

An outline map of the state of Arizona is positioned on the left side of the page, partially overlapping the text area.

STATE OF ARIZONA

**APPROPRIATIONS
REPORT**

**For The Fiscal Year
Ending June 30, 1993**

**JOINT
LEGISLATIVE
BUDGET
COMMITTEE**

RECYCLED PAPER

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STATE OF ARIZONA
Joint Legislative Budget Committee

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INTRODUCTION

This annual Appropriations Report provides a single source document for obtaining summary and detailed information on appropriations for Fiscal Year 1993, as provided in the General Appropriation Act, Laws 1992, Chapter 1 (H.B. 2001), 9th Special Session, and other legislative acts. Also included is the economic and state revenue forecast upon which the budget was based. The summary section (yellow pages at the front of the report) incorporates the use of graphics to display the structure and direction of the Arizona state budget for Fiscal Year 1993.

This report also provides information relative to the legislative intent of appropriations. We have attempted to describe both the legal limitations or conditions ("footnotes") as well as that which was made apparent as "legislative intent" through the budget hearings.

The many state agencies are encouraged to review the contents of this Appropriations Report, and to contact the Joint Legislative Budget Committee Staff with any concerns regarding "legislative intent."

Additional information on appropriations and revenue can be obtained from the Staff of the Joint Legislative Budget Committee.

Ted Ferris,
Director and
Legislative Budget Analyst

JOINT LEGISLATIVE BUDGET COMMITTEE

The Joint Legislative Budget Committee was first established on April 25, 1966, pursuant to Laws 1966, Chapter 96. Thereafter, Laws 1979, Chapter 187 expanded and altered the Committee membership. The Committee members are:

Representative John Wettaw,
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Representative Dave McCarroll
Representative Bob McLendon
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Senator Doug Todd

The primary powers and duties of the Joint Legislative Budget Committee relate to ascertaining facts and making recommendations to the legislature regarding all facets of the state budget, state revenues and expenditures, future fiscal needs, and the organization and functions of state government.

The Joint Legislative Budget Committee appoints a Director and Chief Executive Officer who is responsible for providing staff support and sound technical analysis to the Committee. The objectives and major products of the staff of the Joint Legislative Budget Committee are:

- Analysis and Recommendations for the Annual State Budget, which are presented in January of each year;
- Technical, analytical, and preparatory support in the development of appropriations bills considered by the legislature;
- An annual Appropriations Report, which is published shortly after the budget is completed and provides detail on the budget along with a further explanation of legislative intent;
- Support to the Joint Committee on Capital Review with respect to all capital outlay issues including land acquisition, new construction, and building renewal projects.
- Preparation of fiscal notes or those bills considered by the legislature having a fiscal impact on the state or any of its political subdivisions;
- Management and Fiscal Research Reports related to state programs and state agency operations;
- Periodic economic and state revenue forecasts;
- Periodic analysis of economic activity, state budget conditions, and the relationship of one to the other.

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ALPHABETICAL INDEX OF STATE AGENCIES

	<u>Page</u>		<u>Page</u>
Accountancy, State Board of	228	Liquor Licenses & Control, Dept. of	208
Administration, Department of	1	Lottery Commission, Arizona State	57
Affirmative Action, Governor's Ofc. of	22	Medical Examiners, Board of	243
Agricultural Employment Relations Bd. ...	171	Medical Student Loans, Board of	306
Agriculture, Arizona Department of	172	Mine Inspector, State	210
AHCCCS	81	Mines & Mineral Resources, Dept. of	385
Appellate & Trial Court Appts, Comm. on ..	47	Naturopathic Phys. Bd. of Exam., State ...	245
Appraisal, State Board of	230	Northern Arizona University	315
Arizona State University - Main	311	Nursing, State Board of	246
Arizona State University - West	313	Nursing Care Inst. Admin., Bd. of Exam ...	248
Arts, Arizona Commission on the	271	Occup. Safety. & Health. Review Bd	211
Attorney General - Dept. of Law	23	Occup. Therapy Exam., Board of	250
Banking Department, State	182	Oil & Gas Conservation Commission	386
Barbers, Board of	232	Opticians, State Board of Dispensing	252
Behavioral Health Examiners, Board of ...	233	Optometry, State Board of	253
Boards Office, State	262	Osteopathic Examiners, AZ Board of	254
Boxing Commission, Arizona State	235	Pardons and Paroles, Board of	343
Building & Fire Safety, Dept. of	185	Parks Board, Arizona State	387
Chiropractic Examiners, State Board of ...	237	Personnel Board	60
Coliseum & Exposition Center Bd., AZ ...	31	Pharmacy, AZ State Board of	256
Commerce, Department of	32	Physical Therapy Examiners, Board of	257
Community Colleges, St. Bd. of Dir. for ...	272	Pioneers' Home, Arizona	164
Contractors, Registrar of	186	Podiatry Examiners, State Board of	258
Corporation Commission	188	Priv. Postsecondary Educ., State Bd. of	259
Corrections, State Department of	321	Psychologist Examiners, State Board of ...	260
Cosmetology, Board of	238	Public Safety, Department of	344
Court of Appeals	40	Racing, Arizona Department of	212
Criminal Justice Commission, AZ	336	Radiation Regulatory Agency	217
Deaf & the Blind, AZ St. School for the ..	275	Rangers' Pensions, Arizona	165
Dental Examiners, State Board of	240	Real Estate Department, State	222
Economic Security, Department of	102	Regents, Arizona Board of	307
Education, Department of	281	Residential Utility Consumer Office	223
Emergency and Military Affairs, Dept. of ..	338	Respiratory Care Examiners, Bd. of	263
Environment, Commission on the Arizona .	375	Retirement System, Arizona State	61
Environmental Quality, Dept. of	138	Revenue, Department of	63
Funeral Dir. & Embalmers, State Board of .	241	Secretary of State - Dept. of State	73
Game and Fish Department, Arizona	376	Structural Pest Control Commission.	265
Geological Survey, Arizona	382	Superior Court	42
Governor - Office of the	48	Supreme Court	37
Governor's Ofc. of Strat. Plng & Budtg ...	51	Tax Appeals, State Board of	75
Health Services, Department of	143	Technical Registration, State Board of	267
Hearing Impaired, AZ Council for the	162	Tourism, Office of	76
Historical Society, Arizona	303	Transportation, Department of	361
Historical Society of AZ, Prescott	305	Treasurer, State	78
Homeopathic Medical Examiners, Bd. of ..	242	Uniform State Laws, Commission on	80
Indian Affairs, AZ Commission of	163	University of Arizona - Main Campus	317
Industrial Commission of Arizona	198	University of Arizona - College of Med ...	319
Insurance, Department of	206	Veterans' Service Commission, Arizona ...	166
Judicial Conduct, Commission on	46	Veterinary Med. Examining Board, AZ. St .	269
Land Department, State	383	Water Resources, Department of	392
Law Enforcement Merit Syst. Council	52	Weights and Measures, Dept. of	224
Legislature	53	Youth Treatment & Rehab., Dept. of	352
Library, Arch. & Pub. Records, Dept. of ...	55		

- TABLE OF CONTENTS -

	<u>Page</u>
<u>SUMMARY OF TABLES AND GRAPHS</u>	
• General Fund -- Statement of Projected Revenues and Expenditures	TG-1
• Summary of Appropriations by Individual Chapter	TG-2
• Summary of Appropriated Funds by Agency for Fiscal Years 1992 and 1993	TG-4
• Distribution of General Fund Appropriations by Function of Government	TG-6
• Nine Largest Agencies - General Fund Dollar Change FY 1992 - FY 1993	TG-7
• Nine Largest Agencies - General Fund Percent Change FY 1992 - FY 1993	TG-7
• Summary of The General Appropriation Act by Agency for Fiscal Years 1992 and 1993	TG-8
• Distribution of The General Appropriation Act - General Fund - by Function of Government	TG-10
• Summary of the Omnibus Capital Outlay Bill and Other Bills with Capital Outlay Appropriations	TG-11
• Distribution of Capital Outlay Bills by Function of Government	TG-12
• Lease-Purchase and Bonding Summary	TG-13
• Summary of Additional Appropriations (Other Than The General Appropriation Act and All Capital Outlay Appropriations)	TG-14
• Distribution of Additional Appropriations by Function of Government	TG-15
• Summary of Federal and Other Non-Appropriated Fund Expenditures for Fiscal Years 1992 and 1993	TG-16
• Distribution of Federal and Other Non-Appropriated Funds by Function of Government	TG-26
• Summary of Total Spending Authority (Appropriated and Non-Appropriated Funds) for Fiscal Years 1992 and 1993	TG-27
• Distribution of Total State Spending Authority by Fund Source	TG-30
• Distribution of Total State Spending Authority by Function of Government	TG-30
• State Personnel Summary by Full-Time Equivalent Positions	TG-31
• State Personnel Summary - Full-Time Equivalent Positions by Function of Government	TG-33

- TABLE OF CONTENTS -

(Continued)

	<u>Page</u>
GENERAL PROVISIONS OF THE APPROPRIATION ACT	GP-1
OVERALL ISSUES IN THE FY 1993 BUDGET	GP-3
SUMMARY OF OMNIBUS RECONCILIATION BILLS	GP-5
 DETAILED APPROPRIATIONS BY AGENCY	
(See Index at Front of Report for Specific Agency Page Numbers)	
• General Government	1
• Health and Welfare	81
• Inspection and Regulation	171
• Education	271
• Protection and Safety	321
• Transportation	361
• Natural Resources	375
 APPROVED SALARY AND OTHER ADJUSTMENTS	
• General Fund	399
• Other Funds	403
• Salary Adjustment For State Employees Since FY 1984	406
• Elected Official Salaries for FY 1993	406
 ECONOMIC AND REVENUE FORECASTS	
• The U. S. Economy	407
• The Arizona Economy	415
• General Fund Revenue	422
 FY 1992 GENERAL FUND ADJUSTMENTS	
• Summary of General Fund Budgetary Adjustments	434
• FY 1992 Operating Budget - Revisions to Agency Spending Authority	437
• Summary of FY 1992 Transfers from Non-Appropriated Funds to General Fund	440

STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED REVENUES AND EXPENDITURES

	Preliminary FY 1992	Forecast FY 1993
REVENUES		
-Balance Forward	\$45,009,000	\$9,694,600
-Base Revenues	3,438,221,600	3,600,560,000
-Disproportionate Share Revenue	41,129,100	52,060,100
-Other Legislation and Adjustments	10,000,000	2,176,900
TOTAL REVENUES	\$3,534,359,700	\$3,664,491,600
EXPENDITURES		
-Operating Appropriations	3,569,486,900	\$3,668,276,400
-Capital Appropriations	3,942,700	7,335,700
-SLIM Savings	0	(3,500,000)
-Lower Rents due to 1988 C.O.P Refinancing	0	(4,107,500)
-Projected Dept. of Education Supplemental	0	3,000,000 1/
-Projected WQARF Appropriation	0	2,900,000 2/
-Administrative Adjustments and Emergencies	16,040,400	21,000,000
-Change in Continuing Appropriations	2,400,000	0
-Revertments	(67,204,900)	(41,800,000)
TOTAL EXPENDITURES	\$3,524,665,100	\$3,653,104,600
ENDING BALANCE	<u>\$9,694,600</u>	<u>\$11,387,000</u>

- 1/ The Governor vetoed a provision in S.B. 1365 which would have permitted capital gains on Permanent Land Endowment Earnings to be posted as income rather than as part of the non-expendable land endowment. The Department of Education appropriation, however, was premised on the passage of this proposal, and therefore increased endowment earnings by \$3 million and reduced the General Fund by a like amount. With the line item veto, a \$3 million supplemental requirement is projected.
- 2/ S.B. 1366 requires an annual appropriation of \$2.9 million from the General Fund to the Water Quality Assurance Revolving Fund. No other legislation, however, actually appropriated these monies. This item is listed in anticipation of such an appropriation.

SUMMARY OF APPROPRIATIONS
By Individual Chapter
Fiscal Year 1992 and Fiscal Year 1993 1/

Chapter		Bill				
Number	Number	Reference Title	Fiscal Year 1992		Fiscal Year 1993	
			General Fund	Other Funds	General Fund	Other Funds
Fortieth Legislature - Second Regular Session						
133	S.B. 1425	School of Medicine; Financial Audit	\$9,000			
138	H.B. 2006	Nuclear Emergency Appropriation and Assessment	843,000	2/		
163	H.B. 2193	Appropriation; Clifton Flood Emergency		\$1,408,000		
191	H.B. 2173	Appropriation; Indian Water Rights			\$500,000	3/
211	H.B. 2479	Appropriation; Victim Witness Program		376,300		
262	H.B. 2034	Appropriations; Modifications	33,934	4/	121,600	
271	H.B. 2351	MVD; Traffic Ticket Enforcement Program				\$50,000
279	H.B. 2597	Appropriations for Named Claimants; Judgement	262,358	48,530		5/
287	S.B. 1144	Health Care Financing				4,700,000
292	S.B. 1122	AHCCCS; Disproportionate Share Payments	28,084,400	6/	1,955,300	7/
297	H.B. 2594	Ownership of Streambeds			25,700,700	
298	S.B. 1030	Riparian Protection Program; Appropriation			200,000	
301	S.B. 1502	Mental Health Services			250,000	
SUB-TOTAL APPROPRIATIONS - 2ND REGULAR SESSION			\$29,232,692	\$3,909,730	\$26,975,400	\$4,750,000
Fortieth Legislature - Ninth Special Session						
1	H.B. 2001	General Appropriation; 1992-1993 Fiscal Year			3,493,224,900	8/
2	H.B. 2002	State Capital Outlay Appropriations			7,335,700	9/
SUB-TOTAL APPROPRIATIONS - 9TH SPECIAL SESSION			\$0	\$0	\$3,500,560,600	\$640,582,000
Fortieth Legislature - Elgth Special Session						
2	H.B. 2002	Corrections Fund				2,346,000
SUB-TOTAL APPROPRIATIONS - 8TH SPECIAL SESSION			\$0	\$0	\$0	10/
Fortieth Legislature - Seventh Special Session						
4	H.B. 2002	General Appropriations; Reductions and Changes	23,304,300	1,998,700	11/	
SUB-TOTAL APPROPRIATIONS - 7TH SPECIAL SESSION			\$23,304,300	\$1,998,700	\$0	\$0
Fortieth Legislature - Fourth Special Session						
3	H.B. 2004	AHCCCS; Disproportionate Share	0	12/	0	0
SUB-TOTAL APPROPRIATIONS - 4TH SPECIAL SESSION			\$0	\$0	\$0	\$0
Fortieth Legislature - Second Special Session						
1	S.B. 1001	AFDC Benefits; Appropriation	2,995,000			
SUB-TOTAL APPROPRIATIONS - 2ND SPECIAL SESSION			\$2,995,000	\$0	\$0	\$0

Chapter Bill

Number	Number	Reference Title	Fiscal Year 1992		Fiscal Year 1993	
			General Fund	Other Funds	General Fund	Other Funds
Fortieth Legislature - First Regular Session						
287	H.B. 2200	General Appropriation Act			\$144,446,400	13/
SUB-TOTAL APPROPRIATIONS - 1ST REGULAR SESSION			\$0	\$0	\$144,446,400	\$0
39th Second Regular Session						
332	S.B. 1229	Distribution of Tax Protest Monies			3,629,666	14/
405	H.B. 2296	Correctional Facility Construction; Appropriations				10,300,000
SUB-TOTAL APPROPRIATIONS - 2ND REGULAR SESSION			\$0	\$0	\$3,629,666	\$10,300,000
TOTAL APPROPRIATIONS			\$55,531,992	\$5,908,430	\$3,675,612,066	\$657,978,000

1/ For Fiscal Year 1992, this table summarizes all appropriations enacted since the conclusion of the First Regular Session of the 40th Legislature. For Fiscal Year 1993, this table summarizes appropriations from the Second Regular Session of the 40th Legislature, and all previous sessions.

2/ To be repaid to the General Fund through an assessment against the consortium operating a commercial nuclear power generating station in Arizona.

3/ Chapter 191 (H.B. 2173) also appropriates \$1,500,000 in FY 1994 for an additional state contribution relating to the Fort McDowell Indian Community Water Rights Settlement Act of 1990.

4/ Chapter 262 (H.B. 2034) authorized the Department of Economic Security to expend \$4,279,400 of federal reimbursements from prior years. Without this authorization, these funds would have been deposited in the General Fund as revenue.

5/ To be repaid to the State Highway Fund from fees collected through the traffic ticket enforcement program.

6/ Chapter 292 (S.B. 1122) amends Chapter 3, 4th Special Session (H.B. 2004), replacing the original appropriations to AHCCCS and the Department of Health Services with this amount (\$25,955,600 to AHCCCS, and \$2,128,800 to DHS). The appropriation to AHCCCS, in combination with matching federal funds, will provide payments to county operated hospitals in Maricopa and Pima Counties and other qualifying private hospitals throughout the state. The appropriation to DHS represents funding for a disproportionate share payment to the Arizona State Hospital. In addition to these disproportionate share payments, AHCCCS is also authorized to make in lieu payments to county governments other than Maricopa and Pima Counties. Of the total General Fund appropriation to AHCCCS, \$911,200 is for these in lieu payments.

7/ Chapter 292 amends Chapter 4, 7th Special Session (H.B. 2002), replacing the original appropriation \$3,600,000 to DHS from the DHS Arizona State Hospital Disproportionate Share Fund. This appropriations is an offset to the reversion required in Chapter 3, 4th Special Session (H.B. 2004).

8/ Chapter 1 (H.B. 2002) 9th Special Session appropriated \$25,000 to the Commission on the Redistricting of State Legislative and Congressional Districts if such a commission was established by law. As legislation was not enacted, this appropriation reverts to the General Fund. The bill also appropriates \$143,196,400 from the General Fund to the Department of Education in FY 1994 to repay the FY 1993 basic state aid apportionment reduction ("K-12 Rollover") and associated interest expenses.

9/ Chapter 2 (H.B. 2002) 9th Special Session originally appropriated \$8,835,700 from the General Fund. Of this amount, the Governor line item vetoed the \$1,500,000 General Fund appropriation to the Department of Economic Security for Navajo facilities.

10/ Chapter 2 (H.B. 2002) 8th Special Session appropriated \$346,000 to the Department of Administration (DOA) for operating costs associated with construction of prison facilities, \$500,000 to DOA for capital outlay projects associated with the Department of Youth Treatment and Rehabilitation, and \$1,500,000 to DOA for capital outlay associated with 3 prison facilities.

11/ Chapter 292 amends Chapter 4, 7th Special Session (H.B. 2002), replacing the original appropriation \$3,600,000 to DHS from the DHS Arizona State Hospital Disproportionate Share Fund. This appropriations is an offset to the reversion required in Chapter 3, 4th Special Session (H.B. 2004).

12/ The original appropriations for disproportionate share payments provided in this chapter were amended by Chapter 292. This chapter originally appropriated \$51,708,100 (\$47,788,700 to AHCCCS and \$3,919,400 to DHS). The original appropriations were conditional upon federal approval of the disproportionate share plan submitted to the federal government in November 1991. However, a lower amount was subsequently approved and the original bills were amended in Chapter 292 to reflect the reduction in the approved total dollar value of payments.

13/ Chapter 287 (H.B. 2200) appropriates \$143,196,400 from the General Fund to the Department of Education in FY 1993 to repay the FY 1992 basic state aid apportionment reduction ("K-12 Rollover") and associated interest expenses. The sum of \$1,250,000 is also appropriated to the Governor's Office of Strategic Planning and Budgeting for the Statewide Long Term Improved Management (SLIM) project.

14/ Chapter 332 (S.B. 1229) also appropriates \$3,629,666 in FY 1994 to pay cities, towns and counties as reimbursement for undistributed transaction privilege tax revenues.

**SUMMARY OF APPROPRIATED FUNDS 1/
By Agency For Fiscal Years 1992 and 1993**

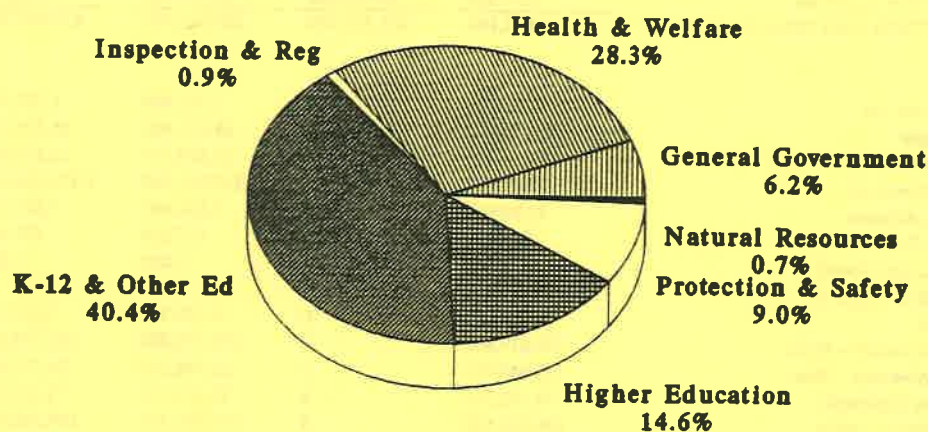
	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
GENERAL GOVERNMENT						
Administration, Department of	\$27,301,400	\$5,112,500	\$32,413,900	\$21,970,600	\$78,065,000	\$100,035,600
Attorney General	17,534,200	725,400	18,259,600	18,612,800	3,274,600	21,887,400
Coliseum and Exposition Center	0	13,808,800	13,808,800	0	13,101,900	13,101,900
Commerce, Department of	3,509,100	1,499,000	5,008,100	3,641,800	1,952,600	5,594,400
Compensation Fund	0	0	0	0	0	0
Courts						
Court of Appeals	7,826,500	0	7,826,500	7,888,800	0	7,888,800
Comm on Appellate and Trial Court Appts	3,500	0	3,500	3,500	0	3,500
Commission on Judicial Conduct	135,800	0	135,800	138,500	0	138,500
Superior Court	54,746,300	1,400,000	56,146,300	60,377,600	639,500	61,017,100
Supreme Court	10,557,800	0	10,557,800	10,445,600	0	10,445,600
SUBTOTAL - Courts	\$73,269,900	\$1,400,000	\$74,669,900	\$78,854,000	\$639,500	\$79,493,500
Office of Affirmative Action	224,700	0	224,700	240,600	0	240,600
Office of the Governor	3,261,100	800,000	4,061,100	6,772,200	1,501,700	8,273,900
Office of Strategic Planning and Budgeting	2,382,800	0	2,382,800	2,494,500	0	2,494,500
Law Enforcement Merit System Council	41,800	0	41,800	41,000	0	41,000
Legislature						
Auditor General	7,109,700	0	7,109,700	7,204,300	0	7,204,300
House of Representatives	7,269,800	200,000	7,469,800	7,146,900	0	7,146,900
Joint Legislative Budget Committee	1,631,300	0	1,631,300	1,726,400	0	1,726,400
Legislative Council	2,533,400	0	2,533,400	4,044,900	0	4,044,900
Library, Archives, and Public Records, Dept of	4,630,600	0	4,630,600	4,775,000	0	4,775,000
Senate	6,176,900	200,000	6,376,900	5,751,800	0	5,751,800
SUBTOTAL - Legislature	\$29,351,700	\$400,000	\$29,751,700	\$30,649,300	\$0	\$30,649,300
Lottery	0	41,243,000	41,243,000	0	36,505,500	36,505,500
Personnel Board	216,200	0	216,200	228,900	0	228,900
Redistricting Commission	0	0	0	25,000	0	25,000
Retirement System	0	4,933,800	4,933,800	0	4,981,300	4,981,300
Revenue, Department of	49,802,200	0	49,802,200	47,351,400	0	47,351,400
Secretary of State	2,584,000	0	2,584,000	4,373,300	0	4,373,300
Tax Appeals, Board of	696,400	0	696,400	681,700	0	681,700
Tourism, Office of	5,542,200	0	5,542,200	5,629,700	0	5,629,700
Treasurer	6,700,900	0	6,700,900	6,967,600	0	6,967,600
Uniform State Laws, Commission on	22,900	0	22,900	23,400	0	23,400
TOTAL - GENERAL GOVERNMENT	\$222,441,500	\$69,922,500	\$292,364,000	\$228,557,800	\$148,022,100	\$368,579,900
HEALTH AND WELFARE						
AHCCCS Administration	422,806,600	0	422,806,600	455,859,800	0	455,859,800
Economic Security, Department of	358,748,900	698,900	359,447,800	366,550,700	812,800	367,363,500
Environmental Quality, Department of	10,935,100	104,800	11,039,900	10,063,900	1,912,900	11,976,800
Health Services, Department of	197,573,700	4,902,800	202,476,500	200,255,400	14,641,400	214,896,800
Hearing Impaired, Council for the	203,000	0	203,000	198,800	0	198,800
Indian Affairs, Commission on	159,800	0	159,800	155,900	0	155,900
Pioneers' Home	2,631,600	0	2,631,600	2,625,700	0	2,625,700
Arizona Ranger's Pension	9,200	0	9,200	9,500	0	9,500
Veteran's Services Commission	739,800	386,200	1,126,000	750,600	391,000	1,141,600
TOTAL - HEALTH AND WELFARE	\$993,807,700	\$6,092,700	\$999,900,400	\$1,036,470,300	\$17,758,100	\$1,054,228,400
INSPECTION AND REGULATION						
Agricultural Employment Relations Board	175,600	0	175,600	166,300	0	166,300
Agriculture, Department of	9,814,400	1,786,300	11,600,700	9,161,500	1,749,200	10,910,700
Banking Department	3,465,600	0	3,465,600	2,400,300	0	2,400,300
Building & Fire Safety, Dept of	2,695,100	0	2,695,100	2,787,000	0	2,787,000
Contractors, Registrar of	3,743,600	0	3,743,600	3,729,900	0	3,729,900
Corporation Commission	4,756,500	5,673,300	10,429,800	4,941,800	5,684,200	10,626,000
Industrial Commission	0	12,197,700	12,197,700	0	12,318,500	12,318,500
Insurance, Department of	3,071,700	0	3,071,700	3,081,900	0	3,081,900
Liquor Licenses & Control, Dept of	1,932,200	0	1,932,200	1,933,700	0	1,933,700
Mine Inspector	559,900	0	559,900	618,100	0	618,100

	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Occupational Safety and Health Review Board	\$9,100	\$0	\$9,100	\$9,000	\$0	\$9,000
Racing, Department of	2,317,900	358,900	2,676,800	2,466,400	348,400	2,814,800
Radiation Regulatory Agency	1,327,900	90,300	1,418,200	912,600	91,100	1,003,700
Real Estate Department	2,775,500	0	2,775,500	2,741,100	0	2,741,100
Residential Utility Consumer Office	0	1,018,100	1,018,100	0	1,018,400	1,018,400
Dept of Weights and Measures	2,137,800	247,600	2,385,400	1,941,500	618,300	2,559,800
Ninety-Ten Agencies						
Accountancy, Board of	0	733,200	733,200	0	789,800	789,800
Appraisal, Board of	0	219,800	219,800	0	221,100	221,100
Barber Examiners Board	0	134,700	134,700	0	139,900	139,900
Behavioral Health Examiners, Board of	0	212,500	212,500	0	251,200	251,200
Boxing Commission	27,300	28,800	56,100	51,600	0	51,600
Chiropractic Examiners Board	0	223,100	223,100	0	228,400	228,400
Cosmetology, Board of	0	563,500	563,500	0	596,800	596,800
Dental Examiners Board	0	436,200	436,200	0	467,300	467,300
Funeral Directors and Embalmers Board	0	178,500	178,500	0	169,400	169,400
Homeopathic Medical Examiners Board	0	18,400	18,400	0	18,600	18,600
Medical Examiners, Board of	0	2,326,900	2,326,900	0	2,370,600	2,370,600
Naturopathic Physician Examiners Board	0	26,000	26,000	0	26,200	26,200
Nursing Board	0	1,049,700	1,049,700	0	1,060,200	1,060,200
Nursing Care Institution Administrators Board	0	66,400	66,400	0	61,900	61,900
Occupational Therapy Examiners, Board of	0	35,100	35,100	0	53,700	53,700
Opticians, Board of Dispensing	0	62,100	62,100	0	60,200	60,200
Optometry, Board of	0	99,400	99,400	0	97,300	97,300
Osteopathic Examiners Board	0	258,400	258,400	0	256,600	256,600
Pharmacy Board	0	625,300	625,300	0	623,900	623,900
Physical Therapy Examiners Board	0	66,500	66,500	0	66,500	66,500
Podiatry Examiners Board	0	42,900	42,900	0	44,400	44,400
Private Postsecondary Education, Board for	0	144,200	144,200	0	135,700	135,700
Psychologist Examiners Board	0	123,600	123,600	0	174,400	174,400
Respiratory Care Examiners, Board of	50,000	76,800	126,800	0	118,000	118,000
Structural Pest Control Commission	0	1,021,600	1,021,600	0	976,900	976,900
Technical Registration, Board of	0	782,300	782,300	0	867,200	867,200
Veterinary Medical Examining Board	0	152,500	152,500	0	158,400	158,400
Subtotal - Ninety-Ten Agencies	\$77,300	\$9,708,400	\$9,785,700	\$51,600	\$10,034,600	\$10,086,200
TOTAL - INSPECTION AND REGULATION	\$38,860,100	\$31,080,600	\$69,940,700	\$36,942,700	\$31,862,700	\$68,805,400
EDUCATION						
Arts, Commission on the	1,345,900	0	1,345,900	1,305,300	0	1,305,300
Community Colleges	84,173,400	0	84,173,400	86,266,500	0	86,266,500
Deaf and Blind, School for	13,210,700	0	13,210,700	15,134,000	0	15,134,000
Education, Department of	1,324,007,100	0	1,324,007,100	1,371,509,400	0	1,371,509,400
Historical Society, Arizona	3,198,600	0	3,198,600	3,249,300	0	3,249,300
Historical Society, Prescott	517,500	0	517,500	509,400	0	509,400
Medical Student Loans Board	1,000	0	1,000	1,000	0	1,000
Universities/Board of Regents						
Board of Regents	6,578,900	0	6,578,900	7,058,100	0	7,058,100
Arizona State University - Main	178,079,800	0	178,079,800	181,778,600	0	181,778,600
Arizona State University - West	26,946,600	0	26,946,600	26,775,000	0	26,775,000
Northern Arizona University	70,503,100	0	70,503,100	73,489,200	0	73,489,200
University of Arizona - Main	196,596,500	0	196,596,500	199,336,000	0	199,336,000
University of Arizona - College of Medicine	44,561,100	0	44,561,100	44,550,200	0	44,550,200
SUBTOTAL - Universities/Board of Regents	\$523,266,000	\$0	\$523,266,000	\$532,987,100	\$0	\$532,987,100
TOTAL - EDUCATION	\$1,949,720,200	\$0	\$1,949,720,200	\$2,010,962,000	\$0	\$2,010,962,000
PROTECTION AND SAFETY						
Corrections, Department of	255,025,400	936,400	255,961,800	253,797,000	17,048,000	270,845,000
Criminal Justice Commission	2,500,000	505,300	3,005,300	2,000,000	512,000	2,512,000
Emergency and Military Affairs, Dept of	4,432,500	0	4,432,500	4,072,000	0	4,072,000
Pardons and Paroles, Board of	1,921,900	0	1,921,900	2,089,400	0	2,089,400
Public Safety, Department of	46,123,500	41,770,500	87,894,000	38,235,300	48,679,000	86,914,300
Youth Treatment and Rehabilitation, Dept of	28,658,300	2,904,200	31,562,500	28,521,700	3,008,600	31,530,300

	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
TOTAL - PROTECTION AND SAFETY	\$338,661,600	\$46,116,400	\$384,778,000	\$328,715,400	\$69,247,600	\$397,963,000
TRANSPORTATION						
Transportation, Department of	\$65,300	\$189,400,600	\$189,465,900	\$69,700	\$192,679,500	\$192,749,200
NATURAL RESOURCES						
Environment, Commission on the	100,500	0	100,500	106,800	0	106,800
Game and Fish Department	0	15,959,500	15,959,500	0	16,300,300	16,300,300
Geological Survey	609,000	0	609,000	623,900	0	623,900
Land Department	8,061,900	0	8,061,900	8,224,600	0	8,224,600
Mines and Mineral Resources, Dept of	339,000	0	0	609,400	0	609,400
State Parks Board	4,608,600	1,900,000	6,508,600	4,563,600	3,283,700	7,847,300
Water Resources, Department of	11,641,500	535,000	12,176,500	11,613,800	0	11,613,800
TOTAL - NATURAL RESOURCES	\$25,360,500	\$18,394,500	\$43,416,000	\$25,742,100	\$19,584,000	\$45,326,100
Unallocated Salary Adjustments	0	0	0	8,400	158,900	167,300
Section 103 Health Insurance Adjustment	0	0	0	808,000	1,020,000	1,828,000
Unallocated FY 1992 Health Insurance	570,000	0	570,000	0	0	0
GRAND TOTAL	\$3,569,486,900	\$361,007,300	\$3,930,155,200	\$3,668,276,400	\$472,332,900	\$4,140,609,300

1/ This table summarizes FY 1992 and FY 1993 operating appropriations from the 2nd Regular Session of the 40th Legislature and all prior sessions and excludes capital outlay appropriations from the 9th Special Session of the 40th Legislature.

DISTRIBUTION OF GENERAL FUND APPROPRIATIONS BY FUNCTION OF GOVERNMENT

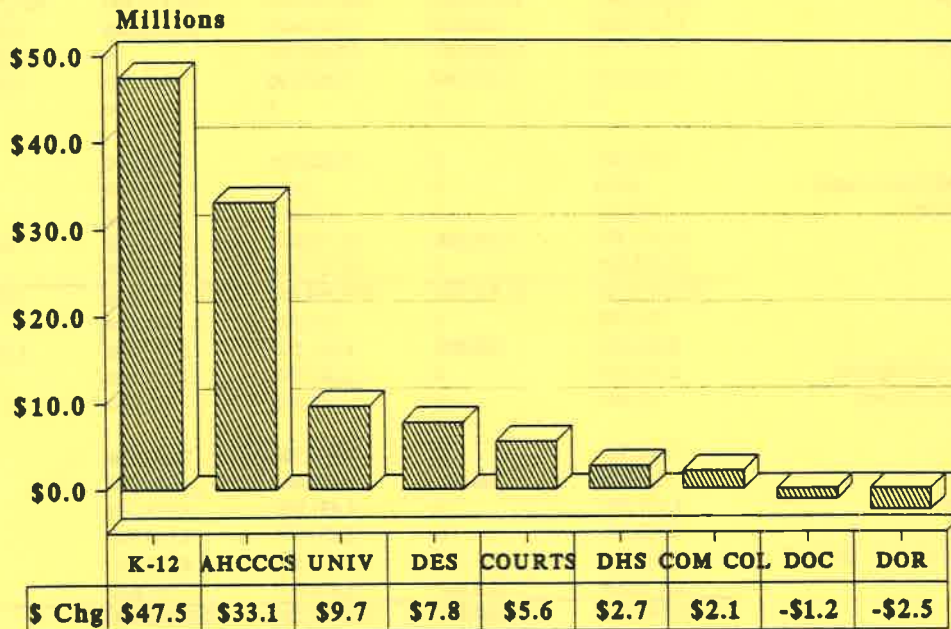


FISCAL YEAR 1993

Does not include \$69,700 (0.002%)
for Transportation.

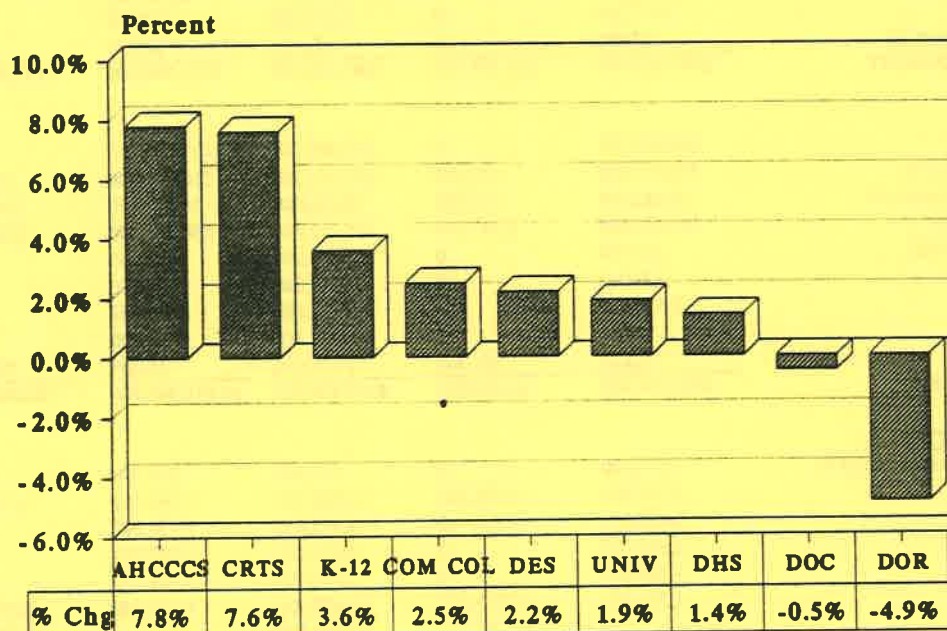
Includes all enacted bills.

