GENERAL PROVISIONS OF THE GENERAL APPROPRIATION ACT AND OTHER OVERALL ISSUES

In addition to the specific appropriations to agencies, departments and institutions, the General Appropriation Act (Laws 2001, Chapter 236) provides direction with regard to several general provisions.

General Provisions

Salary Adjustments — Section 109 appropriates salary adjustments for state employees in FY 2002 and FY 2003. The Joint Legislative Budget Committee (JLBC) Staff shall determine and the Arizona Department of Administration (ADOA) shall allocate, to each agency or department, an amount sufficient to increase the annual salary level of each employee by the greater of $1,500 or 5% effective April 1, 2002. Section 109 provides for a further increase of the greater of $1,500 or 5% effective April 1, 2003. In effect, employees earning less than $30,000 will receive the $1,500 adjustment, while all other employees will receive the 5% adjustment. The amounts are shown in *Table 1*. *(A listing of the FY 2002 and FY 2003 general salary adjustment allocations by agency can be found on page GP-29).*

Table 1

Salary Adjustments

		General Fund (Amounts Available)		Other Fund (Amounts Available)
FY 2002				
4/1/02	5% or $1,500 Pay Adjustment	$ 18,231,100	1/	$5,030,000
ADOA CMR				
	Annualize FY 2001 CMR	4,497,400		3,691,400
FY 2002 Total		**$ 22,728,500**		**$ 8,721,400**
FY 2003				
	Annualize FY 2002 Adjustment	72,808,100	1/	19,219,600
4/1/03	5% or $1,500 Pay Adjustment	19,445,500	1/	6,190,400
	Subtotal – FY 2003 Pay	$ 92,253,600		$25,410,000
ADOA CMR				
	Annualize FY 2001 CMR	$4,497,400		$ 3,691,400
FY 2003 Total		**$ 96,751,000**		**$29,101,400**
Biennial Total		**$119,479,500**		**$37,822,800**

1/ These amounts do not include the Correctional Officers pay plan for Departments of Corrections or Juvenile Corrections.

For agencies or funds with more than 15 FTE Positions, Personal Services has been adjusted by 5.04% for the salary adjustment. This number is slightly higher than 5% due to the $1,500 minimum. For agencies or funds with fewer than 15 FTE Positions, sufficient funding has been distributed to cover the exact cost of the pay raise. After the exact allocation to the smaller agencies and the 5.04% allocation to the larger agencies, nearly the entire General Fund appropriation provided for the salary increase will be distributed. After the distribution of the Other Fund appropriation (using the same methodology as the General Fund), an estimated $203,400 will remain unallocated in FY 2002 and $1,057,400 will remain unallocated in FY 2003.

The employees of the Arizona State Schools for the Deaf and the Blind (ASDB), correctional officers series positions within the State Department of Corrections (ADC), youth correctional officers series positions within the Department of Juvenile Corrections (DJC), board and commission members who are paid on a per diem basis, and agency heads who are appointed for a fixed term of office are not eligible for the salary adjustments. *(Refer to the ASDB, DOC, and DJC sections of the main Appropriations Report for information on separately funded salary increases for these agencies.)*

The amounts shown in *Table 1* include funding to annualize Classification Maintenance Review (CMR) adjustments for certain state employees in the ADOA personnel system, effective January 1, 2001. CMR adjustments are a review of the competitiveness and "fairness" of state employee pay for similar classes of employees.

Elected Official Salary Adjustments — Pursuant to A.R.S. § 41-1903, the Commission on Salaries for Elective State Officers biennially reviews the salary of elected state officials, Appellate and Superior Court judges, and Clerks of the Superior Court. Pursuant to A.R.S. § 41-1904, the commission's recommendations become effective if the following 3 events occur:

- The Governor includes the salary adjustments in her budget recommendations to the Legislature. The Governor may accept the report in whole or make changes.
- Neither house of the Legislature, within 90 days of release of the Governor's budget, passes a measure specifically disapproving all or part of the salary recommendations.
- No statute is enacted, within 90 days of release of the Governor's budget, which establishes rates of pay other than those proposed by the Governor.

As part of the Executive's FY 2002 and FY 2003 budget recommendation, the Governor recommended that the salaries for Appellate and Superior Court judges be increased on January 1, 2002. In addition, the Governor recommended that the salaries for the Governor, Secretary of State, Attorney General, State Treasurer, Superintendent of Public Instruction, and State Mine Inspector be increased on January 1, 2003. None of the elected official salary increases listed above will become effective, as the

Senate rejected the Governor's recommendations by enacting Senate Resolution 1001.

