

## April 30 Budget

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Prepared by JLBC Staff  
Updated  
May 4, 2012

## **Overview of April 30 Budget**

**Changes to JLBC Baseline General Fund Spending  
\$ in Millions**

	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
Appropriations Committee	\$ 186	\$ 100	\$ 53	\$ 53
January Executive	195	607	285	NA
April 30 Proposed	200	217	200	81

**Total General Fund Spending**

April 30 Proposed	8,527	8,573	8,825	9,210
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**General Fund Base Revenue Percentage Growth**

April 30 Proposed *	5.3%	5.1%	6.9%	5.0%
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\* Same revenue growth as used by Appropriations Committee.

**Main Changes to Baseline  
\$ in Millions**

Rainy Day Fund Deposit	\$ 450
AHCCCS - Continued Elimination of Rollover	119
End Accounting of Non-Lapsing \$	30
ADOA Automation (Over 4 Years)	80 \$17 M in FY 13
ADE Reading	40
ADE CORL	15
ADE Data Systems	5
ADE Competitive Innovation Grants	3
ADE Formula Re-estimation Savings	(8)
SFB Building Renewal	12
SFB New Construction - Defer to FY 16	-
University Parity	15
University Medical School	6
DES CPS	4

**Main Changes to Baseline (Continued)**  
**\$ in Millions**

DES Federal Fund Backfill	42	Non GF
DES DD Provider (4/1/13) - Non GF in FY 13	7	\$1.7M in '13, \$7M in FY 14
DHS Behavioral Health Provider (4/1/13) - Non GF in FY 13	6	\$1.4M in '13, \$6M in FY 14
DHS Seriously Mentally Ill	39	
AHCCCS Lower Childless Adult Caseload	(18)	
ADC Correctional Officers (Plus Reallocate \$2 M of Overtime)	4	
ADC Construct 500 Maximum Security Beds	50	FY 13/14 Cost
ADC Add 1,000 Private Beds by FY 15	16	FY 15 Cost
Tourism	7	
ADOT MVD - Shift from HURF to Highway Fund	-	
DWR Eliminate City Water Fee	6	
Repeal 53/47 Retirement Split	39	
Employee Pay - One-time Payment	17	
Employer Health Insurance Payment Holiday	(25)	
Employer Retirement (Non-University)	9	

**Fund Transfers to General Fund  
\$ in Millions**

	<u><b>FY 13</b></u>
Mortgage Settlement	\$ 50
Vehicle Emission (Rate Reduction in FY 14)	10
Judiciary (Another \$6 M in FY 14)	6
Employee Health Insurance	30

**General Fund  
Ending Balances  
with Comparison to Reserves  
\$ in Millions**

	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>Reserves</u> <u>1/</u>
Appropriations Committee	303	69	(380)	450
April 30 Proposed	242	0 <u>3/</u>	(477) <u>2/</u>	316 <u>3/</u>

1/ Budget Stabilization (Rainy Day) Fund reserves available to offset shortfall.

2/ \$167 M available to offset shortfall depending on federal health care resolution.

3/ Initial shortfall estimate is \$(134) M. If that estimate is ultimately accurate, using \$134 M of reserves would eliminate shortfall.

**April 30 Proposal - 4 Year Analysis**

\$ in Millions

	FY 2012		FY 2013		FY 2014		FY 2015	
	Approp Cmte	April 30	Approp Cmte	April 30	Approp Cmte	April 30	Approp Cmte	April 30
1 Baseline Projected Balance	\$ 582	\$ 582	\$ 427	\$ 427	\$ (135)	\$ (135)	\$ (160) <sup>1/</sup>	\$ (160)
2 Federal Healthcare Requirements			-	-	(40)	(40)	(210) <sup>2/</sup>	(210)
3 Total Baseline Balance	582	582	427	427	(175)	(175)	(370)	(370)
4 Prior Year Carry Forward			137	123	303	242	69	0
<u>Changes to Baseline Spending</u>								
5 End Accounting of Non-Lapsing \$	30	30						
6 Automation Projects	-	-	39 <sup>3/</sup>	17 <sup>3/</sup>		20		20
7 Debt Reduction			Rev					
8 Retain Executive Elimination of AHCCCS Rollover	113	113	6	6				
9 AXS - Caseload				(18)		(18)		
10 AXS - Breast Cancer Treatment				2		2		2
11 AXS - Rural Hospitals (\$300K)				0		0		0
12 AXS - Lower Baseline Growth Rate (5% to 3%)						(35) <sup>4/</sup>		(61)
13 AXS - IT Security				ADOA <sup>3/</sup>				
14 AG - Eliminate AG Pro Rata				0 <sup>5/</sup>		0		0
15 AG - Border Prosecution Federal Backfill				1				
16 DOC - 500 Max Beds Construction				20		30		13
17 DOC - Additional Private Beds						5 <sup>6/</sup>		(31)
18 DOC - Correctional Officers				4 <sup>7/</sup>		4		4
19 DES - Child Protective Services			4	4	4	4	4	4
20 DES - TANF Backfill Issues				LTC <sup>8/</sup>		25 <sup>9/</sup>		25
21 DES - DD Provider Rate Increase				LTC <sup>10/</sup>		7		7
22 DES - Adoption				LTC <sup>8/</sup>		17 <sup>9/</sup>		17
23 ADE - Reading Programs				40 <sup>11/</sup>		40		40
24 ADE - CORL/Additional Assistance				15		15		15
25 ADE - Matching Competitiveness Grants				3				
26 ADE - Teacher Certification				1		1		1
27 ADE - Data System				5 <sup>12/</sup>				
28 ADE - Caseload Re-estimation (includes TNT)				(8)		(8)		(8)



29	Forester - Fire Suppression				1			1		1
30	DHS - Seriously Mentally Ill			10	39		10	39	10	39
31	DHS - State Hospital	3			3 <sup>13/</sup>			3		3
32	DHS - Provider Rate Increase				LTC <sup>10/</sup>			6		6
33	IRC - Continued Funding				1					
34	Auditor General - Audits				1					
35	Legislative Automation Project				3					
36	DPS - Retirement				14/					
37	DPS - Vehicles				14/					
38	DOR - Automation Projects				ADOA <sup>3/14/</sup>					
39	SFB - Building Renewal	12	15/							
40	SFB - Additional Staff (\$300K)				0			0		0
41	SFB - Defer New Construction to FY 2016									(56)
42	Office of Tourism/Repeal Formula				7			7		7
43	Universities - Performance Funding				- <sup>17/</sup>					
44	Universities - Parity/Course Redesign/Capital				15 <sup>18/</sup>			15		15
45	Universities - Medical School				6			6		6
46	Dept of Water Resources - eliminate city fee				6			6		6
47	Indian Water Rights Settlement			2	2					
48	Federal Health Care 9/							(40) <sup>9/</sup>		(42)
49	Retirement Shift (53/47 to 50/50)	41	41	39	39		39	39	39	39
50	Employer Retirement Rate Increases				9			9		9
51	Health Insurance (Premium Holiday)				(25)					
52	Employee Pay				17 <sup>19/</sup>					-
53	Other Issues	2	2	(0)	0		(0)	0	(0)	0
54	Total Spending Changes to Baseline	186	200	100	217		53	200	53	81
<u>Changes to Baseline Revenue</u>										
55	Economic Development						(20)	(20)	(40)	(40)
56	Clean Elections Reversion	(10)	(10)	10	10		10	10	10	10
57	Reflow Commerce Lottery Distribution			4	4		4	4	4	4
58	Refund Excess Health Contributions (one-time)			25						

59	Rainy Day Fund - Transfer Out	(250)	(250)		(200)		134		
60	Debt/Economic Contingency Fund (Transfer Out)				(200) <sup>20/</sup>				
61	Deposit Mortgage Settlement				50				
62	VEI Transfer + Rate Reduction				10				
63	Judicial Transfers				6		6		
64	HITF Transfer				30				
65	Total Revenue Changes to Baseline	(260)	(260)	(162)	(91)	(7)	133	(27)	(27)
66	Ending Balance	137	123	303	242	69	0	(380)	(477)
67	Adjusted Ending Balance 9/21/	137	123	303	242	69	0	(380)	(477)
68	Potential Reserve							450	316

1/ FY 2015 represents January JLBC Baseline with 5% revenue growth, \$56 M for new school construction, and \$47 M for 2,000 prison beds.

2/ Represents JLBC FY 2015 Federal Healthcare estimates.

3/ JLBC review of Automation Fund withdrawals and \$11 M of Other Funds. Includes \$23 M in FY 2016. AHCCCS and DOR projects could potentially be funded from this allocation.

4/ Intent language to not increase capitation rates above 3%.

5/ \$4.0 M GF appropriation offset by \$3.9 M Pro Rata elimination.

6/ Funding for 500 private beds beginning January 1, 2014 and an additional 500 private beds beginning January 1, 2015. FY 2015 would reduce the baseline estimate fr

7/ 62 officers plus 41 additional officers from overtime funding.

8/ TANF Backfill/Adoption - \$34 M from Long Term Care (LTC) Fund Balance and \$9 M from DSH revenues in FY 2013. Shift to GF in FY 2014 (see footnote 9).

9/ Contingent on the overturn/repeal of Federal Health Care. \$167 M would also be available to offset ending balance shortfall.

10/ April 1 start date. Funded from LTC in FY 2013. Shift to GF in FY 2014. DHS involves an internal shift of funds.

11/ Represents K-3 reading weights with reporting requirements.

12/ Plus an additional \$1.2M from University Fee. Would require quarterly progress reports.

13/ Includes \$2.6 M plus an additional \$1.3M from Indirect Cost Fund.

14/ Partially funded from other sources.

15/ \$11.5 M for supplemental emergency grants.

16/ Intent to readdress SFB long-term funding requirements on receipt of additional demographic data and other information.

17/ \$5 M from shift from base. Statutory language requiring budget request based on performance budgeting.

18/ Intent language with a goal that parity be achieved by FY 2017.

19/ One-time payment for all uncovered employees, including employees converting by Sep. 29. Unused monies revert.

20/ Funding would be for a May 2013 buyback of debt obligations or a reserve for unexpected economic conditions and federal requirements, conditional upon JLBC approval. Would require vote of full body to repeal or redirect from these purposes.

21/ All options adjusted to use JLBC Baseline spending and revenue assumptions.