NINE LARGEST AGENCIES GENERAL FUND DOLLAR CHANGE FY 1992 - FY 1993



Total \$ Change for All Agencies: \$98.8 Million

NINE LARGEST AGENCIES GENERAL FUND PERCENT CHANGE FY 1992 - FY 1993



Total % Change for All Agencies: 2.8%

**SUMMARY OF THE GENERAL APPROPRIATION ACT 1/
By Agency for Fiscal Years 1992 and 1993**

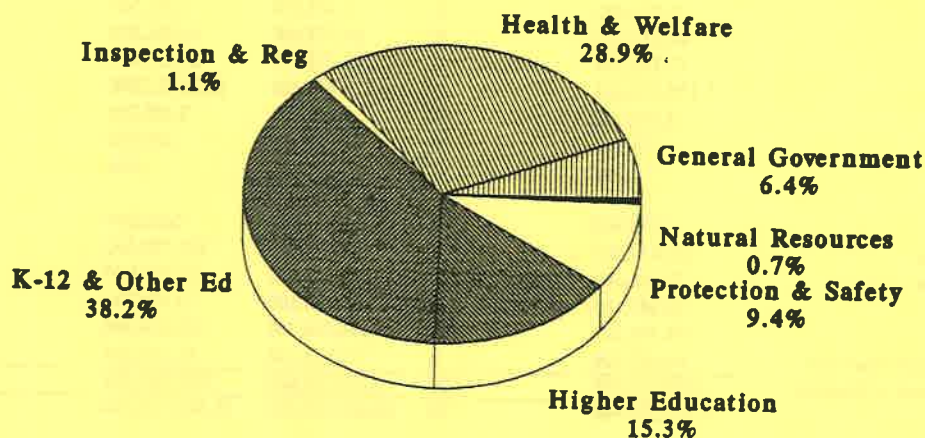
	Fiscal Year 1992 2/			Fiscal Year 1993 3/		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
GENERAL GOVERNMENT						
Administration, Department of	\$27,039,000	\$5,064,000	\$32,103,000	\$21,470,600	\$77,719,000	\$99,189,600
Attorney General	17,517,300	349,100	17,866,400	18,612,800	3,274,600	21,887,400
Coliseum and Exposition Center	0	13,808,800	13,808,800	0	13,101,900	13,101,900
Commerce, Department of	3,509,100	1,499,000	5,008,100	3,641,800	1,952,600	5,594,400
Compensation Fund	0	0	0	0	0	0
Courts						
Court of Appeals	7,826,500	0	7,826,500	7,888,800	0	7,888,800
Comm on Appellate and Trial Court Appts	3,500	0	3,500	3,500	0	3,500
Commission on Judicial Conduct	135,800	0	135,800	138,500	0	138,500
Superior Court	54,346,300	1,400,000	55,746,300	60,377,600	639,500	61,017,100
Supreme Court	10,557,800	0	10,557,800	10,445,600	0	10,445,600
SUBTOTAL - Courts 4/	\$72,869,900	\$1,400,000	\$74,269,900	\$78,854,000	\$639,500	\$79,493,500
Office of Affirmative Action	224,700	0	224,700	240,600	0	240,600
Office of the Governor	3,261,100	800,000	4,061,100	6,772,200	1,501,700	8,273,900
Office of Strategic Planning and Budgeting	2,382,800	0	2,382,800	1,244,500	0	1,244,500
Law Enforcement Merit System Council	41,800	0	41,800	41,000	0	41,000
Legislature						
Auditor General	7,100,700	0	7,100,700	7,204,300	0	7,204,300
House of Representatives	7,269,800	200,000	7,469,800	7,146,900	0	7,146,900
Joint Legislative Budget Committee	1,631,300	0	1,631,300	1,726,400	0	1,726,400
Legislative Council	2,533,400	0	2,533,400	4,044,900	0	4,044,900
Library, Archives, and Public Records, Dept of	4,630,600	0	4,630,600	4,775,000	0	4,775,000
Senate	6,176,900	200,000	6,376,900	5,751,800	0	5,751,800
SUBTOTAL - Legislature	\$29,342,700	\$400,000	\$29,742,700	\$30,649,300	\$0	\$30,649,300
Lottery Commission	0	41,243,000	41,243,000	0	36,505,500	36,505,500
Personnel Board	216,200	0	216,200	228,900	0	228,900
Redistricting Commission 5/	0	0	0	25,000	0	25,000
Retirement System	0	4,933,800	4,933,800	0	4,981,300	4,981,300
Revenue, Department of	49,572,200	0	49,572,200	47,351,400	0	47,351,400
Secretary of State	2,584,000	0	2,584,000	4,373,300	0	4,373,300
Tax Appeals, Board of	696,400	0	696,400	681,700	0	681,700
Tourism, Office of	5,542,200	0	5,542,200	5,629,700	0	5,629,700
Treasurer	3,071,200	0	3,071,200	3,337,900	0	3,337,900
Uniform State Laws, Commission on	22,900	0	22,900	23,400	0	23,400
TOTAL - GENERAL GOVERNMENT	\$217,893,500	\$69,497,700	\$287,391,200	\$223,178,100	\$139,676,100	\$362,854,200
HEALTH AND WELFARE						
AHCCCS	396,049,700	0	396,049,700	431,776,400	0	431,776,400
Economic Security, Department of	356,453,900	627,300	357,081,200	366,550,700	812,800	367,363,500
Environmental Quality, Department of	10,182,100	104,800	10,286,900	10,063,900	1,912,900	11,976,800
Health Services, Department of	195,444,900	2,947,500	198,392,400	198,313,400	9,941,400	208,254,800
Hearing Impaired, Council for the	203,000	0	203,000	198,800	0	198,800
Indian Affairs, Commission on	159,800	0	159,800	155,900	0	155,900
Pioneers' Home	2,631,600	0	2,631,600	2,625,700	0	2,625,700
Arizona Ranger's Pension	9,200	0	9,200	9,500	0	9,500
Veteran's Services Commission	739,800	386,200	1,126,000	750,600	391,000	1,141,600
TOTAL - HEALTH AND WELFARE	\$961,874,000	\$4,065,800	\$965,939,800	\$1,010,444,900	\$13,058,100	\$1,023,503,000
INSPECTION AND REGULATION						
Agricultural Employment Relations Board 6/	175,600	0	175,600	166,300	0	166,300
Agriculture, Department of	9,770,400	1,786,300	11,556,700	9,161,500	1,749,200	10,910,700
Banking Department	3,465,600	0	3,465,600	2,400,300	0	2,400,300
Building & Fire Safety, Dept of	2,695,100	0	2,695,100	2,787,000	0	2,787,000
Contractors, Registrar of	3,743,600	0	3,743,600	3,729,900	0	3,729,900
Corporation Commission	4,756,500	5,673,300	10,429,800	4,941,800	5,684,200	10,626,000
Industrial Commission	0	12,197,700	12,197,700	0	12,318,500	12,318,500
Insurance Department	3,071,700	0	3,071,700	3,081,900	0	3,081,900
Liquor Licenses & Control, Dept of	1,932,200	0	1,932,200	1,933,700	0	1,933,700
Mine Inspector	559,900	0	559,900	618,100	0	618,100

	Fiscal Year 1992 2/			Fiscal Year 1993 3/		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Occupational Safety and Health Review Board	\$9,100	\$0	\$9,100	\$9,000	\$0	\$9,000
Racing, Department of	2,317,900	358,900	2,676,800	2,466,400	348,400	2,814,800
Radiation Regulatory Agency	928,400	90,300	1,018,700	912,600	91,100	1,003,700
Real Estate Department	2,775,500	0	2,775,500	2,741,100	0	2,741,100
Residential Utility Consumer Office	0	1,018,100	1,018,100	0	1,018,400	1,018,400
Dept of Weights and Measures	2,137,800	247,600	2,385,400	1,941,500	618,300	2,559,800
Ninety-Ten Agencies						
Accountancy, Board of	0	733,200	733,200	0	789,800	789,800
Appraisal, Board of	0	219,800	219,800	0	221,100	221,100
Barber Examiners Board	0	134,700	134,700	0	139,900	139,900
Behavioral Health Examiners, Board of	0	212,500	212,500	0	251,200	251,200
Boxing Commission	27,300	28,800	56,100	51,600	0	51,600
Chiropractic Examiners Board	0	223,100	223,100	0	228,400	228,400
Cosmetology, Board of	0	563,500	563,500	0	596,800	596,800
Dental Examiners Board	0	436,200	436,200	0	467,300	467,300
Funeral Directors and Embalmers Board	0	178,500	178,500	0	169,400	169,400
Homeopathic Medical Examiners Board	0	18,400	18,400	0	18,600	18,600
Medical Examiners, Board of	0	2,276,900	2,276,900	0	2,370,600	2,370,600
Naturopathic Physician Examiners Board	0	26,000	26,000	0	26,200	26,200
Nursing Board	0	1,049,700	1,049,700	0	1,060,200	1,060,200
Nursing Care Institution Administrators Board	0	66,400	66,400	0	61,900	61,900
Occupational Therapy Examiners, Board of	0	35,100	35,100	0	53,700	53,700
Opticians, Board of Dispensing	0	62,100	62,100	0	60,200	60,200
Optometry, Board of	0	99,400	99,400	0	97,300	97,300
Osteopathic Examiners Board	0	258,400	258,400	0	256,600	256,600
Pharmacy Board	0	625,300	625,300	0	623,900	623,900
Physical Therapy Examiners Board	0	66,500	66,500	0	66,500	66,500
Podiatry Examiners Board	0	42,900	42,900	0	44,400	44,400
Private Postsecondary Education, Board for	0	144,200	144,200	0	135,700	135,700
Psychologist Examiners Board	0	123,600	123,600	0	174,400	174,400
Respiratory Care Examiners, Board of	0	76,800	76,800	0	118,000	118,000
Structural Pest Control Commission	0	1,021,600	1,021,600	0	976,900	976,900
Technical Registration, Board of	0	782,300	782,300	0	867,200	867,200
Veterinary Medical Examining Board	0	152,500	152,500	0	158,400	158,400
Subtotal - Ninety-Ten Agencies	\$27,300	\$9,658,400	\$9,685,700	\$51,600	\$10,034,600	\$10,086,200
TOTAL - INSPECTION AND REGULATION	\$38,366,600	\$31,030,600	\$69,397,200	\$36,942,700	\$31,862,700	\$68,805,400
EDUCATION						
Arts, Commission on the	1,345,900	0	1,345,900	1,305,300	0	1,305,300
Community Colleges	84,173,400	0	84,173,400	86,266,500	0	86,266,500
Deaf and Blind, School for	13,210,700	0	13,210,700	15,134,000	0	15,134,000
Education, Department of 7/	1,179,876,800	0	1,179,876,800	1,228,313,000	0	1,228,313,000
Historical Society, Arizona	3,198,600	0	3,198,600	3,249,300	0	3,249,300
Historical Society, Prescott	517,500	0	517,500	509,400	0	509,400
Medical Student Loans Board	1,000	0	1,000	1,000	0	1,000
Universities/Board of Regents						
Board of Regents	6,578,900	0	6,578,900	7,058,100	0	7,058,100
Arizona State University - Main	178,079,800	0	178,079,800	181,778,600	0	181,778,600
Arizona State University - West	26,946,600	0	26,946,600	26,775,000	0	26,775,000
Northern Arizona University	70,503,100	0	70,503,100	73,489,200	0	73,489,200
University of Arizona - Main	196,596,500	0	196,596,500	199,336,000	0	199,336,000
University of Arizona - College of Medicine	44,561,100	0	44,561,100	44,550,200	0	44,550,200
SUBTOTAL - Universities/Board of Regents	\$523,266,000	\$0	\$523,266,000	\$532,987,100	\$0	\$532,987,100
TOTAL - EDUCATION	\$1,805,589,900	\$0	\$1,805,589,900	\$1,867,765,600	\$0	\$1,867,765,600
PROTECTION AND SAFETY						
Corrections, Department of	255,025,400	936,400	255,961,800	253,797,000	17,048,000	270,845,000
Criminal Justice Commission	2,500,000	505,300	3,005,300	2,000,000	512,000	2,512,000
Emergency and Military Affairs, Dept of	3,988,900	0	3,988,900	4,072,000	0	4,072,000
Pardons and Paroles, Board of	1,921,900	0	1,921,900	2,089,400	0	2,089,400
Public Safety, Department of	44,123,500	41,770,500	85,894,000	38,235,300	48,679,000	86,914,300
Youth Treatment and Rehabilitation, Dept of	28,658,300	2,904,200	31,562,500	28,521,700	3,008,600	31,530,300

	Fiscal Year 1992 2/			Fiscal Year 1993 3/		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
TOTAL - PROTECTION AND SAFETY	\$336,218,000	\$46,116,400	\$382,334,400	\$328,715,400	\$69,247,600	\$397,963,000
TRANSPORTATION						
Transportation, Department of	\$65,300	\$189,109,000	\$189,174,300	\$69,700	\$192,629,500	\$192,699,200
NATURAL RESOURCES						
Environment, Commission on the	100,500	0	100,500	106,800	0	106,800
Game and Fish Department	0	15,959,500	15,959,500	0	16,300,300	16,300,300
Geological Survey	609,000	0	609,000	623,900	0	623,900
Land Department	8,061,900	0	8,061,900	8,024,600	0	8,024,600
Mines and Mineral Resources, Dept of	339,000	0	339,000	609,400	0	609,400
State Parks Board	4,608,600	1,900,000	6,508,600	4,563,600	3,283,700	7,847,300
Water Resources, Department of	11,141,500	0	11,141,500	11,363,800	0	11,363,800
TOTAL - NATURAL RESOURCES	\$24,860,500	\$17,859,500	\$42,720,000	\$25,292,100	\$19,584,000	\$44,876,100
Unallocated Salary Adjustments	0	0	0	8,400	158,900	167,300
Section 103 Health Insurance Adjustment 8/	0	0	0	808,000	1,020,000	1,828,000
Unallocated FY 1992 Health Insurance	570,000	0	570,000	0	0	0
TOTAL-GENERAL APPROPRIATION ACT	\$3,385,437,800	\$357,679,000	\$3,743,116,800	\$3,493,224,900	\$467,236,900	\$3,960,461,800

- 1/ See agency detail pages and Summary of Additional Appropriations for other fiscal actions affecting agency expenditure authority. The amounts shown include the allocation of the salary adjustment (Section 102).
- 2/ The amounts for FY 1992 reflect the appropriations made in Laws 1991, Chapter 287, 1st Regular Session, as adjusted by Laws 1992, Chapter 4, 7th Special Session.
- 3/ The amounts for FY 1993 reflect the appropriations made in Laws 1992, Chapter 1, 9th Special Session.
- 4/ The FY 1993 General Fund amounts reflect the proportional allocation of the FY 1993 lump sum reduction and are shown for information purposes only.
- 5/ The appropriation will revert since legislation to establish a Redistricting Commission was not enacted (See Section 106).
- 6/ The FY 1993 appropriation represents a full year of funding for the Board. However, the Board's sunset date was not extended past July 1, 1993.
- 7/ The FY 1992 appropriation does not include a state aid roll-over of \$143,196,400 appropriated in Laws 1990, Chapter 1, 3rd Special Session. The FY 1993 appropriation does not include a state aid roll-over of \$143,196,400 appropriated in Laws 1991, Chapter 287, 1st Regular Session.
- 8/ The Section 103 Health Insurance Adjustments are appropriated to the Department of Administration.

DISTRIBUTION OF THE GENERAL APPROPRIATION ACT GENERAL FUND BY FUNCTION OF GOVERNMENT



Does not include \$69,700 (0.002%)
for Transportation.

**SUMMARY OF THE OMNIBUS CAPITAL OUTLAY BILL (H.B. 2002) AND OTHER BILLS
WITH CAPITAL OUTLAY APPROPRIATIONS 1/**

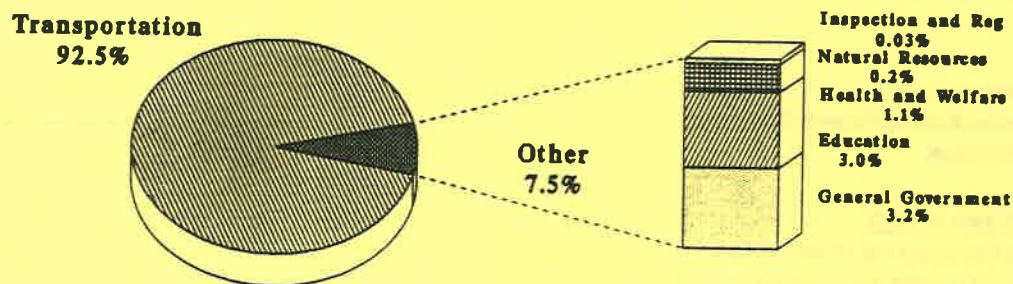
	<u>FY 1992</u>	<u>FY 1993</u>	
	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
			<u>Total</u>
<u>GENERAL GOVERNMENT</u>			
Department of Administration			
Building Renewal 2/		\$1,585,100	\$2,194,500
Refurbish 1300-1400 West Washington		291,300	291,300
DOC: ASPC-F Central Health Unit		0	60,300
DOC: ASPC-F Central Unit Code Compliance		0	509,600
DOC Statewide Building Maintenance		0	250,000
Ch. 2, 8th Special Session (H.B. 2002),			
DOC: Architectural and Engineering Services		0	1,500,000
DYTR: Catalina Mountain/Adobe Mountain			
Repair and Renovation		0	500,000
Department of Administration - Subtotal		\$1,876,400	\$5,305,700
Coliseum and Exposition Center			
Building Renewal 2/		0	428,000
State Compensation Fund			
Building Renewal 2/		0	121,000
State Retirement System			
Building Renewal 2/		0	16,700
State Lottery Commission			
Building Renewal 2/		0	7,600
TOTAL - GENERAL GOVERNMENT		\$1,876,400	\$4,002,600
<u>HEALTH AND WELFARE</u>			
Department of Health Services			
State Hospital Maintenance and Improvements		0	2,000,000
TOTAL - HEALTH AND WELFARE		\$0	\$2,000,000
<u>INSPECTION AND REGULATION</u>			
Industrial Commission			
Building Renewal 2/		0	50,800
TOTAL - INSPECTION AND REGULATION		\$0	\$50,800
<u>EDUCATION</u>			
Board of Regents			
Universities Building Renewal 2/		5,459,300	0
TOTAL - EDUCATION		\$5,459,300	\$0
<u>PROTECTION AND SAFETY</u>			
Department of Emergency and Military Affairs			
Ch. 163, (H.B. 2193), Clifton Flood Control	\$1,408,000	0	0
TOTAL - PROTECTION AND SAFETY	\$1,408,000	\$0	\$0
<u>TRANSPORTATION</u>			
Department of Transportation			
Building Renewal 2/		0	1,026,600
Miscellaneous Capital Projects		0	6,333,200

	FY 1992	FY 1993	
	Other Funds	General Fund	Total
Highway Planning & Construction		\$0	\$147,185,800
Airport Planning, Construction, & Development		0	14,342,000
Department of Transportation - Subtotal		\$0	\$168,887,600
TOTAL - TRANSPORTATION		\$0	\$168,887,600
<u>NATURAL RESOURCES</u>			
Game and Fish Department			
Building Renewal 2/		0	99,100
Hatchery Renovations		0	200,000
Shooting Range Development		0	5,000
Waterfowl Habitat		0	100,000
Game and Fish Department - Subtotal		\$0	\$404,100
TOTAL - NATURAL RESOURCES		\$0	\$404,100
GRAND TOTAL	\$1,408,000	\$7,335,700	\$175,345,100
			\$182,680,800

1/ Reflects all capital appropriations enacted since the beginning of FY 1992 and all appropriations from the 9th Special Session of 40th Legislature, unless otherwise noted.

2/ For major maintenance and repair of state buildings pursuant to sections 41-790 and 41-793.01, Arizona Revised Statutes. The Building Renewal was formula funded at approximately 31 percent of total requirement.

DISTRIBUTION OF CAPITAL OUTLAY BILLS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1993

Note: The General Government amount includes funding for Department of Corrections and Department of Youth Treatment and Rehabilitation facilities.

LEASE-PURCHASE AND BONDING

The Department of Administration, the Industrial Commission, Arizona State University, and the University of Arizona have entered into lease-purchase agreements for the acquisition and construction of state facilities. The table below provides the following information related to state lease-purchase agreements, as of June 30, 1992: 1) the facility constructed or acquired; 2) the amount issued, including pro rata costs associated with the issuance; 3) the budgeted FY 1993 lease-purchase payment, which is included in the operating budgets for the various tenants ^{1/}; 4) the agency appropriated the required payment; and 5) the source(s) of funding.

<u>FACILITY</u>	<u>TOTAL ISSUANCE</u>	<u>FY 1993 PAYMENT</u>	<u>OCCUPANT</u>	<u>FUNDING SOURCE</u>
DEPT OF ADMINISTRATION				
Revenue Building	\$26,919,000	\$1,256,800	Department of Revenue	General Fund
DES DD Homes	3,420,450	160,600	DES	General Fund, Federal ^{1/}
Capitol Center	20,845,000	1,675,700	Atty General, DWR	General Fund
16th Ave Parking Garage	5,390,000	195,100	DOA	General Fund
Historical Society Museum	13,665,000	639,600	Historical Society	General Fund
ASDB Food Service Facility	3,765,000	195,100	ASDB	General Fund
Supreme Court Building	40,440,000	1,745,300	Supreme Court, Others	General Fund
DES-West	36,205,000	1,539,300	DES	General Fund, Federal ^{1/}
Tucson State Office Bldg.	22,365,000	1,105,700	Multiple Agencies	Multiple Sources
Old Comp. Fund Bldg.	8,020,900	648,900	DOA, Land Department	General Fund
Library for the Blind	1,405,100	114,000	Library and Archives	General Fund
Game & Fish Regional Offices	2,927,300	237,000	Game & Fish Department	G&F Cap Imp Fund
Tonto Natural Bridge	4,712,900	388,000	State Parks Board	Parks Enhancement ^{1/}
Records Management Addition	2,441,900	201,600	Library & Archives	General Fund
ASDB H.S. & Auditorium	15,811,200	1,312,500	ASDB	General Fund
ENSCO	55,080,000	3,782,800	DOA	General Fund
SUBTOTAL, DOA	\$263,413,750	\$15,198,000		
UNIVERSITIES				
ASU-West	\$55,400,000	\$5,480,000	Arizona State University	General Fund
ASU-Telecommunications	9,975,000	1,580,000	Arizona State University	Local Funds ^{1/}
ASU-Towers	4,500,000	442,000	Arizona State University	Local Funds ^{1/}
U of A - Telecommunications	27,595,000	3,483,000	University of Arizona	Local Funds ^{1/}
U of A - Alumni Building	4,950,000	485,000	University of Arizona	Local Funds ^{1/}
U of A - Others	8,040,000	535,000	University of Arizona	Local Funds ^{1/}
SUBTOTAL, UNIVERSITIES	\$110,460,000	\$12,005,000		
Industrial Commission Building	\$17,000,000	\$1,250,000 ^{2/}	Industrial Commission	Industrial Commission Fund
TOTAL	\$390,873,750	\$28,453,000		

^{1/} Some funds are non-appropriated, and do not appear in agency budgets.
^{2/} Estimated.

BONDING SUMMARY

The Board of Regents, on behalf of the universities; the Coliseum and Exposition Center Board, the Department of Transportation (ADOT), and the Arizona Power Authority have issued bonds to acquire and construct facilities and to purchase equipment. Bonding levels and issuances for the universities are authorized by the Legislature. The total bonds outstanding, as of June 30, 1991, and the required debt service payments are shown in the table below. The figures for universities include both academic and various auxiliary bonds; only part of the FY 1993 payment is included in universities' budgets. Scheduled payments for the Coliseum and Exposition Center, ADOT, and the Arizona Power Authority are from non-appropriated sources.

<u>INSTITUTION</u>	<u>BONDS OUTSTANDING</u>	<u>FY 1993 DEBT SERVICE PAYMENT</u>
BOARD OF REGENTS		
University of Arizona	\$228,298,000	\$21,356,000
Arizona State University	251,259,000	23,880,000
Northern Arizona University	93,935,000	9,691,800
SUBTOTAL, BOARD OF REGENTS	\$573,492,000	\$54,927,800
Coliseum & Exposition Center	\$1,835,000	\$381,000
Department of Transportation	1,201,677,875	97,350,000
Arizona Power Authority	89,870,000	6,347,900
TOTAL	\$1,866,874,875	\$159,006,700

SUMMARY OF ADDITIONAL APPROPRIATIONS
(Other Than The General Appropriation Act and All Capital Outlay Appropriations)
Enacted by the 40th Legislature - 2nd Regular Session unless Otherwise Noted 1/
For Fiscal Year 1992 and Fiscal Year 1993

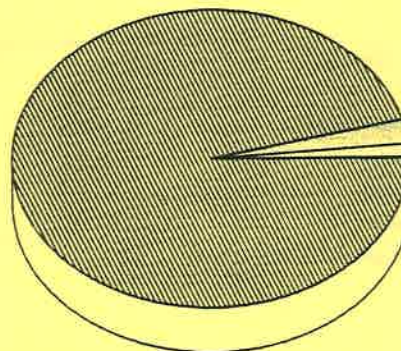
	Fiscal Year 1992		Fiscal Year 1993	
	General Fund	Other Funds	General Fund	Other Funds
<u>GENERAL GOVERNMENT</u>				
Administration, Department of				
Ch. 2 (H.B. 2002) 8th Special Session - Corrections Fund				
Ch. 191 (H.B. 2173) - Appropriation; Indian Water Rights				\$346,000
Ch. 279 (H.B. 2597) - Appropriations for Named Claimants; Judgement	\$262,400	\$48,500	\$500,000	
Attorney General				
Ch. 211 (H.B. 2479) - Appropriation; Victim Witness Program		376,300		
Auditor General				
Ch. 133 (S.B. 1425) - School of Medicine; Financial Audit	9,000			
TOTAL - GENERAL GOVERNMENT	\$271,400	\$424,800	\$500,000	\$346,000
<u>HEALTH AND WELFARE</u>				
AHCCCS				
Ch. 292 (S.B. 1122) - AHCCCS; Disproportionate Share Payments	25,955,600		23,758,700	
Ch. 301 (S.B. 1502) - Mental Health Services			324,700	
SUB-TOTAL	\$25,955,600	\$0	\$24,083,400	\$0
Economic Security, Department of				
Ch. 262 (H.B. 2034) - Appropriations; Modifications		71,600		
Health Services, Department of				
Ch. 287 (S.B. 1144) - Health Care Financing				4,700,000
Ch. 292 (S.B. 1122) - AHCCCS; Disproportionate Share Payments	2,128,800	1,955,300	1,942,000	
TOTAL - HEALTH AND WELFARE	\$28,084,400	\$2,026,900	\$26,025,400	\$4,700,000
<u>INSPECTION AND REGULATION</u>				
Medical Examiners, Board of				
Ch. 262 (H.B. 2034) - Appropriations; Modifications		50,000		
Radiation Regulatory Agency				
Ch. 4 (H.B. 2006) - Nuclear Emergency Appropriation and Assessment	399,400			
TOTAL - INSPECTION AND REGULATION	\$399,400	\$50,000	\$0	\$0
<u>EDUCATION</u>				
Education, Department of				
Ch. 262 (H.B. 2034) - Appropriations; Modifications	33,900			
TOTAL - EDUCATION	\$33,900	\$0	\$0	\$0

	Fiscal Year 1992		Fiscal Year 1993	
	General Fund	Other Funds	General Fund	Other Funds
<u>PROTECTION AND SAFETY</u>				
Emergency Services and Military Affairs, Dept. of				
Ch. 4 (H.B. 2006) - Nuclear Emergency Appropriation and Assessment	\$443,600			
TOTAL - PROTECTION AND SAFETY	\$443,600	\$0	\$0	\$0
<u>TRANSPORTATION</u>				
Transportation, Department of				
Ch. 271 (H.B. 2351) - MVD; Traffic Ticket Enforcement Program				50,000
TOTAL - TRANSPORTATION	\$0	\$0	\$0	\$50,000
<u>NATURAL RESOURCES</u>				
Land Department				
Ch. 297 (H.B. 2594) Ownership of Streambeds			200,000	
Water Resources, Department of				
Ch. 298 (S.B. 1030) - Riparian Protection Program; Appropriation			250,000	
TOTAL - NATURAL RESOURCES	\$0	\$0	\$450,000	\$0
GRAND TOTAL	\$29,232,700	\$2,501,700	\$26,975,400	\$5,096,000

1/ Reflects all additional appropriations enacted since the beginning of FY 1992. All appropriations have been rounded to the nearest \$100.

DISTRIBUTION OF ADDITIONAL APPROPRIATIONS BY FUNCTION OF GOVERNMENT

Health and Welfare
95.8%



General Government
2.6%
Natural Resources
1.4%
Transportation
0.2%

FISCAL YEAR 1993
TOTAL FUNDS

SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES
For Fiscal Years 1992 and 1993

	Revised FY 1992	Estimated FY 1993
Department of Administration		
Co-Op State Purchasing Agreement	\$40,000	\$40,000
DOA Loss Control Projects	96,100	0
Federal Revenue Sharing	0	0
Public Buildings Land Earnings	0	0
Workers' Compensation Loss Control	90,500	0
Data Processing Revolving Fund	15,793,900	14,807,800
Emergency Telecommunication Service	4,979,800	4,898,700
Telecommunications	11,226,000	11,218,600
Risk Management Revolving 1/ 2/	46,758,000	0
Workers' Compensation Fund 1/ 2/	14,384,600	0
Health Administration & Benefit Insurance Trust Fund	14,600	0
Special Employee Health Insurance Trust Fund	170,391,600	221,703,800
Corrections Fund	24,479,000	25,127,700 3/
Motor Pool Revolving	5,536,900	6,666,400
Special Services Revolving 1/	3,050,500	3,142,200
Surplus Property - Federal	298,900	275,500
Surplus Property - State 1/	1,466,700	1,406,500
Department of Administration - Subtotal	\$298,607,100	\$289,287,200
Attorney General - Department of Law		
Federal Grants	2,528,700	2,411,300
AZ Prosecuting Attorneys Advisory Council Fund	641,300	750,000
CJEF Distribution to County Attorneys	2,224,700	2,224,700
Revolving Printing Fund	2,500	2,500
Antitrust Enforcement Revolving Fund 1/	349,600	183,600
Collections Enforcement Fund 1/	270,800	276,300
Consumer Protection - Consumer Fraud Revolving Fund 1/	197,000	194,400
Court-Ordered Trust Fund	213,300	213,300
Intergovernmental Agreements	6,309,000	6,543,000
Anti-Racketeering Revolving Fund	4,280,000	4,708,000
Victim Witness Fund	37,000	37,000
Attorney General - Department of Law - Subtotal	\$17,053,900	\$17,544,100
Arizona Coliseum & Exposition Center Board		
Coliseum & Exposition Center Capital Outlay Fund 1/	1,582,300	3,401,000
Coliseum Improvement Revenue Bond Reserve	30,000	35,000
Coliseum Improvement Special Sinking Fund	300,000	300,000
Construction and Improvement Bond Interest	83,000	81,000
Arizona Coliseum & Exposition Center Board - Subtotal	\$1,995,300	\$3,817,000
Department of Commerce		
Commerce & Economic Development	4,038,400	4,103,100
Commerce Development Bond	0	0
Community Development Workshop 1/	234,700	219,200
Donations	167,000	170,000
Economic Planning/Development Federal Grants	7,518,200	10,942,500
Energy Conservation	5,784,400	9,410,100
Housing Finance Review 1/	317,500	307,000
Housing Trust Fund	4,000,000	5,500,000

	Revised FY 1992	Estimated FY 1993
Solar Energy Project	0	70,000
Solar Qualification Assurance	0	0
State Employee Rideshare	0	0
Word Processing	0	0
Department of Commerce - Subtotal	\$22,060,200	\$30,721,900
State Compensation Fund 4/ State Compensation Fund	324,386,300	359,250,500
Supreme Court		
Case Processing Assistance Fund 1/	1,450,700	1,460,700
County Public Defender Training Fund	522,100	495,000
Defensive Driving School Fund	1,205,200	1,205,200
Drug Enforcement Account	1,892,800	1,856,900
Drug Study Fund	39,800	0
Judicial Collection Enhancement Fund	3,762,900	2,362,900
Juvenile Crime Reduction Fund 1/	1,938,600	1,947,400
Supreme Court - Subtotal	\$10,812,100	\$9,328,100
Court of Appeals Division I		
Grants	83,900	0
Court of Appeals Division I - Subtotal	\$83,900	\$0
Governor's Office of Affirmative Action		
Equal Employment & Economic Development	41,800	41,800
Governor's Office of Affirmative Action - Subtotal	\$41,800	\$41,800
Legislature - Auditor General		
Audit Services Revolving Fund	855,000	746,000
Legislature - Department of Library Archives & Public Records		
Federal Grants	738,700	1,333,600
Donations	10,000	15,000
Gift Shop Revolving Fund	42,400	42,400
Miscellaneous Collections	67,000	67,000
Department of Library Archives & Public Records - Subtotal	\$858,100	\$1,458,000
Arizona State Lottery Commission		
Lottery Fund	201,349,900	208,331,300
Arizona State Retirement System		
Retirement Fund Administration Account - Building Expenses	212,000	163,000
Retirement Fund Administration Account - Education Outreach	589,500	589,500
Retirement Fund Administration Account - Health Insurance	732,900	732,900
Retirement Fund Administration Account - Investment Expenses	7,517,300	7,517,300
Arizona State Retirement System - Subtotal	\$9,051,700	\$9,002,700
Department of Revenue		
Revenue Publications Revolving	85,000	85,000
Liability Set-off	95,600	96,900
Department of Revenue - Subtotal	\$180,600	\$181,900
Secretary of State - Department of State		
Arizona Blue Book	2,600	2,000
UCC Data Processing Upgrade Fund 1/	235,000	234,200
Secretary of State - Department of State - Subtotal	\$237,600	\$236,200
Office of Tourism		
Tourism Workshop Fund	22,000	22,000
SUBTOTAL - GENERAL GOVERNMENT	876,768,100	915,239,500
Other Funds		

	Revised FY 1992	Estimated FY 1993
Federal Funds		
TOTAL - GENERAL GOVERNMENT	10,827,400	14,729,200
	\$887,595,500	\$929,968,700
<u>HEALTH AND WELFARE</u>		
AHCCCS		
Federal Funds	647,903,000	825,690,000
Donation Fund	5,983,600	12,395,700
County Contributions	152,619,200	157,373,700
Third Party Collections	3,640,300	6,613,400
AHCCCS - Subtotal	\$810,146,100	\$1,002,072,800
Department of Economic Security		
Federal Funds	426,583,900	489,186,600
Economic Security Donations	27,500	27,500
Economic Security Special Administration	2,166,000	1,398,400
Lease Purchases	0	705,300
Private Donations & Resource Development	0	0
Utility Assistance Fund	594,800	606,800
Capital Investment	106,000	106,000
Mesa Land Fund	350,000	350,000
Phoenix ATP Closure Fund	0	0
Child Passenger Restraint	5,000	5,000
Homeless Trust Fund	200,000	60,000
Child Support Enforcement	4,500,000	5,000,000
Child Support Enforcement Administration	3,800,700	3,592,600
Child Abuse Prevention & Treatment	577,700	577,700
DES Client Trust	373,200	373,200
AZ Industries for the Blind	7,334,000	7,334,000
Unemployment Insurance Benefits	176,067,600	176,067,600
Dept. of Economic Security - Subtotal	\$622,686,400	\$685,390,700
Department of Environmental Quality		
Federal Funds	23,627,400	27,844,800
Air Quality Fee Fund	6,689,600	4,641,000
Air Quality Permits Administration	0	179,100
Small Water Systems	0	17,800
Solid Waste Recycling	1,095,700	995,600
Underground Storage Tanks	37,786,900	28,255,200
Vehicular Emissions Inspection Fund	1,162,000	1,084,500
Waste Tire Grant	4,753,800	3,999,200
Water Quality Assurance Revolving Fund	13,767,100	499,300
Department of Environmental Quality - Subtotal	\$88,882,500	\$67,516,500
Department of Health Services		
Federal Grants	61,956,900	61,201,800
Donations	319,400	176,100
Special Revenue	3,148,200	2,797,200
EMS Operating Fund	0	0
Sanitarian's Fund	9,000	9,000
Alcohol Abuse Treatment Fund	700,000	700,000
Arizona State Hospital Donation	10,500	5,800
Arizona State Hospital Rental Income	584,700	525,100
Arizona State Hospital Patient Benefit	187,600	183,500

	Revised FY 1992	Estimated FY 1993
Domestic Violence Shelter Fund	700,000	700,000
Drug and Alcohol Fines	700,000	550,000
Endowment Fund	236,600	230,000
Liquor Service Fees	31,300	26,800
SAMHC Donation Account	28,800	17,700
SAMHC Patient Benefit Fund	5,000	3,000
Environmental Licensure	0	298,200
Department of Health Services - Subtotal	\$68,618,000	\$67,424,200
Arizona Council for the Hearing Impaired		
Council for the Hearing Impaired - Donations	0	0
Telecommunication for the Deaf	2,475,900	2,363,200
Arizona Council for the Hearing Impaired - Subtotal	\$2,475,900	\$2,363,200
Arizona Commission of Indian Affairs		
Publications Revolving Fund	0	5,500
Arizona Pioneers' Home		
Donations	10,000	10,000
Pioneers' Home Miners Hospital Land Earnings	0	0
Pioneers' Home State Charitable Earnings	1,088,300	1,158,100
Arizona Pioneers' Home - Subtotal	\$1,098,300	\$1,168,100
Arizona Veterans' Service Commission		
Federal Funds	180,900	181,400
Korean War Memorial	47,000	0
Veterans' Cemetery Fund	500	0
Arizona Veterans' Services Commission - Subtotal	\$228,400	\$181,400
SUBTOTAL - HEALTH AND WELFARE		
Other Funds	433,883,500	422,017,800
Federal Funds	1,160,252,100	1,404,104,600
TOTAL - HEALTH AND WELFARE	\$1,594,135,600	\$1,826,122,400
<u>INSPECTION AND REGULATION</u>		
Arizona Department of Agriculture		
Federal Funds	260,400	260,400
Citrus Research Council	70,600	100,000
Cotton Research and Protection Council	1,819,300	1,169,300
Donations	77,500	0
Grain Research and Promotion Council	115,600	115,600
Iceberg Lettuce Promotion Council	323,300	332,700
Iceberg Lettuce Research Council	122,400	122,400
Beef Council	700,000	700,000
Criminal Justice Enhancement Fund	100	0
Equine Maintenance Fund	700	700
Seizure Fund	8,800	8,800
Stray Fund	35,900	35,900
Dangerous Plants Pests and Diseases	10,000	10,000
Native Plant Law 1/	284,000	268,700
Seed Law Fund	12,000	12,000
Yuma County Citrus Pest Control	4,100	0
Arizona Department of Agriculture - Subtotal	\$3,844,700	\$3,136,500
State Banking Department		
Banking Department Revolving Fund 1/	116,800	94,200

