Fingerprint clearance card fund	700,000

20 Of the \$22,069,500 appropriated to the GIITEM line item, \$10,356,900
 21 shall be used for one hundred department of public safety GIITEM
 22 personnel. The additional staff shall include at least fifty sworn
 23 department of public safety positions to be used for immigration
 24 enforcement and border security and fifty department of public safety
 25 positions to assist GIITEM in various efforts, including:

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

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

41 Of the \$22,069,500 appropriated to the GIITEM line item, only
 42 \$1,403,400 is deposited in the GIITEM fund established by section 41-1724,
 43 Arizona Revised Statutes, and is appropriated for the purposes of that
 44 section. The \$1,403,400 is exempt from the provisions of section 35-190,
 45 Arizona Revised Statutes, relating to the lapsing of appropriations. It

1 is the intent of the legislature that this allocation will be restored to
 2 the fiscal year 2016-2017 level of \$2,603,400 in fiscal year 2018-2019.
 3 This state recognizes that states have inherent authority to arrest a
 4 person for any immigration violation.

5 Any monies remaining in the department of public safety joint
 6 account on June 30, 2018 revert to the funds from which they were
 7 appropriated. The reverted monies shall be returned in direct proportion
 8 to the amounts appropriated.

9 Before the expenditure of any monies appropriated in fiscal year
 10 2017-2018 in the border strike task force local support line item, the
 11 department shall submit an expenditure plan for this line item to the
 12 joint legislative budget committee for review.

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

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

27 The \$1,200,000 appropriated for sexual assault kit testing in fiscal
 28 year 2017-2018 is exempt from the provisions of section 35-190, Arizona
 29 Revised Statutes, relating to lapsing of appropriations through June
 30 30, 2019.

31 Sec. 81. RADIATION REGULATORY AGENCY

32		<u>2017-18</u>
33	FTE positions	29.0
34	Lump sum appropriation	\$ 1,621,500
35	Fund sources:	
36	State general fund	\$ 773,400
37	State radiologic technologist	
38	certification fund	271,600
39	Radiation regulatory fee fund	576,500

40 Sec. 82. STATE REAL ESTATE DEPARTMENT

41		<u>2017-18</u>
42	FTE positions	37.0
43	Lump sum appropriation	\$ 2,994,900
44	Fund sources:	
45	State general fund	\$ 2,994,900

1	Sec. 83. RESIDENTIAL UTILITY CONSUMER OFFICE	
2		<u>2017-18</u>
3	FTE positions	11.0
4	Operating lump sum appropriation	\$ 1,186,400
5	Professional witnesses	<u>145,000*</u>
6	Total appropriation - residential utility	
7	consumer office	\$ 1,331,400
8	Fund sources:	
9	Residential utility consumer	
10	office revolving fund	\$ 1,331,400
11	Sec. 84. BOARD OF RESPIRATORY CARE EXAMINERS	
12		<u>2017-18</u>
13	FTE positions	4.0
14	Operating lump sum appropriation	\$ 300,300
15	Temporary caseload increase	<u>19,500</u>
16	Total appropriation - board of respiratory	
17	care examiners	\$ 319,800
18	Fund sources:	
19	Board of respiratory care	
20	examiners fund	\$ 319,800
21	Sec. 85. ARIZONA STATE RETIREMENT SYSTEM	
22		<u>2017-18</u>
23	FTE positions	250.9
24	Lump sum appropriation	\$ 24,884,200
25	Fund sources:	
26	Arizona state retirement system	
27	administration account	\$ 22,384,200
28	Long-term disability trust fund	
29	administration account	2,500,000
30	Sec. 86. DEPARTMENT OF REVENUE	
31		<u>2017-18</u>
32	FTE positions	880.8
33	Operating lump sum appropriation	\$ 63,446,800
34	BRITS operational support	7,497,500
35	Unclaimed property administration	
36	and audit	1,218,500
37	TPT simplification	970,400
38	Income tax fraud prevention	<u>3,150,000</u>
39	Total appropriation - department of revenue	\$ 76,283,200
40	Fund sources:	
41	State general fund	\$ 29,998,300
42	Department of revenue	
43	administrative fund	45,158,700

1	Department of revenue empowerment	
2	scholarship account fund	50,000
3	Liability setoff program	
4	revolving fund	397,900
5	Tobacco tax and health care fund	678,300

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

11 The department shall report the department's general fund revenue
12 enforcement goals for fiscal year 2017-2018 to the joint legislative
13 budget committee on or before September 30, 2017. The department shall
14 provide an annual progress report to the joint legislative budget
15 committee as to the effectiveness of the department's overall enforcement
16 and collections program for fiscal year 2017-2018 on or before September
17 30, 2018. The reports shall include a comparison of projected and actual
18 general fund revenue enforcement collections for fiscal year 2017-2018,
19 including the amount of projected and actual enforcement collections for
20 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, 2017, the department shall report the
25 results of private fraud prevention investigation services during fiscal
26 year 2016-2017 to the joint legislative budget committee. The report
27 shall include the total number of fraudulent returns prevented and the
28 total dollar amount of fraudulent returns prevented during fiscal year
29 2016-2017.

30 Sec. 87. SCHOOL FACILITIES BOARD

31		<u>2017-18</u>
32	FTE positions	17.0
33	Operating lump sum appropriation	\$ 1,666,700
34	New school facilities debt service	169,761,700
35	Building renewal grants	16,667,900
36	New school facilities	<u>63,929,800</u>

37 Total appropriation - school facilities
38 board \$252,026,100

39 Fund sources:

40 State general fund \$252,026,100

41 Pursuant to section 35-142.01, Arizona Revised Statutes, any
42 reimbursement received by or allocated to the school facilities board
43 under the federal qualified school construction bond program in fiscal
44 year 2017-2018 shall be deposited in or revert to the state general fund.

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

5 Pursuant to section 15-2041, Arizona Revised Statutes, the amount
 6 appropriated for new school facilities shall be used only for facilities
 7 and land costs that are for school districts that received final approval
 8 from the school facilities board between March 2, 2016 and March 1, 2017.