**April 30 Proposal Spending Changes by Category**

	\$ in Millions							
	FY 2012		FY 2013		FY 2014		FY 2015	
	Approp Cmte	April 30	Approp Cmte	April 30	Approp Cmte	April 30	Approp Cmte	April 30
<u>Spending Changes By Category</u>								
K-12 Education	33	44	33	89	33	81	33	25
Higher Education	-	-	-	21	-	21	-	21
Health and Welfare	-	3	14	30	14	10	14	(1)
Public Safety	-	-	-	26	-	40	-	(13)
Automation	-	-	39	20	-	20	-	20
State Employee	9	9	7	23	7	7	7	7
Debt/Rollover Elimination	143	143	6	6	-	-	-	-
Other	2	2	2	2	(0)	23	(0)	23
	<u>186</u>	<u>200</u>	<u>100</u>	<u>217</u>	<u>53</u>	<u>200</u>	<u>53</u>	<u>81</u>

**APRIL 30 PROPOSAL  
STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
WITH ONE-TIME FINANCING SOURCES**

	<b>FY 2012 Proposal</b>	<b>FY 2013 Proposal</b>	<b>FY 2014 Proposal</b>	<b>FY 2015 Proposal</b>
<b>REVENUES</b>				
Ongoing Revenues	\$8,055,262,800	\$8,489,910,300	\$9,030,924,300	\$9,461,600,500
Enacted Revenue Changes		(24,700,000)	(19,400,000)	(108,900,000)
Budget Legislation Changes		(15,345,400)	(16,780,000)	(36,780,000)
1¢ Sales Tax	894,332,700	912,794,900		
Urban Revenue Sharing	(424,423,400)	(513,584,100)	(551,392,700)	(583,043,600)
Net On-going Revenues	\$8,525,172,100	\$8,849,075,700	\$8,443,351,600	\$8,732,876,900
One-time Financing Sources				
Balance Forward	3,243,000	122,618,600	242,415,800	429,800
County Contributions	38,600,000			
Budget Legislation Changes	13,867,400	(52,000,000)		
Rainy Day Fund Transfer	(250,000,000)	(200,000,000)	134,000,000	
Fund Transfers	318,352,700	96,000,000	6,000,000	
Subtotal One-time Revenues	\$124,063,100	(\$33,381,400)	\$382,415,800	\$429,800
<b>Total Revenues</b>	<b>\$8,649,235,200</b>	<b>\$8,815,694,300</b>	<b>\$8,825,767,400</b>	<b>\$8,733,306,700</b>
<b>EXPENDITURES</b>				
Operating Budget Appropriations	\$8,296,639,600	\$8,493,006,500	\$8,729,270,200	\$9,153,274,900
FY 2012 Supplementals	775,000			
Administrative Adjustments	57,694,100	64,384,900	64,913,000	66,914,400
Reversions	(99,053,700)	(99,866,100)	(102,945,200)	(114,052,200)
Asset Sale/Lease-Back Debt Service	49,050,700	84,119,800	84,099,600	84,103,700
Subtotal Ongoing Expenditures	\$8,305,105,700	\$8,541,645,100	\$8,775,337,600	\$9,190,240,800
One-time Expenditures				
Capital Outlay		\$20,000,000	\$30,000,000	
Additional (27th) Pay Period	79,000,000			
Employee Pay		\$16,633,400		
Health Insurance Premium Holiday		(\$25,000,000)		
Statutory Reversions	29,910,200			
Automation Projects		\$20,000,000	\$20,000,000	\$20,000,000
Eliminate AHCCCS Payment Deferrals	112,600,700			
Subtotal One-time Expenditures	\$221,510,900	\$31,633,400	\$50,000,000	\$20,000,000
<b>Total Expenditures</b>	<b>\$8,526,616,600</b>	<b>\$8,573,278,500</b>	<b>\$8,825,337,600</b>	<b>\$9,210,240,800</b>
<b>Ending Balance 1/</b>	<b>\$122,618,600</b>	<b>\$242,415,800</b>	<b>\$429,800</b>	<b>(\$476,934,100) 2/</b>
<i>Structural Balance (with 1¢ TPT Increase) 3/</i>	<i>\$220,066,400</i>	<i>\$307,430,600</i>	<i>(\$331,986,000)</i>	<i>(\$457,363,900)</i>
<i>Available Reserves</i>	<i>\$250,000,000</i>	<i>\$450,000,000</i>	<i>\$316,000,000</i>	<i>\$316,000,000</i>

1/ This calculation reflects the difference between total revenues and total expenditures.

2/ \$316 million in Rainy Day Fund reserves available to offset shortfall.

3/ This calculation reflects the difference between ongoing revenues and expenditures.

**Summary of Budget Proposal**

	FY 2013		April 30		
	Baseline	Approps Comm. Change to Base	Total	Change to Base	Total
<b>Baseline Projected Balance</b>	<b>427,370,700</b>	<b>427,370,700</b>	<b>427,370,700</b>	<b>427,370,700</b>	<b>427,370,700</b>
Budget Changes					
AHCCCS	1,407,257,400	5,672,400	1,412,929,800	(9,827,600)	1,397,429,800
Community Colleges	65,942,600	-	65,942,600	-	65,942,600
Corrections	947,388,500	-	947,388,500	3,766,100	951,154,600
Economic Security	607,347,500	3,710,000	611,057,500	3,710,000	611,057,500
Education	3,408,704,900	-	3,408,704,900	55,487,200	3,464,192,100
Health Services	545,439,600	10,000,000	555,439,600	41,592,000	587,031,600
Universities	682,468,600	-	682,468,600	21,273,700	703,742,300
Other Agencies	637,702,300	5,035,400	642,737,700	27,826,000	665,528,300
Automation Projects	-	35,800,000	35,800,000	16,800,000	16,800,000
500 Max Security Beds	-	-	-	20,000,000	20,000,000
Employee Pay	-	-	-	16,633,400	16,633,400
ASRS 47/53 Retirement Shift	-	39,317,700	39,317,700	39,317,700	39,317,700
Statewide Adjustments	-	-	-	(19,785,000)	(19,785,000)
Other	54,233,600	-	54,233,600	-	54,233,600
<b>Subtotal - Spending Changes 1/</b>	<b>8,356,485,000</b>	<b>99,535,500</b>	<b>8,456,020,500</b>	<b>216,793,500</b>	<b>8,573,278,500</b>
Balance Forward	-	136,618,600	136,618,600	122,618,600	122,618,600
Base Revenue	8,783,855,700	-	8,783,855,700	-	8,783,855,700
Budget Stabilization Deposits 2/	-	-	-	(200,000,000)	(200,000,000)
Debt Reduction Deposits	-	(200,000,000)	(200,000,000)	-	-
Other Revenue	-	28,500,000	28,500,000	3,220,000	3,220,000
Fund Transfers	-	10,000,000	10,000,000	106,000,000	106,000,000
<b>Subtotal - Revenue Changes</b>		<b>(24,881,400)</b>		<b>31,838,600</b>	
<b>Ending Balance</b>	<b>427,370,700</b>	<b>302,953,800</b>	<b>302,953,800</b>	<b>242,415,800</b>	<b>242,415,800</b>

1/ End of 1) AHCCCS rollover (\$133 M) and 2) use of continuing appropriations in ending balance (\$30 M) are part of FY 2012 revisions.

2/ Plus \$250 M deposit to the Budget Stabilization Fund in FY 2012.

## Detailed List of General Fund Changes by Agency

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>OPERATING SPENDING CHANGES</b>						
DOA - Arizona Department of Administration	14,858,600		14,858,600			15,422,200
DOA - ENSCO Lease-Purchase				(1,436,400)		
DOA - White Mountain Apache Settlement					2,000,000	
OAH - Office of Administrative Hearings	811,100		811,100			811,100
AGR - Department of Agriculture	7,909,400		7,909,400			7,909,400
AXS - AHCCCS	1,363,735,000		1,476,335,700			1,397,429,800
AXS - Formula Changes				43,522,400	(17,500,000)	
AXS - Eliminate Rollover		112,600,700			5,672,400	
AXS - Breast Cancer Treatment					2,000,000	
ATT - Attorney General	16,931,500		16,931,500			22,131,500
ATT - Pro Rata Elimination/Direct Funding					4,000,000	
ATT - Cross-Border Prosecutions					1,200,000	
CPD - State Capital Postconviction Public Defender Office	688,900		688,900			0
CPD - Eliminate Office					(688,900)	
CHA - State Board for Charter Schools	750,600		750,600			750,600
COM - Arizona Commerce Authority	31,500,000		31,500,000			31,500,000
CCO - Arizona Community Colleges	71,176,100		71,176,100			65,942,600
CCO - Formula Changes				(5,233,500)		
COR - Corporation Commission	511,400		511,400			586,400
COR - Shift Health Insurance Costs				75,000		
DOC - Department of Corrections	948,188,600		948,188,600			951,154,600
DOC - Eliminate One-time Leap Year Costs				(800,100)		
DOC - Additional Correctional Officers					3,766,100	
SDB - AZ State Schools for the Deaf and the Blind	20,686,300		20,686,300			20,686,300
DES - Department of Economic Security	602,603,300		602,603,300			611,057,500

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
DES - DD Formula Changes				4,744,200		
DES - DD Provider Rates					See OF	
DES - TANF Backfill/Child Support/Perm. Guardianship					See OF	
DES - Adoption Services Caseload					See OF	
DES - CPS Funding					3,710,000	
<b>ADE - Arizona Department of Education</b>	3,436,528,700		3,436,528,700			3,464,192,100
ADE - Formula Changes				(27,823,800)	(8,199,400)	
ADE - Competitive Grants					3,000,000	
ADE - K-3 Reading					40,000,000	
ADE - CORL/Add'l Assistance Increase					15,000,000	
ADE - Teacher Certification					686,600	
ADE - Data System					5,000,000	
<b>EMA - Department of Emergency &amp; Military Affairs</b>	8,815,300		8,815,300			8,824,900
EMA - Nuclear Emergency Management - Previously Enacted				9,600		
<b>DEQ - Department of Environmental Quality</b>	7,000,000		7,000,000			7,000,000
<b>OEO - Governor's Office of Equal Opportunity</b>	187,900		187,900			187,900
<b>EQU - State Board of Equalization</b>	625,800		625,800			625,800
<b>EXE - Board of Executive Clemency</b>	790,500		790,500			826,200
EXE - Eliminate One-Time Annual Leave Payout				(13,200)		
EXE - Hourly Pay for Board					48,900	
<b>DFI - Dept of Financial Institutions</b>	2,726,600		2,726,600			2,927,000
DFI - 3 Examiner FTE Positions					200,400	
<b>BFS - Department of Fire, Building &amp; Life Safety</b>	1,693,300		1,693,300			1,693,300
<b>FOR - State Forester</b>	6,052,000		6,052,000			7,052,000
FOR - Additional Fire Suppression					1,000,000	
<b>GEO - Arizona Geological Survey</b>	865,100		865,100			865,100
<b>GOV - Office of the Governor</b>	6,601,900		6,601,900			6,601,900
<b>OSP - Gov's Ofc of Strategic Planning &amp; Budgeting</b>	1,874,200		1,874,200			1,874,200

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
DHS - Department of Health Services	494,294,800		496,794,800			587,031,600
DHS - State Hospital Funding		2,500,000			2,600,000	
DHS - Formula Changes				51,144,800		
DHS - SMI Services					38,692,000	
DHS - Rural Hospitals					300,000	
DHS - Provider Rate Adjustment					See OF	
AZH - Arizona Historical Society	4,151,100		4,151,100			4,151,100
PAZ - Prescott Historical Society	652,600		652,600			652,600
IND - Independent Redistricting Commission	3,000,000		3,000,000			1,450,000
IND - Additional Funding				(3,000,000)	1,450,000	
CIA - Arizona Commission of Indian Affairs	54,300		54,300			54,300
INS - Department of Insurance	5,184,200		5,184,200			5,184,200
SPA - Judiciary - Supreme Court	15,915,700		15,915,700			15,915,700
COA - Judiciary - Court of Appeals	13,786,300		13,786,300			13,786,300
SUP - Judiciary - Superior Court	79,083,200		79,083,200			79,083,200
DJC - Department of Juvenile Corrections	46,729,800		46,729,800			42,929,800
DJC - Population Decline/Catalina Closure				(3,800,000)		
LAN - State Land Department	1,231,800		1,231,800			1,231,800
LEM - Law Enforcement Merit System Council	70,200		70,200			70,200
Legislature						
AUD - Auditor General	16,156,000		16,156,000			17,156,000
AUD - Increased Audits					1,000,000	
HOU - House of Representatives	12,993,700		12,993,700			12,993,700
JLBC - Joint Legislative Budget Committee	2,399,900		2,399,900			2,399,900