	Revised FY 1992	Estimated FY 1993
Receivership Revolving Fund	20,000	10,100
State Banking Department - Subtotal	\$136,800	\$104,300
Department of Building and Fire Safety		
Building & Fire Safety Fund - Fire Training	99,500	99,500
Building & Fire Safety Fund - IGA with DEQ	104,200	104,200
Building & Fire Safety Fund - IGA with DHS	162,800	162,800
Building & Fire Safety Fund - Comm. Vol. Fire Prevention Program	15,800	0
Manufactured Housing Consumer Recovery 1/	232,800	171,400
Mobile Home Relocation 1/	282,200	210,000
Department of Building and Fire Safety - Subtotal	\$897,300	\$747,900
Registrar of Contractors		
Residential Contractor's Recovery Fund	2,111,100	2,103,900
Corporation Commission		
Securities Regulatory and Enforcement Fund 1/	1,012,800	1,031,200
Federal Funds	145,000	152,700
Pipeline Safety Revolving Fund	0	0
Corporation Commission - Subtotal	\$1,157,800	\$1,183,900
Industrial Commission of Arizona		
Federal Grants	1,190,200	1,190,200
Industrial Commission Revolving Fund	60,000	60,000
Industrial Commission of Arizona - Subtotal	\$1,250,200	\$1,250,200
Department of Insurance		
Computer System Fund	812,700	340,200
Examiners' Revolving Fund	3,804,000	3,956,000
Joint Underwriting Fund 1/	181,300	156,000
Receivership Liquidation Fund 1/	152,700	157,100
Department of Insurance - Subtotal	\$4,950,700	\$4,609,300
Department of Liquor Licenses and Control		
Federal Funds	31,300	0
State Mine Inspector		
Federal Funds	105,000	105,000
Arizona Department of Racing		
Arizona Breeders Award Fund 1/	937,100	869,900
Bond Deposit & License Overpayment	20,000	20,000
Stallion Award Fund	0	0
Administration of County Fairs Racing Betterment	86,600	45,800
County Fair Racing Betterment Fund 1/	697,000	642,900
Arizona Department of Racing - Subtotal	\$1,740,700	\$1,578,600
Radiation Regulatory Agency		
Federal Funds	206,200	177,600
Real Estate Department		
Printing Revolving Fund	64,600	26,700
Recovery Fund	263,500	268,500
Subdivision Recovery Fund	13,600	13,600
State Real Estate Department - Subtotal	\$341,700	\$308,800
NINETY-TEN AGENCIES		
Board of Nursing		
AHCCCS Agreement (Federal)	214,900	272,100
Board of Private Postsecondary Education		
Student Tuition Recovery Fund	110,000	110,000

	Revised FY 1992	Estimated FY 1993
Structural Pest Control Commission		
Federal Certification and Enforcement Grant	96,600	96,600
Test Development	0	0
Structural Pest Control Commission - Subtotal	96,600	96,600
SUBTOTAL - 90/10 AGENCIES	\$421,500	\$478,700
SUBTOTAL - INSPECTION AND REGULATION		
Other Funds	14,945,400	13,530,100
Federal Funds	2,249,600	2,254,600
TOTAL - INSPECTION AND REGULATION	\$17,195,000	\$15,784,700
EDUCATION		
AZ Commission on the Arts		
Arts Fund - Federal	793,100	677,000
Arts Fund - Local	103,400	103,000
Arts Trust Fund 1/	997,900	1,000,000
AZ Commission on the Arts - Subtotal	\$1,894,400	\$1,780,000
State Board of Directors for Community Colleges		
Federal Grants	2,133,500	2,133,500
Certification Fund	157,900	157,900
Lea Arie Memorial Fund	800	800
State Board of Directors for Community College - Subtotal	\$2,292,200	\$2,292,200
Arizona State School for the Deaf and the Blind		
Federal Grants	616,000	409,300
Local Grants	100,600	99,900
Trust Funds	96,700	95,000
Endowment Earnings & Out-of-State Tuition	400,000	291,000
Arizona State School for the Deaf and the Blind - Subtotal	\$1,213,300	\$895,200
Department of Education		
Federal Funds	341,663,000	360,350,000
Certification Fingerprinting	91,200	85,900
Education Evaluation Review	22,100	19,600
Environmental Education	0	0
Food Distribution	344,000	322,200
Printing Revolving Fund	718,000	783,600
Permanent State School Fund	61,096,000	58,000,000
Youth Farm Loan Fund	0	0
Department of Education - Subtotal	\$403,934,300	\$419,561,300
Arizona Historical Society		
Artifact Replacement	0	0
Discretionary	3,800	0
Education Materials	8,000	0
Historical Society Magazine	46,100	12,700
Preservation/Restoration Revolving	23,200	23,200
Special - Hubbel Property	0	0
Arizona Historical Society - Subtotal	\$81,100	\$35,900
Board of Medical Student Loans		
Medical Student Loan Fund	77,000	83,000
Arizona Board of Regents		
University Local Funds	461,800	389,800
Regents Postsecondary Local Funds	1,348,400	1,365,300

	Revised FY 1992	Estimated FY 1993
Collections Revolving Fund	0	0
Teacher Loan Forgiveness Fund	95,000	0
University Land Matching Grant	0	0
Federal Funds	1,920,600	1,920,600
Arizona Board of Regents - Subtotal	\$3,825,800	\$3,675,700
Arizona State University - Main Campus		
Loan Fund	561,000	561,000
Endowment & Life Income	194,000	194,000
Restricted - Nonfederal Funds	26,338,000	26,338,000
Designated Funds	67,301,000	67,301,000
Auxiliary Fund	84,856,000	83,063,000
Collections Fund	57,965,500	50,894,800
Restricted - Federal Funds	40,920,000	40,920,000
Federal Indirect Cost	6,752,000	6,752,000
Arizona State University - Main Campus Subtotal	\$284,887,500	\$276,023,800
Arizona State University - West Campus		
Endowment Fund	0	0
Restricted - Nonfederal Funds	30,000	30,000
Collections Fund	3,816,500	3,843,100
Designated Funds	455,000	455,000
Arizona State University - West Campus - Subtotal	\$4,301,500	\$4,328,100
Northern Arizona University		
Loan Fund	150,000	150,000
Endowment Fund	0	0
Restricted - Nonfederal Funds	5,988,700	6,050,400
Designated	17,601,700	18,576,500
Indirect Costs Recovery	260,600	258,600
Auxiliary Enterprises Fund	19,650,000	20,250,000
Collections Fund	19,467,600	18,822,800
Federal Grants	15,057,300	15,497,600
Federal Indirect Cost Recovery	637,700	664,900
Northern Arizona University - Subtotal	\$78,813,600	\$80,270,800
University of Arizona - Main Campus		
Loan Fund	153,000	159,700
Endowment and Similar Funds	3,344,200	3,494,700
Restricted - Nonfederal Funds	137,501,400	143,942,400
Designated Funds	82,422,300	86,307,500
Auxiliary Enterprise Funds	104,317,000	109,284,700
Collections Fund	62,791,500	57,230,900
Federal Grants and Contracts	90,891,900	92,826,200
Federal Indirect Cost Recovery	16,929,000	17,286,500
University of Arizona - Main Campus - Subtotal	\$498,350,300	\$510,532,600
University of Arizona - College of Medicine		
Endowment and Similar Funds	3,622,800	3,803,900
Restricted - Nonfederal Funds	55,391,200	57,994,200
Designated Funds	8,151,600	8,534,200
Auxiliary Enterprise Funds	10,350,200	10,839,900
Collections Fund	2,153,600	2,245,900
Federal Grants and Contracts	30,257,800	31,014,200
Federal Indirect Cost Recovery	8,475,200	8,687,100

	Revised FY 1992	Estimated FY 1993
University of Arizona - College of Medicine - Subtotal	\$118,402,400	\$123,119,400
SUBTOTAL - EDUCATION		
Other Funds	841,026,300	843,459,100
Federal Funds	557,047,100	579,138,900
TOTAL - EDUCATION	\$1,398,073,400	\$1,422,598,000
<u>PROTECTION AND SAFETY</u>		
State Department of Corrections		
Federal Funds	311,000	229,900
Alcohol Abuse Treatment Fund	221,000	168,000
Inmate Care Revolving Fund	14,300	14,300
Special Services (A & R)	8,408,500	8,359,000
Permanent Training Fund	3,200	0
Criminal Justice Enhancement Fund Distribution	2,195,000	2,292,200
State Charitable Penal & Reform. Endowment Earnings	0	0
Donations	52,500	52,500
Penitentiary Land Endowment Earnings	0	0
Arizona Correctional Industries Revolving Fund	5,665,000	5,919,000
State Department of Corrections - Subtotal	\$16,870,500	\$17,034,900
Arizona Criminal Justice Commission		
Arson Detection Reward Fund	0	0
Drug Enforcement Account	8,180,200	7,394,500
High Intensity Drug Trafficking Areas	4,028,000	0
Statistical Analysis Center	49,700	49,700
Victim Assistance	362,000	550,000
Victim Compensation	858,000	1,100,000
Arizona Criminal Justice Commission - Subtotal	\$13,477,900	\$9,094,200
Department of Emergency & Military Affairs		
Federal Funds - Emergency Services	7,162,100	2,544,000
Federal Funds - Military Affairs (National Guard)	12,590,900	13,007,200
Department of Emergency & Military Affairs - Subtotal	\$19,753,000	\$15,551,200
Department of Public Safety		
Federal Block Grants - Pass Through	1,148,300	1,100,000
Federal Grants & Reimbursements	4,193,300	3,683,300
AFIS Fund	800,000	750,000
Anti-Racketeering Funds	2,460,000	2,460,000
Crime Lab Assessment Fund	0	0
Criminal Justice Enhancement Fund 1/	185,600	119,000
Donations	28,000	27,000
Fingerprint Fund	1,587,500	1,679,700
Highway Patrol Fund 1/	102,900	105,000
Peace Officers Training Fund	3,844,800	3,876,900
Department of Public Safety - Subtotal	\$14,350,400	\$13,800,900
Department of Youth Treatment and Rehabilitation		
Federal Funds	1,780,500	1,780,500
Donations	7,300	6,000
Parental Assessment and Restitution	61,700	0
State Charitable Penal & Reformatories Endowment	0	0
Criminal Justice Enhancement Fund 1/	438,500	0
Department of Youth Treatment and Rehabilitation - Subtotal	\$2,288,000	\$1,786,500

	Revised FY 1992	Estimated FY 1993
SUBTOTAL - PROTECTION AND SAFETY		
Other Funds	27,295,800	27,478,600
Federal Funds	39,444,000	29,789,100
TOTAL - PROTECTION AND SAFETY	\$66,739,800	\$57,267,700

TRANSPORTATION

Department of Transportation

Federal Grants	180,466,300	188,393,900
Arizona Highways Magazine Enterprise Fund	10,220,500	10,103,000
Equipment Revolving Fund	24,350,100	24,235,800
ADOT County Auto License	8,550,800	8,200,500
Cargo Tank Administration Revolving Fund 1/	270,200	286,900
Criminal Background Investigations 1/	141,500	144,400
Dealer Enforcement Fund	208,900	176,200
Driver's License Fund	1,324,900	763,600
Mobile Home Administration Revolving Fund 1/	144,700	147,000
Motorcycle Education Fund	72,900	50,200
Number Plate Replacement	1,050,000	750,000
Underground Storage Tank 1/	151,700	149,800
Maricopa Regional Area Road Fund	67,541,000	48,500,000
Public Roads and Education Fund	83,000	83,000
Aviation Federal Funds	1,652,400	4,850,200
Department of Transportation - Subtotal	\$296,228,900	\$286,834,500

SUBTOTAL - TRANSPORTATION

Other Funds	114,110,200	93,590,400
Federal Funds	182,118,700	193,244,100

TRANSPORTATION - TOTAL

\$296,228,900 \$286,834,500

NATURAL RESOURCES

Commission on the Arizona Environment

Environment Revolving Fund	27,400	28,100
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Arizona Game & Fish Department

Federal Funds	11,957,800	12,197,000
Conservation Development Fund	5,000	5,000
Game & Fish Donations Fund 1/	107,800	120,000
Game & Fish Heritage Fund	6,246,600	10,607,700
Game & Fish Trust Fund	234,000	240,000
Publications Revolving Fund 1/	123,000	126,000
Wildlife Theft Prevention Fund	189,000	218,000
Arizona Game & Fish Department - Subtotal	\$18,863,200	\$23,513,700

Arizona Geological Survey

Federal Grants	42,700	2,400
Donations Fund	3,000	3,000
Oil & Gas Conservation Commission - Publications Revolving Fund	2,400	2,000
Printing Revolving Fund	18,500	30,300
Arizona Geological Survey - Subtotal	\$66,600	\$37,700

State Land Department

Federal Reclamation Trust Fund	0	0
Fire Suspense Fund	1,085,800	0
Interagency Agreements	48,600	25,000

	Revised FY 1992	Estimated FY 1993
Legal Advertising Revolving Fund	100,000	100,000
Quitclaim Deed Revolving Fund	0	0
Resource Analysis Revolving Fund	15,000	15,000
Timber Suspense Fund 1/	320,100	643,600
Zoning Application Fees	18,200	6,700
State Land Department - Subtotal	<u>\$1,587,700</u>	<u>\$790,300</u>
Department of Mines & Mineral Resources		
Museum Donations	27,300	32,300
Print Revolving Fund	10,700	11,700
Department of Mines & Mineral Resources - Subtotal	<u>\$38,000</u>	<u>\$44,000</u>
Arizona State Parks Board		
Arizona Conservation Corps 1/	808,200	829,200
Publications Revolving Fund	20,000	50,000
State Parks Donations Fund	29,000	30,000
State Parks Enhancement Fund	2,978,200	3,675,200
State Parks Heritage Fund	10,958,200	15,334,200
Tonto Natural Bridge Revolving Fund	25,000	35,000
Land and Water Conservation Surcharge Fund	112,200	136,700
Off-Highway Vehicle Fund	1,166,800	2,351,700
State Lake Improvement Fund	8,327,000	9,095,000
Trails Grant Fund	2,000	3,000
Arizona State Parks Board - Subtotal	<u>\$24,426,600</u>	<u>\$31,540,000</u>
Department of Water Resources		
Federal Grants	764,800	758,200
Administrative	5,400	5,400
Emergency Dam Repair Fund	0	0
Flood Control Assistance Fund	0	0
Flood Control Loan	0	0
General Adjudications	82,000	82,000
Non-Emergency Dam Repair	532,900	332,900
Augmentation & Conservation	1,023,500	4,493,000
Groundwater Enforcement Fund	95,300	95,300
Surface/Groundwater Trust	76,600	76,800
Department of Water Resources - Subtotal	<u>\$2,580,500</u>	<u>\$5,843,600</u>
SUBTOTAL - NATURAL RESOURCES		
Other Funds	34,824,700	48,839,800
Federal Funds	12,765,300	12,957,600
TOTAL - NATURAL RESOURCES	<u>\$47,590,000</u>	<u>\$61,797,400</u>
SUBTOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND	<u>4,307,558,200</u>	<u>4,335,409,800</u>
EXPENDITURES		
Total - Other Funds	2,342,854,000	2,364,155,300
Total - Federal Funds	1,964,704,200	2,236,218,100
TOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND	<u>\$4,307,558,200</u>	<u>\$4,600,373,400</u>
EXPENDITURES		

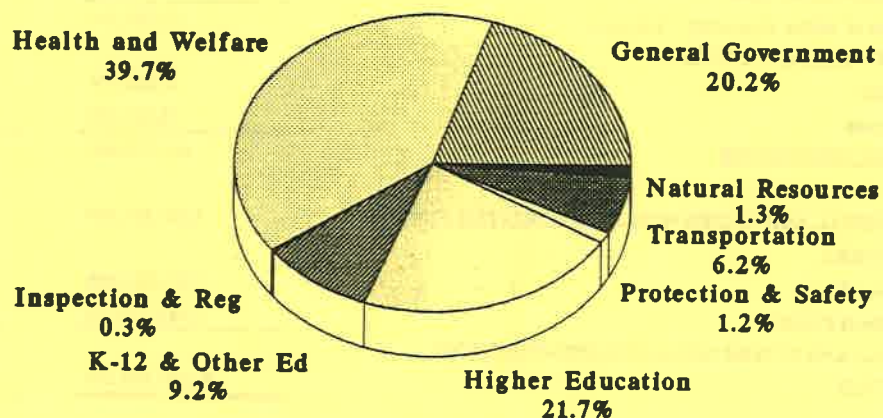
1/ Revised amounts reflect operating budget reductions pursuant to Laws 1992, Chapter 3, 7th Special Session (H.B. 2001).

2/ Beginning with FY 1993 the Risk Management Revolving Fund and Worker's Compensation Fund are subject to annual appropriation, pursuant to Laws 1991, Chapter 265.

3/ Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session appropriates \$1,500,000 from the Corrections Fund for architecture and engineering fees to design 1,050 adult prison beds and a 400 bed treatment facility. This appropriation is to be repaid to the Corrections Fund before June 30, 1993 from the sale of Certificates of Participation, also authorized by this act.

4/ The FY 1992 and FY 1993 amounts represent spending for calendar years 1991 and 1992 respectively. The Joint Legislative Budget Committee approves the State Compensation Fund operating budget.

**DISTRIBUTION OF FEDERAL AND OTHER
NON APPROPRIATED FUNDS
BY FUNCTION OF GOVERNMENT**



FISCAL YEAR 1993

STATE OF ARIZONA
SUMMARY OF TOTAL SPENDING AUTHORITY 1/
(APPROPRIATED AND NON-APPROPRIATED FUNDS)
For Fiscal Year 1992 and 1993

	Fiscal Year 1992			Fiscal Year 1993		
	Appropriated General and Other Funds	Non- Appropriated Federal and Other Funds 2/	Total	Appropriated General and Other Funds	Non- Appropriated Federal and Other Funds 2/	Total
GENERAL GOVERNMENT						
Administration, Department of 3/	\$47,128,400	\$298,607,100	\$345,735,500	\$115,641,300	\$289,287,200	\$404,928,500
Attorney General	18,259,600	17,053,900	35,313,500	21,887,400	17,544,100	39,431,500
Coliseum and Exposition Center	13,808,800	1,995,300	15,804,100	13,529,900	3,817,000	17,346,900
Commerce, Department of	5,008,100	22,060,200	27,068,300	5,594,400	30,721,900	36,316,300
Compensation Fund	0	324,386,300	324,386,300	121,000	359,250,500	359,371,500
Courts						
Court of Appeals	7,826,500	83,900	7,910,400	7,888,800	0	7,888,800
Comm on Appellate and Trial Court Appts	3,500	0	3,500	3,500	0	3,500
Commission on Judicial Conduct	135,800	0	135,800	138,500	0	138,500
Superior Court	56,146,300	0	56,146,300	61,017,100	0	61,017,100
Supreme Court	10,557,800	10,812,100	21,369,900	10,445,600	9,328,100	19,773,700
SUBTOTAL - Courts	\$74,669,900	\$10,896,000	\$85,565,900	\$79,493,500	\$9,328,100	\$88,821,600
Office of Affirmative Action	224,700	41,800	266,500	240,600	41,800	282,400
Office of the Governor	4,061,100	0	4,061,100	8,273,900	0	8,273,900
Office of Strategic Planning and Budgeting 4/	2,382,800	0	2,382,800	2,494,500	0	2,494,500
Law Enforcement Merit System Council	41,800	0	41,800	41,000	0	41,000
Legislature						
Auditor General	7,109,700	855,000	7,964,700	7,204,300	746,000	7,950,300
House of Representatives	7,469,800	0	7,469,800	7,146,900	0	7,146,900
Joint Legislative Budget Committee	1,631,300	0	1,631,300	1,726,400	0	1,726,400
Legislative Council	2,533,400	0	2,533,400	4,044,900	0	4,044,900
Library, Archives, and Public Records, Dept of	4,630,600	858,100	5,488,700	4,775,000	1,458,000	6,233,000
Senate	6,376,900	0	6,376,900	5,751,800	0	5,751,800
SUBTOTAL - Legislature	\$29,751,700	\$1,713,100	\$31,464,800	\$30,649,300	\$2,204,000	\$32,853,300
Lottery Commission	41,243,000	201,349,900	242,592,900	36,513,100	208,331,300	244,844,400
Personnel Board	216,200	0	216,200	228,900	0	228,900
Redistricting Commission	0	0	0	25,000	0	25,000
Retirement System	4,933,800	9,051,700	13,985,500	4,998,000	9,002,700	14,000,700
Revenue, Department of	49,802,200	180,600	49,982,800	47,351,400	181,900	47,533,300
Secretary of State	2,584,000	237,600	2,821,600	4,373,300	236,200	4,609,500
Tax Appeals, Board of	696,400	0	696,400	681,700	0	681,700
Tourism, Office of	5,542,200	22,000	5,564,200	5,629,700	22,000	5,651,700
Treasurer 5/	6,700,900	0	6,700,900	6,967,600	0	6,967,600
Uniform State Laws, Commission on	22,900	0	22,900	23,400	0	23,400
TOTAL - GENERAL GOVERNMENT	\$307,078,500	\$887,595,500	\$1,194,674,000	\$384,758,900	\$929,968,700	\$1,314,445,200
HEALTH AND WELFARE						
AHCCCS Administration	422,806,600	810,146,100	1,232,952,700	455,859,800	1,002,072,800	1,457,932,600
Economic Security, Department of 6/	359,490,800	622,686,400	982,177,200	367,363,500	685,390,700	1,052,754,200
Environmental Quality, Department of	11,039,900	88,882,500	99,922,400	11,976,800	67,516,500	79,493,300
Health Services, Department of 7/	202,486,500	68,618,000	271,104,500	216,896,800	67,424,200	284,321,000
Hearing Impaired, Council for the	203,000	2,475,900	2,678,900	198,800	2,363,200	2,562,000
Indian Affairs, Commission on	159,800	0	159,800	155,900	5,500	161,400
Pioneers' Home	2,631,600	1,098,300	3,729,900	2,625,700	1,168,100	3,793,800
Arizona Ranger's Pension	9,200	0	9,200	9,500	0	9,500
Veteran's Services Commission 8/	2,376,000	228,400	2,604,400	1,141,600	181,400	1,323,000
TOTAL - HEALTH AND WELFARE	\$1,001,203,400	\$1,594,135,600	\$2,595,339,000	\$1,056,228,400	\$1,826,122,400	\$2,882,350,800
INSPECTION AND REGULATION						
Agricultural Employment Relations Board	175,600	0	175,600	166,300	0	166,300
Agriculture, Department of	11,600,700	3,844,700	15,445,400	10,910,700	3,136,500	14,047,200
Banking Department	3,465,600	136,800	3,602,400	2,400,300	104,300	2,504,600
Building & Fire Safety, Dept of	2,695,100	897,300	3,592,400	2,787,000	747,900	3,534,900
Contractors, Registrar of	3,743,600	2,111,100	5,854,700	3,729,900	2,103,900	5,833,800

	Fiscal Year 1992			Fiscal Year 1993		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
Corporation Commission	\$10,429,800	\$1,157,800	\$11,587,600	\$10,626,000	\$1,183,900	\$11,809,900
Industrial Commission	12,197,700	1,250,200	13,447,900	12,369,300	1,250,200	13,619,500
Insurance, Department of	3,071,700	4,950,700	8,022,400	3,081,900	4,609,300	7,691,200
Liquor Licenses & Control, Dept of	1,932,200	31,300	1,963,500	1,933,700	0	1,933,700
Mine Inspector	559,900	105,000	664,900	618,100	105,000	723,100
Occupational Safety and Health Review Board	9,100	0	9,100	9,000	0	9,000
Racing, Department of	2,676,800	1,740,700	4,417,500	2,814,800	1,578,600	4,393,400
Radiation Regulatory Agency	1,418,200	206,200	1,624,400	1,003,700	177,600	1,181,300
Real Estate Department	2,775,500	341,700	3,117,200	2,741,100	308,800	3,049,900
Residential Utility Consumer Office	1,018,100	0	1,018,100	1,018,400	0	1,018,400
Dept of Weights and Measures	2,385,400	0	2,385,400	2,559,800	0	2,559,800

Ninety-Ten Agencies

Accountancy, Board of	733,200	0	733,200	789,800	0	789,800
Appraisal, Board of	219,800	0	219,800	221,100	0	221,100
Barber Examiners Board	134,700	0	134,700	139,900	0	139,900
Behavioral Health Examiners, Board of	212,500	0	212,500	251,200	0	251,200
Boxing Commission	56,100	0	56,100	51,600	0	51,600
Chiropractic Examiners Board	223,100	0	223,100	228,400	0	228,400
Cosmetology, Board of	563,500	0	563,500	596,800	0	596,800
Dental Examiners Board	436,200	0	436,200	467,300	0	467,300
Funeral Directors and Embalmers Board	178,500	0	178,500	169,400	0	169,400
Homeopathic Medical Examiners Board	18,400	0	18,400	18,600	0	18,600
Medical Examiners, Board of	2,326,900	0	2,326,900	2,370,600	0	2,370,600
Naturopathic Physician Examiners Board	26,000	0	26,000	26,200	0	26,200
Nursing Board	1,049,700	214,900	1,264,600	1,060,200	272,100	1,332,300
Nursing Care Institution Administrators Board	66,400	0	66,400	61,900	0	61,900
Occupational Therapy Examiners, Board of	35,100	0	35,100	53,700	0	53,700
Opticians, Board of Dispensing	62,100	0	62,100	60,200	0	60,200
Optometry, Board of	99,400	0	99,400	97,300	0	97,300
Osteopathic Examiners Board	258,400	0	258,400	256,600	0	256,600
Pharmacy Board	625,300	0	625,300	623,900	0	623,900
Physical Therapy Examiners Board	66,500	0	66,500	66,500	0	66,500
Podiatry Examiners Board	42,900	0	42,900	44,400	0	44,400
Private Postsecondary Education, Board for	144,200	110,000	254,200	135,700	110,000	245,700
Psychologist Examiners Board	123,600	0	123,600	174,400	0	174,400
Respiratory Care Examiners, Board of	126,800	0	126,800	118,000	0	118,000
Structural Pest Control Commission	1,021,600	96,600	1,118,200	976,900	96,600	1,073,500
Technical Registration, Board of	782,300	0	782,300	867,200	0	867,200
Veterinary Medical Examining Board	152,500	0	152,500	158,400	0	158,400
Subtotal - Ninety-Ten Agencies	\$9,785,700	\$421,500	\$10,207,200	\$10,086,200	\$478,700	\$10,564,900
TOTAL - INSPECTION AND REGULATION	\$69,940,700	\$17,195,000	\$87,135,700	\$68,856,200	\$15,784,700	\$84,640,900

EDUCATION

Arts, Commission on the	1,345,900	1,894,400	3,240,300	1,305,300	1,780,000	3,085,300
Community Colleges	84,173,400	2,292,200	86,465,600	86,266,500	2,292,200	88,558,700
Deaf and Blind, School for 9/	13,505,700	1,213,300	14,719,000	15,134,000	895,200	16,029,200
Education, Department of 10/	1,324,007,100	403,934,300	1,727,941,400	1,371,509,400	419,561,300	1,791,070,700
Historical Society, Arizona	3,198,600	81,100	3,279,700	3,249,300	35,900	3,285,200
Historical Society, Prescott	517,500	0	517,500	509,400	0	509,400
Medical Student Loans Board	1,000	77,000	78,000	1,000	83,000	84,000
Universities/Board of Regents						
Board of Regents 11/	8,193,600	3,825,800	12,019,400	12,517,400	3,675,700	16,193,100
Arizona State University - Main	178,079,800	284,887,500	462,967,300	181,778,600	276,023,800	457,802,400
Arizona State University - West	26,946,600	4,301,500	31,248,100	26,775,000	4,328,100	31,103,100
Northern Arizona University	70,503,100	78,813,600	149,316,700	73,489,200	80,270,800	153,760,000
University of Arizona - Main	196,596,500	498,350,300	694,946,800	199,336,000	510,532,600	709,868,600
University of Arizona - College of Medicine	44,561,100	118,402,400	162,963,500	44,550,200	123,119,400	167,669,600
SUBTOTAL - Universities/Board of Regents	\$524,880,700	\$988,581,100	\$1,513,461,800	\$538,446,400	\$997,950,400	\$1,536,396,800
TOTAL - EDUCATION	\$1,951,629,900	\$1,398,073,400	\$3,349,703,300	\$2,016,421,300	\$1,422,598,000	\$3,439,019,300

PROTECTION AND SAFETY

Corrections, Department of	255,961,800	16,870,500	272,832,300	270,845,000	17,034,900	287,879,900
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	Fiscal Year 1992			Fiscal Year 1993		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
Criminal Justice Commission	\$3,005,300	\$13,477,900	\$16,483,200	\$2,512,000	\$9,094,200	\$11,606,200
Emergency and Military Affairs, Dept of 12/	6,130,500	19,753,000	25,883,500	4,072,000	15,551,200	19,623,200
Pardons and Paroles, Board of	1,921,900	0	1,921,900	2,089,400	0	2,089,400
Public Safety, Department of 13/	88,184,000	14,350,400	102,534,400	86,914,300	13,800,900	100,715,200
Youth Treatment and Rehabilitation, Dept of	31,562,500	2,288,000	33,850,500	31,530,300	1,786,500	33,316,800
TOTAL - PROTECTION AND SAFETY	\$386,766,000	\$66,739,800	\$453,505,800	\$397,963,000	\$57,267,700	\$455,230,700
TRANSPORTATION						
Transportation, Department of 14/	\$360,642,800	\$296,228,900	\$656,871,700	\$361,636,800	\$286,834,500	\$648,471,300
NATURAL RESOURCES						
Environment, Commission on the	100,500	27,400	127,900	106,800	28,100	134,900
Game and Fish Department 15/	16,169,500	18,863,200	35,032,700	16,704,400	23,513,700	40,218,100
Geological Survey	609,000	66,600	675,600	623,900	37,700	661,600
Land Department	8,061,900	1,587,700	9,649,600	8,224,600	790,300	9,014,900
Mines and Mineral Resources, Dept of	339,000	38,000	377,000	609,400	44,000	653,400
State Parks Board	6,508,600	24,426,600	30,935,200	7,847,300	31,540,000	39,387,300
Water Resources, Department of	12,176,500	2,580,500	14,757,000	11,613,800	5,843,600	17,457,400
TOTAL - NATURAL RESOURCES	\$43,965,000	\$47,590,000	\$91,555,000	\$45,730,200	\$61,797,400	\$107,527,600
Unallocated Salary Adjustments	0	0	0	167,300	0	167,300
Section 103 Health Insurance Adjustment	0	0	0	1,828,000	0	1,828,000
Unallocated FY 1992 Health Insurance	570,000	0	570,000	0	0	0
GRAND TOTAL	\$4,121,796,300	\$4,307,558,200	\$8,429,354,500	\$4,333,590,100	\$4,600,373,400	\$8,933,681,100

1/ The amounts shown include all appropriations from past sessions and current year supplemental appropriations.

2/ The amounts shown are generally based on agency information as of December 1991; however, some updated information has been included.

3/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$150,000 and an Other Funds capital outlay appropriation of \$1,064,500 in Laws 1990, Chapter 289, 1st Regular Session. The FY 1992 Appropriated amount also includes an Other Funds appropriation of \$13,500,000 in Laws 1990, Chapter 405, 2nd Regular Session, relating to prison construction. The FY 1993 Appropriated amount includes an Other Funds appropriation of \$10,300,000 in Laws 1990, Chapter 405, 2nd Regular Session, also relating to prison construction.

4/ The FY 1992 and FY 1993 Appropriated amounts include a General Fund appropriation of \$1,250,000 each fiscal year in Laws 1991, Chapter 287, 1st Regular Session for Project SLIM.

5/ The FY 1992 and FY 1993 Appropriated amounts include a General Fund appropriation of \$3,629,666 each fiscal year in Laws 1990, Chapter 332, 2nd Regular Session, relating to the distribution of tax protest monies.

6/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$43,000 in Laws 1990, Chapter 289, 1st Regular Session.

7/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$10,000 in Laws 1990, Chapter 289, 1st Regular Session.

8/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$1,250,000 in Laws 1990, Chapter 203, 2nd Regular Session, relating to the Veteran's Nursing Home.

9/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$295,000 in Laws 1990, Chapter 289, 1st Regular Session.

10/ The FY 1992 Appropriated amount includes a General Fund state aid roll-over of \$143,196,400 appropriated in Laws 1990, Chapter 1, 3rd Special Session.

The FY 1993 Appropriated amount includes a General Fund state aid roll-over of \$143,196,400 appropriated in Laws 1991, Chapter 287, 1st Regular Session.

11/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$1,614,700 in Laws 1990, Chapter 289, 1st Regular Session.

12/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$290,000 in Laws 1990, Chapter 289, 1st Regular Session.

13/ The FY 1992 Appropriated amount includes a General Fund capital outlay appropriation of \$290,000 in Laws 1990, Chapter 289, 1st Regular Session.

14/ The FY 1992 Appropriated amount includes an Other Funds capital outlay appropriation of \$171,176,900 in Laws 1990, Chapter 289, 1st Regular Session.

15/ The FY 1992 Appropriated amount includes an Other Funds capital outlay appropriation of \$210,000 in Laws 1990, Chapter 289, 1st Regular Session.