9 Sec. 88. DEPARTMENT OF STATE - SECRETARY OF STATE

	<u>2017-18</u>
10	
11	FTE positions 141.1
12	Operating lump sum appropriation \$ 12,076,700
13	Help America vote act 2,941,100
14	Library grants-in-aid 651,400*
15	Statewide radio reading service
16	for the blind <u>97,000</u>
17	Total appropriation - department of
18	state - secretary of state \$ 15,766,200
19	Fund sources:
20	State general fund \$ 12,084,700
21	Election systems improvement fund 2,941,100
22	Records services fund 740,400

23 The secretary of state shall report to the joint legislative budget
 24 committee and the governor's office of strategic planning and budgeting on
 25 or before December 31, 2017 the actual amount and purpose of expenditures
 26 from the election systems improvement fund established by section 41-129,
 27 Arizona Revised Statutes, in fiscal year 2016-2017 and the expected amount
 28 and purpose of expenditures from the fund for fiscal year 2017-2018.

29 The fiscal year 2017-2018 appropriation from the election systems
 30 improvement fund for the help America vote act is available for use
 31 pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and
 32 is exempt from the provisions of section 35-190, Arizona Revised Statutes,
 33 relating to lapsing of appropriations, until June 30, 2019.

34 In expending the monies appropriated in this section for the
 35 statewide voter registration system, the secretary of state shall
 36 prescribe the manner in which counties must submit data as required by
 37 section 16-168, Arizona Revised Statutes.

38 Included in the operating lump sum appropriation of \$12,076,700 for
 39 fiscal year 2017-2018 is \$5,000 for the purchase of mementos and items for
 40 visiting officials.

1	Sec. 89. STATE BOARD OF TAX APPEALS	
2		<u>2017-18</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 266,600
5	Fund sources:	
6	State general fund	\$ 266,600
7	Sec. 90. STATE BOARD OF TECHNICAL REGISTRATION	
8		<u>2017-18</u>
9	FTE positions	25.0
10	Lump sum appropriation	\$ 2,204,400
11	Fund sources:	
12	Technical registration fund	\$ 2,204,400
13	Sec. 91. OFFICE OF TOURISM	
14		<u>2017-18</u>
15	FTE positions	28.0
16	Tourism fund deposit	\$ 7,112,000
17	Fund sources:	
18	State general fund	\$ 7,112,000
19	Sec. 92. DEPARTMENT OF TRANSPORTATION	
20		<u>2017-18</u>
21	FTE positions	4,552.0
22	Operating lump sum appropriation	\$205,454,100
23	Attorney general legal services	3,577,700
24	Highway maintenance	146,021,700
25	Vehicles and heavy equipment	18,474,600
26	Fraud investigation	767,000
27	New third-party funding	629,600
28	Statewide drainage structures	4,300,000
29	Phoenix area freeway lighting	1,500,000
30	Driver safety and livestock control	2,400,000
31	Grand Canyon airport projects	466,000
32	Flagstaff building equipment	<u>2,530,000</u>
33	Total appropriation - department of	
34	transportation	\$386,120,700
35	Fund sources:	
36	State general fund	\$ 50,400
37	Air quality fund	161,700
38	Driving under the influence	
39	abatement fund	152,200
40	Arizona highway user revenue fund	649,700
41	Highway damage recovery account	3,000,000

1	Motor vehicle liability	
2	insurance enforcement fund	1,308,700
3	Safety enforcement and	
4	transportation infrastructure	
5	fund - department of	
6	transportation subaccount	1,868,300
7	State aviation fund	2,081,800
8	State highway fund	356,923,100
9	Transportation department	
10	equipment fund	18,474,600
11	Vehicle inspection and certificate	
12	of title enforcement fund	1,450,200

13 Motor vehicle division

14 It is the intent of the legislature that the department not include
15 any administrative overhead expenditures in duplicate driver license fees
16 charged to the public.

17 The department of transportation shall submit an annual report to
18 the joint legislative budget committee on progress in improving motor
19 vehicle division wait times and vehicle registration renewal by mail
20 turnaround times in a format similar to prior years. The report is due on
21 or before July 31, 2018 for fiscal year 2017-2018.

22 The department of transportation shall contract with an independent
23 third-party consultant for the duration of the motor vehicle division
24 legacy system replacement project. On or before February 1, 2018, the
25 independent third-party consultant shall submit an annual progress report
26 for review by the joint legislative budget committee. The annual report
27 shall evaluate and assess the project's success in meeting and
28 incorporating the tenets of the project investment justification,
29 including the goals and objectives, technology approach, deliverables and
30 outcomes, project scope and timeline. The report shall also address any
31 potential project deficiencies as well as the incorporation of the auditor
32 general's April 2015 recommendations.

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

37 On or before August 1, 2017, the department shall report to the
38 director of the joint legislative budget committee on the state's share of
39 fees retained by the service Arizona vendor in the prior fiscal year. The
40 report shall also include the amount spent by the service Arizona vendor
41 on behalf of this state in the prior fiscal year, as well as a list of the
42 projects funded with those monies.

1 Other
 2 Of the total amount appropriated, \$146,021,700 in fiscal year
 3 2017-2018 for highway maintenance is exempt from the provisions of section
 4 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
 5 except that all unexpended and unencumbered monies of the appropriation
 6 revert to their fund of origin, either the state highway fund established
 7 by section 28-6991, Arizona Revised Statutes, or the safety enforcement
 8 and transportation infrastructure fund - department of transportation
 9 subaccount established by section 28-6547, Arizona Revised Statutes, on
 10 August 31, 2018.

11 Of the total amount appropriated, the department of transportation
 12 shall pay \$15,981,300 in fiscal year 2017-2018 from all funds to the
 13 department of administration for its risk management payment.

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

19 In accordance with section 35-142.01, Arizona Revised Statutes,
 20 reimbursements for monies expended from the highway maintenance line item
 21 may not be credited to the account out of which the expenditure was
 22 incurred. The department shall deposit all reimbursements for monies
 23 expended from the highway maintenance line item in the highway damage
 24 recovery account established by section 28-6994, Arizona Revised Statutes.
 25 Sec. 93. STATE TREASURER

	<u>2017-18</u>
26	
27	31.4
28	FTE positions
29	Operating lump sum appropriation \$ 3,159,300
30	Justice of the peace salaries 1,205,100
31	Law enforcement/boating safety
	fund grants <u>2,183,800</u>
32	Total appropriation - state treasurer \$ 6,548,200
33	Fund sources:
34	State general fund \$ 1,205,100
35	Law enforcement and boating
36	safety fund 2,183,800
37	State treasurer empowerment
38	scholarship account fund 304,400
39	State treasurer's operating fund 2,559,300
40	State treasurer's management fund 295,600