Health Insurance Adjustments — Section 109 appropriates additional monies to address the increased costs of the new state employee health insurance contract for FY 2002 and FY 2003. The amounts are shown in *Tables 2 and 3*. *(A listing of the FY 2002 and FY 2003 health insurance allocations by agency can be found on page GP-46).*

Under the new contract, which takes effect on October 1, 2001, the state will only contract with 1 health insurance carrier, statewide. The single vendor will provide 3 plan options in Maricopa and Pima Counties, including a Health Maintenance Organization (HMO) plan, a Point of Service (POS) plan, and a Preferred Provider Organization (PPO) plan. The HMO and POS plans cost the same to the employee, while the PPO plan will have a higher cost to the employee. In the other rural counties, the vendor will provide a PPO plan only. However, the rural PPO option is provided at the same employee price as the HMO/POS plan in the urban counties. State employee and employer premiums under the old and new contract are shown in *Table 3*. The employer share of the premium is increasing by 92% for the rural employee premiums compared to 16% for urban employee premiums.

For most General Fund agencies, the health insurance contribution is the amount designated in the Appropriations Report. These monies are "swept" from agency General Fund budgets at the beginning of the year and are not charged to agencies on a payroll by payroll basis. Since the monies are "swept", the budgeted General Fund increase of 15.4%, along with General Fund balances in the Health Insurance Trust Fund, is sufficient for all budget units except one. Besides the Department of Economic Security, the Universities are the only General Fund agencies that pay for health insurance based on actual usage. The use of actual charges will be a particular problem for Northern Arizona University (NAU) as their employees will receive the rural subsidy.

To address this issue, NAU's estimated contract cost has been fully funded in the health insurance distribution. The remaining General Fund amount was then allocated to the other General Fund agencies based on each agency's

Table 2

State Costs for Employer Premiums

	Amounts Available		
	General Fund	**Other Fund**	**Non-Approp.**
FY 2002			
Health Insurance base amount	$112,561,100	$32,498,600	$32,498,600
Additional Allocation	20,338,900	4,196,900	4,196,900
FY 2002 Total [1/]	**$132,913,400**	**$36,695,500**	**$36,695,500**
FY 2003			
Health Insurance base amount	$114,177,700	$32,784,600	$32,784,600
Additional Allocation [2/]	45,545,200	9,398,200	9,398,200
FY 2003 Total [3/]	**$159,722,900**	**$42,183,600**	**$42,183,600**

1/ The FY 2002 all funds total is $206,304,400.
2/ The FY 2003 Additional Allocation has not been distributed to agencies. See above for further information.
3/ The FY 2003 all funds total is $244,090,100.

Table 3

State Employee versus Employer Contributions

	State Employee Contribution		Employer Contribution	
	Old Contract [1/]	**10/1/01 Contract**	**Old Contract** [1/]	**10/1/01 Contract**
Average Monthly Premium				
Maricopa County:				
HMO Single	$36.38	$25.00	$173.10	$209.76
HMO Family	115.66	125.00	414.84	461.88
PPO Single	88.42	135.36	173.10	244.76
PPO Family	249.38	403.44	414.84	546.88
Pima County:				
HMO Single	21.86	25.00	155.62	192.94
HMO Family	104.30	125.00	353.14	419.86
PPO Single	82.14	144.18	155.62	227.94
PPO Family	250.72	425.44	353.14	504.86
Other Rural Counties:				
HMO Single	36.38	Not available	173.10	Not Available
HMO Family	115.66	Not available	414.84	Not Available
PPO Single	85.00	25.00	173.10	318.75
PPO Family	250.00	125.00	414.84	734.37
Total Contribution [2/]		**$40,104,200**		**$132,970,000**

1/ Reflects the average premium paid.
2/ Reflects contributions from 10/1/01 - 7/1/02.

proportionate share of the current contract. Adjusting the allocation for the NAU issue reduces the amount allocated to all other agencies. This is not a problem, however, as all other agencies are only required to contribute the allocation amount designated in the Appropriations Report. The higher rural subsidy poses a greater problem for Other Fund agencies that have a high number of rural employees. Like the Universities, the Arizona Department of Administration (ADOA) bills all Other Fund agencies based on their actual health insurance usage. After employees select their health insurance in open enrollment, the Other Fund actual costs will be available and it will be more clear whether non-General Fund supplementals need to be considered during the next regular session.