**DISTRIBUTION OF TOTAL STATE SPENDING AUTHORITY
APPROPRIATED AND NON-APPROPRIATED FUNDS
BY FUND SOURCE**

APPROPRIATED
48.5 %

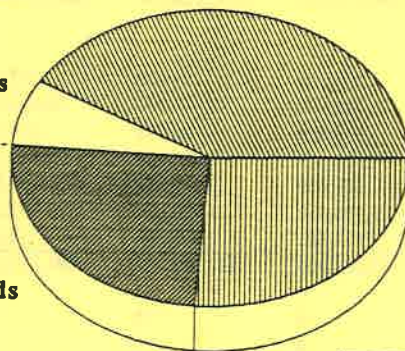
Non-General Funds
7.4 %

Federal Funds
25.0 %

General Fund
41.1 %

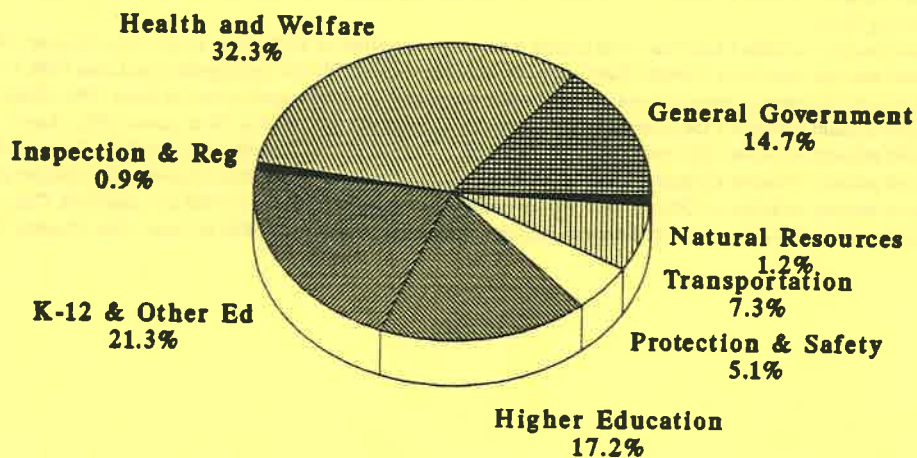
State & Local Funds
26.5 %

NON-APPROPRIATED
51.5 %



FISCAL YEAR 1993

**DISTRIBUTION OF TOTAL STATE SPENDING AUTHORITY
BY FUNCTION OF GOVERNMENT**



FISCAL YEAR 1993

STATE PERSONNEL SUMMARY

By Full Time Equivalent Positions for Fiscal Years 1992 and 1993 1/

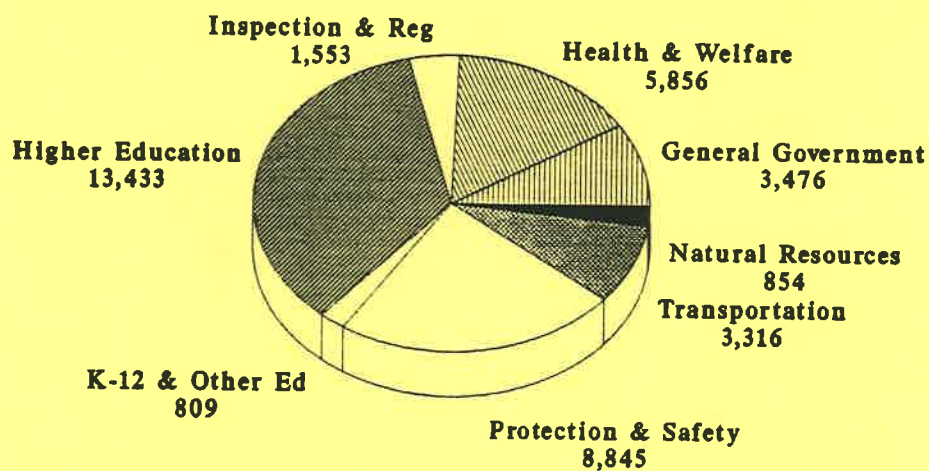
	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
GENERAL GOVERNMENT						
Administration, Department of	452.0	125.5	577.5	417.5	190.0	607.5
Attorney General	351.0	2.0	353.0	353.0	12.0	365.0
Coliseum and Exposition Center	0.0	313.0	313.0	0.0	278.0	278.0
Commerce, Department of	54.0	15.0	69.0	52.0	15.0	67.0
Compensation Fund	0.0	0.0	0.0	0.0	0.0	0.0
Courts						
Court of Appeals	130.5	0.0	130.5	134.0	0.0	134.0
Comm on Appellate and Trial Court Appts	0.0	0.0	0.0	0.0	0.0	0.0
Commission on Judicial Conduct	2.0	0.0	2.0	2.0	0.0	2.0
Superior Court	162.0	0.0	162.0	163.0	5.0	168.0
Supreme Court	154.3	0.0	154.3	155.3	0.0	155.3
SUBTOTAL - Courts	448.8	0.0	448.8	454.3	5.0	459.3
Gov. Office of Affirmative Action	5.0	0.0	5.0	5.0	0.0	5.0
Office of Strategic Planning and Budgeting	23.0	0.0	23.0	23.0	0.0	23.0
Law Enforcement Merit System Council	1.0	0.0	1.0	1.0	0.0	1.0
Library, Archives, and Public Records, Dept of	112.5	0.0	112.5	112.5	0.0	112.5
Lottery Commission	0.0	131.3	131.3	0.0	132.3	132.3
Personnel Board	3.0	0.0	3.0	3.0	0.0	3.0
Redistricting Commission	0.0	0.0	0.0	0.0	0.0	0.0
Retirement System	0.0	85.0	85.0	0.0	87.0	87.0
Revenue, Department of	1,277.8	0.0	1,277.8	1,242.0	0.0	1,242.0
Secretary of State	37.0	0.0	37.0	37.0	0.0	37.0
Tax Appeals, Board of	9.5	0.0	9.5	9.5	0.0	9.5
Tourism, Office of	19.0	0.0	19.0	17.0	0.0	17.0
Treasurer	31.0	0.0	31.0	30.0	0.0	30.0
Uniform State Laws, Commission on	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL - GENERAL GOVERNMENT	2,824.6	671.8	3,496.4	2,756.8	719.3	3,476.1
HEALTH AND WELFARE						
AHCCCS Administration	878.7	0.0	878.7	972.5	0.0	972.5
Economic Security, Department of	2,821.9	13.4	2,835.3	2,712.7	13.4	2,726.1
Environmental Quality, Department of	255.3	3.0	258.3	261.8	37.5	299.3
Health Services, Department of	1,674.1	43.6	1,717.7	1,672.8	34.0	1,706.8
Hearing Impaired, Council for the	5.0	0.0	5.0	5.0	0.0	5.0
Indian Affairs, Commission on	4.0	0.0	4.0	4.0	0.0	4.0
Pioneers' Home	107.4	0.0	107.4	107.4	0.0	107.4
Arizona Ranger's Pension	0.0	0.0	0.0	0.0	0.0	0.0
Veteran's Services Commission	20.0	14.0	34.0	21.0	14.0	35.0
TOTAL - HEALTH AND WELFARE	5,766.4	74.0	5,840.4	5,757.2	98.9	5,856.1
INSPECTION AND REGULATION						
Agricultural Employment Relations Board	4.0	0.0	4.0	3.5	0.0	3.5
Agriculture, Department of	269.7	39.6	309.3	226.7	43.0	269.7
Banking Department	81.8	0.0	81.8	55.0	0.0	55.0
Building & Fire Safety, Dept of	70.2	0.0	70.2	70.2	0.0	70.2
Contractors, Registrar of	103.6	0.0	103.6	102.3	0.0	102.3
Corporation Commission	120.0	105.0	225.0	120.0	105.0	225.0
Industrial Commission	0.0	256.5	256.5	0.0	260.0	260.0
Insurance, Department of	85.0	0.0	85.0	86.0	0.0	86.0
Liquor Licenses & Control, Dept of	55.0	0.0	55.0	54.0	0.0	54.0
Mine Inspector	10.5	0.0	10.5	10.5	0.0	10.5
Occupational Safety and Health Review Board	0.0	0.0	0.0	0.0	0.0	0.0
Racing, Department of	47.2	6.5	53.7	49.2	6.5	55.7
Radiation Regulatory Agency	20.0	2.0	22.0	20.0	2.0	22.0
Real Estate Department	76.0	0.0	76.0	72.0	0.0	72.0
Residential Utility Consumer Office	0.0	12.0	12.0	0.0	12.0	12.0
Dept of Weights and Measures	60.1	6.0	66.1	48.1	18.0	66.1
Ninety-Ten Agencies						
Accountancy, Board of	0.0	9.0	9.0	0.0	9.0	9.0

	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Appraisal, Board of	0.0	4.0	4.0	0.0	4.0	4.0
Barber Examiners Board	0.0	3.0	3.0	0.0	3.0	3.0
Behavioral Health Examiners, Board of	0.0	3.0	3.0	0.0	4.0	4.0
Boxing Commission	1.5	0.0	1.5	1.0	0.0	1.0
Chiropractic Examiners Board	0.0	4.0	4.0	0.0	4.0	4.0
Cosmetology, Board of	0.0	15.5	15.5	0.0	15.5	15.5
Dental Examiners Board	0.0	8.0	8.0	0.0	9.0	9.0
Funeral Directors and Embalmers Board	0.0	3.0	3.0	0.0	3.0	3.0
Homeopathic Medical Examiners Board	0.0	0.3	0.3	0.0	0.3	0.3
Medical Examiners, Board of	0.0	39.0	39.0	0.0	40.5	40.5
Naturopathic Physician Examiners Board	0.0	0.3	0.3	0.0	0.3	0.3
Nursing Board	0.0	21.7	21.7	0.0	21.7	21.7
Nursing Care Institution Administrators Board	0.0	0.7	0.7	0.0	0.7	0.7
Occupational Therapy Examiners, Board of	0.0	0.7	0.7	0.0	1.0	1.0
Opticians, Board of Dispensing	0.0	0.8	0.8	0.0	0.8	0.8
Optometry, Board of	0.0	1.8	1.8	0.0	1.8	1.8
Osteopathic Examiners Board	0.0	4.5	4.5	0.0	5.0	5.0
Pharmacy Board	0.0	11.0	11.0	0.0	11.0	11.0
Physical Therapy Examiners Board	0.0	1.0	1.0	0.0	1.0	1.0
Podiatry Examiners Board	0.0	1.0	1.0	0.0	1.0	1.0
Private Postsecondary Education, Board for	0.0	3.0	3.0	0.0	3.0	3.0
Psychologist Examiners Board	0.0	1.0	1.0	0.0	2.0	2.0
Respiratory Care Examiners, Board of	0.0	2.0	2.0	0.0	2.0	2.0
Structural Pest Control Commission	0.0	26.0	26.0	0.0	26.0	26.0
Technical Registration, Board of	0.0	15.0	15.0	0.0	15.0	15.0
Veterinary Medical Examining Board	0.0	3.0	3.0	0.0	3.0	3.0
Subtotal - Ninety-Ten Agencies	1.5	182.2	183.7	1.0	187.5	188.5
TOTAL - INSPECTION AND REGULATION	1,004.6	609.8	1,614.4	918.5	634.0	1,552.5
EDUCATION						
Arts, Commission on the	11.5	0.0	11.5	11.5	0.0	11.5
Community Colleges	10.0	0.0	10.0	11.0	0.0	11.0
Deaf and Blind, School for	477.7	0.0	477.7	490.2	0.0	490.2
Education, Department of	231.6	0.0	231.6	231.6	0.0	231.6
Historical Society, Arizona	49.5	0.0	49.5	49.5	0.0	49.5
Historical Society, Prescott	15.5	0.0	15.5	15.5	0.0	15.5
Medical Student Loans Board	0.0	0.0	0.0	0.0	0.0	0.0
Universities/Board of Regents						
Board of Regents	32.6	0.0	32.6	28.1	0.0	28.1
Arizona State University - Main	4,841.0	0.0	4,841.0	4,853.0	0.0	4,853.0
Arizona State University - West	535.3	0.0	535.3	546.3	0.0	546.3
Northern Arizona University	1,937.0	0.0	1,937.0	2,006.7	0.0	2,006.7
University of Arizona - Main	5,381.9	0.0	5,381.9	5,364.2	0.0	5,364.2
University of Arizona - College of Medicine	623.7	0.0	623.7	634.8	0.0	634.8
SUBTOTAL - Universities/Board of Regents	13,351.5	0.0	13,351.5	13,433.1	0.0	13,433.1
TOTAL - EDUCATION	14,147.3	0.0	14,147.3	14,242.4	0.0	14,242.4
PROTECTION AND SAFETY						
Corrections, Department of	6,062.4	0.0	6,062.4	6,068.5	396.9	6,465.4
Criminal Justice Commission	0.0	6.0	6.0	0.0	6.0	6.0
Emergency and Military Affairs, Dept of	62.5	0.0	62.5	62.5	0.0	62.5
Public Safety, Department of	901.8	715.0	1,616.8	773.0	844.0	1,617.0
Pardons and Paroles, Board of	43.0	0.0	43.0	43.0	0.0	43.0
Youth Treatment and Rehabilitation, Dept of	598.0	55.0	653.0	596.1	55.0	651.1
TOTAL - PROTECTION AND SAFETY	7,667.7	776.0	8,443.7	7,543.1	1,301.9	8,845.0
TRANSPORTATION						
Transportation, Department of	3.0	3,292.3	3,295.3	2.0	3,314.0	3,316.0
NATURAL RESOURCES						
Environment, Commission on the	3.0	0.0	3.0	3.0	0.0	3.0
Game and Fish Department	0.0	272.0	272.0	0.0	271.5	271.5
Geological Survey	14.3	0.0	14.3	14.3	0.0	14.3
Land Department	164.0	0.0	164.0	164.0	0.0	164.0
Mines and Mineral Resources, Dept of	8.0	0.0	8.0	7.0	0.0	7.0

	Fiscal Year 1992			Fiscal Year 1993		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
State Parks Board	137.5	35.0	172.5	105.3	74.2	179.5
Water Resources, Department of	214.7	0.0	214.7	214.7	0.0	214.7
TOTAL - NATURAL RESOURCES	541.5	307.0	848.5	508.3	345.7	854.0
TOTAL APPROPRIATED FUNDS	31,955.1	5,730.9	37,686.0	31,728.3	6,413.8	38,142.1
TOTAL NON-APPROPRIATED FUNDS 2/			16,421.5			16,935.1
GRAND TOTAL	31,955.1	5,730.9	54,107.5	31,728.3	6,413.8	55,077.2

1/ Positions shown for individual agencies include only those supported by appropriated funds. Positions supported by non-appropriated funds are shown in total on a separate line. Also, the position totals do not include positions in the Office of the Governor nor the Legislature.
2/ Based on agency information as of December 1991.

STATE PERSONNEL SUMMARY FULL-TIME EQUIVALENT POSITIONS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1993

FTE positions supported by appropriated funds: 38,142

GENERAL PROVISIONS OF THE APPROPRIATION ACT

In addition to the specific appropriations to agencies, departments and institutions, the General Appropriation Act (Laws 1992, Chapter 1, 9th Special Session) provides funding for state employee salary adjustments, and direction with regard to several general provisions.

Salary Adjustments

Section 102 appropriates \$11,000,000, of which no more than \$9,100,000 shall be from the General Fund, for salary adjustments for state officers and employees. Sufficient amounts have been allocated to each agency or department to increase the annual salary level of each full-time employee by \$1,000 on April 1, 1993. The salary adjustment does not apply to board and commission members who are paid on a per diem basis, and agency heads who are appointed for a fixed term of office. The appropriation includes a 2% salary equity adjustment for employees of the Schools for the Deaf and Blind. The Approved Salary and Other Adjustments section of this report lists the individual agency allocations.

Health Insurance Adjustments

Section 103 appropriates \$808,000 from the General Fund and \$1,020,000 from the State Highway Fund, for the additional state share of health insurance costs for state employees. These amounts, when combined with health insurance monies already incorporated into individual agency appropriations, are to provide full funding for contracts to begin August 1, 1992. All identified health insurance amounts shall be transferred to the Special Employee Health Insurance Trust Fund. As delineated by agency in the Approved Salary and Other Adjustments section of this report, these amounts are as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Medical Insurance	\$77,985,700	\$17,054,300	\$95,040,000
Dental Insurance	<u>4,282,000</u>	<u>825,500</u>	<u>5,107,500</u>
Total	\$82,267,700	\$17,879,800	\$100,147,500

Other General Provisions

Budget Stabilization Fund

Section 101 provides an estimate of the required appropriation to the Budget Stabilization Fund. Pursuant to section 35-144, subsection B, Arizona Revised Statutes, it is estimated that the sum of \$10,943,000 is required to be appropriated from the state General Fund to the Budget Stabilization Fund in FY 1993. The estimated appropriation is based upon the following estimates:

Annual growth rate of 1992 calendar year real adjusted personal income	3.14%
Seven-year trend growth rate	2.82%
Above trend growth in calendar year 1992	0.32%
Times: FY 1993 General Fund revenues	\$3,459,669,500
Equals: Estimated pay-in	\$ 10,943,000

It is legislative intent that the appropriation to the Budget Stabilization Fund will be made upon the final determination of the required amount by the Economic Estimates Commission, pursuant to section 35-144, subsection F, Arizona Revised Statutes.

Expenditure Reporting

Section 104 states that it is the intent of the Legislature that all departments, agencies or budget units receiving lump sum appropriations continue to report actual, estimated and requested expenditures by budget programs and classes in a format which is similar to the one used for budgetary purposes in prior years. The purpose of this section is to ensure stability and consistency in expenditure reporting regardless of yearly changes in appropriation formats.

FTE Position Reporting

Section 105 states that the FTE positions contained in the appropriation act are shown for informational purposes only. It is the intent of the Legislature that FTE positions will be appropriated beginning in FY 1994. The section directs the Department of Administration to develop all necessary systems to account for the utilization of all appropriated FTE positions and insure that budget units do not exceed the number of FTE positions appropriated. The director of the Department of Administration shall submit quarterly reports to the Joint Legislative Budget Committee on the progress of the systems development, the schedule of implementation, and any issues raised in conjunction with this issue.

OVERALL ISSUES IN THE FY 1993 BUDGET

The FY 1993 budget reflects the adoption of certain policies by the Legislature for FY 1993.

Lump Sum Reductions

In general, the approved General Fund amounts include an operating budget lump sum reduction. These reductions are based upon a sliding scale percentage of each agency's operating budget (excluding special line items), as follows:

<u>Operating Budget</u>	<u>Lump Sum Reduction</u>
\$2 million or less	1 %
\$2-3 million	2 %
\$3-4 million	3 %
\$4 million or more	4 %
Project SLIM agencies	5 %

There are several exceptions to this policy as noted in the individual agency descriptions.

Project SLIM Savings

The FY 1993 budget anticipates \$5 million of unspecified savings associated with Project SLIM (Statewide Long-Term Improved Management). Laws 1992, Chapter 312 establishes a SLIM fund in the State Treasury. The estimated net savings from the implementation of SLIM recommendations are to be deposited in this fund. The first \$1.5 million deposited in the fund is appropriated to Project SLIM in FY 1993. Chapter 312 requires that any balance in the fund shall be considered part of the state General Fund for the purposes of calculating the state General Fund balance at the end of the fiscal year.

Lower Rents due to 1988 C.O.P. Refinancing

The Department of Administration is refinancing the 1988 issuance of Certificates of Participation to save an estimated \$4,107,500 in FY 1993. This was the issuance that financed construction of the following state facilities: the Supreme Court Building, DES-West, the 16th Avenue Parking Garage, the Historical Society Museum at Papago, facilities for the Arizona School for the Deaf and Blind, and the Tucson Office Building. The savings will be realized through reduced FY 1993 lease-purchase payments. Since the details of this proposal were not final at the time of the enactment of the General Appropriation Act, these savings have not been incorporated into individual agency budgets. In addition, the savings at enactment were estimated to be \$5 million. This estimate has been adjusted downward to reflect the federal funds share and other factors.

Cost Factors in FY 1992 Appropriations

Inflation

The cost factors shown below are included in the FY 1993 appropriations to state agencies. In general, these percentages were added to the amounts originally appropriated for each category in FY 1992. The cost factors may vary for some agencies, due to special circumstances.

<u>Category</u>	<u>FY 1993 Increase</u>
Inflation (General, Postage, Provider, Utilities, etc.)	0.00 %
State Employee Salaries	\$1,000/FTE
Medical	5.00 %
Private Car Mileage (25.5 cents per mile)	6.25 %

Employer Contribution Rates

The FY 1993 appropriations include the following employer contribution rates. All are expressed as a percent of Personal Services funding except for the life insurance employer contribution:

	<u>Rate</u>
Life Insurance (per FTE)	\$13.00
Unemployment Insurance	0.20%
<u>Federal Insurance Contributions Act (FICA)</u>	
Social Security (income \leq \$55,600)	6.20%
Medicare (income \leq \$130,800)	1.45%
<u>Retirement Systems</u>	
State Retirement	3.59%
Correctional Officers (CORP)	6.35%
Elected Officials	5.50%
Department of Public Safety	0.00%
Northern Arizona University Police	4.10%
University of Arizona Police	0.94%
Arizona State University Police	5.95%
Game and Fish Department	18.32%
Dept. of Emergency & Military Affairs Firefighters	5.00%

Rent

The FY 1993 appropriations include the reinstatement of rent for General Fund agencies and divisions housed in state-owned buildings. While this policy had lapsed for General Fund agencies in the recent past, Other Appropriated Fund agencies and divisions had continuously been charged rent for state-owned space. In FY 1993, all appropriations to agencies for rent in state-owned space are to be paid into the Capital Outlay Stabilization Fund (COSF). The following rates were applied for state-owned space:

<u>Type of Space</u>	<u>Rate per foot</u>
Office	\$11.00
Storage	\$ 4.50

These rates are expected to generate the deposit of \$6.25 million from the General Fund and \$1.55 million from Other Appropriated Funds into the Capital Outlay Stabilization Fund.

OMNIBUS RECONCILIATION BILLS

Savings ^{1/}

Section

Chapter 292 (SB 1122) Disproportionate Share

AHCCCS

- | | | |
|---|--------------|-----------------------|
| • Amend FY 1992 and establish FY 1993 Disproportionate Share program, including appropriation levels. All funding gains would be reduced proportionately in line with the approved federal funding level. Property tax relief would remain at \$10 million. | \$35,790,900 | 1-4,8,10,11,
16-18 |
| • Establish county repayment requirements under the Disproportionate Share program. Counties would pay directly in FY 1992 and would have sales tax withheld in FY 1993. | -- | 6,7,12-15,
19 |
| • Repeal conditional enactments. | | 5,9 |
| • Make provisions retroactive to June 30, 1992 | -- | 20 |
| • Include intent statement that the revised appropriation and reimbursement shall be counted as FY 1992 transactions. | -- | 21 |

Chapter 288 (SB 1361) Education

Department of Administration

- | | | |
|---|----|----|
| • As session law, permit DOA Risk Management to continue covering University interns, externs, residents and fellows. | -- | 28 |
|---|----|----|

Community Colleges

- | | | |
|--|-----------|-------|
| • Revise the inflation adjustment from 3.6% to 0.0%. | 2,481,000 | 19 |
| • Maintain capital outlay aid at FY 1992 levels. | 2,703,700 | 20 |
| • Revise equalization aid formula to a) adjust the minimum equalization base by the actual average growth in assessed valuation rather than by 7%, and b) base district assessed value on last actual year rather than on an estimate of current year. Equalization aid is calculated according to the lesser of the district's prior year actual primary tax rate or \$1.37 per \$100 assessed valuation. | 183,600 | 16-18 |
| • Specifies that total FY 1993 M&O aid shall be appropriated to each district in the same proportion as in FY 1992. | -- | 21 |

Department of Education

- | | | |
|---|--------------|----------------------|
| • Permit a 0.5% inflation adjustment at local option to be funded from school district cash balances and Basic State Aid, if the cash balances are insufficient. | 75,649,500 | 22 |
| • Limit Sudden Growth funding to 64% of the requirement. | 4,400,000 | 24 |
| • Limit Rapid Decline funding to 64% of the requirement. | 1,500,000 | 23 |
| • Limit standardized norm-referenced testing to 3 grades with an option for additional grades. | 494,200 | 4,5 |
| • County board notification of minimum QTR. | -- | 14 |
| • Authorize Basic State Aid "rollover". | -- | 25 |
| • Allow school governing board until October 31 of each year to revise its budget as a result of the enactment or nonenactment of legislation after May 1st of the previous fiscal year. | -- | 6,7 |
| • Require 27% of school district cash balances in FY 1993 to be deducted from Basic State Aid and 18% in FY 1994. Increase the amount which maybe budgeted as the budget balance carry forward from 1% to 3% of a district's revenue control limit. | 25,000,000 | 1-3,8-10,12
15,27 |
| • For two years, suspend requirement that P.L. 81-874 monies be deducted in calculating a district's Basic State Aid. | (15,000,000) | 26 |
| • Repeals Laws 1992, Chapter 172 technical correction to A.R.S. § 15-962 - Capital Levy Revenue Limit. | -- | 11 |

	<u>Savings</u> ^{1/}	<u>Section</u>
• Repeals Laws 1991, Chapter 212 technical correction to A.R.S. § 15-971 - determination of equalization assistance.	--	13

Chapter 291 (SB 1366) Environment

Department of Environmental Quality

• Deposit aquifer protection permit fees into the Water Quality Assurance Revolving Fund rather than the General Fund and include support of A.P.P. application processing as an allowable use of WQARF, subject to legislative appropriation.	--	6-8
• Subject the Permit Administration Fund to annual legislative appropriation	--	9

State Parks Board

• For 2 years, allow up to 25% of the State Lake Improvement Fund to be appropriated to operate water-based state parks. Another 25% would continue to be for capital projects at such parks. Remaining 50% would be available to local and county governments for capital improvements and operations.	1,173,000	1-5,10
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Chapter 287 (SB 1144) Health Care Financing

AHCCCS

• Hospitalized Medically Needy applicants, who are identified by the counties as potentially eligible for federal assistance, must apply for such assistance and submit all documentation to DES within 3 days. DES has 60 days to determine eligibility. Applicants who refuse to cooperate are not eligible for assistance.	To be determined	1,5,6
• Continue to require counties to pay the state share of the federal long term care program. County contribution is projected to increase from \$87.5 million in FY 1992 to \$92.3 million in FY 1993.	4,754,500	8-11,13,14
• Extend 1991 session law which increased county acute care contribution by \$6.7 million, from \$58.4 million to \$65.1 million.	6,643,500	7,14
• Convert 13,000 of 17,000 children ages 9 through 13 from the 100% state-funded Eligible Assistance Children program to a new federally reimbursed Medical Assistance Only (MAO) income option. Those children unable to convert to the federal category would retain their eligibility. Originally in SB 1144, this provision was actually enacted as part of Chapter 302, (HB 2508).	5,000,000	--

Board of Dental Examiners

• To maintain adequate cash flow, repeal Laws 1991, Chapter 78 provision which required out-of-state dentists to pay an annual rather than triennial license fee.	--	2-4
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Department of Health Services

• Permit DHS to use monies recovered from administrative entities as matching funds for federal children's behavioral health services programs. Require quarterly reports on the use of funds.	4,700,000	12
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Chapter 312 (SB 1365) Public Finance

Department of Administration

• Correct 1991 ORB language which created Personnel Division Fund as a subaccount within the General Fund rather than as its own separate fund.	--	14
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	<u>Savings</u> ^{1/}	<u>Section</u>
<ul style="list-style-type: none"> Clarify 1991 ORB language on the appropriation of Risk Management Revolving Fund. Allow DOA to transfer Risk Management billing from an agency's appropriation. 	--	12,13
<ul style="list-style-type: none"> Create the Capital Outlay Stabilization Account as its own fund rather than as a subaccount within the General Fund. 	--	15,16
<ul style="list-style-type: none"> As session law, allow use of electronic funds transfer requests in place of warrants. 	--	21
<ul style="list-style-type: none"> Establish a service credit buy-out program for employees whose jobs are scheduled for abolishment. Payment shall not exceed one week of pay for every year of service up to a maximum of 12 weeks of pay. Also establish a program to reimburse relocation expenses, subject to the availability of funds. Establishes rules to transfer employees covered by the Law Enforcement Merit System Council to state service positions, as approved by the director of DOA. 	--	22
<ul style="list-style-type: none"> Permits acquisition of properties of historical significance near the governmental mall (Arts Commission building) from 1991 appropriation for RTC or distressed property acquisition. 	--	19
Department of Commerce		
<ul style="list-style-type: none"> Suspend existing private sector matching fund requirement for foreign trade office until July 1, 1994. 	--	17
Office of the Governor		
<ul style="list-style-type: none"> Create an appropriated Statewide Long-term Improved Management (SLIM) Fund. The estimated net savings from implementation of Project SLIM's recommendations are to be transferred to the fund. 	--	23
Courts		
<ul style="list-style-type: none"> Establish the Court Appointed Special Advocate account as its own fund rather than as a subaccount within the General Fund. 	--	1,2
Department of Library, Archives and Public Records		
<ul style="list-style-type: none"> Reduce Maricopa and Pima counties' lottery distribution and increase library grants to these counties by a like amount to meet "maintenance of effort" requirements for federal library funds. 	182,000	20
State Treasurer		
<ul style="list-style-type: none"> Clarify that capital gains on Permanent Land Endowment Earnings are to be posted as expendable income rather than as part of the non-expendable land endowment itself. Increases funds to education and other land grant recipients. The Governor line item vetoed this provision, resulting in a loss of \$3 million in savings. 	--	4,6-10
<ul style="list-style-type: none"> Permit the State Treasurer to deduct a management fee of up to 12 basis points from earnings for all monies invested with that office. Proceeds would be deposited into the General Fund. 	2,700,000	5
Department of Economic Security		
<ul style="list-style-type: none"> Exempt Special Olympics Tax Refund Fund from legislative appropriation. 	--	11
<ul style="list-style-type: none"> Allow DES to use retroactive Supplemental Security Income (SSI) payments to reimburse General Assistance for benefits received while the SSI application was pending. Also allows for reimbursement for attorneys or advocates representing the General Assistance recipient during the SSI application process. 	784,400	18

	<u>Savings</u> ^{1/}	<u>Section</u>
Department of Public Safety		
• Revert \$2 Million from the Automated Fingerprint System Fund on July 1, 1992.	2,000,000	24

Other

• Clarify that deposits to the Budget Stabilization Fund, which are made when the calendar year annual personal income growth rate exceeds the trend growth rate, occur in the fiscal year in which the calendar year ends.	—	3
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Chapter 290 (SB 1364) Tax Revisions

• Increase Individual Personal Income Tax exemption from \$2,000 to \$2,100, retroactive to January 1, 1992.	(10,100,000)	9,13
• Lower personal Income Tax Estimated Payment Threshold from \$100,000 to \$75,000.	7,800,000	6,14
• Revise the tax credit system for property and casualty insurers to a 13% offset in 1992, 11% in 1993, 13% in 1994 and 20% in 1995 and beyond.	4,000,000	1
• Increase elderly Personal Income Tax exemption from \$1,500 to \$1,750	(1,900,000)	8,13
• Set state property tax rate at 47 cents (annual legislation, no change)	—	12
• Repeal intent clause on Chapter 222 (HB 2297, sales tax exemption; aircraft equipment). HB 2297 clarifies that the sale of flight simulators, maintenance and support equipment is exempt from sales and use taxes. As drafted in the original bill, the intent clause is apparently allowing airlines to appeal past sales tax collections, which was not the actual intent of the bill.	—	7
• Repeal environmentally hazardous products license fee and instead annually appropriate \$2.9 million of sales tax collections into the Water Quality Assurance Revolving Fund. (No other legislation, however, actually appropriated these monies.)	(2,900,000)	2-5,10,11

Chapter 289 (SB 1362) Transportation

Department of Transportation

• Suspend for one additional year the "Usdane Shift," which requires VLT receipts to be deposited into HURF rather than the General Fund if vehicle registrations increase by 7%.	15,944,100	4
• Clarify that HURF is the funding source for the Motor Vehicle Liability Insurance Enforcement Fund for FY 1992 and FY 1993.	—	1-3

\$173,984,400

^{1/} Omnibus Reconciliation Bills include statutory changes necessary to achieve the spending levels of the FY 1993 budget. These estimates represent savings incorporated into the proposed budget.

GENERAL GOVERNMENT

DEPARTMENT OF ADMINISTRATION - SUMMARY

A.R.S. § 41-701

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER APPROPRIATED FUNDS

FY 1991
Actual

FY 1992
Estimate

FY 1993
Approved

Program Summary

Director's Office	422,000	-0-	-0-
Central Operations	-0-	8,902,400	12,170,800
Data Management	4,643,900	-0-	-0-
Risk Management	-0-	-0-	50,916,400
Workers' Compensation	-0-	-0-	14,221,900
Finance	6,732,941	4,531,388	4,758,000
Personnel	4,621,100	4,752,100	7,151,400
Facilities Management	13,217,400	2,185,200	1,481,200
General Services	95,000	12,042,800	11,951,500
Lump Sum Reduction	-0-	-0-	(787,600)

TOTAL APPROPRIATION

29,732,341

32,413,888

101,863,600

Expenditure Detail

FTE Positions 583.3 577.5 607.5 ^{1/}

Personal Services 12,185,300 12,697,700 13,666,800

Employee Related Exp. 2,873,400 3,286,400 3,433,900

Prof. & Outside Services 2,461,100 2,633,700 3,299,300

Travel - In State 166,600 164,800 157,900

Travel - Out of State 16,100 16,200 26,800

Other Operating Exp. 2,435,400 2,601,000 3,184,700

Equipment 135,800 317,000 84,400

All Other Operating Exp. 5,215,000 5,732,700 6,753,100

Lump Sum Reduction -0- -0- (787,600)

OPERATING SUBTOTAL

20,273,700

21,716,800

23,066,200

Special Line Items ^{2/} 9,458,641 10,386,200 77,951,400

Additional Appropriations -0- 310,888 ^{3/} 846,000 ^{4/}

TOTAL APPROPRIATIONS

29,732,341

32,413,888

101,863,600

Fund Summary

General Fund 29,432,141 27,301,358 22,778,600

Personnel Division Fund -0- 4,752,100 5,323,400

Corrections Fund 300,200 311,900 346,000 ^{4/}

Capital Outlay Stabilization Fund -0- -0- 7,257,300 ^{5/}

Risk Management Revolving Fund -0- -0- 50,916,400

Workers' Compensation Fund -0- -0- 14,221,900

State Highway Fund -0- 48,530 ^{6/} 1,020,000

TOTAL APPROPRIATIONS

29,732,341

32,413,888

101,863,600

DEPARTMENT OF ADMINISTRATION - SUMMARY Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$93,300 from the General Fund and \$46,600 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 3.2% was applied which reduces Personal Services by \$431,000. The amount also reflects a combined reduction of 35 FTE positions from Central Operations, Facilities Management, and General Services and a combined increase of 4 FTE positions in Risk Management, Finance, and Personnel. (This does not include the 8.5 FTE positions appropriated from the Corrections Fund to the Facilities Management Division in Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session. The positions are not included under the FTE count, and the funding is shown under "Additional Appropriations".)

Employee Related Expenditures - The approved amount includes \$13,600 from the General Fund and \$5,800 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$1,026,700 for medical insurance and \$52,500 for dental insurance. The approved Other Appropriated Funds amount contains \$501,400 for medical insurance and \$25,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ENSCO and COSF Rent - The approved amount includes \$3,782,800 for the FY 1993 payments on the 1991 Certificates of Participation for the ENSCO hazardous waste facility contract settlement. The amount also includes \$748,800 from the General Fund and \$387,000 from Other Appropriated Funds for rent in state-owned buildings. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the General Fund operating budget.

(Continued)

- 1/ In addition, 8.5 FTE positions were funded from the Corrections Fund for the department's Facilities Management Division pursuant to Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session.
- 2/ Details for the Special Line Items are included on the individual program pages.
- 3/ For FY 1992, includes \$262,358 from the General Fund and \$48,530 from the State Highway Fund for payment of claims against the state pursuant to Laws 1992, Chapter 279 (H.B. 2597). For FY 1993, includes \$500,000 from the General Fund for payment of the Fort McDowell community water settlement, pursuant to Laws 1992, Chapter 191 (H.B. 2173), and \$346,000 from the Corrections Fund, pursuant to Laws 1992, Chapter 2, 8th Special Session (see footnote 4).
- 4/ For FY 1993, the approved amount is appropriated to administer construction of corrections facilities, pursuant to Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session.
- 5/ For FY 1993, the Facilities Management Division and the Utilities line within General Services are appropriated from the Capital Outlay Stabilization Fund.
- 6/ For FY 1992, \$48,530 is appropriated from the State Highway Fund for payment of claims against the state, pursuant to Laws 1992, Chapter 279 (H.B. 2597). For FY 1993, \$1,020,000 is appropriated from the State Highway Fund to the Special Health Insurance Trust Fund within the department's Personnel Division to supplement amounts included in agency budgets for the state's health and dental insurance programs, pursuant to Section 103 of the General Appropriations Act. Section 103 also includes \$808,000 from the General Fund to supplement amounts appropriated for the health and dental insurance programs.

DEPARTMENT OF ADMINISTRATION - SUMMARY Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

ADDITIONAL LEGISLATION ^{1/}

State Setoff: Technical Corrections Public Finances and Funds - Chapter 312 (S.B. 1365) - This bill changes several provisions of statute relating to DOA operations and funding structure, as follows:

- Corrects language from one of the 1991 Omnibus Reconciliation Bills (ORB) which unintentionally created the Personnel Division Fund as a subaccount within the General Fund.
- Clarifies 1991 ORB language regarding annual appropriation of the Permanent Risk Management Revolving Fund, which resulted in 2 unreconciled sections with the same section number, and adds language allowing DOA to transfer risk management billings from agencies' accounts.
- Makes the Capital Outlay Stabilization Account a separate fund rather than an account within the General Fund, changing the word "account" to "fund."
- As session law, allows use of electronic funds transfer requests in addition to the current system of warrants.
- Permits acquisition of properties of historical significance near the governmental mall (e.g., Arts Commission Building) from the \$15 million appropriation for acquisition of RTC and/or distressed properties. (Amounts appropriated for initial acquisition are to be repaid from the proceeds of the issuance of the Certificates of Participation by September 30, 1992.)

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Makes the following appropriations of \$2,485,800 to the Department of Administration:

1. Section 1C appropriates a total of \$2,194,500 for building renewal, including \$1,585,100 from the General Fund and \$609,400 from the Capital Outlay Stabilization Fund (COSF). This represents 31% support of the Building Renewal Formula as established by A.R.S. § 41-793.01. The appropriation from COSF may exceed or fall short of the appropriated amount, depending upon actual collections for state-owned office space during FY 1993. Any such differences would be reflected in the amounts available for Building Renewal.
2. Section 2B appropriates \$291,300 from the General Fund for the refurbishment of office space in the buildings located at 1300 and 1400 West Washington Street in Phoenix.

Capital Outlay appropriations to the department for construction of correctional facilities are shown under the Department of Corrections.

^{1/} Other legislation impacting the appropriations or operations of the department are shown on the individual program pages.

DEPARTMENT OF ADMINISTRATION - DIRECTOR'S OFFICE ^{1/}**A.R.S. § 41-701**

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	8.0 ^{2/}	0.0	0.0
Personal Services	292,300	-0-	-0-
Employee Related Exp.	53,400	-0-	-0-
Travel - In State	100	-0-	-0-
Other Operating Exp.	18,200	-0-	-0-
All Other Operating Exp.	18,300	-0-	-0-
OPERATING SUBTOTAL	364,000	-0-	-0-
Hearing Office	58,000	-0-	-0-
TOTAL APPROPRIATIONS	422,000	-0-	-0-

^{1/} The functions for this cost center were consolidated into a new cost center, Central Operations, for FY 1992 and FY 1993.

^{2/} Includes 1 FTE position from the Hearing Office special line for FY 1991.

DEPARTMENT OF ADMINISTRATION - CENTRAL OPERATIONS

A.R.S. § 41-701

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	150.0 ^{1/}	146.0 ^{1/}
Personal Services	-0-	3,863,500	3,740,100
Employee Related Exp.	-0-	925,300	859,300
Prof. & Outside Services	-0-	2,468,500	2,215,400
Travel - In State	-0-	52,500	51,500
Travel - Out of State	-0-	6,500	6,500
Other Operating Exp.	-0-	619,900	628,900
Equipment	-0-	32,900	-0-
All Other Operating Exp.	-0-	3,180,300	2,902,300
OPERATING SUBTOTAL	-0-	7,969,100	7,501,700
ENSCO COP Payment	-0-	-0-	3,782,800
Statewide Accounting System	-0-	850,000	850,600
Hearing Office	-0-	83,300	35,700
TOTAL APPROPRIATIONS	-0-	8,902,400	12,170,800 ^{2/}

Personal Services - The approved amount includes \$34,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3.5% was applied, which reduces Personal Services by \$141,700. The amount also reflects restoration of \$10,000 deleted by the agency as part of the FY 1992 mid-year reductions; elimination of 3 FTE administrative positions and \$106,600 and 1 FTE Buyer position and \$25,100; and transfer of 1 FTE administrative position and \$35,000 to the Cash Management/Indirect Cost Recovery program in the Finance division.

Employee Related Expenditures - The approved amount includes \$4,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$377,400 for medical insurance and \$19,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$186,500 for risk management.

All Other Operating Expenditures - The approved amount includes a reduction of \$253,100 in Professional and Outside Services resulting from the 12% reduction in Data Center rates. One-time FY 1992 Equipment funding is eliminated.

ENSCO COP Payment - The approved amount is the net FY 1993 requirement for the 1991 Certificates of Participation, the proceeds of which were used for settlement of the ENSCO hazardous waste site contract.