	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>LEG - Legislative Council</b>	4,654,100		4,654,100			7,854,100
LEG - Legislative Automation Projects					3,200,000	
<b>SEN - Senate</b>	7,985,200		7,985,200			7,985,200
<b>MSL - Board of Medical Student Loans</b>	67,000		67,000			0
MSL - End of Program				(67,000)		
<b>MIN - State Mine Inspector</b>	1,185,800		1,185,800			1,185,800
<b>NAV - AZ Navigable Steam Adjudication Comm.</b>	126,900		126,900			126,900
<b>OSH - Occupational Safety &amp; Health Review Board</b>	15,000		15,000			0
OSH - Eliminate One-time Costs				(15,000)		
<b>PIO - Arizona Pioneers' Home</b>	1,603,600		1,603,600			1,603,600
<b>POS - Commission for Postsecondary Education</b>	1,396,800		1,396,800			1,396,800
<b>DPS - Department of Public Safety</b>	46,526,200		46,526,200			45,526,200
DPS - Eliminate One-Time County Assistance Grant				(1,000,000)		
DPS - Prior Year (FY 12) Retirement Increase					Other Funds	
DPS - Replace Highway Patrol Vehicles					Other Funds	
<b>RAC - Arizona Department of Racing</b>	2,781,600		2,781,600			2,029,500
RAC - Shift to Self-Funding - Previously Enacted				(1,002,100)		
RAC - Breeders' Award Funding					250,000	
<b>RAD - Radiation Regulatory Agency</b>	1,459,000		1,459,000			1,419,000
RAD - Nuclear Emergency Management - Previously Enacted				(40,000)		
<b>REA - State Real Estate Department</b>	2,656,700		2,656,700			2,917,300
REA - Audit and Investigation Staff					210,500	
REA - Hearing Attorney Staff					50,100	
<b>REV - Department of Revenue</b>	44,129,600		44,129,600			44,129,600
<b>SFB - School Facilities Board</b>	164,087,200		175,587,200			173,711,200
SFB - Administrative Costs					300,000	
SFB - New School Debt Service Change				9,324,000		

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
SFB - New Building Renewal Grants		11,500,000				
<b>SOS - Secretary of State</b>	13,309,400		15,209,400			13,224,400
SOS - Eliminate One-Time Litigation Costs				(85,000)		
SOS - CD8 Special Election		1,900,000				
<b>TAX - State Board of Tax Appeals</b>	253,400		253,400			253,400
<b>TOU - Office of Tourism</b>	0		0			7,000,000
TOU - Tourism Funding					7,000,000	
<b>DOT - Department of Transportation</b>	50,200		50,200			50,200
<b>TRE - State Treasurer</b>	1,115,100		1,115,100			1,115,100
<b>UNI - Universities</b>						
<b>UNI - Arizona Board of Regents</b>	16,926,200		16,926,200			37,199,900
UNI - Performance Funding					5,000,000	
UNI - Parity Funding/Course Redesign and Capital Improvements					15,273,700	
<b>UNI - ASU - Tempe/DPC</b>	247,742,900		247,742,900			245,712,900
UNI - Shift to ABOR Performance Funding					(2,030,000)	
<b>UNI - ASU - East Campus</b>	19,076,800		19,076,800			18,920,500
UNI - Shift to ABOR Performance Funding					(156,300)	
<b>UNI - ASU - West Campus</b>	33,159,600		33,159,600			32,887,900
UNI - Shift to ABOR Performance Funding					(271,700)	
<b>UNI - Northern Arizona University</b>	101,861,800		101,861,800			101,027,200
UNI - Shift to ABOR Performance Funding					(834,600)	
<b>UNI - UA - Main Campus</b>	208,367,000		208,367,000			206,659,600
UNI - Shift to ABOR Performance Funding					(1,707,400)	
<b>UNI - UA - Health Sciences Center</b>	55,334,300		55,334,300			61,334,300
UNI - Medical Center Funding					6,000,000	
<b>VSC - Department of Veterans' Services</b>	7,050,700		7,050,700			5,197,100
VSC - One-Time Veterans' Home Start-up				(1,853,600)		

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>WAT - Department of Water Resources</b>	5,698,300		5,698,300			11,998,300
WAT - White Mountain Apache Settlement					See ADOA	
WAT - Reverse Shift to New City Fees					6,300,000	
<b>WEI - Department of Weights &amp; Measures</b>	1,165,000		1,165,000			1,470,000
WEI - Test Truck					275,000	
WEI - Ongoing Vehicle Replacement Funding					30,000	
<b>OTH - Other</b>						
OTH - DES Ex-Appropriation	(12,300,000)		(12,300,000)	12,300,000		0
OTH - DHS Supplemental	12,300,000		12,300,000	(12,300,000)		0
OTH - Corp Comm Health Insurance Shift (Fund Transfer Offset)	75,000		75,000	(75,000)		0
OTH - IRC Supplemental	700,000		700,000	(700,000)		0
OTH - Sale/Lease-Back Lease-Purchase Payment	49,050,700		49,050,700	35,069,100		84,119,800
OTH - Civic Center Payment	0		0	5,595,000		5,595,000
OTH - Automation Projects	0		0		16,800,000	16,800,000
OTH - Additional Pay Period	79,000,000		79,000,000	(79,000,000)		0
OTH - Unallocated Lease-Purchase and Rent Adjustments	(115,400)		(115,400)	115,400		0
OTH - Unallocated Statewide Risk Management Adjustment	(1,700)		(1,700)	1,700		0
OTH - Unallocated Uncaptured Pay Reduction Savings	(11,300)		(11,300)	11,300		0
OTH - Retirement Rate Increase	0		0		9,202,800	9,202,800
OTH - Health Insurance Adjustment	0		0		(25,000,000)	(25,000,000)
OTH - AG Pro-Rata Change	0		0		(3,987,800)	(3,987,800)
OTH - Employee Pay	0		0		16,633,400	16,633,400
OTH - Reverse ASRS 47/53 Split	0	41,266,900	41,266,900		39,317,700	39,317,700
OTH - Administrative Adjustments	57,694,100		57,694,100	6,690,800		64,384,900
OTH - Revertments	(99,053,700)		(99,053,700)	(812,400)		(99,866,100)
OTH - Statutory Revertments (Eliminate Midnight Reversion)	0	29,910,200	29,910,200			0
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>8,326,938,800</b>	<b>199,677,800</b>	<b>8,526,616,600</b>	<b>29,546,200</b>	<b>196,793,500</b>	<b>8,553,278,500</b>
<b>CAPITAL SPENDING</b>						
ADOA - 500 Maximum Security ADC Beds (Approp to ADOA)	0		0		20,000,000	20,000,000
<b>TOTAL - CAPITAL SPENDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000,000</b>	<b>20,000,000</b>
<b>TOTAL - ALL SPENDING</b>	<b>8,326,938,800</b>	<b>199,677,800</b>	<b>8,526,616,600</b>	<b>29,546,200</b>	<b>216,793,500</b>	<b>8,573,278,500</b>

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>FUND TRANSFERS</b>						
<b>DOA - Arizona Department of Administration</b>						
<b>ATT - Attorney General</b>						
ATT - Mortgage Settlement (NA)					(50,000,000)	(50,000,000)
<b>CCE - Citizens Clean Elections Commission</b>						
CCE - Citizens Clean Elections Commission (NA)	0	10,000,000	10,000,000		(10,000,000)	(10,000,000)
<b>COR - Corporation Commission</b>						
COR - Public Access (OF)	0	(50,000)	(50,000)			
COR - Securities Regulatory & Enforcement (OF)	0	(25,000)	(25,000)			
<b>DEQ - Department of Environmental Quality</b>						
DEQ - Emissions Inspection (OF)	0		0		(10,000,000)	(10,000,000)
<b>SPA - Judiciary - Supreme Court</b>						
SPA - Alternative Dispute Resolution (NA)	0		0		(200,000)	(200,000)
SPA - AZ Arizona Lengthy Trial (NA)	0		0		(100,000)	(100,000)
SPA - Public Defender Training (NA)	0		0		(25,000)	(25,000)
SPA - State Aid to the Courts (OF)	0		0		(50,000)	(50,000)
<b>SUP - Judiciary - Superior Court</b>						
SUP - Criminal Justice Enhancement (OF)	0		0		(75,000)	(75,000)
SUP - Drug Treatment and Education (PA)	0		0		(150,000)	(150,000)
SUP - Judicial Collection Enhancement (OF)	0		0		(400,000)	(400,000)
SUP - Juvenile Probation Services (NA)	0		0		(5,000,000)	(5,000,000)
<b>OTH - FY 12 Enacted Fund Transfers</b>	(318,277,700)		(318,277,700)	318,277,700		
<b>TOTAL - FUND TRANSFERS</b>	<b>(318,277,700)</b>	<b>9,925,000</b>	<b>(308,352,700)</b>	<b>318,277,700</b>	<b>(106,000,000)</b>	<b>(106,000,000)</b>
<b>REVENUE CHANGES</b>						
REV - Ongoing Revenue	8,535,172,100	0	8,535,172,100	304,683,600		8,839,075,700
REV - One-Time Revenue	55,710,400	0	(194,289,600)	(107,710,400)		(129,381,400)
<b>REV - Ongoing Changes</b>						
REV - STO Credit				(4,000,000)		
REV - Additional Lottery Revenues					3,500,000	

	FY 2012 GF Current	FY 2012 Leg Alt Changes	FY 2012 GF Alt	FY 13 Baseline <u>1/</u> Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
REV - Shift Pari-Mutuel Tax to Racing					(280,000)	
<b>SUBTOTAL - Ongoing Changes</b>		0		(4,000,000)	3,220,000	
<b>REV - One-Time Changes</b>						
REV - Beginning Balance Forward					122,618,600	
REV - Rainy Day Fund Deposit		(250,000,000)			(200,000,000)	
<b>SUBTOTAL - One-Time Changes</b>		(250,000,000)		0	(77,381,400)	
<b>TOTAL - REVENUE CHANGES (INCL. FUND TRANSFERS) <u>2/</u></b>	8,909,160,200	(259,925,000)	8,649,235,200	(125,304,500)	31,838,600	8,815,694,300
<b>ENDING BALANCE</b>	582,221,400	122,618,600	122,618,600	427,370,700	242,415,800	242,415,800

1/ Represents FY 2013 Baseline cost above FY 2012 Baseline estimate.

2/ Represents all revenue changes, including fund transfers. Fund Transfers appear as negative numbers (savings) in the Fund Transfer section, but are reflected as positive numbers (revenue) in the total.