Neither the General Fund nor the Other Fund FY 2003 health insurance appropriations have been distributed. The recent changes in the health insurance coverage may result in significant shifts in employee utilization. ADOA also discussed potentially rebidding the entire contract for FY 2003.

ADOA did not renegotiate the state employee dental insurance contract. As a result, the FY 2002 and FY 2003 budgeted amounts for dental premiums did not require an increases and are identical to the FY 2001 amounts.

Provider Rate Increase – Section 109, after accounting for the Governor's line item veto of the FY 2002 appropriation, includes $20,578,400 General Fund and $2,000,000 from the Temporary Assistance to Needy Families Block Grant in FY 2003 for community treatment provider rate adjustments. Because these increases are not implemented until FY 2003, the adjustment will not be allocated in the current Appropriations Report.

Laws 2001, Chapter 385 requires agencies receiving the adjustment (Department of Economic Security, Department of Health Services, Department of Juvenile Corrections, and the Judiciary) to report their implementation plans for the adjustment to JLBC Staff by January 1, 2002. The JLBC Staff will then present the plans to the Committee for its review by June 1, 2002. The distributions will be included in the Supplemental Adjustments Appropriations Report next year.

Section 109, as amended by Laws 2001, Chapter 385, specifies how the adjustments should be allocated. Each agency is to distribute 100% of the increase to contracted community treatment providers. The adjustments are to be

Table 4

Community Treatment Programs - Provider Rate Increase [1/]
($ increases in thousands)

Program	Base Amount	7/02 Increase	1/03 or 4/03 Increase	Total Estimated Increase
DES				
Non-Title XIX				
Adoption Services	$ 18,207,200	905.3	227.6	1,132.9
Children Services	39,104,100	1,944.3	488.8	2,433.1
Vocational Rehabilitation Services	3,285,100	163.3	41.1	204.4
Independent Living Rehab Services	902,300	44.9	11.3	56.2
Employment Support Services	9,433,300	469.0	117.9	586.9
DDD Home and Community Based Services	27,919,100	1388.2	698.0	2,086.2
DDD Institutional Services	294,900	14.7	7.4	22.1
DDD State-Funded Long Term Care Services	3,709,000	184.4	92.7	277.1
Adult Services - Home Care	4,639,500	230.7	58.0	288.7
Adult Services - Supplemental Payments	1,831,700	91.1	22.9	114.0
Respite Care	435,000	21.6	5.5	27.1
Subtotal - Non-Title XIX	$109,761,200	5,457.5	1,771.2	7,228.7
Title XIX				
DDD Home and Community Based Services	79,452,500	3,950.5	1,986.3	5,936.8
DDD Institutional Services	11,993,200	596.3	299.8	896.1
DDD Medical Services	19,302,600	959.8	482.6	1,442.4
Subtotal - Title XIX	$110,748,300	5,506.6	2,768.7	8,275.3
Total DES	**$220,509,500**	**10,964.1**	**4,539.9**	**15,504.0**
DHS				
Children's Behavioral Health	$ 10,137,700	504.1	126.7	630.8
CBH Title XIX	34,646,200	1,722.7	433.1	2,155.8
Total DHS	**$ 44,783,900**	**2,226.8**	**559.8**	**2,786.6**
Judiciary				
Juvenile Treatment	**26,183,500**	**1,301.9**	**327.3**	**1,629.2**
DJC				
Community Services Contracts	**10,584,000**	**526.3**	**132.3**	**658.6**
STATEWIDE GF TOTAL	**$302,060,900**	**$15,019.1**	**$5,559.3**	**$20,578.4**

1/ This allocation represents how the provider rate increase was derived. The actual allocation may be adjusted depending on agency implementation plans.

incorporated into current contracted rates; DES shall also use the adjustment to reduce the number of contracted rates. To allow for these rate adjustments, the appropriation is exempt from procurement statutes. The language also permits agencies to reduce the increases if the appropriated monies are insufficient for a 5% increase. Section 109, as amended, also requires DES to direct the adjustment toward providers receiving less than other providers with similar levels and types of service. Independent providers are also eligible for the increase.