(Continued)

^{1/} For FY 1992 and FY 1993, includes 2 FTE positions from the Statewide Accounting System special line and 1 FTE position from the Hearing Office special line. For FY 1993, includes 2 FTE positions from the Statewide Accounting System special line.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - CENTRAL OPERATIONS (Cont'd)
GENERAL FUND

Statewide Accounting System - The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. The approved amount contains \$5,700 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The funding in this special line will provide for final startup costs for the new accounting system and installation of portions of the inventory/purchasing function.

Hearing Office - This special line is reduced a total of \$47,600, which includes the elimination of its 1 FTE position and \$27,600 of Personal Services and Employee Related Expenditures.

ADDITIONAL LEGISLATION

Water Quality Appeals Board; Continuation - Chapter 77 (S.B. 1272) - This bill modifies A.R.S. § 41-2992.18, which would have terminated the Water Quality Appeals Board on July 1, 1992, and provides for the continuation of the board until July 1, 2002. The board is to be contained, as before, in the Department of Administration, which is required to provide an administrative law judge to hear appeals of water quality decisions handed down by the Department of Environmental Quality.

DEPARTMENT OF ADMINISTRATION - DATA MANAGEMENT ^{1/}**A.R.S. § 41-712**

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	38.0	0.0	0.0
Personal Services	1,287,300	-0-	-0-
Employee Related Exp.	235,900	-0-	-0-
Prof. & Outside Services	2,211,100	-0-	-0-
Travel - In State	200	-0-	-0-
Travel - Out of State	300	-0-	-0-
Other Operating Exp.	173,100	-0-	-0-
Equipment	5,900	-0-	-0-
All Other Operating Exp.	2,390,600	-0-	-0-
OPERATING SUBTOTAL	3,913,800	-0-	-0-
Statewide Accounting System	730,100	-0-	-0-
TOTAL APPROPRIATIONS	4,643,900	-0-	-0-

DOA Data Center Rate Reduction - The Data Management Division has reduced its rates for data services provided to state agencies by 12%, effective for 10 months of FY 1992 and all of FY 1993. The estimated savings to state agencies for FY 1993 are shown in the following table.

**DOA DATA CENTER FY 1993 RATE REDUCTIONS
WITH ESTIMATED SAVINGS BY AGENCY ^{1/}**

<u>Agency</u>	<u>12% Rate Reduction</u>	<u>General Fund Portion</u>
AHCCCS	\$ (869,500)	\$(365,200)
Dept. of Corrections	(197,500)	(197,500)
DOA-ISP	(150,900)	(150,900)
DOA-AFIS II	(121,600)	(121,600)
Industrial Commission	(40,400)	-0-
Data Center-Internal	(21,900)	-0-
Corporation Commission	(20,100)	(20,100)
Dept. Of Youth Treatment & Rehabilitation	(6,500)	(6,500)
DOA-Risk Management	(5,400)	-0-
Secretary of State	(3,200)	(3,200)
Dept. of Economic Security	(1,400)	(700)
DOA-Other	(1,200)	(600)
Dept. of Education	(600)	(600)
Game & Fish Dept.	(300)	-0-
All Other	(1,100)	(600)
TOTAL	\$(1,441,600)	\$(867,500)

^{1/} The estimated savings were calculated using expenditures through February, 1992 as a base. Actual Savings may vary.

(Continued)

^{1/} For FY 1992 and FY 1993, those functions in the Data Management Division, which were paid from the General Fund, were consolidated into Central Operations.

DEPARTMENT OF ADMINISTRATION - DATA MANAGEMENT (Cont'd)
GENERAL FUND

ADDITIONAL LEGISLATION

Automation Revolving Fund; Legislative Appropriation - Chapter 22 (S.B. 1077) - Provides that the Automation Revolving Fund (called Data Processing Revolving Fund in the accounting system) is subject to annual appropriation beginning with FY 1994. The budget request is due beginning September 1, 1993.

DEPARTMENT OF ADMINISTRATION - RISK MANAGEMENT ^{1/}**A.R.S. § 41-622**

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

RISK MANAGEMENT REVOLVING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	0.0	56.0
Personal Services	-0-	-0-	1,509,300
Employee Related Exp.	-0-	-0-	340,400
Prof. & Outside Services	-0-	-0-	354,700
Travel - In State	-0-	-0-	20,100
Travel - Out of State	-0-	-0-	10,000
Other Operating Exp.	-0-	-0-	357,800
Equipment	-0-	-0-	24,100
All Other Operating Exp.	-0-	-0-	766,700
OPERATING SUBTOTAL	-0-	-0-	2,616,400
Liab. & Prop. Losses/Rel. Exp.	-0-	-0-	36,200,000
Environ. Losses & Rel. Exp.	-0-	-0-	4,000,000
Atty. General - Ins. Defense	-0-	-0-	4,100,000
Insurance Premiums	-0-	-0-	3,500,000
Loss Control Grants	-0-	-0-	500,000
TOTAL APPROPRIATIONS	-0-	-0-	50,916,400 ^{2/}

Personal Services - The approved amount includes \$13,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied, which reduces Personal Services by \$22,500. The amount also includes an additional 1 FTE Industrial Hygienist position and \$28,100 to handle statewide industrial hygiene problems within state agencies such as building air quality, chemical hazards, and excess noise.

Employee Related Expenditures - The approved amount includes \$1,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$150,100 for medical insurance and \$7,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes a reduction of \$5,400 resulting from the 12% reduction in Data Center rates.

Other Operating Expenditures - The approved amount contains \$15,000 for risk management, \$6,000 for the Tucson State Office Building, and \$109,700 for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

(Continued)

^{1/} The Risk Management Revolving Fund is subject to annual appropriation beginning in FY 1993, pursuant to A.R.S. § 41-622.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - RISK MANAGEMENT (Cont'd)
RISK MANAGEMENT REVOLVING FUND

Equipment - The approved amount provides funding for the following: installation of a security system for the division's computer equipment; air conditioning equipment for the computer room; a VCR and monitor for loss prevention presentations; environmental testing equipment; and a microcomputer, printer and network server.

Liability & Property Losses/Related Expenditures - The approved amount represents funding for estimated FY 1993 claims, settlements and other losses, including outside legal fees and other related costs. Expenditures for contract services with the Attorney General are included in a separate line (see below).

Environmental Losses & Related Expenditures - The funding for estimated FY 1993 environmental losses is no longer contained in a separate account, pursuant to Laws 1992, Chapter 26 (see below). However, the division will continue to track these costs.

Attorney General - Insurance Defense - The approved amount represents funding for the division's contract with the Attorney General's Insurance Defense Section for legal representation in risk management-related lawsuits against the state.

Insurance Premiums - Includes funding for FY 1993 premium costs to secure primary or excess private insurance for certain types of property and liability insurance, which the department deems more cost-effective than providing self-insurance.

Loss Control Grants - These grants are made by the department on a competitive basis to state agencies to implement loss control projects or programs which can demonstrate tangible loss/cost avoidance. Of the amount, \$350,000 is funded from the Permanent Risk Management Revolving Fund and \$150,000 is transferred in from the Workers' Compensation Fund.

ADDITIONAL LEGISLATION

Risk Management; Risk Pools - Chapter 25 (H.B. 2026) - Removes political subdivisions from the provisions authorizing risk pools to be established by the Department of Administration, effectively causing political subdivisions to operate their own risk retention pools. The bill also amends the provisions relating to state contractors' risk pools, requiring the Board of Trustees for the pools, rather than the Department of Administration, to assess members to make up any funding shortfalls which may occur.

Risk Management; Environment - Chapter 26 (H.B. 2027) - Removes language which identifies the Environmental Risk Management Account as a separate account within the Permanent Risk Management Revolving Fund. The risk management responsibilities for environmental claims are to be considered in the same way as other liability and property risk exposures for the state.

DEPARTMENT OF ADMINISTRATION - WORKERS' COMPENSATION ^{1/} A.R.S. § 41-622

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

WORKERS' COMPENSATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	0.0	4.0
Personal Services	-0-	-0-	113,300
Employee Related Exp.	-0-	-0-	25,200
Prof. & Outside Services	-0-	-0-	309,000
Travel - In State	-0-	-0-	2,600
Travel - Out of State	-0-	-0-	1,200
Other Operating Exp.	-0-	-0-	36,500
Equipment	-0-	-0-	5,600
All Other Operating Exp.	-0-	-0-	354,900
OPERATING SUBTOTAL	-0-	-0-	493,400
Workers' Compensation Payments	-0-	-0-	11,044,000
Claim Management Fees	-0-	-0-	1,250,000
Reinsurance Premiums	-0-	-0-	400,000
Premium Tax	-0-	-0-	725,000
Univ. Student Health Work Program	-0-	-0-	159,500
Transfers Out: Loss Control	-0-	-0-	150,000
TOTAL APPROPRIATIONS	-0-	-0-	14,221,900 ^{2/}

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$10,400 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,500 for risk management and \$14,100 for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

Equipment - The approved amount provides funding for a microcomputer for the program manager and a laser printer for the network.

(Continued)

^{1/} The Workers' Compensation Fund is subject to annual appropriation beginning in FY 1993, pursuant to A.R.S. § 41-622. Note that the Workers' Compensation program is administered within the Risk Management Division.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - WORKERS' COMPENSATION (Cont'd)
WORKERS' COMPENSATION FUND

Workers' Compensation Payments - The approved amount represents the estimated FY 1993 payments to beneficiaries of workers' compensation benefits.

Claim Management Fees - This represents the cost of a vendor contract to process and manage all payments to beneficiaries. The department plans to bring this process in-house by next year.

Reinsurance Premiums - This represents the estimated annual cost of securing reinsurance from private insurers.

University Student Health Work Program - This program uses student nurses from the three state universities to perform health services for minor work-related injuries or illnesses in lieu of treatment by private physicians.

Transfers Out: Loss Control - The approved amount is the contribution from the Workers' Compensation Fund to the Loss Control Grant Program, funded at a total level of \$500,000 for FY 1993. (See Risk Management)

DEPARTMENT OF ADMINISTRATION - FINANCE

A.R.S. § 41-722

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/2}	115.0 ^{1/2}	69.0 ^{1/2}	71.0 ^{1/2}
Personal Services	2,210,900	1,072,700	1,118,500
Employee Related Exp.	468,000	250,800	266,700
Prof. & Outside Services	201,400	88,000	88,000
Travel - In State	2,100	-0-	-0-
Travel - Out of State	3,800	-0-	-0-
Other Operating Exp.	586,700	180,300	178,400
Equipment	7,100	13,400	-0-
All Other Operating Exp.	801,100	281,700	266,400
OPERATING SUBTOTAL	3,480,000	1,605,200	1,651,600
SLIAG	234,100	331,700	334,900
GAAP	531,100	602,800	607,500
Cost Recovery/Cash Mgmt.	-0-	-0-	130,800
Lease-Purchase Rent	570,400	599,400	626,700
COSF Rent	-0-	-0-	748,800
Courts Building	-0-	49,000	-0-
Tucson State Office Building	-0-	519,000	107,700
Agency Close-Out	-0-	13,400	-0-
Reduction-in-Force Costs	-0-	-0-	50,000
Water Rights Settlement, Laws 1989, Ch. 122	1,500,000	-0-	-0-
Woolsey Flood District	34,181	-0-	-0-
Named Claimants, Laws 1991, Ch. 263	311,911	-0-	-0-
Tucson Dev. Corp. Settlement	71,249	-0-	-0-
ADE SLIAG Reimbursement	-0-	500,000	-0-
TOTAL	6,732,941	4,220,500	4,258,000 ^{2/3/4}
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Named Claimants, Ch. 279	--	310,888	--
Water Rights Settlement, Ch. 191	--	--	500,000
TOTAL APPROPRIATIONS	6,732,941	4,531,388	4,758,000
Fund Summary			
General Fund	6,732,941	4,482,858	4,758,000
State Highway Fund	-0-	48,530	-0-
TOTAL APPROPRIATIONS	6,732,941	4,531,388	4,758,000

(See Footnotes on Following Page)

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
GENERAL FUND AND OTHER FUNDS

Personal Services - The approved amount includes \$11,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied, which reduces Personal Services by \$17,100. The amount also reflects the elimination of the Accounting Administrator position but retention of the related Personal Services funding to reduce the vacancy factor from nearly 10% down to 1.5%.

Employee Related Expenditures - The approved amount includes \$1,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$123,300 for medical insurance and \$6,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Equipment - The approved amount includes a reduction of \$13,400 in one-time FY 1992 Equipment funding.

SLIAG - This special line funds 6 FTE positions and related costs of administering the state's participation in the federal State Legalization Impact Assistance Grants program. All amounts expended are reimbursed by the federal government. The approved amount includes \$1,700 (Personal Services, \$1,500; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. The approved amount contains \$15,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

GAAP - This special line funds the on-going conversion of the state's accounting reports to comply with the federal Single Audit Act of 1984. The approved amount includes \$4,700 (Personal Services, \$4,200; Employee Related Expenditures, \$500) for the general salary adjustment effective April 1, 1993. The approved amount contains \$46,500 for medical insurance and \$2,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Cost Recovery/Cash Management - This new special line includes funding for 3 FTE positions to: a) supervise and administer a program to recover indirect costs associated with federal programs, and b) implement and administer a program to achieve compliance with the requirements of the 1990 Federal Cash Management Act. The approved amount includes \$800 (Personal Services, \$700; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. The approved amount contains \$9,500 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lease-Purchase Rent - The approved amount includes funding for the lease-purchase payments on the 16th Street Parking Garage and the former State Compensation Fund Building. Lease-purchase rent for the Tucson State Office Building is shown below.

(Continued)

- 1/ The approved amounts include 3 FTE positions in FY 1991, 6 FTE positions in FY 1992 and FY 1993 from the "SLIAG" special line, 17 FTE positions for all 3 fiscal years from the "GAAP" special line, and 3 FTE positions from the Cost Recovery/Cash Management special line for FY 1993.
- 2/ In accordance with A.R.S. § 35-142.01: (a) the Department of Economic Security shall remit to the Department of Administration any monies received as reimbursement from the federal government or any other source for the operation of the Department of Economic Security West building and (b) the Department of Administration shall deposit such monies to the General Fund. The Department of Administration, with the cooperation of the Department of Economic Security, shall submit quarterly reports to the Director of the Joint Legislative Budget Committee regarding the amount of federal reimbursement received by the General Fund for the costs of operating the DES West building. (General Appropriation Act footnote)
- 3/ Included in the lump sum appropriation is \$130,000 and 3 FTE positions to establish an indirect cost recovery and cash management program. The Department of Administration shall report quarterly to the Chairmen of the House of Representatives and Senate Appropriations Committees and the Director of the Joint Legislative Budget Committee as to the effectiveness of the indirect cost recovery and cash management program. The reports shall identify potential or pending sources of federal reimbursement for indirect costs as well as amounts actually collected. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
GENERAL FUND AND OTHER FUNDS

COSF Rent - The approved amount of \$748,800 is for reinstatement of General Fund rent for state-owned space to be paid into the Capital Outlay Stabilization Fund.

Tucson State Office Building - The approved amount of \$107,700 represents the department's General Fund share of the Tucson State Office Building lease-purchase obligation for FY 1993. The Personnel and Risk Management divisions' allocations are included in their respective cost centers. The budgeted rent allocations for all state agency tenants for FY 1993 are shown in the table below.

<u>Agency</u>	<u>Total Rent Requirement</u>
Dept. of Administration	\$ 119,900
Supreme Court	76,900
Court of Appeals Division II	415,900
Office of the Governor	32,100
Dept. of Economic Security	531,400
Dept. of Environmental Quality	62,500
Dept. of Health Services	114,600
Veterans' Service Commission	10,800
Dept. of Agriculture	34,900
Building and Fire Safety	34,900
Registrar of Contractors	38,100
Corporation Commission	58,800
Dept. of Insurance	19,900
Dept. of Liquor Licenses	24,100
Real Estate Department	34,100
Board of Medical Examiners	8,200
Board of Pharmacy	3,900
Dept. of Education	38,900
Dept. of Corrections	51,500
Dept. of Water Resources	78,500
Auditor General	27,500
State Lottery Commission	59,100
TOTAL	<u>\$1,876,500</u>

Reduction-in-Force Costs - The approved amount is for leave-payoff and related costs of reductions in staffing.

ADE SLIAG Reimbursement - This amount was approved as part of the FY 1992 ex-appropriation bill, Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. The authorized amount is to reimburse education providers for audit exceptions related to services provided to applicants under the federal State Legalization Impact Assistance Grants program (SLIAG).

ADDITIONAL APPROPRIATIONS

Appropriation for Named Claimants; Judgement - Chapter 279 (H.B. 2597) - This annual General Relief Bill: a) appropriates \$262,358 from the General Fund, and b) transfers \$48,530 from the State Highway Fund to the General Fund, and then appropriates those funds to the Department of Administration for payment of various claims against the state. The claims were paid in FY 1992 as the bill was passed with the emergency clause.

Appropriations; Indian Water Rights - Chapter 191 (H.B. 2173) - Appropriates \$500,000 in FY 1993 and \$1,500,000 in FY 1994 to the department for payment of the State of Arizona's contribution to the Fort McDowell Indian Community Development Fund established by the Fort McDowell Indian Community Water Rights Settlement Act of 1990, P.L. 101-628.

DEPARTMENT OF ADMINISTRATION - PERSONNEL

A.R.S. § 41-702

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	115.7	116.5	117.5
Personal Services	3,208,700	3,345,900	3,341,500
Employee Related Exp.	712,300	705,400	728,200
Prof. & Outside Services	33,500	64,800	319,800
Travel - In State	11,700	10,600	11,100
Travel - Out of State	2,800	4,500	4,500
Other Operating Exp.	457,700	427,400	697,800
Equipment	34,800	150,000	2,000
All Other Operating Exp.	540,500	657,300	1,035,200
OPERATING SUBTOTAL	4,461,500	4,708,600	5,104,900
Special Recruitment	34,600	43,500	43,500
Executive Training	100,000	-0-	-0-
CPS Study (Laws 1990, Ch. 237)	25,000	-0-	-0-
Personnel Automation Project	-0-	-0-	175,000
Health Ins. Trust Fund Supplement	-0-	-0-	1,828,000
TOTAL APPROPRIATIONS	4,621,100	4,752,100	7,151,400 ^{1/}
Fund Summary			
General Fund	4,621,100	-0-	808,000 ^{2/}
Personnel Division Fund	-0-	4,752,100	5,323,400
State Highway Fund	-0-	-0-	1,020,000 ^{2/}
TOTAL APPROPRIATIONS	4,621,100	4,752,100	7,151,400

Personal Services - The approved amount includes \$28,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied, which reduces Personal Services by \$67,500. The amount also adds \$33,700 for 1 FTE Employee Relations Specialist to develop a program to respond to employee-management concerns among state personnel.

Employee Related Expenditures - The approved amount includes \$3,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$299,600 for medical insurance and \$15,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{2/} The amounts appropriated from the General Fund and State Highway Fund for FY 1993 are to be transferred to the Special Employee Health Insurance Trust Fund to supplement the amounts appropriated for health and dental insurance in the agencies' budgets.

DEPARTMENT OF ADMINISTRATION - PERSONNEL (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Professional and Outside Services - The approved amount includes a net increase of \$255,000, reflecting the shifting of \$25,000 for the automation project to a new special line and an increase of \$280,000 for payment of Data Center charges for Applicant Tracking and Human Resources Management System (HRMS), charges which had been paid from the General Fund.

All Other Operating Expenditures - The approved amount contains \$40,000 for risk management, \$6,200 for the Tucson State Office Building, and \$263,200 for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund. The approved amount also includes \$500 in Travel - In State and \$7,200 in Other Operating Expenditures for support of the Employee Relations Specialist position, and the shifting of \$150,000 in Equipment funding to the Personnel Automation Project special line.

Special Recruitment - The approved amount in this special line is to fund advertising and related costs of hiring specialized or upper management state government positions.

Personnel Automation Project - The approved amount for this new special line is for continued development/acquisition of systems to automate the job application process and other division functions.

Health Insurance Trust Fund Supplement - The approved amount in this special line supplements the amounts included in agency budgets for the state's contribution to the costs of health and dental insurance for employees. The amount includes \$808,000 from the General Fund and \$1,020,000 from the State Highway Fund. The funding is appropriated to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF ADMINISTRATION - FACILITIES MANAGEMENT

A.R.S. § 41-790

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	302.6 ^{1/}	35.5 ^{1/}	12.5 ^{1/}
Personal Services	5,120,700	1,028,200	471,500
Employee Related Exp.	1,382,700	320,900	97,600
Prof. & Outside Services	15,100	12,400	11,200
Travel - In State	144,700	55,100	21,000
Travel - Out of State	9,200	3,000	1,400
Other Operating Exp.	1,199,000	133,700	32,500
Equipment	88,000	31,900	-0-
All Other Operating Exp.	1,456,000	236,100	66,100
OPERATING SUBTOTAL	7,959,400	1,585,200	635,200
Utilities	4,845,300	-0-	-0- ^{2/}
Relocation	412,700	600,000	-0-
Relocation/Non-West Tower	-0-	-0-	450,000
Relocation-West Tower	-0-	-0-	50,000
TOTAL	13,217,400	2,185,200	1,135,200 ^{3/}
Additional Appropriations - 40th Leg., 8th Special Session			
Prison Construction, Ch. 2	-0-	-0-	346,000 ^{4/}
TOTAL APPROPRIATIONS	13,217,400	2,185,200	1,481,200
Fund Summary			
General Fund	12,917,200	1,873,300	-0-
Corrections Fund	300,200	311,900	346,000 ^{4/}
Capital Outlay Stabilization Fund	-0-	-0-	1,135,200 ^{5/}
TOTAL APPROPRIATIONS	13,217,400	2,185,200	1,481,200

(Continued)

- ^{1/} The approved amounts include 11 FTE positions in FY 1991 and 9 FTE positions in FY 1992 for the prison construction program. The FTE figure for FY 1993 excludes the 8.5 FTE positions appropriated for prison construction in Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session.
- ^{2/} The Utilities line was moved to General Services in FY 1992.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items are shown for information only.
- ^{4/} Laws 1992, Chapter 2 (H.B. 2002), 8th Special Session appropriates \$346,000 for FY 1993 from the Corrections Fund to the department for 8.5 FTE positions to administer construction of corrections facilities.
- ^{5/} The Facilities Management operating funding is appropriated from the Capital Outlay Stabilization Fund for FY 1993.

DEPARTMENT OF ADMINISTRATION - FACILITIES MANAGEMENT (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$3,100 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The amount also includes a reduction of 23 FTE positions and \$559,800, including all 9 FTE positions from the Corrections Fund. This staffing reduction is premised on the reduction in the number of major building projects and the reduced need for administrative and clerical staff in this division following the shifting of the maintenance and custodial function to General Services. (Note that Chapter 2 (H.B. 2002), 8th Special Session appropriates a total of \$346,000 and 8.5 FTE positions from the Corrections Fund for prison construction--see below). The remaining 12.5 FTE positions include the following: Assistant Director, State Architect, Administrator of Statewide Planning, Civil Engineer III, Civil Engineer I, Fiscal Services Specialist/Leasing Coordinator, Building Plans Coordinator, State Building Inspector (3 FTE), Administrative Assistant, Clerk Typist, and 0.5 FTE State Service Intern for CADD Building Inventory.

Employee Related Expenditures - The approved amount includes \$400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$41,300 for medical insurance and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes a reduction of \$170,000 as part of the staffing reduction.

Relocation - Non-West Tower/Relocation - West Tower - For FY 1993, the agency relocation funding is separated into 2 parts: a \$50,000 portion for the West Tower and \$450,000 for buildings other than the West Tower. In addition, the combined amount is reduced by \$100,000 from FY 1992.

ADDITIONAL APPROPRIATIONS

Corrections Fund - Chapter 2 (H.B. 2002), 8th Special Session - This bill provides for lease-purchase financing of prison bed construction, funding for major maintenance of certain juvenile corrections facilities, and funding of \$346,000 for 8.5 FTE positions to supervise construction of the prison bed facilities. (See more detailed explanation of this bill under Department of Corrections.)

DEPARTMENT OF ADMINISTRATION - GENERAL SERVICES

A.R.S. § 41-701

Elliott Hibbs, Director

JLBC Analyst: Pitcairn

GENERAL FUND AND CAPITAL OUTLAY STABILIZATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	206.5	200.5
Personal Services	65,400	3,387,400	3,372,600
Employee Related Exp.	21,100	1,084,000	1,116,500
Prof. & Outside Services	-0-	-0-	-0-
Travel - In State	7,800	46,600	46,600
Travel - Out of State	-0-	2,200	2,200
Other Operating Exp.	700	1,239,700	1,238,800
Equipment	-0-	88,800	52,700
All Other Operating Exp.	8,500	1,377,300	1,340,300
OPERATING SUBTOTAL	95,000	5,848,700	5,829,400
Utilities	-0-	6,194,100	6,122,100
TOTAL APPROPRIATIONS	95,000	12,042,800	11,951,500
<u>Fund Summary</u>			
General Fund	95,000	12,042,800	5,829,400
Capital Outlay Stabilization Fund	-0-	-0-	6,122,100 ^{1/}
TOTAL APPROPRIATIONS	95,000	12,042,800	11,951,500 ^{2/}

Personal Services - The approved amount includes \$47,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 5% was applied, which reduces Personal Services by \$182,200. The approved amount also includes a reduction of \$89,900 for 4 FTE Custodian and 2 FTE Groundskeeper positions.

Employee Related Expenditures - The approved amount includes \$7,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$526,000 for medical insurance and \$26,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes a reduction of \$20,000 in Other Operating Expenditures as part of the staffing reduction. The approved amount also includes \$40,000 for non-capitalized equipment.

(Continued)

^{1/} For FY 1993, the funding for utilities is appropriated from the Capital Outlay Stabilization Fund.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - GENERAL SERVICES (Cont'd)
GENERAL FUND AND CAPITAL OUTLAY STABILIZATION FUND

Equipment - The approved amount includes \$52,700 for the following capitalized equipment: 3 gas-powered utility carts; 2 floor buffers; a riding mower; 2 carpet extractors, a floor refinisher, FAX machine and copier for Tucson; a computer with printer; a concrete saw; and a cement mixer.

Utilities - The approved amount reflects a net \$72,000 reduction in funding for utilities. The original 5%, or \$322,000, reduction has been offset by the \$250,000 reduction taken by the agency as part of the FY 1992 mid-year reductions.

ADDITIONAL LEGISLATION

Alternative Fuel Vehicles - Chapter 127 (S.B. 1273) - This bill amends certain provisions regarding acquisition of alternative fuel vehicles for state fleets as enacted by Laws 1991, Chapter 176 (H.B. 2433). Specifically, the bill provides that, as the fleet is replaced, the Department of Administration is required to do so with factory manufactured vehicles or **converted factory manufactured vehicles or converted state fleet vehicles** which are capable of using alternative fuels (new provision in bold). However, the bill adds that the department may require written certification from the converter that the converted vehicles meet all applicable safety standards of the U.S. Department of Transportation. The definition of alternative fuels is clarified to include liquefied as well as compressed natural gas. As in the original act, the agencies whose fleets are exempt from participation are required to develop similar vehicle replacement programs.

GOVERNOR'S OFFICE OF AFFIRMATIVE ACTION

Executive Order 89-7

Robert L. Williams, Acting Director

JLBC Analyst: Morris

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	5.0	5.0	5.0
Personal Services	155,500	153,700	160,500
Employee Related Exp.	31,800	32,500	32,900
Prof. & Outside Services	6,200	5,400	5,400
Travel - In State	1,600	3,800	3,800
Travel - Out of State	400	-0-	-0-
Other Operating Exp.	24,200	29,300	40,400
Equipment	1,700	-0-	-0-
All Other Operating Exp.	34,100	38,500	49,600
OPERATING SUBTOTAL	221,400	224,700	243,000
Lump Sum Reduction	-0-	-0-	(2,400)
TOTAL APPROPRIATIONS	221,400	224,700	240,600 ^{1/}

Personal Services - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$13,400 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,000 for risk management and \$11,100 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - SUMMARY

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Martinez

GENERAL FUND, CORRECTIONS FUND, AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administration	2,971,200	2,095,800	3,179,700
Civil	6,695,200	7,076,300	9,065,300
Human Services	714,900	961,100	1,181,600
Criminal	7,398,100	8,126,400	8,648,700
General Fund Lump Sum Reduction	-0-	-0-	(187,900)
TOTAL APPROPRIATIONS	17,779,400	18,259,600	21,887,400
<u>Expenditure Detail</u>			
FTE Positions	382.5	353.0	365.0
Personal Services	13,142,700	12,576,200	12,955,100
Employee Related Exp.	2,475,000	2,376,200	2,519,900
Prof. & Outside Services	164,600	106,800	38,000
Travel - In State	153,100	182,600	155,000
Travel - Out of State	37,500	38,900	40,000
Other Operating Exp.	1,688,800	1,854,900	2,786,900
Equipment	40,200	84,100	7,400
All Other Operating Exp.	2,084,200	2,267,300	3,027,300
General Fund Lump Sum Reduction	-0-	-0-	(187,900)
OPERATING SUBTOTAL	17,701,900	17,219,700	18,314,400
Special Line Items ^{1/}	77,500	663,600	3,573,000
Additional Appropriations ^{1/}	-0-	376,300	-0-
TOTAL APPROPRIATIONS	17,779,400	18,259,600 ^{2/}	21,887,400 ^{3/45/}
<u>Fund Summary</u>			
General Fund	17,779,400	17,534,200	18,612,800
Corrections Fund	-0-	349,100	-0-
Collection Enforcement Fund	-0-	-0-	2,194,000
Victims' Rights Implementation Fund	-0-	376,300	1,080,600
TOTAL APPROPRIATIONS	17,779,400	18,259,600	21,887,400

(Continued)

- ^{1/} Details for the Special Line Items and additional appropriations are included on the individual program pages.
- ^{2/} The expenditure detail for FY 1992 includes a \$177,100 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and a supplemental appropriation of \$349,100 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

(See Footnotes on Following Page)

ATTORNEY GENERAL - DEPARTMENT OF LAW - SUMMARY (Cont'd)
GENERAL FUND, CORRECTIONS FUND, AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$85,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.6% was applied which reduces Personal Services by \$210,400.

Employee Related Expenditures - The approved amount includes \$10,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$915,100 for medical insurance and \$46,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$135,300 for risk management and \$1,221,400 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

General Fund Lump Sum Reduction - The approved amount represents a 1% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Arizonans With Disabilities Act - Chapter 224 (H.B. 2379) - The bill creates the Public Accommodations Fund and appropriates monies in the fund to the Attorney General for the purposes of furthering the objectives of and enforcing the disabilities act. The source of revenue for the fund will be donations. Monies in the fund are exempt from lapsing. The bill directs the Attorney General to adopt rules to carry out the intent of the Legislation within 1 year of the enactment.

Victims' Rights; Notice; Damage - Chapter 327 (H.B. 2091) - The enactment of the bill was contingent on the enactment of S.B. 1490 - Criminal Code Revisions. S.B. 1490 was vetoed. The bill would have appropriated \$100,000 of monies received by the Department of Law from the Criminal Justice Enhancement Fund relating to county attorney prosecutorial enhancements to the Auditor General for the purposes of conducting audits relating to the Victims' Rights Implementation Act.

(Footnotes Continued From Previous Page)

- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 4/ The sum of \$750,000 shall be deposited into the general fund from reimbursed fees and expenses from In Re-refined Petroleum Anti-Trust Litigation. If monies deposited to the general fund in FY 1992 and FY 1993 from those reimbursed attorney fees and expenses are less than \$750,000, then the general fund appropriation shown above shall be reduced on a dollar for dollar basis, representing the difference between the amount of reimbursed attorney fees and expenses deposited and \$750,000. (General Appropriation Act footnote)
- 5/ The sum of \$450,000 shall be deposited into the general fund from monies recovered from litigation other than from the In Re-refined Petroleum Anti-Trust Litigation. If monies deposited to the general fund in FY 1992 and FY 1993 from litigation recoveries are less than \$450,000, then the general fund appropriation shown above shall be reduced on a dollar for dollar basis, representing the difference between the amount of litigation recoveries deposited and \$450,000. (General Appropriation Act footnote)

ATTORNEY GENERAL - DEPARTMENT OF LAW - ADMINISTRATION**A.R.S. § 41-192**

The Honorable Grant Woods, Attorney General

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	42.0	46.0	46.0
Personal Services	1,544,600	1,430,800	1,498,400
Employee Related Exp.	278,300	264,800	307,200
Prof. & Outside Services	119,300	27,200	2,000
Travel - In State	14,000	13,200	18,000
Travel - Out of State	15,100	10,400	17,000
Other Operating Exp.	965,000	295,800	1,337,100
Equipment	34,900	53,600	-0-
All Other Operating Exp.	1,148,300	400,200	1,374,100
TOTAL APPROPRIATIONS	2,971,200	2,095,800	3,179,700 ^{1/}

Personal Services - The approved amount includes \$11,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$15,100. The approved amount also includes \$2,200 to annualize the cost for the elected officials' salary adjustments.

Employee Related Expenditures - The approved amount includes \$1,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$119,300 for medical insurance and \$6,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$6,700 for risk management and \$1,221,400 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CIVIL
A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Martinez

GENERAL FUND, CORRECTIONS FUND AND COLLECTION ENFORCEMENT FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	120.0	134.0	146.0
Personal Services	5,308,800	4,799,300	4,911,700
Employee Related Exp.	978,400	887,100	936,800
Prof. & Outside Services	25,200	58,300	25,000
Travel - In State	4,000	5,900	5,400
Travel - Out of State	5,900	4,600	9,000
Other Operating Exp.	295,300	813,300	827,600
Equipment	100	11,100	7,400
All Other Operating Exp.	330,500	893,200	874,400
OPERATING SUBTOTAL	6,617,700	6,579,600	6,722,900
Centex-Rodgers	-0-	349,100 ^{2/}	-0-
Property Tax Supp	77,500	-0-	-0-
Tax Division - Property Tax Appeals	-0-	147,600	148,400 ^{3/}
Collection Enforcement	-0-	-0-	2,194,000 ^{4/}
TOTAL APPROPRIATIONS	6,695,200	7,076,300	9,065,300 ^{5/}
Fund Summary			
General Fund	6,695,200	6,727,200	6,871,300
Corrections Fund	-0-	349,100	-0-
Collection Enforcement Fund	-0-	-0-	2,194,000
TOTAL APPROPRIATIONS	6,695,200	7,076,300	9,065,300

Personal Services - The approved amount includes \$32,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$100,300. The approved amount also includes \$100,000 to fund 2 new attorney positions in the Tax Division for representation of the state in tax matters.

(Continued)

- ^{1/} The FTE Positions total includes 3 FTE positions in FY 1992 and FY 1993 funded in the Tax Division - Property Tax Appeals special line item and 10 FTE positions in FY 1993 funded through the Collection Enforcement line item which is funded from the Collection Enforcement Revolving Fund.
- ^{2/} The expenditure detail for FY 1992 includes a supplemental appropriation of \$349,100 from the Corrections Fund authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} The \$148,400 appropriated to the Tax Division includes 3 FTE positions (2 attorneys and 1 legal secretary) for assistance to the counties for property tax appeals. (General Appropriation Act footnote)
- ^{4/} The \$2,191,200 appropriated from the Collection Enforcement Revolving Fund is made pursuant to Section 41-191.03, Arizona Revised Statutes. (General Appropriation Act footnote)
- ^{5/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line item detail within the "Operating Subtotal" is shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CIVIL (Cont'd)
GENERAL FUND, CORRECTIONS FUND AND COLLECTION ENFORCEMENT FUND

Employee Related Expenditures - The approved amount includes \$3,800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$345,400 for medical insurance and \$17,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes \$21,000 associated with the 2 attorney positions in the Tax Division.

Other Operating Expenditures - The approved amount contains \$60,900 for risk management.

Centex - Rodgers - A \$349,100 supplemental appropriation from the Collections Fund was authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session to cover legal expenses associated with the Centex-Rodgers litigation. The approved amount is to be used for expert, technical, and legal support by the Attorney General's Office to defend the state against claims of negligence in the construction of the Special Management Unit at the Arizona State Prison Complex-Florence.

Tax Division - Property Tax Appeals - The appropriation provides \$124,500 in Personal Services and \$23,900 in Employee Related Expenditures for 2 attorney positions and 1 legal secretary position to provide assistance to counties for property tax appeals.

The approved amount includes \$800 (Personal Services, \$700; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$8,700 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Collection Enforcement - The appropriation provides \$543,100 for administrative and enforcement costs for the collection of debts owed to the state and state agencies, and \$1,650,900 for disbursements to agencies whose debts are collected. Pursuant to Section 41-191.03, Arizona Revised Statutes, the Collection Enforcement Revolving Fund became subject to legislative appropriation on January 1, 1992.