## Detailed List of Other Fund Changes by Agency

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>OPERATING SPENDING CHANGES</b>						
SBA - State Board of Accountancy	1,887,800		1,887,800			1,887,800
ACU - Acupuncture Board of Examiners	125,300		125,300			125,300
<b>DOA - Arizona Department of Administration</b>	165,894,500		166,048,500			167,196,200
DOA - HRIS COP Payment - Personnel Division Fund				(595,800)	(1,635,200)	
DOA - One-time COSF from Rosenbaum Construction				(613,300)		
DOA - Rosenbaum COSF Appropriation				600,000		
DOA - Personnel Reform		154,000			2,000,000	
DOA - Risk Management Claims					1,546,000	
OAH - Office of Administrative Hearings	14,500		14,500			14,500
<b>AGR - Department of Agriculture</b>	0		0			0
AGR - Non-Appropriated Status (L. 12, Ch. 248)				1,424,900	(1,424,900)	
<b>AXS - AHCCCS</b>	114,467,000		114,467,000			151,073,500
AXS - Formula Changes				37,841,900		
AXS - Healthcare Group Administration				(1,235,400)		
<b>APP - State Board of Appraisal</b>	755,500		755,500			755,500
<b>BAT - Board of Athletic Training</b>	101,200		101,200			101,200
<b>ATT - Attorney General</b>	39,378,600		39,378,600			35,978,600
ATT - Pro Rata Elimination/Direct Funding					(3,400,000)	
<b>ATA - Automobile Theft Authority</b>	4,273,600		4,273,600			4,273,600
<b>BAR - Board of Barbers</b>	320,700		320,700			320,700
<b>BHE - Board of Behavioral Health Examiners</b>	1,458,700		1,458,700			1,603,800
BHE - Curriculum Review					24,000	
BHE - IT Upgrades					105,600	
BHE - AG Legal Services					15,500	
<b>CPD - State Capital Postconviction Public Defender Office</b>	161,000		161,000			161,000

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>BCE - State Board of Chiropractic Examiners</b>	449,300		449,300			452,100
BCE - Private Rent Increase					2,800	
<b>ROC - Registrar of Contractors</b>	12,002,700		12,002,700			12,002,700
<b>COR - Corporation Commission</b>	23,360,700		23,360,700			25,240,900
COR - Health Insurance Shift				(75,000)		
COR - Utility Rate Hearing Costs					901,000	
COR - Securites/Public Access Shift					1,054,200	
<b>DOC - Department of Corrections</b>	50,649,100		50,649,100			44,899,100
DOC - Eliminate One-Time Radio Conversion Cost				(5,750,000)		
<b>COS - Board of Cosmetology</b>	1,742,100		1,742,100			1,742,100
<b>JUS - Arizona Criminal Justice Commission</b>	5,625,500		5,625,500			5,625,500
<b>SDB - AZ State Schools for the Deaf and the Blind</b>	12,725,500		12,725,500			13,339,900
SDB - Formula Changes				614,400		
<b>HEA - Comm for the Deaf &amp; the Hard of Hearing</b>	3,745,700		3,745,700			3,745,700
<b>DEN - Board of Dental Examiners</b>	1,183,800		1,183,800			1,183,800
<b>DES - Department of Economic Security</b>	481,257,900		481,257,900			506,946,600
DES - DD Provider Rate Increase					1,733,800	
DES - TANF Revenue Loss					(18,528,600)	
DES - TANF Backfill from LTC Fund					25,456,100	
DES - Adoption Backfill from LTC Fund					17,027,400	
<b>ADE - Arizona Department of Education</b>	56,959,300		56,959,300			56,959,300
ADE - Data System Cost				(1,200,000)	1,200,000	
<b>EMA - Department of Emergency &amp; Military Affairs</b>	132,700		132,700			132,700
<b>DEQ - Department of Environmental Quality</b>	64,926,700		64,926,700			68,226,700
DEQ - Emissions Contract Costs					1,000,000	
DEQ - Use VEI Fund for Safe Drinking Water Program					1,800,000	
DEQ - Shift Waste Program from Solid Waste Fees					(700,000)	

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
DEQ - Shift Waste Program to Recycling Fund					1,200,000	
COL - Arizona Exposition and State Fair Board	11,096,200		11,096,200			11,096,200
DFI - Dept of Financial Institutions	733,300		733,300			922,400
DFI - 3 New Loan and Mortgage Examiners					189,100	
EMB - Board of Funeral Directors and Embalmers	339,600		339,600			339,600
FIS - Arizona Game and Fish Department	39,020,900		39,020,900			38,845,900
FIS - Watercraft Licensing Revenue Realignment				(175,000)		
GAM - Department of Gaming	11,874,200		11,874,200			12,049,600
GAM - Revenue Realignment				121,100	54,300	
GOV - Office of the Governor	186,700		186,700			0
GOV - Eliminate Oil Overcharge Administration Appropriation					(186,700)	
DHS - Department of Health Services	88,753,300		88,753,300			88,730,300
DHS - End of Statutory Biotechnology Funding				(500,000)		
DHS - Provider Rate Increase					1,379,600	
DHS - Align Land Fund Expenditures with Revenue					(500,000)	
DHS - Align Licensing Expenditures with Revenue					(402,600)	
DHS - State Hospital (Shift from ASH Fund)					(1,320,200)	
DHS - State Hospital (Shift to Indirect Cost Fund)					1,320,200	
HOM - Board of Homeopathic & Integrated Medicine Examiners	105,300		105,300			107,300
HOM - Licensing Exam Development					2,000	
HOU - Department of Housing	916,900		916,900			297,500
HOU - Revenue Realignment				(619,400)		
IND - Industrial Commission	19,550,400		19,550,400			19,550,400
SPA - Judiciary - Supreme Court	27,215,500		27,215,500			27,215,500
SUP - Judiciary - Superior Court	12,460,200		12,460,200			12,460,200
DJC - Department of Juvenile Corrections	3,860,200		3,860,200			3,860,200



	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
LAN - State Land Department	14,117,600		14,117,600			14,117,600
LIQ - Department of Liquor Licenses & Control	2,815,600		2,815,600			2,815,600
LOT - Arizona State Lottery Commission	85,652,000		85,652,000			87,541,700
LOT - Adjusted Revenue Estimate				1,889,700		
MED - Arizona Medical Board	5,799,200		5,799,200			5,799,200
MSL - Board of Medical Student Loans	20,200		20,200			0
MSL - End of Program				(20,200)		
MIN - State Mine Inspector	112,500		112,500			112,500
NAT - Naturopathic Physicians Medical Board	586,000		586,000			586,000
NUR - State Board of Nursing	4,034,300		4,034,300			4,034,300
NCI - Nursing Care Inst. Administrators Board	361,700		361,700			426,000
NCI - Training Program Licensing					64,300	
OCC - Board of Occupational Therapy Examiners	161,600		161,600			161,600
DIS - State Board of Dispensing Opticians	131,100		131,100			131,100
OPT - State Board of Optometry	197,300		197,300			197,300
OST - Arizona Board of Osteopathic Examiners	698,300		698,300			698,300
SPB - Arizona State Parks Board	11,570,400		11,570,400			12,557,000
SPB - Move LEBSF to Treasurer - Previously Enacted				(2,183,800)		
SPB - Increase SPEF					2,820,400	
SPB - Net Revenue Fund Change					350,000	
PER - Personnel Board	365,200		365,200			365,200
PES - Office of Pest Management	2,700,400		2,700,400			2,000,000
PES - Revenue Realignment				(700,400)		
PHA - Arizona State Board of Pharmacy	1,918,100		1,918,100			1,918,100

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>PHY - Board of Physical Therapy Examiners</b>	364,100		364,100			364,100
<b>PIO - Arizona Pioneers' Home</b>	4,569,100		4,569,100			4,594,200
PIO - One-Time Medical Equipment Replacement					25,100	
PIO - Shift Between Miners' and Charitable Funds (\$243,200)					Yes	
<b>POD - State Board of Podiatry Examiners</b>	142,600		142,600			142,600
<b>POS - Commission for Postsecondary Education</b>	3,841,100		3,841,100			1,739,800
POS - Reduced Federal Funding					(2,101,300)	
<b>PRI - Board for Private Postsecondary Education</b>	326,600		326,600			326,600
<b>PSY - State Board of Psychologist Examiners</b>	344,000		344,000			344,000
<b>DPS - Department of Public Safety</b>	169,652,900		169,652,900			182,590,000
DPS - Vehicle Replacement					1,955,200	
DPS - Officer Retirement					9,174,600	
DPS - Shift HURF to State Highway (\$24 M)					No	
DPS - GIITEM Subaccount Grants - Including ACJC Transfer				299,700		
DPS - End of Statutory DNA Identification System Appropriation				(980,000)		
DPS - DNA Testing					2,487,600	
<b>RAC - Arizona Department of Racing</b>	1,434,300		1,434,300			2,816,400
RAC - Shift Pari-Mutuel Tax to Racing Regulatory Fund					280,000	
RAC - Shift to Self-Funding - Previously Enacted				1,102,100		
<b>RAD - Radiation Regulatory Agency</b>	761,300		761,300			825,600
RAD - Revenue Authority					10,000	
RAD - Additional X-Ray Inspector					54,300	
<b>RUC - Residential Utility Consumer Office</b>	1,289,000		1,289,000			1,289,000
<b>RES - Board of Respiratory Care Examiners</b>	306,200		306,200			257,200
RES - Eliminate One-Time Equipment Funding					(49,000)	
<b>RET - Arizona State Retirement System</b>	24,573,500		24,573,500			23,723,500
RET - Eliminate One-Time Plan Design Costs				(850,000)		

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
<b>REV - Department of Revenue</b>	23,581,800		23,581,800			26,073,000
REV - BRITS Upgrades					1,801,200	
REV - Liability Setoff Software					690,000	
<b>SOS - Secretary of State</b>	3,503,000		3,503,000			3,503,000
SOS - Additional Records Services FTEs						
<b>SBO - State Boards' Office</b>	211,600		211,600			211,600
<b>TEC - State Board of Technical Registration</b>	1,834,900		1,834,900			1,834,900
<b>DOT - Department of Transportation</b>	359,941,400		359,941,400			359,116,200
DOT - Revenue Realignment					(825,200)	
DPS - MVD from HURF to State Highway					Yes	
<b>TRE - State Treasurer</b>	2,680,800		2,680,800			4,874,700
TRE - Shift LEBSF from Parks				2,183,800		
TRE - Eliminate One-Time Retirement Study Costs				(100,000)		
TRE - Investment Analyst					110,100	
<b>UNI - Universities</b>						
<b>UNI - ASU - Tempe/DPC</b>	453,894,300		453,894,300			468,010,300
UNI - ASU Main - Enrollment Growth				14,116,000		
<b>UNI - ASU - East Campus</b>	39,572,700		39,572,700			39,924,800
UNI - ASU East - Enrollment Growth				352,100		
<b>UNI - ASU - West Campus</b>	33,878,700		33,878,700			32,930,800
UNI - ASU West - Enrollment Growth				(947,900)		
<b>UNI - Northern Arizona University</b>	97,738,900		97,738,900			99,660,700
UNI - NAU - Enrollment Growth				1,921,800		
<b>UNI - UA - Main Campus</b>	247,503,000		247,503,000			256,404,000
UNI - UA Main - Enrollment Growth				8,901,000		
<b>UNI - UA - Health Sciences Center</b>	41,154,000		41,154,000			41,786,200
UNI - UA - HSC - Enrollment Growth				632,200		
<b>VSC - Department of Veterans' Services</b>	20,625,100		20,625,100			28,457,000

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline 1/ Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
VSC - New Tucson Veterans' Home Operating Costs				7,831,900		
VME - Veterinary Medical Examining Board	455,300		455,300			455,300
WAT - Department of Water Resources	6,665,500		6,665,500			365,500
WAT - Eliminate City Fee					(6,300,000)	
WEI - Department of Weights & Measures	1,731,400		1,731,400			1,731,400
OTH - Other						
OTH - AHCCCS Supplemental	51,500,000		51,500,000	(51,500,000)		0
OTH - DHS Supplemental	33,900,000		33,900,000	(33,900,000)		0
OTH - Corp Comm Health Insurance Shift	(75,000)		(75,000)	75,000		0
OTH - Additional Pay Period	25,000,000		25,000,000	(25,000,000)		0
OTH - Unallocated Risk Statewide Adjustments	(3,000)		(3,000)	3,000		0
OTH - Unallocated Lease-Purchase and Rent Adjustments	(25,200)		(25,200)	25,200		0
OTH - Automation Projects	0		0		11,300,000	11,300,000
OTH - Federal Participation Repayment (Transfers)	0	10,400,000	10,400,000			0
OTH - Reverse ASRS 47/53 Split	0	1,454,200	1,454,200		1,454,200	1,454,200
OTH - Lease Purchase and Rent Adjustments	0		0	1,352,800	146,800	1,499,600
OTH - Retirement Increases	0		0		2,015,200	2,015,200
OTH - Employee Pay	0		0		11,695,200	11,695,200
<b>TOTAL - OPERATING SPENDING CHANGES</b>	<b>\$3,043,827,500</b>	<b>\$12,008,200</b>	<b>\$3,055,835,700</b>	<b>(\$45,657,600)</b>	<b>\$67,072,100</b>	<b>\$3,065,242,000</b>
<b>CAPITAL SPENDING CHANGES</b>						
<b>Building Renewal</b>						
Arizona Department of Administration	6,500,000		6,500,000	4,175,100	(302,500)	10,372,600
ADC Building Renewal and Preventative Maintenance	4,630,500		4,630,500			4,630,500
ADC Building Renewal \$2.5 M Transfer from Corrections Fund	0		0		Yes	0
Game & Fish Department	522,100		522,100	1,200		523,300
Arizona Lottery Commission	79,200		79,200	6,000		85,200
Arizona Department of Transportation	1,050,000		1,050,000			1,050,000
<b>New Projects</b>						
ADOT '12/'13 Statewide Highway Construction				71,080,000	(52,630,000)	18,450,000
ADOT '12/'13 Controlled Access Highways	87,859,000		87,859,000	(10,548,000)	7,243,000	84,554,000
ADOT '12/'13 Debt Service	122,119,000		122,119,000	(316,000)		121,803,000
ADOT '12/'13 Airport Planning & Development	22,300,400		22,300,400	(375,500)		21,924,900
ADOT '13 De-Icer Buildings	0		0			0