1	Sec. 94. GOVERNOR'S OFFICE ON TRIBAL RELATIONS		
2			<u>2017-18</u>
3	FTE positions		3.0
4	Lump sum appropriation	\$	57,500
5	Fund sources:		
6	State general fund	\$	57,500
7	Sec. 95. ARIZONA BOARD OF REGENTS		
8			<u>2017-18</u>
9	FTE positions		25.9
10	Operating lump sum appropriation	\$	2,352,500
11	Arizona teachers incentive program		90,000
12	Arizona transfer articulation		
13	support system		213,700
14	Western interstate commission		
15	office		145,000
16	WICHE student subsidies		<u>4,086,000</u>
17	Total appropriation - Arizona board of		
18	regents	\$	6,887,200
19	Fund sources:		
20	State general fund	\$	6,887,200
21	Within ten days after the acceptance of the universities' semiannual		
22	all funds budget reports, the Arizona board of regents shall submit an		
23	expenditure plan for review to the joint legislative budget committee.		
24	The expenditure plan shall include any tuition revenue amounts that are		
25	greater than the appropriated amounts and all retained tuition and fee		
26	revenue expenditures for the current fiscal year. The additional revenue		
27	expenditure plan shall provide as much detail as the university budget		
28	requests. The plan shall include the total revenue and expenditure		
29	amounts from all tuition and student fee revenues, including base tuition,		
30	differential tuition, program fees, course fees, summer session fees, and		
31	other miscellaneous and mandatory student fee revenues that have		
32	previously been excluded from university reported tuition and fee		
33	revenues.		
34	When determining any statewide adjustments, the joint legislative		
35	budget committee staff shall use the overall allocation of state general		
36	fund and appropriated tuition monies for each university in determining		
37	that university's specific adjustment.		
38	Sec. 96. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES		
39			<u>2017-18</u>
40	FTE positions		6,862.9
41	Operating lump sum appropriation	\$680,466,100	
42	Biomedical informatics		3,509,900

1	School of civic and economic	
2	thought and leadership	3,000,000
3	Arizona financial aid trust	5,985,800
4	Downtown Phoenix campus	<u>144,877,600</u>
5	Total appropriation - Arizona state	
6	university - Tempe and downtown	
7	Phoenix campuses	\$837,839,400
8	Fund sources:	
9	State general fund	\$244,713,200
10	University collections fund	593,126,200

11 The state general fund appropriation may not be used for alumni
12 association funding or contracts with individuals or entities for lobbying
13 services.

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

16 Other than scholarships awarded through the Arizona financial aid
17 trust, the appropriated monies may not be used for scholarships or any
18 student newspaper.

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

23 The appropriated amount for the school of civic and economic thought
24 and leadership line item shall be used to operate a single stand-alone
25 academic entity within Arizona state university. The appropriated amount
26 may not supplant any existing state funding or private or external
27 donations to the existing centers or to the school. The appropriated
28 monies and all private and external donations to the school shall be used
29 only for the direct operation of the school and may not be used for
30 indirect costs of the university. The school shall submit a report to the
31 president of the senate, the speaker of the house of representatives, the
32 chairpersons of the senate education committee and the house of
33 representatives education committee and the director of the joint
34 legislative budget committee on or before October 2, 2017. The report
35 shall include at least the following for the school:

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

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

1 Any unencumbered balances remaining in the university collections
 2 fund on June 30, 2017 and all collections received by the university
 3 during the fiscal year, when paid into the state treasury, are
 4 appropriated for operating expenditures, capital outlay and fixed charges.
 5 Earnings on state lands and interest on the investment of the permanent
 6 land funds are appropriated in compliance with the enabling act and the
 7 Constitution of Arizona. No part of this appropriation may be expended
 8 for supplemental life insurance or supplemental retirement.

9 Sec. 97. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2017-18</u>
11 FTE positions	435.9
12 Operating lump sum appropriation	\$ 64,074,700
13 TRIF lease-purchase payment	<u>2,000,000</u>
14 Total appropriation - Arizona state	
15 university - east campus	\$ 66,074,700
16 Fund sources:	
17 State general fund	\$ 21,771,400
18 University collections fund	42,303,300
19 Technology and research initiative	
20 fund	2,000,000

21 The state general fund appropriation may not be used for alumni
 22 association funding or contracts with individuals or entities for lobbying
 23 services.

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

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

29 Any unencumbered balances remaining in the university collections
 30 fund on June 30, 2017 and all collections received by the university
 31 during the fiscal year, when paid into the state treasury, are
 32 appropriated for operating expenditures, capital outlay and fixed charges.
 33 Earnings on state lands and interest on the investment of the permanent
 34 land funds are appropriated in compliance with the enabling act and the
 35 Constitution of Arizona. No part of this appropriation may be expended
 36 for supplemental life insurance or supplemental retirement.

37 Sec. 98. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	<u>2017-18</u>
39 FTE positions	513.0
40 Operating lump sum appropriation	\$ 73,604,000
41 TRIF lease-purchase payment	<u>1,600,000</u>
42 Total appropriation - Arizona state	
43 university - west campus	\$ 75,204,000

1 Fund sources:

2	State general fund	\$ 29,413,500
3	University collections fund	44,190,500
4	Technology and research initiative	
5	fund	1,600,000

6 The state general fund appropriation may not be used for alumni
7 association funding or contracts with individuals or entities for lobbying
8 services.

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

11 Other than scholarships awarded through the Arizona financial aid
12 trust, the appropriated monies may not be used for scholarships or any
13 student newspaper.

14 Any unencumbered balances remaining in the university collections
15 fund on June 30, 2017 and all collections received by the university
16 during the fiscal year, when paid into the state treasury, are
17 appropriated for operating expenditures, capital outlay and fixed charges.
18 Earnings on state lands and interest on the investment of the permanent
19 land funds are appropriated in compliance with the enabling act and the
20 Constitution of Arizona. No part of this appropriation may be expended
21 for supplemental life insurance or supplemental retirement.

22 Sec. 99. NORTHERN ARIZONA UNIVERSITY

23		<u>2017-18</u>
24	FTE positions	2,260.7
25	Operating lump sum appropriation	\$236,995,600
26	NAU - Yuma	3,067,300
27	Arizona financial aid trust	1,326,000
28	Teacher training	<u>2,290,600</u>
29	Total appropriation - Northern Arizona	
30	university	\$243,679,500

31 Fund sources:

32	State general fund	\$ 96,396,200
33	University collections fund	147,283,300

34 The state general fund appropriation may not be used for alumni
35 association funding or contracts with individuals or entities for lobbying
36 services.

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

39 Other than scholarships awarded through the Arizona financial aid
40 trust, the appropriated monies may not be used for scholarships or any
41 student newspaper.