Community treatment providers are required to allocate the adjustments for salary increases to direct care staff who spend at least 80% of their time in direct care and who earn less than $13 per hour. The funds are to be spent only for ongoing pay adjustments and salary-related benefit costs, such as FICA, workers' compensation, etc. Each contract provider receiving a rate adjustment is required to report to the agencies by September 1, 2002 and June 1, 2003 on how the adjustment was used. The agency shall summarize the information and report to JLBC by October 1, 2002 and July 1, 2003.

In addition to these increases, AHCCCS received additional funding for provider rate increases in the Long Term Care program. *See the AHCCCS section in the main Appropriations Report for further in formation.*

Pro Rata — Section 109 includes funding to increase the pro rata assessment from 0.9% of Personal Services to 0.95% in FY 2002 and 1.04% in FY 2003. The pro rata assessment is a rate that is charged against agencies' Personal Services to defray the cost of the ADOA Personnel Division. To fund a new Personnel Division computer system, Laws 2001, Chapter 238 (the Public Finances Omnibus Reconciliation Bill) increased the pro rata rate by the above amounts. *(A listing of the FY 2002 and FY 2003 pro rata allocations by agency can be found on page GP-58).*

There is not enough Other Fund expenditure authority set aside to cover the rate increase. When ADOA assesses the higher rate of 0.95% in FY 2002, they will collect $50,000 more than has been allocated to the agencies. Further, in FY 2003 the 1.04% rate will collect approximately $250,000 more than has been allocated. Agencies will be required to pay the higher rates despite not having the full amount allocated to them. These Other Fund agencies will be reviewed on an individual basis for potential supplemental adjustments in the 2002 Legislative Session.

In addition, the appropriated General Fund amount is actually larger than necessary for the higher pro rata rates. The excess is approximately $300,000 in FY 2002 and $200,000 in FY 2003. This funding, however, may still be needed to fund the initial costs of the new Personnel Division computer system. If it becomes apparent that the excess General Fund monies are necessary, the JLBC Staff will recommend shifting these funds directly to ADOA.

Rent Adjustment – Section 109 appropriated additional monies to increase the state rental rate from the current $13.50 per square foot to $15.00 in FY 2002 and $15.50 in FY 2003. The appropriation includes $912,800 from the General Fund and $260,800 from Other Funds in FY 2002 and $1,224,400 from the General Fund and $349,800 from Other Funds in FY 2003. *(A listing of the FY 2002 and FY 2003 rent allocations by agency can be found on page GP-67).*

These rates are expected to generate the deposit of $12,291,400 in FY 2002 and $15,917,300 in FY 2003 into Capital Outlay Stabilization Fund, which is used to fund building renewal, utility charges in the Capitol Mall and Tucson Mall, staff in ADOA, and specific building projects. The rental rate is determined by the Joint Committee on Capital Review.

The appropriated amounts do not include funding to cover the higher rental rates for 7 office buildings that are currently being lease-purchased, but will be reclassified as state-owned space in FY 2003. As a result, these buildings were budgeted at the lower rate of $13.50 per square foot. An additional $284,000 from the General Fund and $141,000 from Other Funds is the estimated amount necessary to fund these buildings at the $15.50 rate in FY 2003.

In addition, the overall rent increase was fund sourced based on FY 2001 allocations. The fund source for some agencies has changed. Three new state-owned buildings have also been added to the space inventory. Because of these issues, the Other Fund portion of the rent increase is underfunded by $50,000 in FY 2002 and $68,100 in FY 2003.

Given that the additional amount necessary for reclassifying the lease-purchase properties is not needed until FY 2003 and that the Other Fund shortfall due to fund sourcing is a very small portion of the total FY 2002 and FY 2003 rent, these issues would be addressed in the 2002 Legislative Session.

Expenditure Reporting — Section 112 states that it is the intent of the Legislature that all budget units receiving Lump Sum appropriations continue to report actual, estimated and requested expenditures by budget programs and classes in a format similar to the one used for budgetary purposes in prior years. The purpose of this section is to ensure stability and consistency in expenditure reporting regardless of yearly changes in appropriation formats. A different format may be used to implement budget reform legislation (Laws 1997, Chapter 210) if agreed to by the Director of the JLBC and incorporated into the budget instructions issued by the Governor's Office of Strategic Planning and Budgeting (OSPB).

FTE Position Reporting — Section 113 states that the Full Time Equivalent (FTE) Positions contained in the General Appropriation Act are subject to appropriation.