The approved amount includes \$2,800 (Personal Services, \$2,500; Employee Related Expenditures, \$300) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$34,200 for medical insurance and \$1,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ATTORNEY GENERAL - DEPARTMENT OF LAW - HUMAN SERVICES**A.R.S. § 41-1401**

The Honorable Grant Woods, Attorney General

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	35.5	31.0	31.0
Personal Services	519,200	701,300	912,600
Employee Related Exp.	107,000	133,400	192,300
Prof. & Outside Services	9,700	6,400	2,000
Travel - In State	12,700	16,400	3,600
Travel - Out of State	2,100	5,300	2,000
Other Operating Exp.	64,200	92,500	69,100
Equipment	-0-	5,800	-0-
All Other Operating Exp.	88,700	126,400	76,700
TOTAL APPROPRIATIONS	714,900	961,100	1,181,600 ^{1/}

Personal Services - The approved amount includes \$7,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$9,200.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$79,400 for medical insurance and \$4,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$6,800 for risk management.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CRIMINAL

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Martinez

GENERAL FUND AND VICTIMS' RIGHTS IMPLEMENTATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	185.0	142.0	142.0 ^{1/}
Personal Services	5,770,100	5,644,800	5,632,400
Employee Related Exp.	1,111,300	1,090,900	1,083,600
Prof. & Outside Services	10,400	14,900	9,000
Travel - In State	122,400	147,100	128,000
Travel - Out of State	14,400	18,600	12,000
Other Operating Exp.	364,300	653,300	553,100
Equipment	5,200	13,600	-0-
All Other Operating Exp.	516,700	847,500	702,100
OPERATING SUBTOTAL	7,398,100	7,583,200	7,418,100
Grand Jury	-0-	150,000	150,000 ^{2/}
Special and Hazardous Waste	-0-	16,900	-0- ^{3/}
Victims' Rights Implementation	-0-	-0-	1,080,600
TOTAL	7,398,100	7,750,100	8,648,700 ^{4/}
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Appropriation; Victim Witness Program, Ch. 211	--	376,300	--
TOTAL APPROPRIATIONS	7,398,100	8,126,400	8,648,700
Fund Summary			
General Fund	7,398,100	7,750,100	7,568,100
Victims' Rights Implementation Fund	-0-	376,300	1,080,600
TOTAL APPROPRIATIONS	7,398,100	8,126,400	8,648,700

(Continued)

- 1/ The FTE positions total includes 2 FTE positions funded in the Victims' Rights Implementation line item which is funded from the Victims' Rights Implementation Revolving Fund.
- 2/ The \$150,000 appropriated for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-428. It is legislative intent that State Grand Jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided. (General Appropriation Act footnote)
- 3/ The annualized amount of \$126,500 for 3 FTE positions was incorporated into the operating budget.
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line item. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CRIMINAL (Cont'd)
GENERAL FUND AND VICTIMS' RIGHTS IMPLEMENTATION FUND

Personal Services - The approved amount includes \$34,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$85,800. The amount also provides funding to annualize 2 attorney positions and 1 legal secretary position to enforce Special and Hazardous Waste statutes.

Employee Related Expenditures - The approved amount includes \$4,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$371,000 for medical insurance and \$19,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$60,900 for risk management.

Victims' Rights Implementation - The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$3,900 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ARIZONA COLISEUM AND EXPOSITION CENTER

A.R.S. § 3-1001

Gary D. Montgomery, Executive Director

JLBC Analyst: Martinez

ARIZONA COLISEUM AND EXPOSITION CENTER FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	313.0	313.0	278.0
Personal Services	5,016,500	5,120,200	4,681,600
Employee Related Exp.	776,700	794,700	901,600
Prof. & Outside Services	1,754,800	1,837,700	1,837,700
Travel - In State	11,300	11,700	11,700
Travel - Out of State	27,800	30,000	37,000
Other Operating Exp.	5,444,900	5,814,500	5,532,300
Equipment	183,800	200,000	100,000
All Other Operating Exp.	7,422,600	7,893,900	7,518,700
TOTAL APPROPRIATIONS	13,215,800	13,808,800	13,101,900 ^{1/}

A.R.S. § 3-1005 states "monies received by the Board...shall be under full control and jurisdiction of the Board." The appropriation for the Coliseum and Exposition Center is, then, 100% of its collections, and the amounts shown are for information only.

Personal Services - The approved amount includes \$21,400 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$3,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$203,000 for medical insurance and \$10,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$224,900 for risk management.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002) 9th Special Session - Section 1(E) of the Capital Outlay Bill appropriates \$428,000 from the Coliseum and Exposition Fund to the Arizona Coliseum Board for the maintenance and repair of state buildings in accordance with the building renewal formula established pursuant to A.R.S. § 41-793.01.

ADDITIONAL LEGISLATION

Racing; Disposition of Revenue - Chapter 82 (H.B. 2014) - This act reduces the Coliseum and Exposition Center share of pari-mutuel racing revenues from 5% to 4.5% and repeals the elimination of the subsidy in FY 1994. The act also increases the pari-mutuel shares to the County Fairs Racing Betterment Fund from 8.25% to 8.5%, and the Stallion Award Fund from 0.25% to 0.5%.

^{1/} All collections paid into the State Treasury are appropriated for Personal Services, Employee Related Expenditures, and All Other Operating Expenditures. (General Appropriation Act footnote)

DEPARTMENT OF COMMERCE

A.R.S. § 41-1501

James E. Marsh, Director

JLBC Analyst: Siegwarth

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	72.0	69.0	67.0
Personal Services	2,088,000	1,824,100	1,877,700
Employee Related Exp.	438,500	380,300	398,800
Prof. & Outside Services	188,800	140,100	154,700
Travel - In State	68,300	80,400	105,100
Travel - Out of State	96,500	56,800	99,400
Other Operating Exp.	597,900	701,600	737,600
Equipment	167,000	94,100	9,700
All Other Operating Exp.	1,118,500	1,073,000	1,106,500
General Fund Lump Sum Reduction	-0-	-0-	(51,200)
OPERATING SUBTOTAL	3,645,000	3,277,400	3,331,800
Econ. Development Matching Funds	99,300	60,000	60,000
CEDC Commission	199,900	200,000	200,000
OFTD Legal Center	-0-	-0-	150,000
Advertising and Promotion	806,300	495,200	495,200
Asian Pacific Trade Office	157,300	157,800	120,000
Mexico Trade Office	-0-	62,500	200,000
REDI Matching Grants	42,300	89,000	89,000
Motion Picture Development	49,900	479,100	480,400
Procurement Assist. Network	50,000	-0-	-0-
Indian Economic Development	66,200	63,700	64,000
Solar Projects	81,200	-0-	-0-
Oil Overcharge Administration	108,600	123,400	124,000
Japan Trade/Tourism	-0-	-0-	280,000
TOTAL APPROPRIATIONS	5,306,000	5,008,100 ^{2/}	5,594,400 ^{3/}
Fund Summary			
General Fund	3,869,100	3,509,100	3,641,800
Bond Fund	55,200	86,800	87,700
Commerce & Economic Development Commission Fund	974,600	985,000	1,379,200
Lottery Fund	199,900	200,000	200,000
Oil Overcharge Fund	108,600	123,400	124,000
Housing Trust Fund	98,600	103,800	147,100
Solar Qualification Fund	-0-	-0-	14,600
TOTAL APPROPRIATIONS	5,306,000	5,008,100	5,594,400

DEPARTMENT OF COMMERCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

FTE Positions - The approved amount reflects the reduction of 3 unfunded FTE positions and the addition of 1 FTE position funded by the Housing Trust Fund. The new FTE position will provide for the administration of a new federal housing program - HOME. Approximately \$4.2 million in federal funds will be available in FY 1993 for the HOME program. The HOME program does not provide funding for administration of the program.

Personal Services - The approved amount includes \$11,500 from the General Fund and \$2,900 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces the General Fund Personal Services by \$22,300 and Other Appropriated Funds Personal Services by \$5,800. The approved amount also includes \$30,900 for the new FTE position and restoration of an internal transfer of \$16,100 to equipment in FY 1992.

Employee Related Expenditures - The approved amount includes \$1,400 from the General Fund and \$400 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$124,800 for medical insurance and \$6,300 for dental insurance. The approved Other Appropriated Funds amount contains \$32,900 for medical insurance and \$1,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount restores an internal transfer out of \$2,600 to Equipment in FY 1992.

Professional and Outside Services - The approved amount reflects an increase of \$14,600 from the Solar Qualification Fund. Laws 1992, Chapter 176, created the Solar Qualification Fund, which consists of fees collected from the licensing of solar contractors. The funds will be used for the enforcement of warranties and standards.

Travel - In State - The approved amount reflects an increase of \$1,600 associated with the new FTE position and restoration of the internal transfer of \$23,100 to equipment in FY 1992.

Travel - Out of State - The approved amount reflects continuation funding as it restores an internal transfer out of \$42,600 to equipment in FY 1992.

Other Operating Expenditures - The approved amount contains \$6,500 for risk management and \$274,400 for rent in private-lease space. The approved amount represents an increase of \$33,100 for rent and an increase of \$2,900 associated with the new FTE position.

Equipment - The approved amount represents partial funding of the department's 3-year automation plan.

General Fund Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the General Fund operating budget.

Economic Development Matching Funds - The approved amount, the same as FY 1992, provides state support to local community job creation efforts. Small grants up to \$10,000 will be awarded on a competitive basis to communities with approved plans to design a long-range capital improvement strategy. The approved amount is funded from the CEDC Fund.

CEDC Commission - The Commerce and Economic Development Commission (CEDC) consists of 35 public and private sector members serving at the request of the Governor. The approved amount, same as FY 1992, provides for Professional and Outside Services and Board Member expenses in providing oversight for the short-term and long-term economic development initiatives formulated by the statewide economic development strategic plan (ASPED). The approved amount is funded from the Lottery Fund.

(Continued)

- 1/ The FTE Positions total includes 3 FTE positions funded in special line items in FY 1991, 8 FTE positions in FY 1992 and FY 1993.
- 2/ The expenditure detail for FY 1992 includes a \$237,500 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within All Other Operating Exp. are shown for information only.

DEPARTMENT OF COMMERCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

OFTD Legal Center - In conjunction with the Organization of Free Trade and Development (OFTD), the approved amount provides funding for the National Law Center for Inter-American Free Trade. The Law Center will be a national resource for resolving legal issues concerning free trade and development.

Advertising and Promotion - The approved amount, the same as FY 1992, provides funding for the department's advertising program. The funds are used for magazine advertising, direct mail, special events and the production of support materials. Support materials include "Business Profiles" of the various communities within the state and the semi-annual newsletter "Spirit of Success". The approved amount is funded from the CEDC Fund.

Asian Pacific Trade Office - The amount reflects a decrease of \$37,800 in funds available for promotional activities. The remaining budget of \$10,000 for promotional activities will be funded from the CEDC Fund.

Mexico Trade Office - The approved amount restores the ex-appropriation of \$237,500 to provide full-year funding. Due to delays in opening the European Trade Office, the approved amount includes a reduction of \$100,000 and the line item is retitled the Mexico Trade Office. Funds do not have to be matched in accordance with A.R.S. § 41-1504(C), as S.B. 1365 (see Additional Legislation) suspends the matching requirement until July 1, 1994. The approved amount includes \$45,000 for promotional activities funded from the CEDC Fund.

REDI Matching Grants - The Rural Economic Development Initiative (REDI) program provides technical assistance to rural communities' economic development programs. The approved amount includes \$44,000, for small individual grants up to \$5,000, for special community projects that enhance local economic development programs. The approved amount is funded from the CEDC fund.

Motion Picture Development - The approved amount includes \$50,000 for the Motion Picture Board, \$95,000 for advertising and promotion and \$335,400 for the funding of 5 FTE positions. Funding for the 5 FTE positions contains an increase of \$1,200 in Personal Services and \$100 in ERE for the salary adjustment, \$13,600 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. In FY 1991, only funding for the Motion Picture Board was reflected in this special line item.

Indian Economic Development - The approved amount includes funding for 1 FTE position. The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$2,100 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount is funded from the CEDC Fund.

Oil Overcharge Administration - The approved amount includes funding for 2 FTE positions. The approved amount includes \$600 (Personal Service, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,000 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount is funded from the Oil Overcharge Fund.

Japan Trade/Tourism - The approved amount provides for the hiring of a local consultant in Japan for the purpose of expanding trade and tourism with the state in FY 1993. The promotional budget of \$45,000 is funded from the CEDC Fund.

ADDITIONAL LEGISLATION

Recycled Materials - Chapter 130 (S.B. 1287) - This act establishes a state recycled materials market development program in the Department of Commerce and requires that from 4% to 5% of the Recycling Fund receipts be transferred from the Department of Environmental Quality to the Department of Commerce for the new program's market development coordinator. Unused monies shall be returned to the Recycling Fund. Also, the act establishes recycling equipment tax credits.

State Setoff: Technical Correction Public Finances and Funds, Chapter 312 (S.B. 1365) - This bill suspends the existing private sector matching requirement for foreign trade offices until July 1, 1994.

ARIZONA JUDICIARY - SUMMARYArizona Constitution Article VI
A.R.S. § 12-101

Honorable Stanley G. Feldman, Chief Justice

JLBC Analyst: Cawley

SUMMARY OF GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Supreme Court	6,286,000	9,333,800	9,593,100
Foster Care Review Board	1,155,800	1,224,000	1,233,200
Court of Appeals - Division I	5,630,700	5,335,300	5,497,900
Court of Appeals - Division II	2,201,800	2,491,200	2,621,800
Superior Court	51,401,300	56,146,300	61,040,400
Commission on Judicial Conduct	114,400	135,800	140,500
Commissions on Appellate and Trial Court Appointments	3,200	3,500	3,500
General Fund Lump Sum Reduction	-0-	-0-	(636,900)
TOTAL APPROPRIATIONS	66,793,200	74,669,900	79,493,500
<u>Expenditure Detail</u>			
FTE Positions ^{1/}	396.3	439.8	450.3
Personal Services	14,374,900	15,299,600	16,075,800
Employee Related Exp.	2,218,300	2,636,400	2,736,100
Prof. & Outside Services	561,400	127,100	94,100
Travel	182,800	233,800	233,800
Other Operating Exp.	2,614,300	5,654,300	5,829,900
Equipment	746,700	192,800	89,500
All Other Operating Exp.	4,105,200	6,208,000	6,247,300
OPERATING SUBTOTAL	20,698,400	24,144,000	25,059,200
Special Line Items ^{2/}	46,094,800	50,525,900	55,071,200
General Fund Lump Sum Reduction	-0-	-0-	(636,900)
TOTAL APPROPRIATIONS	66,793,200	74,669,900 ^{3/}	79,493,500 ^{4/}
<u>Fund Summary</u>			
General Fund	66,793,200	73,269,900	78,854,000
Other Appropriated Funds	-0-	1,400,000	639,500
TOTAL APPROPRIATIONS	66,793,200	74,669,900	79,493,500

(Continued)

- ^{1/} The FTE Positions total includes 44 FTE positions funded from certain special line items in FY 1991-FY 1993. In addition, 9 FTE positions are funded from the Law Library line item in FY 1992 and FY 1993.
- ^{2/} Details for the Special Line Items are included on the individual program pages.

(Footnotes Continued on Following Page)

ARIZONA JUDICIARY - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$62,900 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$8,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$984,400 for medical insurance and \$49,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$606,100 for risk management and \$492,800 for the Tucson State Office Building.

Special Line Items - The approved amount includes \$277,300 (Personal Services, \$244,700; Employee Related Expenditures, \$32,600) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$137,700 for medical insurance and \$7,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

General Fund Lump Sum Reduction - The approved amount is approximately 4% of the operating budget excluding judges' Personal Services and Employee Related Expenditures. However, the reduction need not be applied solely to the operating budget, but may be applied to all General Fund line items. The Administrative Offices of the Courts of the Supreme Court will provide a report by August 1, 1992 to the Joint Legislative Budget Committee Staff Director as to where the specific reductions will be applied.

(Footnotes Continued From Previous Page)

^{3/} The expenditure detail for FY 1992 includes a \$787,200 reduction reflecting an ex-appropriation and a General Fund supplemental appropriation of \$1,424,200 and an Other Appropriated Funds supplemental appropriation of \$1,400,000, authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. These changes result in a net General Fund increase of \$637,000.

^{4/} On or before August 1, 1992, the Arizona Supreme Court, Administrative Office of the Courts, shall report to the Department of Administration on forms prescribed by the General Accounting Office. The report shall indicate by budget unit the specific reductions taken to satisfy the lump sum reduction. A copy of the report shall be provided to the Staff Director of the Joint Legislative Budget Committee. (General Appropriation Act footnote)

SUPREME COURTArizona Constitution Article VI
A.R.S. § 12-101

Honorable Stanley G. Feldman, Chief Justice

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	118.3	116.3	117.3
Personal Services	3,382,300	3,743,400	3,928,200
Employee Related Exp.	618,600	788,900	839,500
Prof. & Outside Services	447,200	44,300	54,300
Travel	57,100	68,400	68,400
Other Operating Exp.	982,000	3,947,100	4,012,700
Equipment	247,200	83,000	30,700
All Other Operating Exp.	1,733,500	4,142,800	4,166,100
OPERATING SUBTOTAL	5,734,400	8,675,100	8,933,800
Judicial Assistance	19,400	16,800	-0-
Judicial Education	202,000	204,400	210,400
Law Library	330,200	290,500	298,900 ^{2/}
Grand Jury	-0-	147,000	150,000
TOTAL APPROPRIATIONS	6,286,000	9,333,800 ^{3/}	9,593,100 ^{4/}

FTE Positions - The approved amount reflects an increase of 1 Assistant Payroll/Personnel Officer and \$45,300.

Personal Services - The approved amount includes \$27,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$52,800 for non-elected positions, which is a \$17,400 greater reduction than in FY 1992. The appropriation also reflects the following increases: \$26,000 associated with the new Assistant Payroll/Personnel Officer, \$11,000 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992, and \$137,700 for the annualization of 31 FTE positions associated with support and maintenance of the new State Courts Building.

Employee Related Expenditures - The approved amount includes \$3,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$314,800 for medical insurance and \$16,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Also reflected are the following increases: \$5,600 associated with the new Assistant Payroll/Personnel Officer, \$2,400 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992, and \$29,500 for the annualization of 31 FTE positions associated with support and maintenance of the new State Courts Building.

(Continued)

- ^{1/} The FTE Positions total does not include 9 FTE positions that are funded in the Law Library special line item in FY 1992 and FY 1993.
- ^{2/} The \$298,900 appropriated for the Law Library in the State Courts Building is for an Intergovernmental Agreement with the Department of Library, Archives, and Public Records for the operation of the Law Library. (General Appropriation Act footnote)
- ^{3/} The expenditure detail for FY 1992 includes a \$64,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The program and line item detail are shown for information only.

SUPREME COURT (Cont'd)
GENERAL FUND

Professional and Outside Services - The approved amount reflects an increase of \$10,000 for judicial performance review. This appropriation provides for pilot project development during FY 1993 to coincide with H.C.R. 1016 which proposes that the Supreme Court establish a process for evaluating judicial performance (see Additional Legislation).

Other Operating Expenditures - The approved amount contains \$16,700 for risk management, which is a \$600 reduction to the FY 1992 estimated expenditure. Also reflected in the approved amount is \$4,300 for a one-time non-capital equipment reduction. The appropriation includes the following increases: \$4,700 for a higher State Courts Building lease-purchase payment; \$500 associated with the new Assistant Payroll/Personnel Officer; \$25,300 for the restoration of the FY 1992 ex-appropriation; and \$40,000 for the pilot judicial performance review project, as explained under Professional and Outside Services.

Equipment - The approved amount reflects a one-time equipment reduction of \$65,500 and an increase of \$13,200 associated with the new Assistant Payroll/Personnel Officer.

Judicial Assistance - The approved amount reflects the elimination of this line item.

Judicial Education - The approved amount includes \$6,000 for the restoration of the FY 1992 ex-appropriation.

Law Library - The approved amount includes \$2,500 (Personal Services, \$2,200; Employee Related Expenditures, \$300) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$23,400 for medical insurance and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Also included in the appropriation is \$5,900 for the restoration of the FY 1992 ex-appropriation.

Grand Jury - The approved amount includes the restoration of \$3,000 for the FY 1992 ex-appropriation.

ADDITIONAL LEGISLATION

Selection of Judges - H.C.R. 2009 - This resolution makes numerous changes to the procedures used by the Commission on Trial Court Appointments and the Commission on Appellate Court Appointments for the appointment of judges. For the changes to take place, the resolution must be approved by the voters at the next general election, which is November 3, 1992. It also increases the membership of nonattorney members and requires public hearings and public votes regarding judicial appointments.

In addition, it requires the Supreme Court to adopt a process for evaluating judicial performance to be administered for all justices and judges who file a declaration of office retention. The process shall be established by court rules, after public hearings are held, and will include written performance standards and performance reviews surveying opinions of persons having knowledge of the justice's and judge's performance.

SUPREME COURT - FOSTER CARE REVIEW BOARD

A.R.S. § 8-515.04

Honorable Stanley G. Feldman, Chief Justice

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	31.0	29.0	29.0
Personal Services	643,200	717,100	728,200
Employee Related Exp.	146,200	171,400	170,500
Prof. & Outside Services	81,800	23,000	10,000
Travel	27,000	56,800	56,800
Other Operating Exp.	218,800	234,000	262,700
Equipment	38,800	21,700	5,000
All Other Operating Exp.	366,400	335,500	334,500
TOTAL APPROPRIATIONS	1,155,800	1,224,000 ^{1/}	1,233,200 ^{2/}

Personal Services - The approved amount includes \$7,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$7,400, which is a \$4,000 lower reduction than in FY 1992.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$75,700 for medical insurance and \$3,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount reflects a \$13,000 reduction in outside consultants and speakers associated with statewide board meetings and board member training.

Other Operating Expenditures - The approved amount contains \$76,900 for the Tucson State Office Building, which is \$5,200 higher than in FY 1992. The appropriation also reflects a one-time non-capital equipment reduction of \$300 and a restoration of \$23,800 for the FY 1992 ex-appropriation.

Equipment - The approved amount includes a one-time equipment reduction of \$16,700.

- ^{1/} The expenditure detail for FY 1992 includes a \$23,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The program and line item detail are shown for information only.

COURT OF APPEALS - DIVISION IArizona Constitution Article VI
A.R.S. § 12-120

Honorable Noel Fidel, Chief Judge

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	100.5	97.5	98.0
Personal Services	4,165,400	4,231,900	4,333,600
Employee Related Exp.	611,200	737,300	797,500
Prof. & Outside Services	4,000	800	800
Travel	55,400	63,900	63,900
Other Operating Exp.	515,900	291,400	292,100
Equipment	278,800	10,000	10,000
All Other Operating Exp.	854,100	366,100	366,800
TOTAL APPROPRIATIONS	5,630,700	5,335,300 ^{1/}	5,497,900 ^{2/}

FTE Positions - The approved amount reflects an increase of a 0.5 FTE position which includes eliminating a 0.5 judgeship and \$53,000, and adding 1 Information and Computer Systems Manager and \$50,900.

Personal Services - The approved amount includes \$20,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$46,200 for non-elected positions, which is a \$16,200 greater reduction than in FY 1992. The appropriation also reflects the following increases: \$66,100 for the restoration of the FY 1992 ex-appropriation; \$42,400 associated with the new Information and Computer Systems Manager; and \$33,800 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992. The appropriation also reflects a \$44,800 reduction associated with the elimination of the 0.5 judge position.

Employee Related Expenditures - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$254,100 for medical insurance and \$12,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation also reflects the following increases: \$9,100 for the restoration of the FY 1992 ex-appropriation; \$7,800 associated with the new Information and Computer Systems Manager; and \$6,200 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992. The appropriation also reflects a \$8,200 reduction associated with the elimination of the 0.5 judge position.

Other Operating Expenditures - The approved amount contains \$3,400 for risk management. The appropriation reflects an increase of \$700 associated with the new Information and Computer Systems Manager position.

^{1/} The expenditure detail for FY 1992 includes a \$75,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The program and line item detail are shown for information only.

COURT OF APPEALS - DIVISION IIArizona Constitution Article VI
A.R.S. § 12-120

Honorable Joseph M. Livermore, Chief Judge

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	33.0	33.0	36.0
Personal Services	1,493,100	1,492,300	1,584,300
Employee Related Exp.	239,800	261,800	286,900
Prof. & Outside Services	7,800	40,000	10,000
Travel	33,300	36,400	36,400
Other Operating Exp.	253,500	583,600	661,400
Equipment	174,300	77,100	42,800
All Other Operating Exp.	468,900	737,100	750,600
TOTAL APPROPRIATIONS	2,201,800	2,491,200 ^{1/}	2,621,800 ^{2/}

FTE Positions - The approved amount reflects an increase of 3 FTE positions and \$97,700; 1 Appellate Systems Manager and \$37,600, which provides 6 months' funding; 1 Deputy Clerk and \$31,200, which provides 6 months' funding; and 1 Staff Attorney and \$28,900, which provides 3 months' funding.

Personal Services - The approved amount includes \$7,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$10,300 for non-elected positions, which is a \$5,200 greater reduction than in FY 1992. The appropriation also reflects the following increases: \$44,700 associated with the new 3 FTE positions; \$12,800 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992; and \$32,300 for the restoration of the FY 1992 ex-appropriation.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$88,700 for medical insurance and \$4,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation also reflects the following increases: \$4,700 associated with the new 3 FTE positions; and \$2,300 for the annualization of the elected officials' salary adjustment of 5% which began January 1, 1992.

Professional and Outside Services - The approved amount reflects a \$30,000 reduction associated with moving furniture and equipment to the new Tucson State Office Building (TSOB) and the phone and computer installation within TSOB during FY 1992.

Other Operating Expenditures - The approved amount contains \$2,600 for risk management and \$415,900 for the Tucson State Office Building, which reflects a \$120,700 increase in this lease-purchase payment. The appropriation reflects a \$44,900 decrease for a one-time equipment adjustment and a \$2,000 increase associated with the 3 new FTE positions.

Equipment - The approved amount reflects a \$77,100 reduction for one-time equipment adjustments and a \$42,800 increase for purchase of equipment associated with the 3 new FTE positions.

^{1/} The expenditure detail for FY 1992 includes a \$32,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The program and line item detail are shown for information only.

SUPERIOR COURT

Arizona Constitution Article VI
A.R.S. § 12-121

William L. McDonald, Administrative Director

JLBC Analyst: Cawley

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	112.0	162.0	168.0 ^{2/}
Personal Services	4,641,800	5,032,700	5,418,800
Employee Related Exp.	596,700	663,000	626,300
Other Operating Exp.	619,600	583,400	583,400
OPERATING SUBTOTAL	5,858,100	6,279,100	6,628,500
Family Counseling	346,400	346,400	431,400
Probation State Aid	1,565,400	1,601,800	1,673,000
Probation Enhancement	10,571,400	10,763,100	12,213,300
Intensive Probation-Adult	8,593,700	9,054,400	11,225,900
Intensive Probation-Juvenile	4,528,800	4,610,800	5,026,400
Juvenile Probation Services	17,167,700	20,618,000	20,641,500 ^{3/4}
Court Appointed Special Advocate	199,200	400,000	639,500 ^{5/}
Community Punishment	2,525,400	2,425,600	2,512,200
Child Support Enforcement	45,200	47,100	48,700
TOTAL APPROPRIATIONS	51,401,300	56,146,300 ^{1/}	61,040,400 ^{2/}
Fund Summary			
General Fund	51,401,300	54,746,300	60,400,900
Court Appointed Special Advocate Fund	-0-	-0-	639,500
Judicial Collection Enhancement Fund	-0-	1,400,000	-0-
TOTAL APPROPRIATIONS	51,401,300	56,146,300	61,040,400

(Continued)

- ^{1/} The FTE Positions total includes 44 FTE positions funded in the following special line items for FY 1991 through FY 1993: 1 FTE position, Probation State Aid; 6 FTE positions, Probation Enhancement; 8 FTE positions, Intensive Probation-Adult; 7 FTE positions, Intensive Probation-Juvenile; 12 FTE positions, Juvenile Probation Services; 5 FTE positions, Court Appointed Special Advocate; 3 FTE positions, Community Punishment; and 2 FTE positions, Child Support Enforcement.
- ^{2/} Of the 168 FTE positions, 124 FTE positions represent Superior Court judges. One-half of their salaries are provided by state General Fund appropriations pursuant to A.R.S. § 12-128. This is not meant to limit the counties' ability to add additional judges pursuant to A.R.S. § 12-121. (General Appropriation Act footnote)
- ^{3/} Up to 4.6% of the \$20,641,500 appropriated for Juvenile Probation Services may be retained and expended by the Supreme Court to administer the programs established by A.R.S. § 8-230.02, and to conduct evaluations as needed. The remaining portion of the Juvenile Probation Services line item shall be deposited to the Juvenile Probation Fund established by A.R.S. § 8-230.02. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

SUPERIOR COURT (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

FTE Positions - The approved amount reflects 6 new judge positions. Two positions were established during FY 1992 -- 1 in Yavapai County and 1 in Yuma County. The remaining 4 judgeships are to be established during FY 1993 -- 3 in Maricopa County and 1 in Cochise County.

Personal Services - The approved amount includes \$262,200 to fund the 6 new judges' salaries. Also included is \$123,900 for annualization of the elected officials' 5% salary adjustment which began January 1, 1992. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$32,000 to fund the 6 new judges' salaries. Also included is \$15,100 for annualization of the elected officials' 5% salary adjustment which began January 1, 1992. The approved amount contains \$245,900 for medical insurance and \$11,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount of \$583,400 is for risk management.

Family Counseling - The appropriation provides funding for prevention of delinquency and incorrigibility and to strengthen family relationships of juvenile offenders. The amount shown reflects an increase of \$52,400 due to a 13.8% caseload growth in the number of families attending these programs and \$32,600 for restoration of the FY 1992 ex-appropriation.

Probation - State Aid - State Aid to Probation provides funding for probation services to nearly 2,000 juveniles annually. Legislation requires that the funds be used primarily for the salaries of supervising probation officers. The approved amount reflects restoration of the FY 1992 ex-appropriation of \$58,200.

The approved amount includes \$13,000 (Personal Services, \$11,500; Employee Related Expenditures, \$1,500) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$2,600 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Probation Enhancement - The approved amount includes \$196,200 for annualization of 13 probation officers partially funded in FY 1992 and \$990,500 for 6 months' phase-in funding for 51 probation officers and 1.5 supervisors to maintain the statutory requirement of 1 supervising probation officer for each 60 probationers. The total number of probationers is approximately 24,700 annually. Also included is restoration of the FY 1992 ex-appropriation of \$151,400.

The approved amount includes \$102,100 (Personal Services, \$98,900; Employee Related Expenditures, \$13,200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$15,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

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(Footnotes Continued From Previous Page)

- 4/ This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations pursuant to Laws 1991, Chapter 133 (S.B. 1035).
- 5/ With the enactment of Laws 1991, Chapter 230 (H.B. 2419), FY 1992 funding for the Court Appointed Special Advocate (CASA) program became earmarked within the General Fund; Laws 1992, Chapter 312 (S.B. 1365) establishes the CASA Fund as its own fund.
- 6/ The expenditure detail for FY 1992 includes a \$588,900 reduction reflecting an ex-appropriation, a General Fund supplemental appropriation of \$1,424,200 and an Other Appropriated Funds supplemental appropriation of \$1,400,000 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. These changes result in a net General Fund increase of \$835,300.
- 7/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

SUPERIOR COURT (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Adult Intensive Probation Supervision - The Adult Intensive Probation Supervision program was created to divert serious, non-violent adult offenders from prison. Total program capacity is approximately 2,586. The approved amount includes \$1,860,900 for 6 months' phase-in funding to increase caseload capacity. Also included is restoration of the FY 1992 ex-appropriation of \$228,200.

The approved amount includes \$82,400 (Personal Services, \$72,700; Employee Related Expenditures, \$9,700) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$20,800 for medical insurance and \$1,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Juvenile Intensive Probation Supervision - Juvenile Intensive Probation Supervision was created to divert serious, non-violent juvenile offenders from incarceration or residential care and to provide intensive supervision for high risk offenders already on probation. Total program capacity is approximately 950. The approved amount includes \$346,000 for 6 months' phase-in funding to increase caseload capacity. Also included is restoration of the FY 1992 ex-appropriation of \$43,100.

The approved amount includes \$26,500 (Personal Services, \$23,400; Employee Related Expenditures, \$3,100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$18,200 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Juvenile Probation Services - The appropriation provides funding for Juvenile Courts to meet the requirements of A.R.S. §§ 8-230.01 and 8-230.02, and to provide services to children referred for incorrigibility or delinquency and placed in foster care, day treatment programs, residential treatment centers, counseling, shelter care and other programs.

The approved amount includes \$23,500 (Personal Services, \$20,700; Employee Related Expenditures, \$2,800) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$31,100 for medical insurance and \$1,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Court Appointed Special Advocate - The Court Appointed Special Advocate program trains community volunteers appointed by a judge to advocate for abused and neglected children in Juvenile Court proceedings. The approved amount reflects an additional \$112,000 for the annualization of the FY 1992 increase and \$123,000 for additional support to county programs. The appropriation is funded by the newly designated Court Appointed Special Advocate Fund, which receives 30% of unclaimed state lottery prize money (see Additional Legislation).

The approved amount includes \$4,500 (Personal Services, \$4,000; Employee Related Expenditures, \$500) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$13,000 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Community Punishment Program - This program was established to provide probation departments with behavioral treatment. The program also allows for intensive supervision, such as electronic monitoring and specialized probation caseloads. The program is intended to divert offenders from prison and jail as well as enhance probation programs. The approved amount includes \$74,400 for the restoration of the FY 1992 ex-appropriation.

The approved amount includes \$12,200 (Personal Services, \$10,800; Employee Related Expenditures, \$1,400) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,800 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

SUPERIOR COURT (Cont'd)

GENERAL FUND AND OTHER APPROPRIATED FUNDS

Child Support Enforcement - The appropriation provides for a secretarial position, operating costs and a 10% match of federal funds anticipated through the Department of Economic Security (DES). The state and federal funds provides for 3 FTE positions to coordinate automation implementation at the local level (court clerks), to serve as liaisons between the local courts and DES and to refine and maintain child support program hardware and software at each court site. The approved amount include \$1,000 for the restoration of the FY 1992 ex-appropriation.

The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditure, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$5,200 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

State Setoff, Technical Correction Public Finances and Funds - Chapter 312 (S.B. 1365) - This bill establishes the Court Appointed Special Advocate account as its own fund rather than as an account within the General Fund. The fund is subject to annual legislative appropriation.

COMMISSION ON JUDICIAL CONDUCT

Arizona Constitution Article VI.I

Honorable Bernardo P. Velasco, Chairman

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1.5	2.0	2.0
Personal Services	49,100	82,200	82,700
Employee Related Exp.	5,800	14,000	15,400
Prof. & Outside Services	20,600	19,000	19,000
Travel	10,000	8,300	8,300
Other Operating Exp.	21,300	11,300	14,100
Equipment	7,600	1,000	1,000
All Other Operating Exp.	59,500	39,600	42,400
TOTAL APPROPRIATIONS	114,400	135,800 ^{1/}	140,500 ^{2/}

Personal Services - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$5,200 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount reflects the restoration of \$2,800 for the FY 1992 ex-appropriation.

- ^{1/} The expenditure detail for FY 1992 includes a \$2,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

COMMISSIONS ON APPELLATE AND TRIAL COURT APPOINTMENTS			Arizona Constitution Article VI Section 36
Honorable Stanley G. Feldman, Chief Justice			JLBC Analyst: Cawley
GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Other Operating Exp.	3,200	3,500	3,500
TOTAL APPROPRIATIONS	3,200	3,500	3,500 ^{1/}

The Commissions on Appellate and Trial Court Appointments are the merit selection committees for the Superior Court in Maricopa and Pima counties, Court of Appeals and Supreme Court vacancy appointments. The approved amount represents operating expenses, primarily postage, printing, advertising and travel and per diem for committee members.

ADDITIONAL LEGISLATION

Selection of Judges - H.C.R. 2009 - This resolution makes numerous changes to the procedures used by the Commission on Trial Court Appointments and the Commission on Appellate Court Appointments for the appointment of judges. For the changes to take place, the resolution must be approved by the voters at the next general election, which is November 3, 1992. It also increases the membership of nonattorney members and requires public hearings and public votes regarding judicial appointments.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

GOVERNOR - OFFICE OF THE GOVERNOR		A.R.S. § 41-101	
The Honorable Fife Symington, Governor		JLBC Analyst: Morris	
GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Lump Sum Appropriation	3,425,800	3,936,100 ^{1/}	3,769,200 ^{2/3/4/}
SLIM	-0-	-0-	4,504,700 ^{5/}
Governor's Education - Task Force	-0-	125,000	-0-
Hazardous Waste Property	70,000 ^{6/}	-0-	-0-
Transition - Governor Elect	77,100	-0-	-0-
TOTAL APPROPRIATIONS	3,572,900	4,061,100 ^{7/}	8,273,900
Fund Summary			
General Fund	3,572,900	3,261,100	6,772,200
Legislative, Executive & Judicial Public Buildings Land Earnings Fund	-0-	800,000	-0-
SLIM Fund	-0-	-0-	1,501,700
TOTAL APPROPRIATIONS	3,572,900	4,061,100	8,273,900

Lump Sum Appropriation - Includes \$12,900 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included, also, is \$1,700 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$137,500 for medical insurance and \$7,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$8,800 for risk management, \$32,100 for the Tucson State Office Building, and \$181,400 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund. Within the approved amount is a lump sum reduction of \$103,900 or 2.9% from the operating budget.

(Continued)

- 1/ Includes \$800,000 appropriated from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund. This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- 2/ The lump sum appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- 3/ Included in the lump sum appropriations is \$10,000 for the Governor's Protocol Fund. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency.
- 5/ In addition to the amounts shown; \$1,250,000 was appropriated in FY 1992 and \$1,250,000 in FY 1993 to the Governor's Office of Strategic Planning and Budgeting for the Statewide Long-term Improved (SLIM) project.
- 6/ Laws 1991, Chapter 282 appropriated \$70,000 from the General Fund to the Office of the Governor for costs related to the settlement agreement between the State of Arizona and ENSCO, Inc. The act, further, provided that the Department of Administration would reimburse the General Fund for this amount from the sale and lease-back of state-owned property.
- 7/ The total appropriation for FY 1992 includes a reduction of \$108,100 reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

GOVERNOR - OFFICE OF THE GOVERNOR (Cont'd)
GENERAL FUND

SLIM - The approved amount funds the continuation of the Statewide Long-term Management project during its second year of operation. In FY 1992, Project SLIM conducted in-depth organizational reviews of 12 major state agencies for the purpose of:

- Improving agency effectiveness
- Improving responsiveness and quality of service delivery
- Improving management structures and systems
- Improving the skills and effectiveness of state employees.