	FY 2012 OF Current	FY 2012 Leg Alt Changes	FY 2012 Alt	FY 13 Baseline <u>1/</u> Above FY 12	FY 2013 Leg Alt Chng to Baseline	FY 2013 Alt
ADOT '13 Vehicle Wash Systems	0		0			0
Game & Fish '12/'13 Property Maintenance	500,000		500,000			500,000
Game & Fish '12/'13 Dam Maintenance	500,000		500,000			500,000
Game & Fish '12/'13 Preventative Maintenance	30,000		30,000			30,000
Lottery '13 Fire Alarm Replacement	0		0		156,300	156,300
<b>TOTAL - CAPITAL SPENDING CHANGES</b>	<b>\$246,090,200</b>	<b>\$0</b>	<b>\$246,090,200</b>	<b>\$64,022,800</b>	<b>(\$45,533,200)</b>	<b>\$264,579,800</b>
<b>TOTAL - ALL OTHER FUND CHANGES</b>	<b>\$3,289,917,700</b>	<b>\$12,008,200</b>	<b>\$3,301,925,900</b>	<b>\$18,365,200</b>	<b>\$21,538,900</b>	<b>\$3,329,821,800</b>

1/ Represents FY 2013 Baseline cost above FY 2012 Baseline estimate.

## FY 2013 BUDGET RECONCILIATION BILL PROVISIONS

### Budget Procedures (SB 1525)

<b>Statewide</b>	<b>Section</b>
1. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	7
2. As session law, notwithstanding A.R.S. § 35-121 to permit annual budgets for all departments.	10
3. As session law, change the FY 2013 Capital Outlay Stabilization Fund (COSF) rental rate charged by ADOA from \$15.08/square foot to \$13.82/square foot for office space and from \$5.47/square foot to \$5.01/square foot for storage space.	8
4. As session law, notwithstanding A.R.S. § 41-792.01 to require agencies to pay rent for state-owned space based on the budgeted amounts. Includes an intent statement that rental payment calculations in FY 2014 be based on rentable square footage if there is no General Fund impact.	8
5. As permanent law, conform JLBC building status to other legislative buildings.	1,2,4,5
6. As permanent law, exempt the Arizona State Schools for the Deaf and the Blind and the Arizona Historical Society's Papago Park Museum from paying COSF rent to ADOA.	1-3, 11
7. As session law, repeal the FY 2012 provision requiring that any unexpended non-lapsing General Fund monies at the close of FY 2012 be counted as part of the General Fund balance. Provision is retroactive to June 29, 2012. Elimination of this accounting mechanism would have a projected one-time cost of \$29,910,200 in FY 2012.	6
8. As session law, require all Executive branch agencies to submit a 5-year strategic plan with their regularly scheduled FY 2014 budget request.	9
<b>Criminal Justice (HB 2860 / SB 1531)</b>	
<b>Attorney General - Department of Law</b>	
9. As session law, continue to raise the non-lapsing cap for the Collections Enforcement Fund from \$100,000 to \$500,000.	23
10. As permanent law, eliminate the AG Pro Rata charge. Allow the AG to bill agencies up to a total of \$1,906,400 from non-General Fund and non-Federal Fund sources for legal services costs.	6
<b>Capital Postconviction Public Defender Office</b>	
11. As permanent law, eliminate the Capital Postconviction Public Defender Office, returning the responsibility to the counties.	1, 2, 6, 12, 13, 24
<b>State Department of Corrections</b>	
12. As permanent law, repeal the requirement scheduled to begin in July 2012 that counties pay for the incarceration of prisoners sentenced to less than 1 year at ADC or to incarcerate them in county facilities.	14, 28
13. As permanent law, eliminate the requirement for a quality and cost review of private prison contracts.	8
14. As permanent law, merge the Transition Services Fund into the Transition Program Fund.	3-5, 26
15. As session law, repeal the requirement from the FY 2010 budget that the department issue and award a Request for Proposals (RFP) for 5,000 private beds.	15
16. As session law, require the department to award contracts by September 1, 2012 for up to 500 male medium-security beds to open on January 1, 2014 and up to 500 additional male medium-security beds to open on January 1, 2015 from the 2,000- bed RFP issued by the department on February 2, 2012. Permit department to award contracts for remainder of 2,000 beds only with legislative authorization.	27

- 17. As session law, continue to require the department to report actual FY 2012, estimated FY 2013, and requested FY 2014 expenditures as delineated in the prior year when the department submits its FY 2014 budget request pursuant to A.R.S. § 35-113. 16
- 18. As session law, continue to allow 2 ADC special funds to be used for general operations. 17
- 19. As permanent law, transfer administration of the Department of Corrections Building Renewal Fund from the ADOA Director to the ADC Director 7

**Board of Executive Clemency**

- 20. As session law, specify that members of the Board of Executive Clemency, excluding the Chairman, are paid on an hourly basis and restrict them from being eligible for paid leave or any other benefits provided to state employees. 18

**Judiciary**

- 21. As session law, continue to suspend the reporting requirements for the Annual Juvenile Intensive Probation Report, the Community Punishment Program Report, the Emancipation of Minors Report, the Annual Drug Treatment and Education Fund Report, the Annual Child Support Committee Report, and the Annual Domestic Relations Committee Report. 20
- 22. As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the counties to report on reductions in county funding as a result of the elimination of the non-supplanting provisions. 21
- 23. As session law, continue to suspend the requirement of 50% reimbursement to counties for grand jury expenses and for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings and reimburse only the amount provided in the General Appropriation Act. 22

**Department of Public Safety**

- 24. As permanent law, allow monies in the Public Safety Equipment Fund from any source to be used to purchase vehicles. 9
- 25. As permanent law, allow monies in the Crime Lab Operations Fund to be used for any department operations. 11
- 26. As permanent law, clarify that all GIITEM subaccount monies are to be distributed to local law enforcement agencies. 10
- 27. As session law, continue to suspend the schedule established by A.R.S. § 28-6537 governing the level of Highway User Revenue Fund (HURF) revenues available to fund DPS's Highway Patrol costs. 19
- 28. As session law, after July 1, 2012 deposit any monies remaining in the Photo Enforcement Fund and any new revenues in the General Fund. 25

**Environment (HB 2861 / SB 1532)**

**Arizona Department of Agriculture**

- 29. As session law, permit the Director, upon recommendation from the Agricultural Advisory Council, to continue to allow special fee authority in FY 2013. The bill includes an intent clause that limits additional revenues up to \$218,000 to the General Fund, \$113,000 to the Pesticide Trust Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. 15

**Department of Environmental Quality**

- 30. As session law, allow the department to utilize up to \$6,531,000 from a combination of the Underground Storage Tank (UST) Fund and the Regulated Substance Fund in FY 2013 for department administrative expenses. 14
- 31. As session law, continue to decrease the General Fund appropriation to the Water Quality Assurance Revolving Fund from \$15,000,000 to \$7,000,000. 18
- 32. As session law, require the department to transfer all permits relating to the ownership and operation of a wastewater plant to the applicable city or town. 12

- 33. As session law, allow \$1,800,000 of the department’s Emissions Inspection Fund monies to be spent on the Safe Drinking Water Program in FY 2013. 9
- 34. As session law, require the State Agency Fee Commission to review the department’s Vehicle Emissions Inspection fees and include a recommendation on a fee reduction and other fund uses in the December 31, 2012 report to the Governor, Speaker, and President. 20

**State Land Department**

- 35. As session law, allow the State Land Commissioner before June 30, 2013 to grant an additional extension of up to 5 years for payment of certificates of purchase for state trust land auctioned between January 1, 2004 and December 31, 2007. 11

**Arizona Navigable Stream Adjudication Commission**

- 36. As session law, continue to allow up to \$80,000 from the Risk Management Revolving Fund to be spent for the commission’s unpaid legal obligations. 17

**Arizona State Parks Board**

- 37. As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. 13
- 38. As permanent law, eliminate the State Parks Enhancement Fund, the Reservation Surcharge Revolving Fund, and the Publications and Souvenir Revolving Fund, and consolidate their revenue sources into a new appropriated State Parks Revenue Fund. Specifies monies in the fund shall not be used in a manner inconsistent with deed or lease restrictions. 1-7, 19

**Department of Water Resources**

- 39. As permanent law, repeal the municipality special fee authority. As session law, continue to allow the department non-municipality special fee authority, including an intent clause that limits additional revenue up to \$100,200. 8, 16
- 40. As session law, allow the department’s Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2013. 10

**Government (HB 2856 / SB 1527)**

**Statewide**

- 41. As permanent law, remove the November 1 biennial reporting requirement that JLBC report on eliminating state funds and converting more funds to appropriated status and replace with annual report by December 1 from JLBC on statutorily deleted and newly created funds and funds that changed appropriated status from the prior fiscal year. 2
- 42. As permanent law, establish the Automation Projects Fund which consists of monies appropriated by the Legislature. (The General Appropriation Act appropriates \$16,800,000 from the General Fund and \$11,300,000 from other state funds to the Automation Projects Fund in FY 2013 and a total of \$63,000,000 from the General Fund in FY 2014 through FY 2016.) Monies in the fund shall be used to implement information technology improvements, upon review of JLBC. 1

**Office of Administrative Hearings**

- 43. As session law, continue to suspend the requirement that the office hear appealed actions and contested cases within 60 days of the filing. 4

**Department of Emergency and Military Affairs**

- 44. As session law, continue the \$(1,100,000) reduction to the Governor’s Emergency Fund deposit in FY 2013. 1



## Health and Welfare (HB 2857 / SB 1528)

### Arizona Department of Administration

45. As session law, continue to prohibit implementation of a differentiated health insurance premium in FY 2013 based on the integrated or non-integrated status of the provider. 12
46. As session law, clarify that ADOA must submit a dental self-insurance plan to the JLBC for review prior to switching to self-insurance. 30