The section directs the Director of ADOA to account for the utilization of all appropriated FTE Positions, excluding FTE Positions in the Department of Economic Security, Universities, and Department of Environmental Quality. The Director shall submit reports for FY 2002 and FY 2003 by February 1, 2002 and 2003, respectively, for the first half of the fiscal year and by August 1, 2002 and 2003 for the entire fiscal year to the Director of the JLBC. The reports shall compare the level of FTE Position usage in each fiscal year to the appropriated level. The ADOA Director shall notify the director of each budget unit if the budget unit has exceeded its number of appropriated FTE Positions. The Department of Economic Security, Universities, and Department of Environmental Quality shall report to the Director of the JLBC in a manner comparable to the ADOA report.

Interim Reporting — Section 114 requires that the Executive Branch provide to the JLBC a preliminary estimate of the General Fund ending balance for FY 2001, FY 2002, and FY 2003. These reports are required by September 15 of 2001, 2002, and 2003, respectively. The estimates shall include projections of total revenues, total expenditures, and the ending balance. ADOA shall continue to provide the final report for the fiscal year in its Annual Financial Report, pursuant to A.R.S. § 35-131.

Based on the information provided by the Executive Branch, the JLBC Staff shall report to the JLBC by October 15 of 2001, 2002, and 2003 on whether that fiscal year's revenues and ending balance are expected to change by more than $50,000,000 from the budgeted projections. The Executive Branch may also provide its own estimates to the JLBC by October 15 of each year.

Laws 2001, Chapter 235 (the "trigger" bill) requires the staff directors of the JLBC and Governor's Office of Strategic Planning and Budgeting to jointly notify the Governor, President of the Senate and Speaker of the House of Representatives by September 1 of 2001 and 2002 whether General Fund revenue for the prior fiscal year exceeded the forecast amount. If revenue has exceeded the forecast by specified amounts in either year, by September 15 of 2001 or 2002, the Governor is required to issue a public notice stating the amounts that are now appropriated for FY 2002 and FY 2003.

Transfer Authority — Section 115 requires ADOA to provide a monthly report to the JLBC Staff on agency transfers of spending authority from one expenditure class to another or between programs.

JLBC Review — Section 116 defines that for purposes of the General Appropriation Act, "review by the Joint Legislative Budget Committee" means a review by a vote of a majority of a quorum of the members.

Other Overall Issues

In addition to the adjustments to agency budgets and general provisions outlined previously, the FY 2002 and FY 2003 budgets reflect the adoption of technical assumptions. In most circumstances, the individual agency descriptions do not include a discussion of these technical issues. Any dollar changes to agency budgets resulting from statewide technical adjustments are delineated in the tables following this section.

Biennial Budgeting — In the 2001 Legislative Session, the Legislature appropriated biennial budgets for all state agencies. In these biennial budgets, an agency receives a separate appropriation for each of 2 fiscal years. The first year (FY 2002) appropriations for "90-10" regulatory agencies do not lapse until the end of the second year (FY 2003). Except where specifically noted, the appropriations for all other agencies lapse at the end of each fiscal year.

Program Budgeting — A.R.S. § 35-113 requires that all budget units be converted to a program budget format by FY 2006. This is being accomplished in 3 phases. Phase I, which consisted of the smallest 60 budget units, was implemented in the FY 2000 and FY 2001 budget. For the FY 2002 and FY 2003 budget, an additional 43 agencies that comprised Phase II were converted to a program budget format. Phase III agencies (see below) will be converted in FY 2004 and FY 2005.

The purpose of program budgeting is to provide policymakers with more information on what agencies do and whether or not the resource level for each function is appropriate. For example, the budget will now provide budget data on 3 programs in the Department of Juvenile Corrections (Housing, Rehabilitation, and Administration) and its subprograms. Prior budget formats focused more on traditional line items of expenditure such as salaries and travel. For all agencies converted to program budgets, the Appropriations Report continues to provide the traditional line item of expenditure detail along with the new program budget display.

The remaining 14 agencies (Phase III) will be converted to program budgets as part of the FY 2004 and FY 2005 budgets. These agencies are: AHCCCS, Attorney General, Department of Commerce, Arizona State Schools for the Deaf and the Blind, Department of Economic Security, Department of Education, Department of Environmental Quality, Department of Health Services, and the 6 campuses appropriated in the Universities budget (except the Arizona Board of Regents, which was converted in Phase II.) These agencies are generally the largest and most complex in state government. Although these agencies have been organized by programs and subprograms for strategic planning purposes, these planning structures have not yet been aligned with the budget formats. For these agencies the Appropriations Report continues to provide the traditional line item of expenditure detail.