Similar in-depth reviews will be conducted for an additional 72 state agencies during FY 1993. These include all remaining executive branch agencies, except those headed by an elected official, or that are part of the university system. In addition, Project SLIM will initiate and emphasize its second objective, implementation of findings of the in-depth organizational reviews conducted in FY 1992. A major objective of Project SLIM in FY 1993 is to shift the evaluation of state agencies from outside consultants to state employees. In FY 1993, outside consultants will be used extensively to implement findings developed during last year's evaluations; train state employees on implementation methods and techniques; and, provide "Total Quality Management" (TQM) training for managers and state employees.

Shown below are the estimated expenditures for FY 1992 and the amounts included in the FY 1993 adjusted appropriation.

	<u>FY 1992 Estimate</u>	<u>FY 1993 Approved</u>
FTE Positions	<u>8.0</u>	<u>17.0</u>
Personal Services	\$ 198,200	\$ 694,800
Employee Related Expenditures	23,500	128,700
Professional & Outside Services		
Year 1	928,300	701,700
Year 2	-0-	4,175,100
Travel - In State	3,900	12,100
Other Operating Expenditures	61,300	42,300
Equipment	<u>9,800</u>	<u>-0-</u>
TOTAL	<u>\$1,225,000</u>	<u>\$5,754,700</u>
General Fund Appropriation FY 1992	1,225,000	\$1,250,000
General Fund Appropriation FY 1993	--	3,003,000
SLIM Fund	<u>--</u>	<u>1,501,700</u>
TOTAL	<u>\$1,225,000</u>	<u>\$5,754,700</u>

Personal Services, for FY 1993, include \$2,700 from the General Fund and \$1,500 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Of the 17 FTE positions shown, 14 are permanent full-time employees and the other 3 are limited appointments for 1 year. Employee Related Expenditures for FY 1993, include \$300 from the General Fund and \$200 from Other Appropriated Funds for the general salary adjustment. The approved General Fund amount contains \$29,400 for medical insurance and \$1,500 for dental insurance. Other Appropriated Funds contains \$14,700 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health insurance Trust Fund.

Professional and Outside Services - Year 1 funding, for FY 1992, provided \$831,300 for the Coopers and Lybrand contract, \$88,500 for technical assistance and \$8,500 for travel expenses of the Steering Committee. In FY 1993, the remaining \$701,700 due Coopers and Lybrand will be paid. Year 2 funding will be used primarily for implementation contracts.

(Continued)

GOVERNOR - OFFICE OF THE GOVERNOR (Cont'd)
GENERAL FUND

The approved amount contains \$40,000 from the General Fund and \$20,000 from the SLIM Fund for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

From a total funding standpoint, Project SLIM incurred estimated expenditures of \$2,852,700 in FY 1992. This includes the estimated expenditures of \$1,225,000 from the general fund, \$701,700 due the consultant, but as yet unpaid and \$976,500 for 26 positions paid by the agencies who lent state employees to the SLIM project. In FY 1993, the adjusted expenditure level is estimated to be \$6,181,000 or \$3,328,300 more than FY 1992. The FY 1993 estimated expenditures include the total appropriation of \$5,754,700, less the \$701,700 for professional services which is included in the FY 1992 expenditures. Added to the adjusted appropriations of \$5,053,000 is \$1,128,000 which is the estimated cost of 17 staff positions that are to be assigned to Project SLIM by other state agencies. The agencies assigning those 17 positions will bear their costs from appropriations and other available funding sources.

The FY 1993 General Fund budget adopted by the Legislature included unspecified savings of \$3,500,000 from Project SLIM. In addition, the Legislature appropriated \$1,500,000 to the Governor, from the SLIM Fund, for the continued evaluation of state agencies and implementation of the SLIM recommendations. Beginning in FY 1993, the net savings from SLIM recommendations, when determined, are to be transferred to the SLIM Fund. Expenditures from that fund can only be made with specific appropriations. (See "Additional Legislation" below).

ADDITIONAL LEGISLATION

State Set Off: Technical Corrections Public Finances and Funds - Chapter 312 (S.B. 1365) - Establishes a Statewide Long-term Improvement Management (SLIM) Fund in the state treasury. The estimated net savings from the implementation of SLIM recommendations are to be deposited in this fund. When a Project SLIM recommendation is completed, the head of the affected agency in consultation with the Project SLIM team, the Office of Strategic Planning and Budgeting, and the Joint Legislative Budget Committee, will determine the estimated net savings from the implementation of the SLIM recommendation. The affected agencies budget director shall report the savings to the State Finance Director. The State Finance Director will transfer the net savings to the SLIM fund, from the agencies' appropriations. Expenditures from the SLIM fund are subject to specific appropriations by the Legislature. Amounts transferred to the SLIM fund from funds other than the state General Fund are to revert to the funds from which they originated at the end of the fiscal year.

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

Executive Order
No. 90-22

Peter J. Burns, Budget Director

JLBC Analyst: Morris

PLANNING & BUDGETING	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	23.0	23.0	23.0
Lump Sum Appropriation	1,046,100	1,146,200	1,200,600
Regulation Review Council	12,000	12,000	43,900
SLIM	-0-	1,225,000	1,250,000 ^{1/}
TOTAL APPROPRIATIONS	1,058,100	2,383,200 ^{2/}	2,494,500 ^{3/}

Lump Sum Appropriation - The approved amount includes \$5,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$8,600. Included also is \$600 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$58,200 for medical insurance and \$3,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$65,200 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund. A lump sum reduction of 1%, or \$11,400 was applied to the operating budget.

Regulation Review Council - The Governor's Regulatory Review Council, A.R.S. § 41-1051, consists of 6 members appointed by the Governor and the Director of the Department of Administration. The Director of the Department of Administration is an ex officio member of the Council and serves as its chairperson. The Council reviews and approves or returns all proposed rules, economic impact statements and small business statements prepared by non-exempt state agencies, before such rules or statements are filed with the Secretary of State. In cooperation with each state agency, the Council is also responsible for conducting periodic reviews of all adopted rules. The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$2,000 for medical insurance and \$100 for dental insurance. Included in the approved amount is 1 FTE position, \$22,500 for Personal Services, \$4,800 for Employee Related Expenditures, \$2,000 for All Other Operating Expenditures, \$11,600 for council members' per diem, and \$3,000 for replacement equipment.

Statewide Long-term Improved Management (SLIM) - In 1991 the Legislature approved \$2,500,000 of funding for this project. The amount appropriated provided \$1,250,000 for FY 1992 and an equal amount for FY 1993. The FY 1992 appropriation was reduced \$25,000, pursuant to the ex-appropriation authorized by Laws 1992, Chapter 4, 7th Special Session. In FY 1993, the Legislature appropriated an additional \$4,504,700 to the Governor for Project SLIM. The combination of these 2 appropriations provides a total of \$5,754,700 to fund SLIM activities during FY 1993. Please see the Office of the Governor for additional information.

- ^{1/} This appropriation is contained in Section 103, Laws 1991, Chapter 287, the General Appropriation Act. In FY 1993, an additional \$4,504,700 was appropriated to the Office of the Governor for the Statewide Long-term Improved Management (SLIM) project. Please see the Office of the Governor for additional information.
- ^{2/} The expenditure detail for FY 1992 includes a \$48,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. The lump sum appropriation, shown above, was reduced \$23,600 and the SLIM appropriation was reduced \$25,000.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items.

LAW ENFORCEMENT MERIT SYSTEM COUNCIL

A.R.S. § 28-235

Capt. Sam Fragala, Business Manager

JLBC Analyst: Blanton

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1.0	1.0	1.0
Personal Services	24,400	24,500	25,000
Employee Related Exp.	4,900	5,000	4,900
Prof. & Outside Services	900	4,000	4,000
Travel - In State	900	3,400	2,200
Travel - Out of State	900	-0-	-0-
Other Operating Exp.	6,100	4,900	5,300
All Other Operating Exp.	8,800	12,300	11,500
Lump Sum Reduction	-0-	-0-	(400)
TOTAL APPROPRIATIONS	38,100	41,800	41,000 ^{1/}

Personal Services - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved General Fund amount contains \$1,800 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

LEGISLATURE - SUMMARY

Arizona Constitution
Article IV, Section 1

JLBC Analyst: Morris

GENERAL FUND AND OTHER FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Senate	5,472,400	6,376,900 ^{1/}	5,751,800 ^{2/3/}
House of Representatives	6,690,000	7,469,800 ^{1/}	7,146,900 ^{2/3/}
Legislative Council	2,522,200	2,533,400	4,044,900 ^{2/3/}
Joint Legislative Budget Committee	1,699,900	1,631,300	1,726,400 ^{2/3/}
Auditor General	6,722,800	7,100,700	7,204,300 ^{2/3/}
Dept. of Library, Archives and Public Records	4,535,800	4,630,600	4,775,000
Criminal Code Study	346,300 ^{4/}		
Schools; Omnibus Budget and Finance	70,000 ^{5/}		
Behavioral Health	55,600 ^{4/}		
TOTAL	28,115,000	29,742,700 ^{6/}	30,649,300
<u>Additional Appropriations - 40th Leg., 2nd Reg. Session</u>			
School of Medicine; Financial Audit, Ch. 133	--	9,000 ^{5/}	--
TOTAL APPROPRIATIONS	28,115,000	29,751,700	30,649,300
<u>Fund Summary</u>			
General Fund	28,115,000	29,351,700	30,649,300
Legislative, Executive & Judicial Public Buildings Land Earnings Fund	-0-	400,000	-0-
TOTAL APPROPRIATIONS	28,115,000	29,751,700	30,649,300

Senate - The approved amount includes \$30,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included also is \$3,900 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$419,100 for medical insurance and \$21,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$6,000 for risk management. A lump sum reduction of 4%, or \$214,800 was applied to the operating budget.

(Continued)

- ^{1/} Includes a lump sum appropriation of \$200,000 for the Senate and \$200,000 for the House of Representatives from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund. These appropriations are exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- ^{2/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency.
- ^{4/} Appropriated to the Legislative Council.
- ^{5/} Appropriated to the Auditor General.
- ^{6/} The expenditure detail for FY 1992 includes a \$578,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

LEGISLATURE - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

House of Representatives - The approved amount includes \$31,900 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included also is \$4,100 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$535,300 for medical insurance and \$27,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$5,700 for risk management. A lump sum reduction of 4%, or \$249,400 was applied to the operating budget.

Legislative Council - The approved amount includes \$8,500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included also is \$1,000 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$96,300 for medical insurance and \$5,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$11,300 for risk management. A lump sum reduction of 2%, or \$51,700 was applied to the operating budget.

Joint Legislative Budget Committee - The approved amount includes \$7,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$13,300. Included also is \$900 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$80,500 for medical insurance and \$4,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$2,100 for risk management. A lump sum reduction of 1%, or \$17,400 was applied to the operating budget.

Auditor General - The approved amount includes \$36,500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included also is \$4,300 for Employee Related Expenditures related to the general salary adjustment. The approved amount contains \$378,900 for medical insurance and \$19,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount contains \$68,300 for risk management, and \$27,500 for the Tucson State Office Building. A lump sum reduction of 4%, or \$298,500 was applied to the operating budget.

Department of Library, Archives and Public Records - See the individual program report on the following pages.

ADDITIONAL APPROPRIATIONS

School of Medicine; Financial Audit - Chapter 133 (S.B. 1425) - Appropriates \$9,000 from the state General Fund to the Auditor General to study University of Arizona Medical School expenditures.

ADDITIONAL LEGISLATION

Joint Legislative Audit Committee - Chapter 56 (H.B. 2108) - Creates a Joint Legislative Audit Committee, consisting of 5 members of the Senate, appointed by the President, and 5 members of the House of Representatives, appointed by the Speaker. One of the appointees from each house is to be a member of the Appropriations Committee. No more than 3 appointees of each house shall be from the same political party. The President of the Senate and Speaker of the House of Representatives shall serve as ex-officio members of the Committee.

The Committee is responsible to oversee all audit functions of the Legislature and state agencies, including sunset, performance, special and financial audits. The Committee appoints the Auditor General, subject to approval by the Legislature, and directs the Auditor General to perform audits and investigations. The Auditor General is required to prepare audit plans for Committee approval and reports the findings of all audits and investigations to the Committee. The Joint Legislative Oversight Committee is repealed and the duties of that committee are reassigned to the Joint Legislative Audit Committee.

**LEGISLATURE - DEPARTMENT OF LIBRARY,
ARCHIVES AND PUBLIC RECORDS**

A.R.S. § 41-1331

Sharon Womack, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	113.0	112.5	112.5
Personal Services	2,203,500	2,198,500	2,238,700
Employee Related Exp.	532,300	556,800	574,700
Prof. & Outside Services	51,600	85,000	85,000
Travel - In State	11,200	13,800	13,800
Travel - Out of State	12,200	5,300	5,300
Other Operating Exp.	805,900	869,200	909,900
Equipment	18,100	80,000	40,000
All Other Operating Exp.	899,000	1,053,300	1,054,000
Lump Sum Reduction	-0-	-0-	(114,900)
OPERATING SUBTOTAL	3,634,800	3,808,600	3,752,500
Acquisitions	380,000	380,000	380,000
Grants-in-Aid	400,000	300,000	482,000 ^{2/}
Museum Furnishings	76,000	9,000	9,000
Statewide Radio Reading Service for the Blind	45,000	45,000	60,000
Talking Book Program ^{1/}	-0-	88,000	91,500
TOTAL APPROPRIATIONS	4,535,800	4,630,600 ^{3/}	4,775,000 ^{4/}

Personal Services - The approved amount includes \$25,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 5% was applied which reduces Personal Services by \$117,900, which is a \$40,200 greater reduction than the FY 1992 vacancy savings. The approved amount also includes \$54,500 restoration in Personal Services for the FY 1992 ex-appropriation.

Employee Related Expenditures - The approved amount includes \$3,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$278,700 for medical insurance and \$14,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The FTE Positions total includes 3 FTE positions funded in the Talking Book Program special line item in FY 1992 and FY 1993.
- ^{2/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{3/} The expenditure detail for FY 1992 includes a \$94,500 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

LEGISLATURE - DEPARTMENT OF LIBRARY, ARCHIVES AND PUBLIC RECORDS (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount contains \$3,300 for risk management. The appropriation is a \$40,700 increase over FY 1992 estimated expenditures, which includes a \$23,100 restoration of the FY 1992 \$40,000 ex-appropriation and \$17,600 for an increase in lease-purchase payments.

Equipment - The approved amount is a decrease of \$40,000 from FY 1992 estimated expenditures for replacement equipment.

Acquisitions - The approved amount provides for the purchase of necessary updates of publications.

Grants-in-Aid - The approved amount includes an increase of \$182,000 to the FY 1992 estimated expenditures. This increase satisfies the federal Library Services and Construction Act Title I maintenance-of-effort requirement. By meeting the maintenance-of-effort requirement, the state ensures receipt of approximately \$1.2 million of federal monies. The majority of these federal funds, \$813,200, will provide for the statewide Interlibrary Loan Program, State Reference Center Services, Youth Summer Reading Program, Young Peoples Film Program, Librarian Continuing Education Program, and LSCA Administration. The remainder, \$322,800, is awarded to local public libraries.

The state Grants-in-Aid monies are provided to county and municipal libraries for library development. In 1986, the Legislature passed legislation which allows for the creation of county free library districts. These districts may tax to provide monies for necessary expenses of the county free library district.

Museum Furnishings - Museum Furnishings monies provide for the purchase and preparation of artifacts and museum exhibits for the state Capitol Museum and the Arizona Hall of Fame Museum.

Statewide Radio Reading Service for the Blind - This appropriation includes an additional \$15,000 to the statewide radio information service for the blind, visually impaired, and physically disabled.

Talking Book Program - The approved amount includes \$800 (Personal Services, \$700; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,800 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

The approved amount provides funding for 3 FTE positions (Personal Services, \$71,300; ERE, \$17,200; and Other Operating Expenditures, \$3,000), books and magazines in braille, on phonodisc and on audio cassette, and the machines to play them. The program serves persons throughout the state who are blind, visually impaired, and physically handicapped. The appropriation fulfills the requirement of Laws 1990, Chapter 59 which transferred the program out of the Department of Economic Security, Division of Employment and Rehabilitation Services, to the Department of Library, Archives and Public Records.

Support for the Law Library in the State Courts' Building - Funding for 9 FTE positions and acquisitions to provide materials and support for the Law Library in the new State Courts' Building will be provided through an intergovernmental agreement with the Supreme Court.

ARIZONA LOTTERY

A.R.S. § 5-502

J. Bruce Mayberry, Deputy Director

JLBC Analyst: Bradley

LOTTERY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	134.0	131.3	132.3
Personal Services	3,333,400	3,411,600	3,433,000
Employee Related Exp.	764,200	757,300	795,400
Prof. & Outside Services	119,600	172,600	145,600
Travel - In State	230,400	197,900	180,100
Travel - Out of State	15,800	18,800	9,900
Other Operating Exp.	2,146,600	1,839,800	2,520,500 ^{1/}
Equipment	8,000	-0-	-0-
All Other Operating Exp.	2,520,400	2,229,100	2,856,100
OPERATING SUBTOTAL	6,618,000	6,398,000	7,084,500
Advertising	6,405,500	7,125,000	9,080,000 ^{2/}
On-Line Vendor Fees	5,201,800	7,920,000	5,610,000 ^{3/}
Retailer Commissions	13,395,900	18,684,000	13,620,000 ^{4/}
Instant Tickets	1,235,500	1,116,000	1,116,000 ^{5/}
Instant Ticket Barcode System	-0-	-0-	450,000 ^{6/}
TOTAL APPROPRIATIONS	32,856,700	41,243,000	36,960,500 ^{7/89/}

Personal Services - The approved amount includes \$32,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$69,600.

- 1/ Of the amount appropriated for Other Operating Expenditures, \$190,000 is intended for line charges for expanding the retailer network. The Arizona Lottery will report to the President of the Senate, the Speaker of the House of Representatives and the Director of the Joint Legislative Budget Committee the number and location of additional retailers and the month and year-to-date expenditures of the monies at the end of each month. (General Appropriation Act footnote)
- 2/ In addition to the amounts shown above, an amount equal to 4% of net lottery game sales is appropriated for advertising in accordance with Section 5-505, Arizona Revised Statutes, which states that not more than 4% of the annual gross revenue shall be expended for advertising. (General Appropriation Act footnote)
- 3/ In addition to the amounts shown above, an amount equal to 3% of net on-line lottery game sales is appropriated for payment of on-line vendor fees, in accordance with the matrix of percentages set forth in contract. (General Appropriation Act footnote)
- 4/ In addition to the amounts shown above, an amount equal to 6% of net lottery game sales is appropriated for payment of sales commissions to ticket retailers. (General Appropriation Act footnote)
- 5/ If instant ticket sales exceed \$40,000,000, amounts above \$1,116,000 may be expended at the rate of \$22.00 per 1000 tickets purchased. (General Appropriation Act footnote)
- 6/ The \$450,000 appropriated for an instant ticket bar coding system is intended to purchase and install all equipment and software necessary for a statewide cross-redemption system. Monies not used for this purpose shall revert to the General Fund. (General Appropriation Act footnote)
- 7/ Nothing in this subdivision is intended to require that all monies appropriated to the Arizona State Lottery Commission be expended. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

ARIZONA LOTTERY (Cont'd)
LOTTERY FUND

Employee Related Expenditures - The approved amount includes \$4,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$340,000 for medical insurance and \$17,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$9,300 for data processing, \$56,300 for accounting and auditing services, \$10,000 for legal services, \$39,400 for outside security services, and \$30,600 for other professional services. Although the Executive recommended \$150,000 for FY 1993 to extend a management consultant contract for an additional six months, the Legislature rejected appropriating monies for that purpose.

Travel - In State - The approved amount includes \$165,700 for the reimbursement of mileage costs to employees for an estimated 649,900 miles. The appropriation also includes \$2,600 for public transportation, \$5,300 for lodging, and \$6,500 for per diem expenses.

Travel - Out of State - The approved amount includes funding for 8 trips to San Jose, California to supervise instant ticket printing operations. The amount also includes funding for 2 computer training trips, and 1 lottery trade show at Miami, Florida.

Other Operating Expenditures - The approved amount contains \$45,300 for risk management. The approved amount also includes \$1,829,300 for telecommunication charges, \$190,100 for data processing equipment rental, \$112,200 for data processing maintenance contracts, \$59,100 for rental of space in Tucson, \$159,200 for operating supplies, \$69,900 for utilities, and \$55,400 for other expenses.

Of the \$1,829,300 for telecommunication charges, \$190,000 is intended for the line charges due to new retailers being added to the sales network.

Advertising, On-Line Vendor Fees, Retailer Commissions - New Appropriation Method - In prior fiscal years, the appropriations made to the Arizona Lottery for Advertising, On-Line Vendor Fees and Retailer Commissions were approved as a specific dollar amount with the option to expend a higher amount if revenues exceeded the projected level. Beginning with FY 1993, these line items are appropriated as a flat percentage of sales. This method allows the appropriation to accurately fill the agencies needs in both years of greater than expected revenues and years of less than expected revenues.

Advertising - The approved amount is 4% of net lottery game sales. The FY 1993 net sales are estimated at \$227,000,000.

On-Line Vendor Fees - The approved amount is based upon current contract rates that average 3% of sales. Lotto and ticket sales are projected to be \$145,000,000 and Fantasy Five Sales \$42,000,000 for FY 1993.

Retailer Commissions - The appropriation is based upon 6% retailer commissions for sales of \$227,000,000 tickets.

Instant Tickets - The approved amount is based on the purchase of an estimated 50,727,300 tickets at \$22.00 per 1000 tickets purchased. The approved amount allows multiple games to be marketed at once and is therefore higher than the amount required for only the \$40,000,000 in projected sales.

(Continued)

(Footnotes Continued From Previous Page)

- 8/ Notwithstanding Section 35-173, Subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for instant tickets, advertising, retailer commissions, on-line vendor fees and the instant ticket bar coding system shall require approval of the Joint Legislative Budget Committee. (General Appropriations Act footnote)
- 9/ Represents General Appropriation Act funds. Appropriated as a detailed line item for the agency. Advertising, On-Line Vendor Fees and Retailer Commissions are appropriated as a percentage of sales and therefore, the amounts shown for those line items are estimates only.

ARIZONA LOTTERY (Cont'd)
LOTTERY FUND

Instant Ticket Barcoding System - The approved amount is intended to fully pay all costs of installing and operating a cross redemption system for instant lottery tickets. Monies not expended for this purpose will revert to the General Fund. When completed, this system will allow low tier instant tickets to be returned to any retailer and will enhance security and accounting. The gains in sales revenue and the increased revenue due to state recapturing unclaimed prizes should result in a payback period of less than 2 years.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Section 1(K) of the Capital Outlay Bill appropriates \$7,600 from the State Lottery Fund to the State Lottery Commission for the maintenance and repair of state buildings in accordance with the building renewal formula established pursuant to A.R.S. § 41-793.01.

PERSONNEL BOARD

A.R.S. § 41-781

Judy Henkel, Executive Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	67,900	69,200	70,700
Employee Related Exp.	23,600	14,800	16,800
Prof. & Outside Services	105,300	102,100	101,700
Travel - In State	1,200	2,300	1,600
Other Operating Exp.	35,800	20,000	35,100
Equipment	3,200	7,800	5,300
All Other Operating Exp.	145,500	132,200	143,700
Lump Sum Reduction	-0-	-0-	(2,300)
TOTAL APPROPRIATIONS	237,000	216,200	228,900 ^{1/}

Personal Services - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$8,000 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount contains \$900 for risk management and \$15,200 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund. The amount also includes \$5,300 for a FAX machine and replacement of court recording equipment.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE RETIREMENT SYSTEM

A.R.S. § 38-701

David S. Hunt, Director

JLBC Analyst: Brainard

STATE RETIREMENT FUND ADMINISTRATION ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	86.5	85.0	87.0
Personal Services	1,637,600	1,897,500	1,991,200
Employee Related Exp.	417,300	446,800	484,200
Prof. & Outside Services	214,200	178,200	177,500 ^{1/}
Travel - State	21,500	14,600	10,000
Travel - Out of State	23,400	8,200	13,600
Other Operating Exp.	448,000	396,200	436,900
Equipment	-0-	63,100	47,400
All Other Operating Exp.	707,100	660,300	685,400
OPERATING SUBTOTAL	2,762,000	3,004,600	3,160,800
Automated Facilities Development	-0-	1,785,500	1,785,500
Attorney General IGA	-0-	-0-	35,000
Automated Facilities General Design	250,000	143,700	-0-
Mailing Equipment	120,800	-0-	-0-
TOTAL APPROPRIATIONS	3,132,800	4,933,800	4,981,300 ^{2/}

Personal Services - The approved amount includes \$21,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$29,000. The approved amount also includes \$24,600 for an additional Retirement Officer position and \$34,500 for temporary help needed to address the increased workload resulting from the retirement window and the reduction in the number of points needed to retire from 82 to 80; and \$34,700 for a temporary, 2-year data processing programmer position. Authority for this position expires on June 30, 1994.

Employee Related Expenditures - The approved amount includes \$2,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$225,800 for medical insurance and \$11,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$4,300 for risk management, \$121,800 for the repair and maintenance of agency computers and other equipment, \$98,000 for office and data processing supplies and \$78,200 for the lease-purchase of computer equipment.

Equipment - The approved amount includes funding for the following replacement equipment: 13 computers, 4 printers, 1 microfiche viewer and 1 scanner.

(Continued)

^{1/} The approved amount includes \$70,000 for actuarial services provided in FY 1992.

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

STATE RETIREMENT SYSTEM (Cont'd)

STATE RETIREMENT FUND ADMINISTRATION ACCOUNT

Automated Facilities Development - The approved amount represents second year funding for this 2 1/2 year project to develop the agency's member database and computer system.

Attorney General Intergovernmental Agreement - The approved amount is intended to be transferred to the Attorney General's Office to provide legal counsel for the Retirement System.

ADDITIONAL LEGISLATION

ASRS; Benefit Increase; Chapter 309 (S.B. 1260) - Provides a 5% benefit increase for all State Retirement Plan retirees and beneficiaries, including Long-Term Disability recipients who are retired by October 31, 1992.

ASRS; Minimum Retirement Benefit - Chapter 330 (H.B. 2242) - Provides minimum benefit levels for retirees who are at least 75 years of age and retired with at least 10 years of service. This legislation also provides a 3% tax equity benefit increase to members who retire between September 14, 1991 and October 31, 1992, retroactive to the date of retirement.

ASRS; Previously Forfeited Service - Chapter 137 (S.B. 1203) - Allows active members to purchase service that was previously forfeited, until December 31, 1994.

DEPARTMENT OF REVENUE - SUMMARY

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Director's Office	431,700	539,300	555,900
Administrative Services	9,293,700	3,492,300	3,328,600
Property Valuation	4,081,800	4,546,100	3,290,100
Fiscal Services & Analysis	-0-	9,013,600	7,697,600
Special Support	1,940,600	1,117,700	1,259,800
Tax Enforcement	14,791,400	16,974,200	17,492,400
Taxpayer Support & Educ. Service	2,507,800	2,846,000	3,026,600
Data Management	10,716,500	11,273,000	11,173,900
Lump Sum Reduction	-0-	-0-	(473,500)
TOTAL APPROPRIATIONS	43,763,500	49,802,200	47,351,400
<u>Expenditure Detail</u>			
FTE Positions	1,140.0	1,277.8	1,242.0
Personal Services	24,613,600	26,587,900	27,239,000
Employee Related Exp.	5,649,200	6,566,200	6,866,900
Prof. & Outside Services	1,602,900	2,279,400	1,819,200
Travel - In State	487,600	547,100	458,800
Travel - Out of State	484,800	378,500	609,000
Other Operating Exp.	9,138,800	11,980,700	10,151,000
Equipment	1,448,200	1,232,400	681,000
All Other Operating Exp.	13,162,300	16,418,100	13,719,000
Lump Sum Reduction	-0-	-0-	(473,500)
OPERATING SUBTOTAL	43,425,100	49,572,200	47,351,400
Special Line Items ^{1/}	338,400	230,000	-0-
TOTAL APPROPRIATIONS	43,763,500	49,802,200 ^{2/}	47,351,400 ^{3/}

Personal Services - The approved amount includes \$295,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 4.6% was applied which reduces Personal Services by \$1,257,100.

(Continued)

- ^{1/} Details for Special Line Items are included on the individual program pages.
- ^{2/} Represents General Appropriation Act Funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} The expenditure detail for FY 1992 includes a \$1,100,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

DEPARTMENT OF REVENUE - SUMMARY (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount includes \$37,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$3,259,300 for medical insurance and \$167,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Overtime - The approved amounts for Personal Services and ERE include \$141,800 for overtime payments, which is approximately 50% of the estimated FY 1993 payments.

Rent - The approved amount of Other Operating Expenditures includes \$144,200 for the reinstatement of General Fund rent for state-owned space in Tucson and a one-time reduction of \$1,145,000 in lease-purchase rent for the Revenue Building due to the refinancing of the 1986 certificates of participation.

Other Base Reductions - The approved amount includes a net reduction \$2,000,800 reflecting a) one-time FY 1992 funding to implement the second Program for Increased Enforcement of Revenues (PIER II), Hazardous Products and other programs, and b) completion of the Property Recanvassing Program.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

Centrally Valued Property Audits - The approved amount includes \$110,200 and 2 FTE positions to implement a program to audit centrally valued property.

Data Purification - The approved amount includes \$83,700 and 2 FTE positions to assist in the purification and consolidation of taxpayer data files prior to the conversion to a unified data base.

Data Base Conversion - The approved amount includes \$56,200 and 1 FTE programmer position to assist in the conversion to a unified data base.

Hazardous Products - Laws 1991, Chapter 184 appropriated funding for FY 1991 and FY 1992 to the department to administer the Hazardous Products Licensing program. Laws 1992, Chapter 290 (see below) repeals this license fee. The \$230,000 appropriated for FY 1992 has been reduced to \$154,900 and moved above-the-line. The remaining funding will be used to complete the licensing program and implement the electronic funds transfer program, pursuant to Laws 1992, Chapter 16. (See below)

ADDITIONAL LEGISLATION

Taxation; Omnibus Reconciliation - Chapter 290 (S.B. 1364) - This bill makes several changes to the tax code, including repeal of the environmentally hazardous products license fee. (See table of "Bills Having A Significant FY 1993 General Fund Revenue Impact", found at the back of this report.) The bill instead sets aside \$2.9 million of sales tax collections to be annually appropriated to the Water Quality Assurance Revolving Fund. As the bill passed without the emergency clause, the license fees will remain in effect through the first cycle ending September 1, 1992. Also, as a technical point, the budget as adopted did not appropriate the \$2.9 million of sales tax collections to the Water Quality Assurance Revolving Fund.

Tax Payments; Electronic Funds Transfer - Chapter 16 (S.B. 1156) - Provides for taxpayers of certain taxes who incur liabilities above limited thresholds to remit their tax payments by electronic funds transfer. The department intends to use the staff and resources which had been dedicated to processing the hazardous products licensing fees to implement the electronic transfer program.

Cigarette Luxury Tax Stamps; Bond - Chapter 55 (S.B. 1405) - Alters the bonding parameters on licensed tobacco product distributors purchasing on credit. The change will require the department to implement a new tracking mechanism to monitor all product purchases on a monthly basis and account for offsets of previous months' discounts or refunds.

DEPARTMENT OF REVENUE - DIRECTOR'S OFFICE

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	6.0	8.0	8.0
Personal Services	297,700	388,000	404,800
Employee Related Exp.	55,600	60,300	70,100
Prof. & Outside Services	45,000	64,500	45,000
Travel - In State	1,300	1,600	2,000
Travel - Out of State	3,400	4,900	3,600
Other Operating Exp.	27,100	20,000	30,400
Equipment	1,600	-0-	-0-
All Other Operating Exp.	78,400	91,000	81,000
TOTAL APPROPRIATION	431,700	539,300	555,900 ^{1/}

Personal Services - The approved amount includes \$2,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The amount also reflects restoration of \$14,800 deleted by the agency as part of the FY 1992 mid-year reductions.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$20,800 for medical insurance and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount reflects deletion of \$10,000, which was shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - ADMINISTRATIVE SERVICES

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	101.0	71.0	71.0
Personal Services	1,925,800	1,291,100	1,389,600
Employee Related Exp.	476,100	347,100	366,200
Prof. & Outside Services	104,400	186,300	110,500
Travel - In State	15,800	26,100	23,100
Travel - Out of State	2,300	1,000	1,000
Other Operating Exp.	6,616,400	1,574,500	1,438,200
Equipment	76,600	34,200	-0-
All Other Operating Exp.	6,815,500	1,822,100	1,572,800
OPERATING SUBTOTAL	9,217,400	3,460,300	3,328,600
S.B. 1170 - Hazardous Products	76,300	32,000	-0-
TOTAL APPROPRIATIONS	9,293,700	3,492,300	3,328,600 ^{1/}

Personal Services - The approved amount includes \$17,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied, which reduces Personal Services by \$20,600. The amount also reflects restoration of \$64,100 deleted by the agency as part of the FY 1992 mid-year reductions and the addition of \$35,900 to fund 50% of the estimated cost of overtime payments.

Employee Related Expenditures - The approved amount includes \$2,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$181,900 for medical insurance and \$9,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount deletes \$98,000, which was shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments; adds \$3,900 in support costs for data purification for the new database; shifts \$32,000 from the Hazardous Products special line to Other Operating Expenditures; and eliminates \$187,200 in one-time FY 1992 funding used to implement the second Program for Increased Enforcement Revenues (PIER II).

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - PROPERTY VALUATION

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	116.0	119.0	78.0
Personal Services	2,764,100	2,884,200	2,211,100
Employee Related Exp.	616,900	670,400	545,400
Prof. & Outside Services	237,600	589,500	324,600
Travel - In State	243,100	245,100	99,900
Travel - Out of State	6,000	5,100	12,100
Other Operating Exp.	210,400	124,400	90,000
Equipment	3,700	27,400	7,000
All Other Operating Exp.	700,800	991,500	533,600
TOTAL APPROPRIATIONS	4,081,800	4,546,100	3,290,100 ^{1/}

Personal Services - The approved amount includes \$18,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied, which reduces Personal Services by \$66,700. The amount also reflects deletion of \$17,600, which was shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments; the elimination of \$760,000 in funding for 43 FTE positions, reflecting the completion of the Property Recanvassing Program; and the addition of \$56,200 for 2 FTE Property Auditors to establish a Centrally Valued Property Audit Program.

Employee Related Expenditures - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$236,200 for medical insurance and \$12,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount deletes \$217,200, which was shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments; deletes \$270,800, reflecting the completion of the Recanvassing Program; and adds \$30,100 in support costs for the Centrally Valued Property Audit Program.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - FISCAL SERVICES AND ANALYSIS

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
GENERAL FUND			
FTE Positions	0.0	82.0	82.0
Personal Services	-0-	1,982,400	2,050,100
Employee Related Exp.	-0-	411,000	482,100
Prof. & Outside Services	-0-	94,800	3,000
Travel - In State	-0-	21,700	16,900
Travel - Out of State	-0-	3,500	9,900
Other Operating Exp.	-0-	6,305,400	5,135,600
Equipment	-0-	143,800	-0-
All Other Operating Exp.	-0-	6,569,200	5,165,400
OPERATING SUBTOTAL	-0-	8,962,600	7,697,600
S.B. 1170 - Hazardous Products	-0-	51,000	-0-
TOTAL APPROPRIATIONS	-0-	9,013,600	7,697,600 ^{1/}

Personal Services - The approved amount includes \$20,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied, which reduces Personal Services by \$31,000. The amount also reflects restoration of \$25,300 deleted by the agency as part of the FY 1992 mid-year reductions and the addition of \$13,400 to fund 50% of the estimated cost of overtime payments.

Employee Related Expenditures - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$213,900 for medical insurance and \$10,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount contains \$199,600 for risk management and \$144,200 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund. The approved amount also includes a reduction of \$1,145,000 in lease-purchase rent funding for the Revenue Building due to refinancing of the 1986 certificates of participation; restoration of \$77,600 deleted by the agency as part of the FY 1992 mid-year reductions; shifting of \$51,000 from the Hazardous Products special line to Other Operating Expenditures; a reduction of \$610,000 in one-time FY 1992 funding to implement the second Program for Increased Enforcement Revenues (PIER II) and other programs; \$10,000 in support costs for the Centrally Valued Property Audit Program; \$41,200 in support costs for the Data Purification Program; and \$5,000 in support costs for a data base programmer.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - SPECIAL SUPPORT

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	53.0	32.8	33.0
Personal Services	1,553,600	858,200	979,500
Employee Related Exp.	308,400	183,400	211,000
Prof. & Outside Services	5,000	7,500	4,000
Travel - In State	10,600	1,700	2,000
Travel - Out of State	3,900	2,200	2,300
Other Operating Exp.	51,800	40,000	61,000
Equipment	7,300	24,700	-0-
All Other Operating Exp.	78,600	76,100	69,300
TOTAL APPROPRIATIONS	1,940,600	1,117,700	1,259,800 ^{1/}

Personal Services - The approved amount includes \$8,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied, which reduces Personal Services by \$9,900. The amount also reflects restoration of \$132,900 deleted by the agency as part of the FY 1992 mid-year reductions.