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

1 Any unencumbered balances remaining in the university collections
 2 fund on June 30, 2017 and all collections received by the university
 3 during the fiscal year, when paid into the state treasury, are
 4 appropriated for operating expenditures, capital outlay and fixed charges.
 5 Earnings on state lands and interest on the investment of the permanent
 6 land funds are appropriated in compliance with the enabling act and the
 7 Constitution of Arizona. No part of this appropriation may be expended
 8 for supplemental life insurance or supplemental retirement.
 9 Sec. 100. UNIVERSITY OF ARIZONA

	<u>2017-18</u>
10	
11	<u>Main campus</u>
12	FTE positions 6,009.5
13	Operating lump sum appropriation \$514,849,100
14	Agriculture 39,580,600
15	Arizona cooperative extension 16,158,100
16	Center for the philosophy
17	of freedom 2,500,000
18	Sierra Vista campus 7,911,200
19	Arizona financial aid trust 2,729,400
20	Mining, mineral and natural
21	resources educational museum <u>428,300</u>
22	Total - main campus \$584,156,700
23	Fund sources:
24	State general fund \$179,015,600
25	University collections fund 405,141,100
26	<u>Health sciences center</u>
27	FTE positions 1,157.3
28	Operating lump sum appropriation \$ 72,266,900
29	Clinical rural rotation 353,400
30	Clinical teaching support 8,587,000
31	Liver research institute 440,100
32	Phoenix medical campus 33,034,800
33	Telemedicine network <u>1,669,000</u>
34	Total - health sciences center \$116,351,200
35	Fund sources:
36	State general fund \$ 68,859,800
37	University collections fund <u>47,491,400</u>
38	Total appropriation - university of
39	Arizona \$700,507,900
40	Fund sources:
41	State general fund \$247,875,400
42	University collections fund 452,632,500

43 The state general fund appropriation may not be used for alumni
 44 association funding or contracts with individuals or entities for lobbying
 45 services.

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

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

6 The appropriated amount for the center for the philosophy of freedom
7 line item may not supplant any existing state funding or private or
8 external donations to the center or the philosophy department of the
9 university of Arizona. The appropriated monies and all private and
10 external donations to the center shall be used only for the direct
11 operation of the center and may not be used for indirect costs of the
12 university. The center shall submit a report to the president of the
13 senate, the speaker of the house of representatives, the chairpersons of
14 the senate education committee and the house of representatives education
15 committee and the director of the joint legislative budget committee on or
16 before October 2, 2017. The report shall include at least the following
17 for the center:

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

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

26 Any unencumbered balances remaining in the university collections
27 fund on June 30, 2017 and all collections received by the university
28 during the fiscal year, when paid into the state treasury, are
29 appropriated for operating expenditures, capital outlay and fixed charges.
30 Earnings on state lands and interest on the investment of the permanent
31 land funds are appropriated in compliance with the enabling act and the
32 Constitution of Arizona. No part of this appropriation may be expended
33 for supplemental life insurance or supplemental retirement.

34 Sec. 101. DEPARTMENT OF VETERANS' SERVICES

	<u>2017-18</u>
35	
36 FTE positions	512.3
37 Operating lump sum appropriation	\$ 2,308,800
38 Arizona state veterans' homes	35,147,600
39 Arizona state veterans' cemeteries	924,200
40 Veterans' benefit counseling	<u>2,821,100</u>
41 Total appropriation - department of	
42 veterans' services	\$ 41,201,700

1	Fund sources:	
2	State general fund	\$ 6,054,100
3	State home for veterans trust	
4	fund	35,147,600
5	Sec. 102. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD	
6		<u>2017-18</u>
7	FTE positions	6.0
8	Lump sum appropriation	\$ 584,800
9	Fund sources:	
10	Veterinary medical examining	
11	board fund	\$ 584,800
12	Sec. 103. DEPARTMENT OF WATER RESOURCES	
13		<u>2017-18</u>
14	FTE positions	139.0
15	Operating lump sum appropriation	\$ 9,558,200
16	Adjudication support	1,724,800
17	Arizona water protection fund	
18	deposit	250,000
19	Assured and adequate water supply	
20	administration	1,977,000
21	Rural water studies	1,164,500
22	Conservation and drought program	406,900
23	Automated groundwater monitoring	408,700
24	Lower Colorado river	
25	litigation expenses	<u>500,000*</u>
26	Total appropriation - department of water	
27	resources	\$ 15,990,100
28	Fund sources:	
29	State general fund	\$ 13,871,000
30	Water resources fund	641,400
31	Assured and adequate water	
32	supply administration fund	266,300
33	Arizona water banking fund	1,211,400

34 Monies in the assured and adequate water supply administration line
 35 item may be used only for the exclusive purposes prescribed in sections
 36 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The
 37 department of water resources may not transfer any monies into or out of
 38 the assured and adequate water supply administration line item.

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

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

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

9 Fiscal Year 2016-2017 Appropriation Adjustments

10 Sec. 104. Department of administration; risk management
11 revolving fund; supplemental appropriation;
12 fiscal year 2016-2017; review

13 A. In addition to any other appropriations made in fiscal year
14 2016-2017, the sum of \$3,218,200 is appropriated from the risk management
15 revolving fund established by section 41-622, Arizona Revised Statutes, in
16 fiscal year 2016-2017 to the department of administration for the
17 following purposes:

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

19 2. To pay disallowed costs relating to the statewide information
20 technology charges.

21 3. For fund transfers in fiscal year 2015-2016.

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

28 Sec. 105. Department of administration; agency relocation
29 costs; exemption

30 The appropriation of \$576,800 made by Laws 2016, chapter 117,
31 section 163 from other funds in fiscal year 2016-2017 for onetime
32 relocation costs for state agencies is exempt from the provisions of
33 section 35-190, Arizona Revised Statutes, relating to lapsing of
34 appropriations until June 30, 2018. The joint legislative budget
35 committee staff shall determine and the department of administration shall
36 allocate to each agency or department an amount for relocation costs.

37 Sec. 106. Arizona health care cost containment system
38 administration; supplemental appropriations;
39 fiscal year 2016-2017

40 A. In addition to any other appropriations made in fiscal year
41 2016-2017, the appropriation to the Arizona health care cost containment
42 system administration is increased by \$63,225,800 from the children's
43 health insurance program fund established by section 36-2995, Arizona
44 Revised Statutes, in fiscal year 2016-2017.