Budget Format — The format governs how an agency's appropriation appears in the General Appropriation Act. A less detailed format provides an agency with more discretion in implementing the budget. Conversely, a more detailed format may require an agency to use formal processes for redirecting appropriated funds. Among the choices are the following:

Lump Sum — The appropriation for each fiscal year consists of a single dollar amount, thereby allowing the agency to shift funds among line items, programs and subprograms without further Legislative or Executive Branch review. Within this format, any programs or Special Line Items may be listed separately.

Modified Lump Sum — The appropriation for each fiscal year consists of at least 3 lines: Personal Services, Employee Related Expenditures (ERE), and All Other Operating Expenditures. Any Special Line Items would be listed separately. Under this format, pursuant to A.R.S. § 35-173, an agency must seek approval of the JLBC before moving any funds into or out of the Personal Services and ERE line items. Any other transfers would require approval by ADOA, but not the Committee.

Detailed Line Item — The appropriation for each fiscal year consists of each line item listed in the Appropriations Report, including Professional and Outside Services, Travel, Other Operating Expenditures, Equipment, Food, and any Special Line Items. The same rules govern Personal Services and ERE transfers as noted in the Modified Lump Sum description. The appropriation requires the agency to seek ADOA approval before transferring monies between all other line items.

Performance Measures — As part of program budgeting, agencies are required to track their performance on several program indicators. The Appropriations Report includes key performance measures in each agency or cost center narrative. These measures were adopted by the Appropriations subcommittees during the budget process and were subsequently included in the General Appropriation Act as part of each agency's adopted budget. For each measure, the General Appropriation Act provides a target result for both FY 2002 and FY 2003.

Two performances measures appear in almost all agencies — administrative costs as a percentage of the overall budget and customer satisfaction. The type of customer satisfaction measure, however, may vary by agency. In addition, most "90/10" regulatory agencies have a common set of measures.

Inflation — In general, no inflation increases were added.

Lease-Purchase — The appropriations include lease-purchase payments for certain buildings. In addition, agencies occupying space in the Sun State Building, Doubletree Building, Agriculture Lab, Corpstein Building, Centre Pointe Building, Kingman State Office Building, and Black Canyon Building will be charged $4.48 per gross square foot for Operations and Maintenance expenses in FY 2002 only. These amounts are included in agency appropriations and will be transferred to ADOA, which will be responsible for providing the service, either directly or under contract. In FY 2003, the lease-purchase of these buildings will be complete, and the occupying agencies will be assessed the normal ADOA rental rate for state-owned space. *(A listing of Lease-Purchase and Operations and Maintenance charges can be found in the separate Appendix).*

Risk Management — The Other Operating Expenditures line of individual agency budgets includes the Risk Management rates billed by the ADOA Risk Management section. Monies are deposited into the Risk Management Fund, for payment of costs associated with Risk Management losses. *(A listing of individual agency billings can be found in the separate Appendix).*

Employer Contribution Rates — *Table 6* provides an estimate of employer contribution rates during FY 2002 and FY 2003. Except for life insurance, rates are calculated as a percent of Personal Services.

Table 5

	FY 2002 Rate	FY 2003 Rate
Life Insurance (per FTE Position)	$36.96	$36.96
Unemployment Insurance	0.10%	0.10%
Personnel Division Services	0.95	1.04
Disability (Non-State Retirement)	0.33	0.33
Information Technology Planning	0.15	0.15
Retiree Accumulated Sick Leave	0.40	0.40
Federal Insurance Contributions Act (FICA)		
Social Security (salary # $76,200)	6.20%	6.20%
Medicare (no salary cap)	1.45	1.45

State Retirement Systems	FY2002/FY 2003 Rate
State Retirement	2.49%
Correctional Officers – DOC	2.00
Correctional Offices – DJC	2.86
Elected Officials	0.00
Liquor License Investigators	9.57
Department of Public Safety *	2.00*
Northern Arizona University Police	3.63
University of Arizona Police	7.79
Arizona State University Police	2.00
Game and Fish Department	6.32
Attorney General Investigators	7.55
ADOA Capitol Police	9.44

* Includes 5% member contribution paid by the state.

Workers' Compensation — The rates vary by individual agency. Agency budgets include the Workers' Compensation rates recommended by the ADOA Risk Management section. Monies are deposited into the Risk Management Fund, for payment of costs associated with Workers' Compensation losses.