

**GENERAL LEGISLATION  
FY 2002 AND FY 2003  
OMNIBUS RECONCILIATION BILLS (ORB)**

**Public Finance ORB (Chapter 238)**

**Section #**

**Department of Administration**

- As session law, increase the pro rata share that state agencies contribute to the Arizona Department of Administration (ADOA) Personnel Division Fund from 0.9% of total Personal Services dollars to 0.95% in FY 2002 and 1.04% of total personal services dollars in FY 2003 to fund the replacement of the ADOA Human Resources/Payroll technology system. In FY 2002, this will have a General Fund cost of \$663,200 and an Other Fund impact of \$102,600 and in FY 2003 it will have a General Fund cost of \$1,201,700 and an Other Fund cost of \$183,700. 17

**Arizona Commission on the Arts**

- As session law, allow the Commission to expend up to \$91,000 in both FY 2002 and FY 2003 from monies earned on the investment of the Arts Endowment Fund for the technology development plan. 18

**Attorney General**

- As session law, transfer \$1.6 million from the Collection Enforcement Revolving Fund for FY 2002 to the Federal Funds account for the Model Court program. Require the Attorney General to report quarterly on expenditures and the status of the backlog. 20

**Corporation Commission**

- As permanent law, amend statute to allow expenditures from the Public Access Fund, Utility Regulatory Revolving Fund, and Securities Regulatory and Enforcement Fund for administrative and legal expenses. The proposal would save the General Fund \$622,200 in FY 2002 and \$692,200 in FY 2003. 1, 2, 8,  
9, 10, 14

**Department of Environmental Quality**

- As permanent law, repeal the requirement to complete a Strategic Program Area Review of the Water Quality Assurance Revolving Fund (WQARF). 15

**Arizona Historical Society**

- As permanent law, eliminate the requirement that the Executive Director get Board approval before spending appropriated monies and allow the agency to retain interest earned on the Journal of Arizona History Fund and the Permanent Arizona Historical Society Revolving Fund. 11, 12, 13

**Arizona State Lottery Commission**

- As session law, require the Arizona Lottery to return 31.6% of Powerball sales in both FY 2002 and FY 2003 to the General Fund. Permanent law only requires the Lottery to return 29% (and session law currently requires 31.6% in FY 2001). The recommended change will ensure that the General Fund receives \$19,878,700 from the Lottery Fund in FY 2002 and \$18,626,700 from the Lottery Fund in FY 2003. 16

**Department of Public Safety**

- As session law, continue to redirect 9% of CJEF revenues formerly deposited to the General Fund to DPS to fund the department's crime lab system in both FY 2002 and FY 2003. Avoids \$2.9 million General Fund cost in FY 2002 and \$3 million General Fund cost in FY 2003 for crime lab operations. 21
- As session law, suspend for 2 years the schedule established by A.R.S. § 28-6537 and A.R.S. § 28-6993 reducing the level of Highway User Revenue Fund (HURF) and Highway Fund revenues available to fund DPS Highway patrol. Avoids at least \$5,000,000 General Fund cost in FY 2002 and FY 2003. 22

**Department of Transportation**

- As permanent law, require that the 5-year transportation facilities construction and the regional freeway programs in effect on June 30, 2000 shall not be delayed and shall remain in effect until the planned projects are complete. 3
- As permanent law, beginning in FY 2004, appropriate \$25 million to the State Highway Fund from the General Fund to replace Vehicle License Tax revenues reduced in 1999 and 2000. This provision was vetoed by the Governor. 4
- As permanent law, amend ARS 28-6993 to update a reference to ARS 28-6991, which was amended by Section 4 of this bill (see previous bullet). 5
- As permanent law, increase the Department’s bonding authority from \$800 million to \$1 billion. 6
- As permanent law, in FY 2002 add a board funding obligation (BFO) limit of \$100 million and in FY 2004 increase the BFO from \$100 million to \$200 million . 7

**Department of Water Resources**

- As session law, suspend the requirement for a \$5 million General Fund appropriation to the Water Protection Fund. The General Appropriation Act, as approved by the Legislature, appropriated \$2.5 million to the Fund in both FY 2002 and FY 2003 to the Fund, which would have saved \$2.5 million in both FY 2002 and FY 2003. The Governor vetoed the FY 2002 appropriation. 19
- As session law, direct monies received via an interstate water banking agreement with Nevada to the General Fund. It is estimated that the General Fund will receive \$2 million in FY 2002 and \$2.7 million in FY 2003. 23