1 B. In addition to any other appropriations made in fiscal year
2 2016-2017, the sum of \$66,454,800 is increased from the Arizona health
3 care cost containment system administration appropriation from the
4 expenditure authority in fiscal year 2016-2017. The total includes the
5 following changes by fund:

- 6 1. \$70,854,300 decrease from federal medicaid authority.
- 7 2. \$137,309,100 increase from the prescription drug rebate
8 fund - in lieu of federal funds established by section 36-2930, Arizona
9 Revised Statutes.

10 Sec. 107. Department of child safety; backlog privatization;
11 exemption; fiscal years 2015-2016 and 2016-2017

12 The sum of \$2,700,000 appropriated to the department of child safety
13 in fiscal year 2015-2016 by Laws 2016, chapter 117, section 113 for
14 backlog privatization and the sum of \$2,700,000 appropriated to the
15 department of child safety in fiscal year 2016-2017 by Laws 2016, chapter
16 117, section 24 for backlog privatization are exempt from the provisions
17 of section 35-190, Arizona Revised Statutes, relating to lapsing of
18 appropriations until June 30, 2018.

19 Sec. 108. Department of economic security; supplemental
20 appropriations; fiscal year 2016-2017

21 A. In addition to the appropriation made by Laws 2016, chapter 117,
22 section 35, the sum of \$7,720,800 from the state general fund and the sum
23 of \$17,739,200 from developmental disabilities medicaid expenditure
24 authority are appropriated in fiscal year 2016-2017 to the department of
25 economic security for division of developmental disabilities service
26 provider rate cost increases resulting from the enactment of proposition
27 206, election of November 8, 2016.

28 B. In addition to the appropriation made by Laws 2016, chapter 117,
29 section 35, the sum of \$427,000 is appropriated from the state general
30 fund in fiscal year 2016-2017 to the department of economic security for
31 division of developmental disabilities state-only home and community based
32 services provider rate cost increases resulting from the enactment of
33 proposition 206, election of November 8, 2016.

34 Sec. 109. Department of economic security; loans;
35 reimbursement; fiscal year 2016-2017

36 The department of economic security may use up to \$25,000,000 from
37 the budget stabilization fund established by section 35-144, Arizona
38 Revised Statutes, for the purpose of providing funding for reimbursement
39 grants. Notwithstanding any other law, this appropriation must be fully
40 reimbursed on or before September 1, 2017 and must be reimbursed in full
41 as part of the closing process for fiscal year 2016-2017. The
42 appropriation may not be used for additional programmatic expenditures.

1	Apache	\$ 89,500
2	Cochise	\$ 164,400
3	Coconino	\$ 168,300
4	Gila	\$ 67,100
5	Graham	\$ 46,600
6	Greenlee	\$ 10,500
7	La Paz	\$ 25,700
8	Maricopa	\$ 4,777,300
9	Mohave	\$ 250,500
10	Navajo	\$ 134,500
11	Pima	\$ 1,226,900
12	Pinal	\$ 470,300
13	Santa Cruz	\$ 59,300
14	Yavapai	\$ 264,100
15	Yuma	\$ 245,000

16 Sec. 113. Report; proposition 206; provider network adequacy
17 analysis; appropriation

18 A. On or before February 1, 2018, the Arizona health care cost
19 containment system administration shall submit a report to the governor,
20 the president of the senate, the speaker of the house of representatives,
21 the director of the governor's office of strategic planning and budgeting
22 and the director of the joint legislative budget committee on the impact
23 of provider cost increases resulting from the enactment of proposition
24 206, election of November 8, 2016, on the adequacy of the provider network
25 for enrollees in the Arizona long-term care system established by section
26 36-2932, Arizona Revised Statutes. The analysis of the provider network
27 adequacy shall be delineated by geographic service area. The report shall
28 include recommendations on how this state may address any deficiencies in
29 provider network adequacy identified in the analysis.

30 B. The sum of \$200,000 is appropriated from the prescription drug
31 rebate fund established by section 36-2930, Arizona Revised Statutes, in
32 fiscal year 2017-2018 to the Arizona health care cost containment system
33 administration to complete the provider network adequacy analysis
34 described in subsection A of this section.

35 Sec. 114. Arizona arts trust fund; appropriation; fiscal year
36 2017-2018

37 The sum of \$1,500,000 is appropriated from the monies earned from
38 investment of monies in the budget stabilization fund established by
39 section 35-144, Arizona Revised Statutes, in fiscal year 2017-2018 to the
40 Arizona arts trust fund established by section 41-983.01, Arizona Revised
41 Statutes.

1 reallocate monies between projects within the agency without review by the
2 joint legislative budget committee.

3 Quarterly Report

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

9 Nonlapsing

10 E. For the funding for projects at the department of
11 administration, the state department of corrections, the department of
12 child safety, the department of economic security and the department of
13 education, any remaining balances on June 30, 2017 in the automation
14 projects fund established by section 41-714, Arizona Revised Statutes,
15 from monies appropriated in fiscal year 2016-2017 are appropriated to the
16 department of administration in fiscal year 2017-2018 for the same
17 purposes specified in fiscal year 2016-2017. The department of
18 administration shall report in its quarterly report to the joint
19 legislative budget committee any fiscal year 2017-2018 expenditure of
20 remaining balances from fiscal year 2016-2017 from the automation projects
21 fund.

22 F. For the funding for the department of revenue enterprise tax
23 system replacement assessment, any remaining balances on June 30, 2017 in
24 the automation projects fund established by section 41-714, Arizona
25 Revised Statutes, from monies appropriated in fiscal year 2016-2017 for
26 the enterprise tax system replacement assessment revert to the liability
27 setoff program revolving fund established by section 42-1122, Arizona
28 Revised Statutes.

29 G. For the funding for the department of environmental quality's
30 e-licensing projects, any remaining balances on June 30, 2017 in the
31 automation projects fund established by section 41-714, Arizona Revised
32 Statutes, from monies appropriated in fiscal year 2015-2016 for the
33 e-licensing projects at the department of environmental quality are
34 appropriated to the department of administration in fiscal year 2017-2018
35 for the same purposes specified in fiscal year 2015-2016. The department
36 of administration shall report in its quarterly report to the joint
37 legislative budget committee any fiscal year 2017-2018 expenditure of
38 remaining balances from fiscal year 2015-2016 from the automation projects
39 fund.