### AHCCCS

#### *Rates and Services*

47. As session law, continue to set AHCCCS ambulance reimbursement rates at 68.59% of the DHS approved rates from October 1, 2012 to September 30, 2013. 18
48. As permanent law, eliminate requirement that AHCCCS reimburse ambulance providers in proportion to DHS-set rates. 3
49. As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. 21
50. As session law, allow AHCCCS not to adjust outpatient hospital fee schedules by inflation in the contract year beginning October 1, 2012. 19
51. As session law, allow AHCCCS to continue the 5% reduction in payments for institutional and noninstitutional services in the contract year beginning October 1, 2012. 20
52. As session law, state that it is the intent of the Legislature that AHCCCS not increase capitation rates more than 3% in FY 2014 and FY 2015. 35
53. As session law, state that it is the intent of the Legislature that AHCCCS revise its rules to eliminate adjustments to outpatient hospital fee schedule rates by any inflation index. 34
54. As permanent law, expand AHCCCS coverage to all women under age 65 with an income at or below 250% of the federal poverty level who are diagnosed with breast or cervical cancer by a provider recognized by Well Women Healthcheck program. 4
55. As session law, require AHCCCS to monitor contractor compliance and performance requirements in the provision of covered dental services to eligible members. 31

#### *Counties*

56. As session law, set FY 2013 county Arizona Long Term Care System (ALTCS) contributions at \$243,220,500. 9
57. As session law, set the County Acute Care contribution at \$48,225,500. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. 15
58. As session law, require AHCCCS to transfer any excess monies back to the counties by December 31, 2013 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. 14
59. As session law, require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations. 16
60. As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations. 17

#### *Hospitals*

61. As session law, establish FY 2013 disproportionate share distributions to the Maricopa County Hospital District, the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. 13
62. As session law, continue to permit local governments, tribal governments, and universities to contribute state match monies for disproportionate share hospital payments in FY 2013. 13
63. As session law, require AHCCCS to deposit \$8,541,400 into DES' Long Term Care System Fund if Maricopa County Hospital District certifies more than \$55,507,900 for disproportionate share hospital expenses in FY 2012. Retroactive to May 31, 2012. 6
64. As session law, limit the disproportionate share payment attributed to Maricopa County Special Health District in FY 2012 and FY 2013 to \$89,877,700. 6, 13

*Erroneous Payments*

65. As session law, continue to state that it is the intent of the Legislature that AHCCCS comply with the Federal False Claims Act, achieve the maximum savings as possible under the federal act, and continue to consider best available technologies to consider fraud. 33
66. As session law, permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Subject to legislative appropriation, any credits received may be used to pay for the AHCCCS program in the year they are received. 22

*Available Funding*

67. As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available funding. 32
68. As session law, repeal Section 34 of the FY 2012 Health BRB (Laws 2011, Chapter 31) which allows AHCCCS to notwithstanding any other law and exempts AHCCCS from rule making authority to implement a program within its available funding through the effective date of the act. Requires any provisions enacted using the authority provided in section 34 of the FY 2012 Health BRB be permanently authorized by December 31, 2013 in order for the provisions to continue beyond that date. 7, 8
69. As session law, authorize AHCCCS to apply for additional federal funding through January 1, 2014 for trauma centers, emergency departments, and rural hospitals. Provides a rule making exemption for this provision through October 1, 2012. 23
70. As session law, exempt AHCCCS from rule making procedures through October 1, 2012 for the reimbursement methodology for community health centers prescription drug costs. 24
71. As session law, exempt AHCCCS from rule making procedures through December 31, 2012 to revise AHCCCS ambulance provider rates. 25

*Reconciliation Payments*

72. As permanent law, require AHCCCS to deposit reconciliation payments or penalties against program contractors or health plans into the General Fund or the fund from which the appropriation was originally made. Prohibit these payments or penalties from being credited against future payments to the program contractor or health plan. 1

**Department of Economic Security**

73. As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable cause to believe that the recipient uses illegal drugs. 29
74. As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to JLBC within 15 days of any change in levels. 28
75. As session law, allow use of Long Term Care System Fund for any DES operational or programmatic expenses in FY 2013. 27

**Department of Health Services**

76. As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2013. Allows counties to use any source of county revenue to make the transfers. 11
77. As session law, continue to require counties to pay 50% of the cost of treatment and confinement for sexually violent persons. Allow counties to use any source of county revenue to make the transfers and exempt county contributions from county expenditure limitations. 10
78. As permanent law, require DHS to deposit reconciliation payments or penalties against program contractors or health plans into the General Fund or the fund from which the appropriation was originally made. Prohibit these payments or penalties from being credited against future payments to the program contractor or health plan. 1
79. As permanent law, require DHS to report annually on behavioral health demographics, utilization and expenditures beginning October 1, 2013. Require that the Directors of the Joint Legislative Budget Committee and the Office of Strategic Planning and Budgeting agree to the content of the report by August 1, 2012. 5
80. As session law, notwithstanding A.R.S. § 36-773 to permit DHS to use Tobacco Tax and Health Care Fund - Health Research Account for Alzheimer's disease research. 26
81. As permanent law, remove the \$40 cap for the second test administered by the Newborn Screening Program. 2

## Higher Education (HB 2859 / SB I530)

### Arizona Community Colleges

82. As session law, continue to suspend capital outlay funding for FY 2013. 7
83. As session law, continue to notwithstanding the 20% cap to the community college districts' ability to use capital outlay monies for operating. 8
84. As permanent law, eliminate the requirement that community college districts present quarterly appropriated funding requests to the Department of Administration. 1
85. As permanent law, allow provisional community college districts to receive Proposition 301 Workforce Development monies directly without having their shares flow through non-provisional districts. 2, 5
86. As permanent law, limits tribal community college districts that are able to receive 10%, up to \$1,750,000, of Transaction Privilege Tax revenues to those in a tribe that enters into an initial compact with the Governor prior to September 1, 2012. 6

### Universities

87. As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). 9
88. As permanent law, require ABOR and the universities to adopt a performance funding model by July 1, 2012 and require the universities to base their annual budget requests on the adopted performance funding model. 3

### Board of Medical Student Loans

89. As permanent law, transfer all Medical Student Loan Fund balances and revenues to the Primary Care Loan Repayment Program, which is administered by the Department of Health Services. 4

## K-12 Education (HB 2858 / SB I529)

### Department of Education

#### *Formula Requirements*

90. As permanent law, increase by 2.0% the transportation funding levels prescribed in A.R.S. § 15-945A5 and the charter school "Additional Assistance" amounts prescribed in A.R.S. § 15-185B4. 1, 7
91. As permanent law, maintain at \$3,267.72 for FY 2013 the per pupil "base level" amount prescribed in A.R.S. § 15-901B2 (unchanged from FY 2012). 5

#### *Funding Formula Changes*

92. As session law, reduce school districts' Soft Capital funding by \$158,120,700. (In FY 2012, Soft Capital funding was reduced by \$188,120,700, but \$30,000,000 of that reduction is being shifted to the Capital Outlay Revenue Limit (CORL) for FY 2013 because of declining Soft Capital formula totals.) As session law, reduce Soft Capital funding to school districts that do not receive state aid for FY 2013 by the amount that would be reduced if they did qualify for state aid for FY 2013. 13
93. As session law, reduce charter school Additional Assistance funding by \$15,656,000 below the level that otherwise would be funded pursuant to A.R.S. § 15-185B4. This reduction is \$2,000,000 less than last year. 11
94. As session law, reduce school district's CORL funding by \$80,864,800. (In FY 2012, CORL funding was reduced by \$63,864,800, but that amount is being increased by \$30,000,000 for FY 2013 in order to offset a corresponding decrease in the Soft Capital reduction for FY 2013, as described above. This adjustment was then adjusted downward by \$13,000,000 to increase state aid.) As session law, continue to reduce CORL funding to school districts that do not receive state aid for FY 2013 by the amount that would be reduced if they did qualify for state aid for FY 2013. 17

95. As session law, continue to cap total combined Soft Capital and CORL reductions for school districts with a student count of fewer than 1,100 pupils at \$5,000,000.	18
96. As session law, continue to fund state aid for Joint Technological Education Districts (JTEDs) in FY 2013 at 91% of the formula requirement.	12
<i>K-3 Reading</i>	
97. As permanent law, establish a K-3 reading program and new K-3 reading formula funding weight to improve the reading proficiency of pupils in grades K-3. Requires all school districts and charter schools to 1) submit a plan and data for their K-3 reading program to the State Board of Education annually by October 1, and 2) use monies generated by the new K-3 reading formula funding weight only on K-3 reading programs. Also requires school districts and charter schools with a letter grade of “C, D or F” or with more than 10% of their 3 <sup>rd</sup> graders reading “far below” the 3 <sup>rd</sup> grade level to receive State Board of Education approval of their program plan before receiving program funding.	2, 5, 6
<i>Other</i>	
98. As session law, continue to suspend new funding for the Early Graduation program, but continue to fund existing students with available fund balances.	14
99. As session law, continue to require community colleges and universities to transfer \$6 per pupil to ADE by December 1, 2012 for deposit into the Education Learning and Accountability Fund.	19
100. As permanent law, make the Education Learning and Accountability Fund subject to appropriation only for non-state General Fund monies.	3
101. As permanent law, allow JTEDs to fund 8 <sup>th</sup> Grade pupils with monies generated by the 5¢ JTED Qualifying Tax Rate.	4

**School Facilities Board**

102. As permanent law, include district-owned space that is leased to another entity, including a district-sponsored charter school, in the total square footage used when computing whether a district has a space deficiency and whether it is entitled to New School Facilities Fund funding.	8, 10
103. As permanent law, prohibit a school district from using building renewal grant funding on any project in a building, or part of a building, that is being leased to another entity, including a district-sponsored charter school.	9
104. As session law, continue to prohibit the School Facilities Board (SFB) from authorizing or awarding funding for the design or construction of any new school facility or for school site acquisition in FY 2013. Continue to require school districts to submit capital plans annually in FY 2013 and permit SFB to review and award new school facilities, subject to future appropriations. Includes legislative intent to evaluate long-term funding for new school facilities on review of additional demographic and other information submitted in school district capital plans.	15
105. As session law, continue to suspend the Building Renewal Fund formula for FY 2013.	16

**Revenues (SB I526)**

**Arizona State Lottery Commission**

106. As permanent law, eliminate outdated references to a distribution to the Arizona Commerce Authority, conforming to the intent of the 2011 Jobs Bill.	3-5
107. As permanent law, reorganize the annual distribution of \$3,500,000 made from the Lottery Fund to the Arizona Competes Fund, so that the distribution occurs after the General Fund has received its statutory limit.	6
108. As permanent law, conform statutory references to new State Lottery Commission section numbers that become effective July 1, 2012.	7, 8, 10, 11, 13, 14, 17-22

**Registrar of Contractors**

109. As session law, continue to allow 14% of prior fiscal year revenues from the Residential Contractors’ Recovery Fund to be used for employee and contracted services, equipment, and for operational costs, rather than 10% of the fund balance.	27
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**Department of Insurance**

110. As session law, continue to notwithstanding the provision that fees collected by the department fall between 95% and 110% of the department's appropriation. 28

**Office of Pest Management**

111. As session law, continue the FY 2012 fee raising authority in FY 2013 for the Office of Pest Management. The bill would add an intent clause that limits additional revenues to \$525,000. 24

**Department of Racing**

112. As permanent law, the Department of Racing is authorized to accept donations and grants for deposit into the Racing Regulation Fund. 2

113. As permanent law, deposit pari-mutuel taxes from wagering at horse and dog racing facilities into the Racing Regulation Fund instead of the General Fund. 1, 2

114. As session law, continue the FY 2012 rulemaking exemption relating to establishing fees for the Department of Racing until the end of FY 2013. 23

**Department of Real Estate**

115. As permanent law, allow the Department of Real Estate to set fees for licensing real estate school and instructors by rule. Exempts the department from rulemaking related to these fees in FY 2013. 12, 29

**Radiation Regulatory Agency**

116. As session law, continue the FY 2012 fee raising authority in FY 2013 for the Radiation Regulatory Agency. The bill would add an intent clause that limits additional revenues to \$561,000. 24