**Health ORB (Chapter 234)**

**AHCCCS**

- As session law, authorize AHCCCS to use \$36.0 million in FY 2002 and \$37.4 million FY 2003 from the Medically Needy Account of the Tobacco Tax Fund to continue provisions from prior years to phase-out the quick pay discount, replace federal funds from prior years, fund FY 2000 medical inflation, fund the elimination of a \$10 million private hospital discount, fund expanded maternity coverage, and HIV/AIDS medications. 2
- As session law, authorize AHCCCS to withdraw \$18.4 million in FY 2002 and \$21.9 million in FY 2003 from the Medically Needy Account of the Tobacco Tax Fund for deposit in the state Children’s Health Insurance Program (CHIP) Fund to pay the state share of the CHIP program. Require AHCCCS to use any unexpended Medically Needy Account balances from prior years in the CHIP Fund before making any new withdrawals. 2
- Set the FY 2002 and FY 2003 county acute care contribution at \$66,689,500, the same level as FY 2001. 1
- As session law, reinstate the Hospital Pilot Reimbursement program for FY 2002 and FY 2003. 3

**Department of Health Services**

- As session law, allocate 0.8% of the Telecommunication Services Excise Tax to the Commission for the Deaf and Hard of Hearing and 0.3% to the Poison Control Fund for FY 2002 and FY 2003. 5
- As session law, authorize AHCCCS to transfer the following amounts from the Medically Needy Account of the Tobacco Tax Fund and Health Care Fund to DHS: 2
  - AIDS medications, \$1 million in FY 2002 and 2003.
  - Community Health Centers, \$1 million in FY 2002.
  - Non-Title XIX SMI Psychotropic medications \$8 million in FY 2002 and 2003. Laws 2001, Chapter 374 amended this provision to allow up to \$2 million in each year to be used for Non-SMI services.
  - Statewide Immunization Information Systems, \$477,000 in FY 2002 and 2003.
  - Hepatitis C Surveillance, \$350,000 in FY 2002 and 2003.

**Department of Economic Security**

- As session law, allow the \$10 million appropriated in FY 2001 from the Temporary Assistance for Needy Families block grant to the Joint Substance Abuse Treatment Fund to be expended until the end of FY 2002. 4

**Education ORB (Chapter 233)**

**Department of Education**

- As permanent law, amend the special education “Group B” weights in A.R.S. § 15-943(2b) to conform with weights identified in the December 1999 Special Education Cost Study less approximately \$1,000,000. This provision costs \$13,679,000 in FY 2002 and \$14,888,500 in FY 2003. 4
- As permanent law, repeal A.R.S. § 15-747 and 15-748 establishing the “Accountability Measures” (A+) program. 1
- As permanent law, establish a new Extraordinary Special Education Needs Fund for school districts with very high Special Education costs. 2
- As permanent law, increase the base level defined in A.R.S. § 15-901(B) to \$2,687.32 in FY 2002 and \$2,753.90 in FY 2003. 3
- As session law, allow ADE to reduce the average daily membership count for the 2001 school year in order to eliminate pupils enrolled in early kindergarten or early first grade programs during the 2000 or 2001 school years. Prohibits ADE from reducing the counts to eliminate pupils enrolled in these programs prior to the 2000 school year. 7

**School Facilities Board**

- As session law, revise the Students FIRST sales tax transfer provisions for the Deficiencies Correction Fund for FY 2002 and FY 2003. Provides for no transfer in FY 2002 and a transfer of \$12 million for deficiencies correction funding in FY 2003. 5

**Board of Regents**

- As session law, authorize Northern Arizona University to issue \$39.1 million in new revenue bonds for the construction and repair of university buildings. The issuance of those bonds along with existing bonding authority of \$23.9 million would require an annual debt service of \$4 million. A provision in the Capital Outlay Bill allows NAU to use their allocation of FY 2002 building renewal monies for building renewal and debt service. These building renewal monies, however, were vetoed by the Governor. The debt service requirement of \$4 million in FY 2003 is appropriated in the NAU operating budget. 6