40 H. For the funding for the department of economic security's
41 information technology security project, any remaining balances on June
42 30, 2017 in the automation projects fund established by section 41-714,
43 Arizona Revised Statutes, from monies appropriated in fiscal year
44 2015-2016 for the information technology security project at the
45 department of economic security are appropriated to the department of

1 administration in fiscal year 2017-2018 for the same purposes specified in
2 fiscal year 2015-2016. The department of administration shall report in
3 its quarterly report to the joint legislative budget committee any fiscal
4 year 2017-2018 expenditure of remaining balances from fiscal year
5 2015-2016 from the automation projects fund.

6 I. The amount appropriated for implementing projects that comply
7 with state and federal security information technology standards at the
8 department of economic security by Laws 2015, chapter 8, section 126 and
9 Laws 2016, chapter 117, section 129 may not be used for an assessment to
10 replace any information technology system at the department. On or before
11 December 2, 2017, the department of economic security shall submit a
12 report for review to the joint legislative budget committee on the status
13 of the department's information technology security system.

14 J. For the funding for the department of child safety's replacement
15 of the children's information library and data source system project, any
16 remaining balances on June 30, 2017 in the automation projects fund
17 established by section 41-714, Arizona Revised Statutes, from monies
18 appropriated in fiscal year 2014-2015 for the replacement of the
19 children's information and data source system project at the department of
20 child safety are appropriated to the department of administration in
21 fiscal year 2017-2018 for the same purposes specified in fiscal year
22 2014-2015. The department of administration shall report in its quarterly
23 report to the joint legislative budget committee any fiscal year 2017-2018
24 expenditure of remaining balances from fiscal year 2014-2015 from the
25 automation projects fund.

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

30 Sec. 116. Arizona commerce authority; allocation

31 Pursuant to section 43-409, Arizona Revised Statutes, \$21,500,000 of
32 the state general fund withholding tax revenues is allocated in fiscal
33 year 2017-2018 to the Arizona commerce authority, of which \$10,000,000 is
34 credited to the Arizona commerce authority fund established by section
35 41-1506, Arizona Revised Statutes, and \$11,500,000 is credited to the
36 Arizona competes fund established by section 41-1545.01, Arizona Revised
37 Statutes.

38 Sec. 117. Arizona commerce authority; appropriation; fiscal
39 year 2017-2018

40 The sum of \$300,000 is appropriated from the state general fund in
41 fiscal year 2017-2018 to the Arizona commerce authority for the purpose of
42 operating a trade office in Mexico City.

1 year 2017-2018 to the superintendent of public instruction for rural
2 assistance. The appropriated amount shall be distributed on a pro rata
3 basis based on average daily membership counts from the 2016-2017 school
4 year to school districts and charter schools that are located in a county
5 with a population of less than five hundred thousand persons according to
6 the 2010 United States decennial census, except that a school district or
7 charter school that primarily serves homeless or special needs pupils
8 shall qualify for rural assistance funding regardless of the county in
9 which it is located.

10 B. For the purposes of this section, "primarily serves homeless or
11 special needs pupils" means that at least eighty percent of the pupils at
12 the school district or charter school are homeless or qualify for a
13 special education group B weight pursuant to section 15-943, paragraph 2,
14 subdivision (b), Arizona Revised Statutes.

15 Sec. 124. Jobs for Arizona graduates program; appropriation;
16 fiscal year 2017-2018

17 The sum of \$100,000 is appropriated from the state general fund in
18 fiscal year 2017-2018 to the superintendent of public instruction for
19 distribution to a nonprofit organization for a jobs for Arizona graduates
20 program.

21 Sec. 125. School leadership training; appropriation; fiscal
22 year 2017-2018; report

23 A. The sum of \$250,000 in onetime funding is appropriated from the
24 state general fund in fiscal year 2017-2018 to the office of the governor
25 for school leadership training. The office of the governor shall allocate
26 the appropriated amount to a public-private partnership to train school
27 leaders in effective management strategies and expand the cadre of
28 training coaches and facilitators.

29 B. On or before November 1, 2018, the office of the governor shall
30 submit to the president of the senate and the speaker of the house of
31 representatives a report that summarizes the results of school leadership
32 training, including the number of school leaders trained and the amount of
33 matching monies received from nonstate sources. The office of the
34 governor shall provide a copy of this report to the secretary of state.

35 Sec. 126. Department of gaming; appropriation; Arizona
36 breeders award; fiscal year 2017-2018

37 The sum of \$250,000 is appropriated from the racing regulation fund
38 established by section 5-113.01, Arizona Revised Statutes, in fiscal year
39 2017-2018 to the department of gaming for deposit in the Arizona breeders'
40 award fund established by section 5-113, Arizona Revised Statutes.

41 Sec. 127. Department of health services; appropriation;
42 public health emergencies; deposit; fiscal year
43 2017-2018

44 The sum of \$500,000 is appropriated from the emergency medical
45 services operating fund established by section 36-2218, Arizona Revised

1 Statutes, in fiscal year 2017-2018 for a onetime deposit in the public
2 health emergencies fund established by section 36-122, Arizona Revised
3 Statutes, for the purpose of funding public health emergencies in this
4 state. The department of health services shall use the monies only on a
5 declaration of a public health emergency by the governor.

6 Sec. 128. Administrative office of the courts; appropriation;
7 drug treatment; exemption; fiscal year 2017-2018

8 The sum of \$250,000 is appropriated from the health services lottery
9 monies fund established by section 36-108.01, Arizona Revised Statutes, in
10 fiscal year 2017-2018 to the administrative office of the courts for
11 distribution to a county with a population of more than five hundred
12 thousand persons and less than one million persons according to the 2010
13 United States decennial census. The county shall use the monies for a
14 drug treatment alternative to prison program. The appropriation is exempt
15 from the provisions of section 35-190, Arizona Revised Statutes, relating
16 to lapsing of appropriations through June 30, 2019.

17 Sec. 129. Auditor general; appropriation; fiscal year
18 2017-2018

19 Notwithstanding any other law, the sum of \$200,000 is appropriated
20 from the Arizona water banking fund established by section 45-2425,
21 Arizona Revised Statutes, in fiscal year 2017-2018 to the auditor general
22 for a special audit of the central Arizona water conservation district.
23 The auditor general shall complete the special audit on or before December
24 31, 2017.

25 Sec. 130. School facilities board; onetime building renewal
26 grants; fiscal year 2017-2018

27 The sum of \$17,167,900 is appropriated from the state general fund
28 in fiscal year 2017-2018 to the school facilities board for building
29 renewal grants.