**Office of Tourism**

117. As permanent law, eliminate the Tourism Funding Formula in A.R.S. § 42-5029. Statute currently contains the formula, but specifies it is inactive until legislative authorization is given to reactivate the formula. 9, 15, 16

**Revenues**

118. As session law, notwithstanding the requirements for any deposit to or withdrawals from the Budget Stabilization Fund through FY 2015. 25

119. As session law, allow counties to use any source of county revenue to meet a county fiscal obligation for FY 2013. Requires counties using this authority to report to the Director of JLBC on the intended amount and sources of funds by October 1, 2012. 26

**General Appropriation Act Provisions (HB 2852 / SB 1523)****Statewide**

120. Appropriates funding in FY 2013 to return the ASRS employer/employee retirement share to 50/50. The FY 2013 funding for the Arizona Department of Education is included in the ADE section of the bill. 132

121. Repeal requirement to reduce agency appropriations due to adoption of an enhanced state employee health savings account option. The enhanced option did not generate the projected level of savings. 3

122. Reduce FTE ceilings for all agencies with more than 100 FTE Positions to level not exceeding 10% vacancy rate. 5-105 (selected)

123. Ex-appropriates (reduces) funding in FY 2013 to eliminate the General Fund portion of the Attorney General pro rata adjustment. Specifies agency Other Fund charges totaling \$1,906,400 for Attorney General services. (See *Criminal Justice BRB for other statutory changes.*) 132

124. Appropriates \$16,633,400 from the General Fund and \$11,695,200 from Other Appropriated Funds in FY 2013 to fund a one-time critical retention payment for all state employees who are uncovered as of September 28, 2012. Allocation will be determined by JLBC Staff based on report from ADOA to JLBC by October 15, 2012 on the number of employees awarded a retention payment by fund source and the total amount of retention payments by fund source for each agency. Requires any non-distributed retention payments to revert to the fund of origin. 133t

**Arizona Department of Administration**

125. Extends ADOA’s authority to negotiate and settle with the federal government debts incurred due to fund transfers from the Health Insurance Trust Fund in FY 2012 through the end of FY 2013. 2
126. Requires the agency to forego collecting health insurance premiums, including employer, employee and retiree contributions, so as to generate \$25,000,000 in General Fund employer contribution savings. 135
127. Appropriate \$2,000,000 from the General Fund in FY 2013 to comply with the White Mountain Apache water rights claims. 119
128. Appropriate \$154,000 in FY 2012 and \$2,000,000 in FY 2013 from the Personnel Division Fund for implementation of the state personnel system contingent upon enactment of legislation to create a new state personnel system. 106
129. Appropriate \$10,400,000 from the Risk Management Fund in FY 2012 to settle with the federal government any debts incurred due to disallowed fund transfers and expenditures of federal participation monies in FY 2010 and FY 2011. Requires the agency to report its expenditure plan to JLBC. 107

**AHCCCS**

130. Eliminates the requirement from the FY 2012 General Appropriation Act for AHCCCS to defer \$344,201,700 in total capitation payments (approximately \$118,000,000 from the General Fund) in FY 2012. Eliminates the FY 2013 appropriation for \$344,344,800 in FY 2013 which includes the payment for the FY 2012 deferral and interest. 1
131. Appropriate \$112,600,700 General Fund and \$372,544,100 in matching federal expenditure authority in FY 2012; this appropriation will fund the elimination of the payment deferral. Appropriate \$51,500,000 from the Prescription Drug Rebate Fund in FY 2012 for supplemental costs. 108
132. Requires AHCCCS to transfer up to \$1,364,300 in FY 2012 to the Attorney General’s office for costs associated with tobacco settlement litigation. 109
133. Require AHCCCS to report to JLBC Director by January 7, 2013 on total Medicaid reconciliation payments and penalties received by that date since July 1, 2012. Require AHCCCS to report on June 30, 2013 the same information for all of FY 2013. 126
134. Appropriates any monies for Graduate Medical Education (GME) received in FY 2013 by AHCCCS, including any Federal matching monies, above \$90,977,300 to AHCCCS. Requires AHCCCS to notify JLBC and OSPB of the amount of monies to be expended. 10
135. Appropriates any monies for disproportionate share (DSH) payments received in FY 2013 by AHCCCS from political subdivisions, tribal governments, and universities and Federal matching monies, above \$28,457,100 to AHCCCS. Requires AHCCCS to notify JLBC and OSPB of the amount of monies to be expended. 10

**Department of Economic Security**

136. As session law, continue the \$35,000,000 payment deferral to providers from FY 2013 to FY 2014. Appropriate \$35,000,000 in FY 2014 for these deferred payments. 129
137. As session law footnote, require department to revert Long Term Care System Fund monies dollar for dollar for Temporary Assistance for Needy Families (TANF) Block Grant monies received above \$220,775,800 including the beginning balance. Require the department to notify JLBC and OSPB of amount of monies unexpended under this provision. 28

**Department of Education**

138. As session law, continue to defer \$952,627,700 in Basic State Aid payments for FY 2013 until FY 2014. Appropriate \$952,627,700 in FY 2014 for these deferred Basic State Aid payments. Allow the State Board of Education to make the rollover payment no later than August 29, 2013. 130

- 139. As session law, continue to require school districts to include in the FY 2013 revenue estimates that they use for computing their FY 2013 tax rates the rollover monies that they will receive for FY 2013 in July or August 2013. 130
- 140. As session law footnote, require the State Board of Education in collaboration with the department to report quarterly on its progress in implementing the Education Learning and Accountability (information technology) System, including an assessment of progress from an independent third party not affiliated with state government 29
- 141. As session law footnote, permit the State Board of Education to spend \$1,500,000 of the amount appropriated for K-3 reading on technical assistance and state level administration, including 2 FTE Positions. 29

**Department of Health Services**

- 142. Permit the Department of Health Services (DHS) to use monies in the IGA and ISA Fund as state Medicaid match for behavioral health services. Requires report to JLBC Director on match details prior to expenditure. 114
- 143. Require DHS to report to JLBC Director by January 7, 2013 on total Medicaid reconciliation payments and penalties received by that date since July 1, 2012. Require DHS to report on June 30, 2013 the same information for all of FY 2013. 126
- 144. Appropriate \$2,500,000 from the General Fund in FY 2012 for operating expenses at the Arizona State Hospital. 113
- 145. Appropriate \$300,000 from the General Fund in FY 2013 for distributions to hospitals meeting specified criteria for emergency department and trauma services. 121
- 146. Appropriate \$1,379,600 from the Long Term Care System Fund for agency services and \$2,692,800 from matching Federal monies in FY 2013 to increase behavioral health provider reimbursement by 2% beginning April 1, 2013. 122

**Independent Redistricting Commission**

- 147. Appropriate \$1,450,000 from the General Fund in FY 2013 for operating expenses. Permit the commission to use the appropriation for the payment of FY 2012 obligations. Exempt appropriation from lapsing except that all monies remaining unexpended and unencumbered after payment of fees, costs and expenses of the commission revert to the General Fund. 123

**School Facilities Board**

- 148. Appropriate an additional \$11,500,000 from the General Fund in FY 2012 for the Building Renewal Grant program. 115

**Secretary of State**

- 149. Appropriate \$1,900,000 from the General Fund in FY 2012 for the 8<sup>th</sup> Congressional District special elections. 118
- 150. As session law, make FY 2012 General Fund appropriation of \$651,400 for library grants-in-aid non-lapsing. 117

**Universities**

- 151. As session law, continue the \$200,000,000 universitywide payment deferral to the universities from FY 2013 to FY 2014. Appropriate \$200,000,000 in FY 2014 for these deferred payments. 131

**Automation Projects Fund**

- 152. Appropriate \$16,800,000 from the General Fund and \$11,300,000 from Other Appropriated Funds in FY 2013, \$20,000,000 from the General Fund in both FY 2014 and FY 2015, and \$23,000,000 from the General Fund in FY 2016 to the Automation Projects Fund for unspecified information technology projects. Government BRB language requires JLBC review of any expenditures from the Automation Projects Fund. 124

**Budget Stabilization Fund**

- 153. Appropriate \$250,000,000 in FY 2012 and an additional \$200,000,000 in FY 2013 from the General Fund to the Budget Stabilization Fund. 116

**National Mortgage Settlement**

154. As session law, require the Attorney General to direct \$50,000,000 of the funds received in the National Mortgage Settlement to the state General Fund by June 30, 2013. State legislative intent regarding use of deposited General Fund monies. 128

**Capital Outlay (HB 2853 / SB I524)**

**Department of Administration**

155. Appropriate \$20,000,000 in FY 2013 and an additional \$30,000,000 in FY 2014 from the General Fund to the department for the construction of 500 male maximum-security prison beds. 6

**Department of Health Services**

156. Allocate \$1,700,000 of the Arizona Department of Administration's FY 2013 \$10,372,600 Building Renewal appropriation to purchase a generator for Arizona State Hospital. 1



**FY 2013 Full-Time Equivalent Positions under Budget Proposal**

	FY 2012 Appropriated FTE Ceiling	Filled FTE as of Sept. 1, 2011	Current Vacancy Rate	As Introduced FTE Ceiling*	Alt FTE Policy Changes	Alt FTE Technical Changes	Alt FTE Ceiling	Alt FTE Changes relative to FY 12
<b><u>BUDGET UNITS</u></b>								
Accountancy, State Board of	13.0	12.0	7.7%	13.0			13.0	0.0
Acupuncture Board of Examiners	1.0	1.0	0.0%	1.0			1.0	0.0
Administration, Arizona Department of	689.7	459.1	33.4%	510.1		18.0	528.1	(161.6)
Capital Outlay	5.0	2.5	50.0%	5.0			5.0	0.0
Administrative Hearings, Office of	12.0	12.0	0.0%	12.0			12.0	0.0
Agriculture, Arizona Department of	166.7	131.3	21.2%	161.0			161.0	(5.7)
AHCCCS <u>1/</u>	1,375.6	929.1	32.5%	1,032.3			1,032.3	(343.3)
AHCCCS - DES <u>1/ 2/</u>	1,599.8	1,066.5	33.3%	1,185.0			1,185.0	(414.8)
Appraisal, State Board of	5.5	5.0	9.1%	5.5			5.5	0.0
Athletic Training, Board of	1.5	1.5	0.0%	1.5			1.5	0.0
Attorney General - Department of Law	592.9	431.7	27.2%	478.7	61.3	7.9	547.9	(45.0)
Automobile Theft Authority	6.0	4.0	33.3%	6.0			6.0	0.0
Barbers, Board of	4.0	3.8 <u>3/</u>	5.0%	4.0			4.0	0.0
Behavioral Health Examiners, Board of	17.0	14.0	17.6%	17.0			17.0	0.0
Capital Postconviction Public Defender Office, State	7.0	4.5	35.7%	7.0	(7.0)		0.0	(7.0)
Charter Schools, State Board for	9.0	7.0	22.2%	9.0			9.0	0.0
Chiropractic Examiners, State Board of	5.0	4.0	20.0%	5.0			5.0	0.0
Commerce Authority, Arizona	0.0	0.0	-	0.0			0.0	0.0
Community Colleges, Arizona	0.0	0.0	-	0.0			0.0	0.0
Contractors, Registrar of	144.8	95.0	34.4%	105.6			105.6	(39.2)
Corporation Commission	308.3	255.6	17.1%	283.9	14.0		297.9	(10.4)
Corrections, State Department of	10,015.2	9,836.2	1.8%	10,015.2	103.0		10,118.2	103.0
Cosmetology, Board of	24.5	16.1 <u>3/</u>	34.3%	24.5			24.5	0.0
Criminal Justice Commission, AZ	8.0	7.0	12.5%	8.0			8.0	0.0
Deaf & the Blind, AZ State Schools for the	572.2	487.1	14.9%	541.2			541.2	(31.0)
Deaf and the Hard of Hearing, Commission for the	15.0	13.0	13.3%	15.0			15.0	0.0
Dental Examiners, State Board of	11.0	9.0	18.2%	11.0			11.0	0.0
Economic Security, Department of <u>4/</u>	5,473.4	4,885.1 <u>5/</u>	10.7%	4,086.3		1,367.2	5,453.5	(19.9)
Education, Department of	192.5	125.2	35.0%	139.1	4.0	29.3	171.4	(21.1)
Emergency and Military Affairs, Department of	83.6	60.1	28.1%	61.1			61.1	(22.5)
Environmental Quality, Department of	467.4	222.7	52.3%	247.5	22.8	51.7	322.0	(145.4)
Equal Opportunity, Governor's Office of	4.0	2.0	49.3%	4.0			4.0	0.0
Equalization, State Board of	7.0	3.0 <u>3/</u>	57.1%	7.0			7.0	0.0
Executive Clemency, Board of	14.0	7.0	50.0%	14.0			14.0	0.0