30 Sec. 131. Universities; appropriation; fiscal year 2017-2018;
31 report; review

32 A. The sum of \$15,000,000 is appropriated from the state general
33 fund in fiscal year 2017-2018 to Arizona state university, northern
34 Arizona university and the university of Arizona for capital improvements
35 or operating expenditures in the following amounts:

- 36 1. Arizona state university \$7,639,500
- 37 2. Northern Arizona university \$3,202,800
- 38 3. University of Arizona \$4,157,700

39 B. \$1,000,000 of the amount appropriated to Arizona state
40 university pursuant to subsection A, paragraph 1 of this section shall be
41 used for operating expenditures of the school of civic and economic
42 thought and leadership. This amount must supplement and not supplant any
43 existing state funding or private or external donations to the school.
44 The appropriated monies and all private and external donations to the

1 school shall be used only for the direct operation of the school and may
2 not be used for indirect costs of the university.

3 C. \$1,000,000 of the amount appropriated to the university of
4 Arizona pursuant to subsection A, paragraph 3 of this section shall be
5 used for operating expenditures of the center for the philosophy of
6 freedom. This amount must supplement and not supplant any existing state
7 funding or private or external donations to the center. The appropriated
8 monies and all private and external donations to the center shall be used
9 only for the direct operation of the center and may not be used for
10 indirect costs of the university.

11 D. On or before August 1, 2017, each university shall report the
12 intended use of the monies to the joint legislative budget committee.

13 E. Before any expenditure of the monies appropriated in subsection
14 A of this section for capital improvements, each university shall submit
15 the scope, purpose and estimated cost of the capital improvements for
16 review by the joint committee on capital review pursuant to section
17 41-1252, Arizona Revised Statutes.

18 Sec. 132. Department of water resources; appropriations;
19 contributions to Lake Mead conservation efforts;
20 exemption

21 A. The sum of \$2,000,000 is appropriated from the state general
22 fund in each of fiscal years 2017-2018, 2018-2019 and 2019-2020 to the
23 department of water resources to use for this state's financial
24 contributions to efforts by Arizona's Colorado River water users to
25 conserve water in Lake Mead to reduce the likelihood of lake elevations
26 dropping to levels that could result in reductions to Arizona's Colorado
27 River allocation.

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

31 Sec. 133. Appropriations; debt service payments; state
32 buildings

33 A. The sum of \$60,103,600 is appropriated from the state general
34 fund in fiscal year 2017-2018 to the department of administration for the
35 purpose of making a debt service payment on the sale and leaseback of
36 state buildings authorized by Laws 2009, third special session, chapter 6,
37 section 32.

38 B. The sum of \$24,011,500 is appropriated from the state general
39 fund in fiscal year 2017-2018 to the department of administration for the
40 purpose of making a debt service payment on the sale and leaseback of
41 state buildings authorized by Laws 2010, sixth special session, chapter 4,
42 section 2.

1 Revised Statutes. The transaction shall be recorded as revenue for fiscal
2 year 2016-2017.

3 Sec. 140. Fund balance transfer; indirect cost fund; fiscal
4 year 2016-2017

5 Notwithstanding any other law, on or before June 30, 2017, the sum
6 of \$3,800,000 is transferred from the department of health services
7 indirect cost fund established by section 36-108, Arizona Revised
8 Statutes, to the Arizona state hospital fund established by section
9 36-545.08, Arizona Revised Statutes.

10 Fiscal Year 2017-2018 Fund Balance Transfers

11 Sec. 141. Appropriations; fund balance transfers; fiscal year
12 2017-2018; automation projects fund

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

18 B. The amount of \$5,000,000 is appropriated from the state general
19 fund in fiscal year 2017-2018 for deposit in the automation projects fund
20 established by section 41-714, Arizona Revised Statutes, for upgrading the
21 children's information library and data source system at the department of
22 child safety. It is the intent of the legislature that an additional
23 \$6,103,000 be available for the project as appropriated in this act.

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

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

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

34 3. For enhancing statewide data security:

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

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

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

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

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

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

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

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

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

11 Sec. 142. Department of law; transfer; financial services
12 settlements; fiscal year 2017-2018

13 Notwithstanding any other law, on or before June 30, 2018, the
14 attorney general shall direct a total of \$8,172,728 received pursuant to
15 the consent judgments in the Moody's Corporation, Moody's Investor
16 Service, Inc. and Moody's Analytics, Inc. settlements to the state general
17 fund to compensate this state for costs resulting from the alleged
18 unlawful conduct of the defendants.

19 Sec. 143. Department of corrections building renewal fund;
20 transfer; Arizona correctional industries
21 revolving fund; fiscal year 2017-2018

22 Notwithstanding any other law, the sum of \$1,450,000 is transferred
23 from the Arizona correctional industries revolving fund established by
24 section 41-1624, Arizona Revised Statutes, in fiscal year 2017-2018 to the
25 department of corrections building renewal fund established by section
26 41-797, Arizona Revised Statutes.

27 Sec. 144. Fund balance transfer; health services lottery
28 monies fund; fiscal year 2017-2018

29 Notwithstanding any other law, the sum of \$1,300,000 is transferred
30 from the health services lottery monies fund established by section
31 36-108.01, Arizona Revised Statutes, in fiscal year 2017-2018 to the
32 Arizona state hospital fund established by section 36-545.08, Arizona
33 Revised Statutes.

34 Payment Deferrals

35 Sec. 145. Reduction in school district state aid
36 apportionment in fiscal year 2017-2018;
37 appropriations in fiscal year 2018-2019

38 A. In addition to any other appropriation reductions made in fiscal
39 year 2017-2018, notwithstanding any other law, the department of education
40 shall defer until after June 30, 2018 but not later than July 12, 2018
41 \$930,727,700 of the basic state aid and additional state aid payment that
42 otherwise would be apportioned to school districts during fiscal year
43 2017-2018 pursuant to section 15-973, Arizona Revised Statutes. The
44 funding deferral required by this subsection does not apply to charter
45 schools or to school districts with a student count of less than six

1 hundred pupils, and the department of education shall make the deferral by
2 reducing the apportionment of state aid for each month in the fiscal year
3 by the same amount.

4 B. In addition to any other appropriations made in fiscal year
5 2018-2019, the sum of \$930,727,700 is appropriated from the state general
6 fund in fiscal year 2018-2019 to the department of education and the
7 superintendent of public instruction for basic state aid and additional
8 state aid entitlement for fiscal year 2018-2019. This appropriation shall
9 be disbursed after June 30, 2018 but not later than July 12, 2018 to the
10 several counties for the school districts in each county in amounts equal
11 to the reductions in apportionment of basic state aid and additional state
12 aid that are required pursuant to subsection A of this section for fiscal
13 year 2017-2018.

14 C. School districts shall include in the revenue estimates they use
15 for computing their tax rates for fiscal year 2017-2018 the monies they
16 will receive pursuant to subsection B of this section.

17 Statewide Adjustments

18 Sec. 146. Appropriation; operating adjustments

	<u>2017-18</u>
19 Employer health insurance contributions	\$ 50,000,000
20 Fund sources:	
21 State general fund	\$ 25,000,000
22 Other funds	\$ 25,000,000

23 Employer health insurance contributions

24 The amount appropriated is for a onetime employer contribution rate
25 adjustment for employee health insurance in fiscal year 2017-2018. The
26 joint legislative budget committee staff shall determine and the
27 department of administration shall allocate to each agency or department
28 an amount for the health insurance contribution adjustment. The joint
29 legislative budget committee staff shall also determine and the department
30 of administration shall allocate adjustments, as necessary, in expenditure
31 authority to implement the increase in employer health insurance
32 contribution rates. The joint legislative budget committee staff shall
33 use the overall allocation of state general fund and appropriated tuition
34 monies for each university in determining that university's specific
35 adjustment.
36

37 Sec. 147. Appropriations; risk management premium adjustment

38 A. The following amounts are appropriated from the state general
39 fund in fiscal year 2017-2018 to the following agencies for adjustments to
40 risk management premiums:

41 1. Department of child safety	\$(441,500)
42 2. State department of corrections	\$ 106,200
43 3. Department of economic security	\$ 179,800
44 4. Arizona historical society	\$ 419,600
45 5. State land department	\$(493,400)

1	6. Supreme court	\$(198,100)
2	7. Court of appeals	\$ (27,800)
3	8. Superior court	\$ (50,800)
4	9. Arizona state university - Tempe	\$ 732,500
5	10. Northern Arizona university	\$ 60,400
6	11. University of Arizona	\$(286,900)

7 B. The sum of \$137,000 in onetime funding is appropriated from the
 8 legislative, executive and judicial public buildings land fund established
 9 by section 37-525, Arizona Revised Statutes, in fiscal year 2017-2018 to
 10 the supreme court for adjustments to risk management premiums. It is the
 11 intent of the legislature to find a different fund source for this
 12 allocation on an ongoing basis in the fiscal year 2018-2019 budget.

13 Sec. 148. Appropriations; Arizona financial information
 14 system adjustment

15 The following amounts are appropriated from the state general fund
 16 in fiscal year 2017-2018 to the following agencies for adjustments to
 17 Arizona financial information system charges:

18	1. Attorney general	\$ (96,300)
19	2. AHCCCS	\$ 106,300
20	3. Department of child safety	\$ 336,900
21	4. State department of corrections	\$(270,600)
22	5. Department of education	\$ (19,500)
23	6. Department of economic security	\$(364,400)
24	7. Department of health services	\$ (83,900)
25	8. Department of insurance	\$ (17,900)
26	9. Department of juvenile corrections	\$ (24,700)
27	10. Supreme court	\$ (37,000)
28	11. Department of revenue	\$ 509,400
29	12. Secretary of state	\$ (21,500)
30	13. Department of water resources	\$ (16,800)

31 Sec. 149. Department of law; general agency counsel charges;
 32 fiscal year 2017-2018

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

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

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

30 Other Provisions

31 Sec. 150. Legislative intent; expenditure reporting

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

42 Sec. 151. FTE positions; reporting; definition

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

1 nonappropriated FTE positions, excluding those in the universities. The
2 director of the department of administration shall submit the fiscal year
3 2017-2018 report on or before October 1, 2018 to the director of the joint
4 legislative budget committee. The reports shall compare the level of
5 appropriated FTE usage in each fiscal year to the appropriated level. For
6 the purposes of this section, "FTE positions" means the total number of
7 hours worked, including both regular and overtime hours as well as hours
8 taken as leave, divided by the number of hours in a work year. The
9 director of the department of administration shall notify the director of
10 a budget unit if the budget unit's appropriated FTE usage has exceeded its
11 number of appropriated FTE positions. The universities shall each report
12 to the director of the joint legislative budget committee in a manner
13 comparable to the department of administration reporting.

14 Sec. 152. Filled FTE positions; reporting

15 On or before October 1, 2017, each agency, including the judiciary
16 and universities, shall submit a report to the director of the joint
17 legislative budget committee on the number of filled appropriated and
18 nonappropriated FTE positions, by fund source, as of September 1, 2017.

19 Sec. 153. Transfer of spending authority

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

24 Sec. 154. Interim reporting requirements

25 A. State general fund revenue for fiscal year 2016-2017, including
26 a beginning balance of \$284,015,000 and other onetime revenues, is
27 forecasted to be \$9,805,400,000.

28 B. State general fund revenue for fiscal year 2017-2018, including
29 onetime revenues, is forecasted to be \$9,855,300,000.

30 C. State general fund revenue for fiscal year 2018-2019, including
31 onetime revenues, is forecasted to be \$10,066,700,000. State general fund
32 expenditures for fiscal year 2018-2019 are forecasted to be
33 \$10,008,300,000.

34 D. State general fund revenue for fiscal year 2019-2020, including
35 onetime revenues, is forecasted to be \$10,523,000,000. State general fund
36 expenditures for fiscal year 2019-2020 are forecasted to be
37 \$10,365,300,000.

38 E. The executive branch shall provide to the joint legislative
39 budget committee a preliminary estimate of the fiscal year 2016-2017 state
40 general fund ending balance on or before September 15, 2017. The estimate
41 shall include projections of total revenues, total expenditures and ending
42 balance. The department of administration shall continue to provide the
43 final report for the fiscal year in its annual financial report pursuant
44 to section 35-131, Arizona Revised Statutes.

1 F. Based on the information provided by the executive branch, the
2 staff of the joint legislative budget committee shall report to the joint
3 legislative budget committee on or before October 15, 2017 as to whether
4 the fiscal year 2017-2018 revenues and ending balance are expected to
5 change by more than \$50,000,000 from the budgeted projections. The joint
6 legislative budget committee staff may make technical adjustments to the
7 revenue and expenditure estimates in this section to reflect other bills
8 enacted into law. The executive branch may also provide its own estimates
9 to the joint legislative budget committee on or before October 15, 2017.

10 Sec. 155. Definition

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

14 Sec. 156. Definition

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

18 Sec. 157. Definition

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

APPROVED BY THE GOVERNOR MAY 12, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2017.