	FY 2012 Appropriated FTE Ceiling	Filled FTE as of Sept. 1, 2011	Current Vacancy Rate	As Introduced FTE Ceiling*	Alt FTE Policy Changes	Alt FTE Technical Changes	Alt FTE Ceiling	Alt FTE Changes relative to FY 12
<b><u>BUDGET UNITS</u></b>								
Exposition & State Fair Board, AZ	184.0	103.3	43.9%	184.0			184.0	0.0
Financial Institutions, State Department of	55.1	41.0	25.6%	55.1	3.0		58.1	3.0
Fire, Building and Life Safety, Department of	47.0	22.1	53.0%	47.0			47.0	0.0
Forester, State	52.0	39.0	25.0%	52.0			52.0	0.0
Funeral Directors & Embalmers, State Board of	4.0	3.0	25.0%	4.0			4.0	0.0
Game and Fish Department, Arizona	273.5	249.3	8.8%	273.5			273.5	0.0
Gaming, Department of	123.0	103.8	15.7%	115.3			115.3	(7.7)
Geological Survey, Arizona	10.3	8.2	20.4%	10.3			10.3	0.0
Governor's Office of Strategic Planning & Budgeting	22.0	18.0	18.2%	22.0			22.0	0.0
Health Services, Department of <u>6/</u>	1,632.1	1,059.0 <u>3/</u>	35.1%	1,176.7			1,176.7	(455.4)
Historical Society, Arizona	51.9	36.6	29.5%	51.9			51.9	0.0
Historical Society of AZ, Prescott	13.0	10.0	23.1%	13.0			13.0	0.0
Homeopathic & Integrated Medicine Examrs., Bd. of	1.0	1.0	0.0%	1.0			1.0	0.0
Housing, Department of	11.0	11.0	0.0%	3.0			3.0	(8.0)
Indian Affairs, AZ Commission of	3.0	1.0	66.7%	3.0			3.0	0.0
Industrial Commission of Arizona	279.0	212.1	24.0%	235.6			235.6	(43.4)
Insurance, Department of	90.5	58.5	35.4%	90.5			90.5	0.0
Judiciary								
Supreme Court	169.0	153.7	9.1%	169.0			169.0	0.0
Court of Appeals	134.8	129.1	4.2%	134.8			134.8	0.0
Superior Court	<u>136.5</u>	<u>128.1</u>	<u>6.2%</u>	<u>136.5</u>			<u>136.5</u>	<u>0.0</u>
SUBTOTAL - Judiciary	440.3	410.9	6.7%	440.3			440.3	0.0
Juvenile Corrections, Department of	1,001.7	592.0	40.9%	601.8		136.7	738.5	(263.2)
Land Department, State	152.9	113.2	26.0%	125.7			125.7	(27.2)
Law Enforcement Merit System Council	1.0	0.8	17.0%	1.0			1.0	0.0
Legislature								
Auditor General	199.4	166.3	16.6%	184.8			184.8	(14.6)
Joint Legislative Budget Committee	29.0	19.5	32.8%	29.0			29.0	0.0
Legislative Council	<u>42.8</u>	<u>39.8</u>	<u>7.1%</u>	<u>42.8</u>			<u>42.8</u>	<u>0.0</u>
SUBTOTAL - Legislature	271.2	225.6	16.8%	256.6			256.6	(14.6)
Liquor Licenses & Control, Department of	45.2	27.6	38.8%	45.2			45.2	0.0
Lottery Commission, Arizona State	104.0	88.0	15.4%	97.8			97.8	(6.2)
Medical Board, AZ	58.5	33.8	42.3%	58.5			58.5	0.0
Mine Inspector, State	14.0	13.0	7.1%	14.0			14.0	0.0
Naturopathic Physicians Medical Board	7.0	6.8	3.6%	7.0			7.0	0.0
Navigable Stream Adjudication Commission, AZ	2.0	1.0	50.0%	2.0			2.0	0.0

	FY 2012 Appropriated FTE Ceiling	Filled FTE as of Sept. 1, 2011	Current Vacancy Rate	As Introduced FTE Ceiling*	Alt FTE Policy Changes	Alt FTE Technical Changes	Alt FTE Ceiling	Alt FTE Changes relative to FY 12
<b><u>BUDGET UNITS</u></b>								
Nursing, State Board of	40.2	42.5	-5.8%	40.2			40.2	0.0
Nursing Care Institution of Administrators, Bd	5.0	3.0 3/	40.0%	6.0			6.0	1.0
Occupational Therapy Examiners, Board of	1.5	1.5	0.0%	1.5			1.5	0.0
Opticians, State Board of Dispensing	1.0	1.0	0.0%	1.0			1.0	0.0
Optometry, State Board of	2.0	2.0 3/	0.0%	2.0			2.0	0.0
Osteopathic Examiners, AZ Board of	6.7	4.5	32.8%	6.7			6.7	0.0
Parks Board, Arizona State	232.3	128.2	44.8%	142.5	20.5		163.0	(69.3)
Personnel Board	3.0	2.0	33.3%	3.0			3.0	0.0
Pest Management, Office of	40.0	18.0	55.0%	30.0			30.0	(10.0)
Pharmacy, AZ State Board of	18.0	14.0	22.2%	18.0			18.0	0.0
Physical Therapy Examiners, Board of	3.8	3.5	7.9%	3.8			3.8	0.0
Pioneers' Home, AZ	115.8	95.7 3/	17.4%	106.3			106.3	(9.5)
Podiatry Examiners, State Board of	1.0	1.0 3/	0.0%	1.0			1.0	0.0
Postsecondary Education, Commission of	5.0	5.0	0.0%	5.0			5.0	0.0
Private Postsecondary Education, Board for	4.0	2.8	30.0%	4.0			4.0	0.0
Psychologist Examiners, State Board of	4.0	3.0	25.0%	4.0			4.0	0.0
Public Safety, Department of	2,139.8	1,713.3	19.9%	1,903.7			1,903.7	(236.1)
Racing, Arizona Department of	40.5	17.6 3/	56.5%	40.5			40.5	0.0
Radiation Regulatory Agency	32.5	18.0	44.6%	28.0		1.0	29.0	(3.5)
Real Estate Department, State	55.0	31.0	43.6%	55.0	4.0		59.0	4.0
Residential Utility Consumer Office	11.0	8.0 3/	27.3%	11.0			11.0	0.0
Respiratory Care Examiners, Board of	4.0	2.7 3/	32.5%	4.0			4.0	0.0
Retirement System, Arizona State	236.0	210.5	10.8%	233.9			233.9	(2.1)
Revenue, Department of	935.0	759.0	18.8%	843.3	17.0		860.3	(74.7)
School Facilities Board	17.0	10.2	39.8%	17.0			17.0	0.0
Secretary of State, Department of State	139.1	120.0 3/	13.7%	133.3		5.8	139.1	0.0
State Boards' Office	3.0	3.0	0.0%	3.0			3.0	0.0
Tax Appeals, State Board of	4.0	3.0	25.0%	4.0			4.0	0.0
Technical Registration, State Board of	23.0	19.8	14.1%	23.0			23.0	0.0
Tourism, Office of 7/	0.0	0.0	-	0.0	25.0		25.0	25.0
Transportation, Department of	4,548.0	4,138.0	9.0%	4,548.0			4,548.0	0.0
Treasurer, State	29.4	24.0	18.4%	30.4			30.4	1.0
Universities 8/								
Regents, Arizona Board of	25.9	24.4	5.8%	25.9			25.9	0.0
Arizona State University - Tempe/DPC Campus	6,097.9	5,641.3	7.5%	6,097.9			6,097.9	0.0
Arizona State University - East Campus	424.0	374.9	11.6%	416.6			416.6	(7.4)

	FY 2012 Appropriated FTE Ceiling	Filled FTE as of Sept. 1, 2011	Current Vacancy Rate	As Introduced FTE Ceiling*	Alt FTE Policy Changes	Alt FTE Technical Changes	Alt FTE Ceiling	Alt FTE Changes relative to FY 12
<b>BUDGET UNITS</b>								
Arizona State University - West Campus	562.9	542.2	3.7%	562.9			562.9	0.0
Northern Arizona University	2,057.2	1,985.1	3.5%	2,057.2			2,057.2	0.0
University of Arizona - Main Campus	5,805.5	4,828.5	16.8%	5,365.0			5,365.0	(440.5)
University of Arizona - Health Sciences Center	<u>979.1</u>	<u>930.2</u>	<u>5.0%</u>	<u>979.1</u>			<u>979.1</u>	<u>0.0</u>
SUBTOTAL - Universities	15,952.5	14,326.6	10.2%	15,504.6			15,504.6	(447.9)
Veterans' Services, Department of	500.3	256.9	<u>3/</u> 48.7%	500.3			500.3	0.0
Veterinary Medical Examining Board, AZ. State	5.5	4.5	18.2%	5.5			5.5	0.0
Water Resources, Department of	207.2	69.7	66.4%	77.5		12.5	90.0	(117.2)
Weights and Measures, Department of	36.4	30.5	16.2%	36.4			36.4	0.0
<b>TOTAL</b>	<b>52,204.3</b>	<b>44,696.6</b>	<b>14.4%</b>	<b>47,381.7</b>	<b>267.6</b>	<b>1,630.2</b>	<b>49,278.4</b>	<b>(2,925.9)</b>

\* The budget proposal would reduce agency FTE ceilings so that their vacancy factor does not exceed 10%. A 10% vacancy factor allows an agency to have 10% more FTE Positions than its number of filled positions. The proposal excludes agencies that have fewer than 100 FTE Positions and agencies that have a current vacancy rate of less than 10%.

1/ The AHCCCS lines combined include 1,568.1 FTE Positions in the FY 2012 Other Fund FTE column that are Federally funded (Medicaid funds).

2/ Assumes 33% vacancy factor given lack of available data.

3/ FTE amounts are from the ADOA September 9, 2011 payroll run.

4/ Includes 1,747.4 FTE Positions in the FY 2012 Total Appropriated FTE column funded by the Long Term Care System Fund and Federal Funds for Child Support Enforcement.

5/ Originally shown as 3,648.9 based on an assumed 33% vacancy rate.

6/ Includes 118.8 FTE Positions in the FY 2012 Total Appropriated FTE column that are Federally funded (Medicaid funds).

7/ Laws 2010, 7th Special Session, Chapter 12 suspended the Tourism Funding Formula; the agency received only non-appropriated monies in FY 2011 and FY 2012.

8/ All university FTE Positions are attributed to the General Fund, although the universities fund these positions from Other Appropriated Funds as well.