Employee Related Expenditures - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$83,500 for medical insurance and \$4,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes restoration of a net \$7,400 deleted by the agency as part of the FY 1992 mid-year reductions and a reduction of \$14,200 in one-time FY 1992 costs.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - TAX ENFORCEMENT

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	494.0	595.0	595.0
Personal Services	10,764,800	12,189,500	12,652,800
Employee Related Exp.	2,501,400	3,073,000	3,235,400
Prof. & Outside Services	13,400	43,200	67,000
Travel - In State	195,300	234,400	276,000
Travel - Out of State	463,800	358,400	575,000
Other Operating Exp.	404,700	755,100	686,200
Equipment	198,000	320,600	-0-
All Other Operating Exp.	1,275,200	1,711,700	1,604,200
OPERATING SUBTOTAL	14,541,400	16,974,200	17,492,400
Automated Collection System	250,000	-0-	-0-
TOTAL APPROPRIATIONS	14,791,400	16,974,200	17,492,400 ^{1/}

Personal Services - The approved amount includes \$139,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 6% was applied, which reduces Personal Services by \$807,000. The amount also reflects restoration of \$258,200 deleted by the agency as part of the FY 1992 mid-year reductions and \$10,000 to fund 50% of the estimated overtime payments.

Employee Related Expenditures - The approved amount includes \$17,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,552,200 for medical insurance and \$80,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes restoration of \$594,200 deleted by the agency as part of the FY 1992 mid-year reductions and a reduction of \$701,700 in one-time FY 1992 costs for the PIER II program.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - TAXPAYER SUPPORT & EDUC. SVC.

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	109.0	121.0	125.0
Personal Services	1,885,500	1,930,400	2,179,000
Employee Related Exp.	449,400	552,200	608,500
Prof. & Outside Services	85,000	117,700	108,300
Travel - In State	14,400	16,000	34,000
Travel - Out of State	2,000	1,500	2,000
Other Operating Exp.	53,200	129,400	94,800
Equipment	18,300	25,300	-0-
All Other Operating Exp.	172,900	289,900	239,100
OPERATING SUBTOTAL	2,507,800	2,772,500	3,026,600
S.B. 1170 - Hazardous Products	-0-	73,500	-0-
TOTAL APPROPRIATION	2,507,800	2,846,000	3,026,600

Personal Services - The approved amount includes \$30,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied, which reduces Personal Services by \$43,600. The amount also reflects restoration of \$205,400 deleted by the agency as part of the FY 1992 mid-year reductions; the shifting of 2 FTE positions and \$33,500 from the Hazardous Products special line; \$12,500 for 50% of the estimated overtime payments; and \$29,000 for 2 FTE positions to assist with the Data Purification Program required for conversion to the new data base.

Employee Related Expenditures - The approved amount includes \$3,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$314,400 for medical insurance and \$16,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes deletion of \$23,500 shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments; shifting of \$18,900 from the Hazardous Products special line to Professional and Outside Services and Other Operating Expenditures; a reduction of \$47,600 in one-time FY 1992 PIER II and other costs; and \$1,400 in support costs for the 2 FTE Data Purification positions.

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - DATA MANAGEMENT

A.R.S. § 42-102

JLBC Analyst: Pitcairn

Paul Waddell, Director

	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
GENERAL FUND			
FTE Positions	261.0	249.0	250.0
Personal Services	5,422,100	5,064,100	5,372,100
Employee Related Exp.	1,241,400	1,268,800	1,348,200
Prof. & Outside Services	1,112,500	1,175,900	1,156,800
Travel - In State	7,100	500	4,900
Travel - Out of State	3,400	1,900	3,100
Other Operating Exp.	1,775,200	3,031,900	2,614,800
Equipment	1,142,700	656,400	674,000
All Other Operating Exp.	4,040,900	4,866,600	4,453,600
OPERATING SUBTOTAL	10,704,400	11,199,500	11,173,900
S.B. 1170 - Hazardous Products	12,100	73,500	-0-
TOTAL APPROPRIATIONS	10,716,500	11,273,000	11,173,900

Personal Services - The approved amount includes \$59,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 5% was applied, which reduces Personal Services by \$278,300. The amount also reflects restoration of \$116,900 deleted by the agency as part of the FY 1992 mid-year reductions; \$53,300 for 50% of the estimated overtime payments; and \$30,500 for 1 FTE programmer position to assist with the conversion to the new data base.

Employee Related Expenditures - The approved amount includes \$7,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$656,400 for medical insurance and \$33,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes deletion of \$180,500 shifted by the agency from other cost centers as part of the FY 1992 mid-year adjustments; shifting of \$10,000 of the \$73,500 funding in the Hazardous Products special line to Professional and Outside Services; a net increase of \$7,700 for continued phased purchase of the new mainframe computer and related software; a reduction of \$263,200 in one-time FY 1992 PIER II and other costs; and \$13,000 in support costs for the 1 FTE programmer position for the data base conversion.

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF STATE - SECRETARY OF STATE

The Honorable Richard D. Mahoney, Secretary of State

A.R.S. § 41-121

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	37.0	37.0	37.0
Personal Services	664,400	658,700	667,600
Employee Related Exp.	160,900	165,800	172,400
Prof. & Outside Services	108,000	81,900	69,800
Travel - In State	900	11,000	1,600
Travel - Out of State	6,600	7,200	-0-
Other Operating Exp.	306,300	413,400	477,800
Equipment	74,300	6,500	-0-
All Other Operating Exp.	496,100	520,000	549,200
Lump Sum Reduction	-0-	-0-	(13,200)
OPERATING SUBTOTAL	1,321,400	1,344,500	1,376,000
Runoff Election	2,650,000	-0-	-0-
Rules-Publications Division	245,100	208,800	221,300
Election Expenses	2,218,100	100,900	2,614,400
Proposition 200	158,600	157,800	161,600
Special Election - State	-0-	210,000	-0-
Special Election - Counties	-0-	562,000	-0-
TOTAL APPROPRIATIONS	6,593,200	2,584,000 ^{2/}	4,373,300 ^{3/}

Personal Services - The approved amount includes \$7,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$6,800. The approved amount also includes \$1,300 to annualize the cost for the elected officials' salary adjustments.

Employee Related Expenditures - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$83,500 for medical insurance and \$4,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$8,400 for risk management and \$124,500 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

(Continued)

- ^{1/} The FTE positions total includes 5 FTE positions funded in the Proposition 200 line item in FY 1991, FY 1992, and FY 1993.
- ^{2/} The expenditure detail for FY 1992 includes a \$65,100 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF STATE - SECRETARY OF STATE (Cont'd)
GENERAL FUND

Election Expenses - The approved amount provides for a biennial increase in funding to adjust for expenses which are required during an election year.

Proposition 200 - The appropriation provides for personnel costs of administering the requirements of the campaign finance laws. The approved amount includes \$131,600 in Personal Services and \$30,000 in Employee Related Expenditures for 5 FTE positions. No vacancy factor was applied.

The approved amount includes \$1,300 (Personal Services, \$1,200; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. The approved amount contains \$12,900 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Rules-Publications Division - The approved amount includes \$55,200 for the printing equipment lease-purchase payment and \$166,100 for printing supplies and postage.

STATE BOARD OF TAX APPEALS

A.R.S. § 42-141

Jeanette Schmidt, Chairman

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	9.5	9.5	9.5
Personal Services	338,600	453,100	455,500
Employee Related Exp.	49,900	62,500	59,100
Prof. & Outside Services	18,100	30,000	21,000
Travel - In State	18,100	37,000	37,000
Travel - Out of State	3,000	6,700	6,700
Other Operating Exp.	47,200	97,800	107,600
Equipment	57,300	9,300	1,700
All Other Operating Exp.	143,700	180,800	174,000
OPERATING SUBTOTAL	532,200	696,400	688,600
Lump Sum Reduction	-0-	-0-	(6,900)
TOTAL APPROPRIATIONS	532,200	696,400	681,700 ^{1/}

Personal Services - The approved amount includes \$2,400 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$24,600 for medical insurance and \$1,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount reflects a reduction of \$9,000 in Professional and Outside Services for data processing in Division I to reflect prior year expenditures.

All Other Operating Expenditures - The approved amount contains \$1,100 for risk management as well as an increase of \$9,800 to annualize the rent requirement for space in the State Courts Building. The approved amount includes a net reduction of \$7,600 for capitalized equipment with \$1,700 included to enable Division II to purchase a laser printer.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

OFFICE OF TOURISM

A.R.S. § 41-2301

Frank Plencner, Director

JLBC Analyst: Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	19.0	19.0	17.0
Personal Services	432,700	545,900 ^{1/}	507,000
Employee Related Exp.	93,600	113,700 ^{2/}	114,500
Prof. & Outside Services	169,900	125,000	125,000
Travel - In State	23,000	17,000	17,000
Travel - Out of State	67,800	50,000	50,000
Other Operating Exp.	623,700	614,700	664,200
Equipment	26,200	33,900	-0-
All Other Operating Exp.	910,600	840,600	856,200
Lump Sum Reduction	-0-	-0-	(14,700)
OPERATING SUBTOTAL	1,436,900	1,500,200	1,463,000
Tourism Fund	2,000,000	2,027,200 ^{3/}	2,234,700 ^{4/}
Media Advertising	1,832,000	2,014,800	1,932,000
TOTAL APPROPRIATIONS	5,268,900	5,542,200 ^{5/}	5,629,700 ^{6/}

FTE Positions - As the Painted Cliffs Welcome Center is not anticipated to be operational in FY 1993, 2 of the 3 proposed staff were eliminated.

Personal Services - The approved amount includes \$4,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes a reduction of \$43,100, which restores the original FY 1992 appropriation.

Employee Related Expenditures - The approved amount includes \$500 in Employee Related Expenditures for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$49,300 for medical insurance and \$2,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The amount includes a \$43,100 transfer as approved by the Joint Legislative Budget Committee, June 1, 1992.
- ^{2/} The amount includes a \$2,500 transfer as approved by Joint Legislative Budget Committee June 1, 1992.
- ^{3/} The amount includes a reduction of \$52,800 as the actual growth of bed tax revenues in FY 1991 was lower than originally estimated. A.R.S. § 42-1341C(3) allocates 75% of the growth of the last 1/2% of bed tax revenues to the Tourism Fund.
- ^{4/} The \$2,234,700 appropriated to the Tourism Fund is made pursuant to A.R.S. § 42-1341C(3)c and is to be used for Media Advertising. (General Appropriation Act footnote)
- ^{5/} The expenditures detail for FY 1992 includes a \$132,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{6/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

OFFICE OF TOURISM (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount contains \$2,000 for risk management and \$49,500 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Equipment - The approved amount represents a one-time equipment adjustment.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

Tourism Fund - Laws 1990, Chapter 391, allocates 75% of the growth of the last 1/2% of bed tax revenues from the General Fund to the Tourism Fund. This amount is in addition to the \$2 million annual appropriation for the Tourism Fund. The additional revenues are projected to be \$234,700 in FY 1993, as bed tax revenues are estimated to grow 7% in FY 1992. The Tourism Fund is to be used for Media Advertising.

Media Advertising - The approved amount is a decrease of \$82,800, which is offset by the \$207,500 increase in the Tourism Fund. The net increase of \$124,700 in the special line items reflects the restoration of transfers in FY 1992.

STATE TREASURER

A.R.S. § 41-171

The Honorable Tony West, Treasurer

JLBC Analyst: Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	32.0	31.0	30.0
Personal Services	858,000	846,700	935,700
Employee Related Exp.	185,100	183,200	205,100
Prof. & Outside Services	122,100	125,200	128,000
Travel - In State	700	900	2,000
Travel - Out of State	10,100	8,200	14,000
Other Operating Exp.	90,500	80,700	158,600
Equipment	17,500	9,500	15,000
All Other Operating Exp.	240,900	224,500	317,600
OPERATING SUBTOTAL	1,284,000	1,254,400	1,458,400 ^{1/}
Long Term Care-Counties	2,916,000	-0-	-0- ^{1/}
Justice of Peace Salaries	1,406,800	1,839,800	1,879,500 ^{2/}
State Grand Jury Fund	425,000	-0- ^{3/}	-0- ^{3/}
Distribution of Tax Protest Monies	-0-	3,629,700	3,629,700
TOTAL APPROPRIATIONS	6,031,800	6,723,900 ^{4/}	6,967,600 ^{5/}

Personal Services - The approved amount includes \$7,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 0.5% was applied which reduces Personal Services by \$9,800.

The appropriation reflects the elimination of 1 unspecified FTE position and a reduction of \$27,700 in Personal Services.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$85,700 for medical insurance and \$4,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$2,700 for risk management and \$71,000 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

(Continued)

- ^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information purposes only.
- ^{2/} Funding for the State Grand Jury Fund is now appropriated to the Attorney General's Office and the Supreme Court.
- ^{3/} Laws 1990, Chapter 332, appropriates \$3,629,666 to the State Treasurer in each of FY 1992-1994, to pay cities, towns, and counties as reimbursement for undistributed transaction privilege tax revenues.
- ^{4/} The expenditure detail for FY 1992 includes a \$39,700 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{5/} The expenditure detail for FY 1993 reflects a lump sum reduction of \$13,100.

STATE TREASURER (Cont'd)
GENERAL FUND

Justice of the Peace Salaries - The Justice of the Peace Salaries line item is for pass-through funds used to pay the state portion of Justice of the Peace salaries. The state share is 40% of the total salaries in accordance with A.R.S. § 22-117. The salaries are determined by a calculation of judicial productivity credits as defined in A.R.S. § 22-125, which are then used to determine the percentage of Superior Court Judge salary to be paid to each Justice of the Peace. Justice of the Peace salaries range from 25% to 70% of Superior Court salaries.

Distribution of Tax Protest Monies - Laws 1990, Chapter 332 appropriates \$3,629,666 to the State Treasurer each year for FY 1992-1994 for disbursement to cities, towns and counties. This is a reimbursement for undistributed transaction privilege tax revenues collected by the state.

ADDITIONAL LEGISLATION

Public Finances Omnibus Reconciliation Bill - Chapter 312 (S.B. 1365) - The act had two provisions which directly affected the State Treasurer's office. The first clarified that capital gains on Permanent Land Endowment Earnings are to be posted as expendable income rather than as part of the non-expendable land endowment itself. This clarification was estimated to increase expendable funds for education and other land grant recipients by \$3,000,000 in FY 1993. The Governor, however, vetoed this provision due, in part, to objections raised by the State Treasurer. The second provision permits the State Treasurer to charge a management fee of up to 12 basis points from earnings of all monies invested with the office. Proceeds will be deposited into the General Fund. Revenues from this management fee are estimated at \$2,800,000 for FY 1993. With the addition of these revenues to the General Fund, a smaller lump sum reduction was imposed.

ARIZONA COMMISSION ON UNIFORM STATE LAWS**A.R.S. § 41-1306**

James M. Bush, Commissioner

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	0.0	0.0
Personal Services	900	1,800	1,800
Employee Related Exp.	-0-	100	-0-
Travel - In State	200	500	500
Travel - Out of State	5,000	5,000	5,000
Other Operating Exp.	10,300	15,500	16,300
All Other Operating Exp.	15,500	21,000	21,800
OPERATING SUBTOTAL	16,400	22,900	23,600
Lump Sum Reduction	-0-	-0-	(200)
TOTAL APPROPRIATIONS	16,400	22,900	23,400 ^{1/}

Personal Services - The approved amount includes \$1,800 for board member per diem only, and therefore no funding is included for the general salary adjustment.

Employee Related Expenditures - The approved amount includes no funding for Employee Related Expenditures based on expenditures of less than \$100 for Workers' Compensation and Personnel Division funding in the previous 2 fiscal years.

Other Operating Expenditures - The approved amount contains \$300 for risk management as well as an increase of \$800 to pay for the state's annual assessed membership fee for the National Conference of Commissioners on Uniform State Laws (NCCUSL). Each state pays a base fee of \$5,000 plus an additional \$2.50 per 1,000 population.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

HEALTH AND WELFARE

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - SUMMARY A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND, FEDERAL FUNDS, COUNTY FUNDS, AND OTHER FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>				
Administration	(S)	16,720,300	26,861,000	24,879,100
	(T)	50,347,400	53,780,200	52,365,000
DES-AHCCCS	(S)	10,704,600	13,273,000	15,014,600
	(T)	17,477,400	26,547,600	30,682,300
DHS-AHCCCS	(S)	13,406,800	521,100	666,000
	(T)	15,236,700	10,823,500	12,306,200
Acute Care	(S)	292,355,100	382,151,500	415,300,100
	(T)	628,473,300	903,367,400	1,085,947,400
Long Term Care	(S)	-0-	-0-	-0-
	(T)	250,587,800	232,450,400	264,236,000
PROGRAM TOTAL	(S)	333,186,800	422,806,600	455,859,800
	(T)	962,122,600	1,226,969,100	1,445,536,900
FTE Positions	(S)	824.25	878.4	972.5
	(T)	1,561.80	1,739.4	1,927.2
Personal Services	(S)	11,799,600	18,380,400	20,303,500
	(T)	29,869,300	36,358,200	40,117,500
Employee Related Exp.	(S)	2,304,600	4,624,900	5,056,900
	(T)	6,232,500	9,151,700	10,009,000
Prof. & Outside Services	(S)	6,320,400	7,624,800	7,922,200
	(T)	17,079,800	16,541,000	17,360,400
Travel - In State	(S)	159,900	251,300	260,300
	(T)	395,200	497,800	517,400
Travel - Out of State	(S)	19,100	16,800	16,800
	(T)	36,900	33,000	33,000
Other Operating Exp.	(S)	5,621,900	7,006,000	7,063,300
	(T)	11,296,900	13,678,100	13,907,300
Equipment	(S)	30,200	295,900	381,100
	(T)	127,800	591,800	841,300
All Other Operating Exp.	(S)	12,151,500	15,194,800	15,643,700
	(T)	28,936,600	31,341,700	32,659,400
Lump Sum Reduction	(S)	-0-	-0-	(2,055,300)
	(T)	-0-	-0-	(2,055,300)
OPERATING SUBTOTAL	(S)	26,255,700	38,200,100	38,948,800
	(T)	65,038,400	76,851,600	80,730,600

1/

(See Footnotes on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - SUMMARY (Cont'd)
GENERAL FUND, FEDERAL FUNDS, COUNTY FUNDS, AND OTHER FUNDS

Special Line Items ^{2/}	(S)	306,931,100	358,650,900	392,827,600
	(T)	897,084,200	1,082,224,700	1,295,869,900
Additional Appropriations ^{3/}	(S)	--	25,955,600	24,083,400
	(T)	--	67,892,800	68,936,400
TOTAL EXP. AUTHORITY	(T)	962,122,600	1,226,969,100	1,445,536,900
Less Federal Funds		(467,687,600)	(647,903,000)	(825,690,000)
Less County Funds		(155,056,200)	(152,619,200)	(157,373,700)
Less Miscellaneous Funds		(6,192,000)	(3,640,300)	(6,613,400)
TOTAL APPROPRIATIONS	(S)	333,186,800 ^{4/}	422,806,600 ^{4/}	455,859,800 ^{4/}

(S) = State General Fund
(T) = Total Expenditure Authority

- ^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program with special line items.
- ^{2/} Details for the special line items are included on the individual program pages.
- ^{3/} Details for the Additional Appropriations are included on the individual program pages.
- ^{4/} General Fund Appropriation.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
ADMINISTRATION**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND AND FEDERAL FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	(S)	508.3	477.7	482.1
	(T)	923.8	932.7	942.7
Personal Services	(S)	5,655,500	10,847,900	10,985,500
	(T)	19,786,100	21,293,200	21,481,500
Employee Related Exp.	(S)	789,900	2,615,800	2,636,000
	(T)	3,747,500	5,133,500	5,167,200
Prof. & Outside Services	(S)	5,785,200	7,589,500	7,886,900
	(T)	16,209,500	16,470,400	17,289,800
Travel - In State	(S)	24,200	76,500	80,000
	(T)	170,700	148,300	156,900
Travel - Out of State	(S)	17,800	15,600	15,600
	(T)	34,800	30,600	30,600
Other Operating Exp.	(S)	3,095,600	3,619,500	3,592,800
	(T)	7,180,000	7,097,000	7,158,200
Equipment	(S)	21,900	160,300	360,100
	(T)	114,300	320,500	799,300
All Other Operating Exp.	(S)	8,944,700	11,461,400	11,935,400
	(T)	23,709,300	24,066,800	25,434,800
Lump Sum Reduction	(S)	-0-	-0-	(1,274,300)
	(T)	-0-	-0-	(1,274,300)
OPERATING SUBTOTAL	(S)	15,390,100	24,925,100	24,282,600
	(T)	47,242,900	50,493,500	50,809,200
Indian Advisory Council	(S)	44,300	95,000	95,600
	(T)	89,700	190,000	191,100
Board of Nursing	(S)	-0-	70,000	70,000
	(T)	143,900	214,900	214,900
Health Care Group	(S)	-0-	198,000	106,200
	(T)	-0-	198,000	106,200
FY 1991 DOA/Consulting Bills	(S)	-0-	1,471,600 ^{2/}	-0-
	(T)	-0-	2,481,200	-0-
Other Legislation	(S)	1,285,900	101,300	-0-
	(T)	2,870,900	202,600	-0-
TOTAL	(S)	16,720,300	40,105,402 ^{3/}	24,554,400 ^{4/}
	(T)	50,347,400	53,780,200	51,321,400

(See Footnotes on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Additional Appropriations - 40th Leg., 2nd Reg. Session				
Laws 1992, Ch. 301 (S.B. 1502)	(S)	--	--	324,700
	(T)	--	--	1,043,600
TOTAL EXP. AUTHORITY	(T)	50,347,400	53,780,200	52,365,000
Less Federal Funds		(25,350,600)	(26,919,200)	(27,485,900)
Less County Funds		(8,276,500)	-0-	-0-
TOTAL APPROPRIATIONS	(S)	16,720,300	26,861,000	24,879,100
(S) = State General Fund (T) = Total Expenditure Authority				

FTE Positions - The approved amount reflects the following changes from the FY 1992 appropriation:

- 4 (S) and 8 (T) FTE positions for growth in Acute Care medical services claims.
- 1 (S) and 2 (T) FTE positions for an Inspection of Care team (Registered Nurse and a Social Worker) responsible for conducting inspections to ensure quality care for all Title XIX-eligible persons residing in an Institute for Mental Disease.
- Changes in the administrative funding which moved 0.6 FTE positions from state to federal funds.

Personal Services - The approved amount includes \$114,200 (S) and \$224,200 (T) for the general salary adjustment effective April 1, 1993. A vacancy factor of 4.5% was applied which reduces Personal Services by \$510,900 (S) and \$1,003,300 (T).

The approved amount also reflects the following changes from the FY 1992 appropriation:

(Footnotes From Previous Page)

(Continued)

- 1/ The FTE Positions total includes 1 (S) and 2 (T) FTE positions from the Indian Advisory Council special line item in FY 1991 and 2 (S) and 4 (T) in FY 1992 and FY 1993, and 5 (S) and 5 (T) FTE positions from the Health Care Group special line item in FY 1992 and FY 1993.
- 2/ Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session appropriated the sum of \$1,471,600 (S) and \$2,481,200 to AHCCCS for the purpose of paying consultant expenses and the Department of Administration Data Center charges incurred in FY 1991.
- 3/ Chapter 4 (H.B. 2002), 7th Special Session, as originally enacted by the Legislature, contained a lump sum reduction of \$391,700 (S) and \$805,400 (T) in the FY 1992 appropriation. This reduction was line item vetoed by the Governor, who also directed AHCCCS to revert to the General Fund at the fiscal year end \$41,700 (S). This amount represented the difference between the original lump sum reduction and the \$350,000 (S) that the Governor indicated was needed by AHCCCS in FY 1992 for unexpected consultant expenditures. The Arizona Supreme Court has ruled, however, that the ordered reversion was unconstitutional based on the Courts' opinion that the Governor may not substitute his judgement for that of the Legislature by reallocating funds.
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program with special line items. The line items within the "Operating Subtotal" are shown for information only.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

- \$69,000 (S) and \$140,800 (T) for the new Acute Care claims positions.
- \$24,300 (S) and \$49,700 (T) for the Inspection of Care positions.
- \$19,300 (S) and \$0 (T) for fund mix changes.

Employee Related Expenditures - The approved amount includes \$14,200 (S) and \$27,900 (T) for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,202,100 (S) and \$2,362,500 (T) for medical insurance and \$61,800 (S) and \$121,600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

The approved amount also reflects the following changes from the FY 1992 appropriation:

- \$17,800 (S) and \$36,400 (T) for the new acute care claims positions.
- \$6,300 (S) and \$12,800 (T) for the inspection of care positions.
- \$10,200 (S) and \$0 (T) for fund mix changes.

Professional and Outside Services - The approved amount reflects the following changes from the FY 1992 appropriation:

- \$51,500 (S) and \$105,000 (T) for contracted Inspections of Care for Title XIX-eligible persons residing in an Institute for Mental Disease.
- \$255,000 (S) and \$510,000 (T) for contracted audits and reviews of Title XIX nursing facilities.
- Agency reductions totalling \$(223,000) (S) and \$(461,100) (T).
- \$(5,100) (S) and \$665,500 (T) for the Department of Administration's data center charges. The approved amount reflects \$3,209,600 (S) and \$7,642,000 (T) in total for the Department of Administration Data Center charges in FY 1993.
- \$219,000 (S) and \$0 (T) for fund mix changes.

Travel - In State - The approved amount reflects the following changes from the FY 1992 appropriation:

- \$4,200 (S) and \$8,600 (T) for the Inspection of Care positions.
- \$(700) (S) and \$0 (T) for fund mix changes.

Other Operating Expenditures - The approved amount contains \$150,900 (S) and \$295,800 (T) for risk management. In addition, the approved amount reflects the following changes from the FY 1992 appropriation:

- \$9,400 (S) and \$19,200 (T) for the Acute Care Claims positions.
- \$2,000 (S) and \$4,000 (T) for the Inspection of Care positions.
- \$16,000 (S) and \$38,000 (T) for increased computer maintenance contract costs.
- \$(54,100) (S) and \$0 (T) for fund mix changes.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Equipment - The approved amount reflects funding for replacement personal computers and related equipment in all divisions in the amount of \$347,900 (S) and \$774,300 (T). Additionally, the approved amount reflects \$9,800 (S) and \$20,000 (T) for equipment related to the new acute care claims positions, and \$2,400 (S) and \$5,000 (T) for equipment related to the Inspection of Care positions.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the operating budget.

Indian Health Care Advisory Council - The Advisory Council on Indian Health Care was established in Laws 1989, Chapter 293. The Council's primary mission is to develop a comprehensive health care delivery system for Arizona's Indian population.

The approved Personal Services amount includes \$500 (S) and \$1,000 (T) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved Employee Related Expenditures amount includes \$100 (S) and \$100 (T) for the general salary adjustment effective April 1, 1993. The approved Employee Related Expenditures amount contains \$6,300 (S) and \$12,600 (T) for medical insurance and \$300 (S) and \$500 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Board of Nursing (BON) - The approved amount includes \$70,000 (S) and \$140,000 (T) for testing costs associated with the Nurse Aid Testing and Competency Evaluation Program (NATCEP). Additionally, total expenditure authority reflects \$74,900 in Title XIX funds to be passed-through by AHCCCS as the match for BON administrative expenditures on NATCEP.

Health Care Group - General Fund support for this program represents the difference between premium and administrative fee revenue and AHCCCS' cost of operating the program. The program offers small group health insurance to companies with 40 or fewer employees. Enrollees receive medical care through AHCCCS' existing contracted health plans or providers and pay premiums and a monthly administrative fee to AHCCCS. The program required General Fund support in FY 1992, but because of increased enrollment expected for FY 1993, General Fund support was reduced by \$91,800.

ADDITIONAL APPROPRIATIONS

Mental Health Services - Chapter 301 (S.B. 1502) - Appropriates from the General Fund \$172,000 and transfers \$152,700 from the Department of Health Services FY 1993 general appropriation for Chronically Mentally Ill services to AHCCCS for the implementation of a Title XIX adult mental health program. In combination, the General Fund appropriation and the transfer provide AHCCCS with \$1,043,600 of additional expenditure authority in FY 1993 when matched with federal funds. This chapter also funds 9 (S) and 21 (T) FTE positions. Of this total 5 (S) and 13 (T) FTE positions are for financial and medical eligibility caseload growth in the Arizona Long Term Care System (ALTCS). The remaining 4 (S) and 8 (T) FTE positions are related to a variety of workload issues resulting from the addition of mental health services as an AHCCCS-covered service.

In addition to the appropriation provisions, this chapter adds mental health services as a covered service for Long Term Care recipients age 65 and over effective February 1, 1993. This chapter also extends coverage under the Early and Periodic Screening Diagnosis and Treatment (EPSDT) program to Title XIX-eligible persons age 21 and under. Also, the Auditor General is directed to conduct an audit of AHCCCS Professional and Outside Services expenditures and submit a report to the Legislature by March 1, 1993.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
DES-AHCCCS**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND AND FEDERAL FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	(S)	305.5	388.0	477.7
	(T)	615.0	780.0	957.8
Personal Services	(S)	5,898,100	7,406,100	9,020,600
	(T)	9,591,200	14,812,200	18,041,300
Employee Related Exp.	(S)	1,456,100	1,921,500	2,346,000
	(T)	2,367,800	3,843,000	4,692,100
Prof. & Outside Services	(S)	535,200	20,100	20,100
	(T)	870,300	40,200	40,200
Travel - In State	(S)	125,400	163,100	168,600
	(T)	203,900	326,100	337,100
Travel - Out of State	(S)	1,300	1,200	1,200
	(T)	2,100	2,400	2,400
Other Operating Exp.	(S)	2,502,900	3,360,000	3,444,000
	(T)	4,070,100	6,528,100	6,696,100
Equipment	(S)	8,300	130,500	21,000
	(T)	13,500	261,200	42,000
All Other Operating Exp.	(S)	3,173,100	3,674,900	3,654,900
	(T)	5,159,900	7,158,000	7,117,800
Lump Sum Reduction	(S)	-0-	-0-	(739,900)
	(T)	-0-	-0-	(739,900)
OPERATING SUBTOTAL	(S)	10,527,300	13,002,500	14,281,600
	(T)	17,118,900	25,813,200	29,111,300
DES DDSA	(S)	159,400	173,800	175,400
	(T)	318,900	347,600	350,700
DES PASARR	(S)	17,900	96,700	53,100
	(T)	39,600	386,800	211,300
Program to Maximize Federal Funding	(S)	-0-	-0-	504,500 ^{2/}
	(T)	-0-	-0-	1,009,000
TOTAL EXP. AUTHORITY	(T)	17,477,400	26,547,600	30,682,300
Less Federal Funds		(6,772,800)	(13,274,600)	(15,667,700)
TOTAL APPROPRIATIONS	(S)	10,704,600	13,273,000	15,014,600 ^{3/4}

(S) = State General Fund

(T) = Total Expenditure Authority

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DES-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

FTE Positions - The approved amount reflects the following changes from the FY 1992 appropriation:

- 14 (S) and 28 (T) FTE positions for increased caseload in AHCCCS eligibility determinations. The approved amount reflects 18 (T) Eligibility Interviewer IIs, 4 (T) Eligibility Interviewer Supervisors, and 6 (T) Clerk Typist IIIs.
- 60.4 (S) and 120.8 (T) FTE positions to correct for shortfalls in AHCCCS eligibility. The increase shown here has been offset by a corresponding reduction in the Department of Economic Security Division of Family Support budget. While all positions reflected in the DES-AHCCCS cost center are DES employees, the cost associated with time spent on AHCCCS eligibility work is shown in the AHCCCS budget. The transfer of positions and funding to DES-AHCCCS represents an amount equal to average shortfalls over the past 2 fiscal years.
- 16 (S) and 32 (T) positions for the Program to Maximize Federal Funding. These positions were added to implement initiatives designed to enhance federal support of the AHCCCS program, including such measures as the conversion of Eligible Assistance Children to federal eligibility.
- (0.7) (S) and (3) (T) FTE were eliminated from the PASARR special line item as a result of DES' reorganization of this function.

Personal Services - The approved amount includes \$116,900 (S) and \$233,900 (T) for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$91,200 (S) and \$182,300 (T).

The approved amount also reflects the following changes from the FY 1992 appropriation:

- \$253,600 (S) and \$507,200 (T) for the positions related to AHCCCS case load growth.
- \$1,244,000 (S) and \$2,488,000 (T) for the transfer of positions and funding from DES to DES-AHCCCS.

Employee Related Expenditures - The approved amount includes \$15,000 (S) and \$30,100 (T) for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,122,100 (S) and \$2,244,200 (T) for medical insurance and \$57,600 (S) and \$115,100 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

The approved amount also reflects the following changes from the FY 1992 appropriation:

- \$66,400 (S) and \$132,800 (T) for the new eligibility determination positions.
- \$325,700 (S) and \$651,400 (T) related to the transfer of positions and funding from DES to DES-AHCCCS.

(Continued)

(Footnotes From Previous Page)

- 1/ The FTE Positions total includes 2 (S) and 4 (T) DES DDSA FTE positions for FY 1991, and FY 1992 and FY 1993. Also includes 2 (S) and 8 (T) DES PASARR FTE positions for FY 1991 and FY 1992, and 1.3 (S) and 5.0 (T) FTE positions in FY 1993
- 2/ Prior to the expenditure of funds for the program to maximize federal funding, the Arizona Health Care Cost Containment System and the Department of Economic Security shall submit to the Joint Legislative Budget Committee a plan describing the intended use of this funding. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act Funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 4/ The amounts appropriated shall be used for intergovernmental agreements with the Department of Economic Security for the purpose of eligibility determination and other functions as set forth above. (General Appropriation Act footnote)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DES-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

- \$17,400 (S) and \$34,800 for an Employee Related Expenditures rate adjustment.

Travel - In State - The approved amount reflects an increase of \$5,500 (S) and \$11,000 (T) for the new eligibility determination positions.

Equipment - The approved amount reflects an average of \$1,500 in equipment for each of the new eligibility determination positions.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the operating budget.

DES DDSA - The department's Disability Determination Services Administration (DDSA), through an intergovernmental agreement with AHCCCS, determines disability entitlement for Arizona Long Term Care System claims.

The approved Personal Services amount includes \$500 (S) and \$1,000 (T) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved Employee Related Expenditures amount includes \$100 (S) and \$100 (T) for the general salary adjustment effective April 1. The approved amount for Employee Related Expenditures contains \$5,100 (S) and \$10,300 (T) for medical insurance and \$300 (S) and \$500 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects an Employee Related Expenditures rate adjustment of \$1,000 (S) and \$2,000 (T).

The approved amount is based on the following:

	S	T
FTE Positions	2.0	4.0
Personal Services	69,300	138,600
Employee Related Exp.	15,900	31,700
All Other Operating Exp.	49,100	98,200
"Below the Line"	41,100	82,200
TOTAL	175,400	350,700

DES PASARR - The department, via an intergovernmental agreement with AHCCCS, conducts Level II screens for patients in Title XIX certified nursing facilities who have been identified through a Level I screen as potentially having a mental retardation.

The approved Personal Services amount includes \$500 (S) and \$1,200 (T) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved Employee Related Expenditures amount includes \$100 (S) and \$200 (T) for the general salary adjustment effective April 1, 1993. The approved amount contains \$3,100 (S) and \$12,400 (T) for medical insurance and \$200 (S) and \$600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects reductions of \$44,200 (S) and \$176,900 (T) in Personal Services. Employee Related Expenditures and Other Operating Expenditures associated with DES' reorganization of the function.

The approved amount is based on the following:

	S	T
FTE Positions	1.3	5.0
Personal Services	23,500	93,000
Employee Related Exp.	7,000	28,000
All Other Operating Exp.	22,600	90,300
TOTAL	53,100	211,300

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
DHS-AHCCCS**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND AND FEDERAL FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/2}	(S)	10.5	12.7	12.7
	(T)	23.0	26.7	26.7
Personal Services	(S)	246,000	126,400	297,400
	(T)	492,000	252,800	594,700
Employee Related Exp.	(S)	58,600	87,600	74,900
	(T)	117,200	175,200	149,700
Prof. & Outside Services	(S)	-0-	15,200	15,200
	(T)	-0-	30,400	30,400
Travel - In State	(S)	10,300	11,700	11,700
	(T)	20,600	23,400	23,400
Other Operating Exp.	(S)	23,400	26,500	26,500
	(T)	46,800	53,000	53,000
Equipment	(S)	-0-	5,100	-0-
	(T)	-0-	10,100	-0-
All Other Operating Exp.	(S)	33,700	58,500	53,400
	(T)	67,400	116,900	106,800
Lump Sum Reduction	(S)	-0-	-0-	(41,100)
	(T)	-0-	-0-	(41,100)
OPERATING SUBTOTAL	(S)	338,300	272,500	384,600
	(T)	676,600	544,900	810,100
DHS PASARR	(S)	94,000	94,700	94,300
	(T)	375,900	385,800	384,600
Children's Rehab. Services	(S)	12,883,600	-0-	-0-
	(T)	14,002,400	9,530,900	10,737,300
Indirect Cost - Licensure	(S)	90,900	65,500	187,100
	(T)	181,800	130,900	374,200
FY 1991 Children's Rehab. Services	(S)	-0-	88,400	-0-
	(T)	-0-	231,000	-0-
TOTAL EXP. AUTHORITY	(T)	15,236,700	10,823,500	12,306,200
Less Federal Funds		(1,829,900)	(10,302,400)	(11,640,200)
TOTAL APPROPRIATIONS	(S)	13,406,800	521,100 ^{2/}	666,000 ^{3/4}

(S) = State General Fund

(T) = Total Expenditure Authority

(See Footnotes on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DHS-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Personal Services - The approved amount includes \$3,000 (S) and \$6,000 (T) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also reflects the restoration of \$155,000 (S) and \$310,000 (T), which was eliminated in the FY 1992 Ex-Appropriation Act. The approved amount includes an additional \$13,000 (S) and \$25,900 (T) to fully fund all authorized positions.

Employee Related Expenditures - The approved amount includes \$400 (S) and \$800 (T) for the general salary adjustment effective April 1, 1993. The approved amount contains \$32,600 (S) and \$65,200 (T) for medical insurance and \$1,700 (S) and \$3,400 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects an additional \$3,300 (S) and \$6,600 (T) for fully funding all positions and a reduction of \$9,000 (S) and \$18,100 (T) for an Employee Related Expenditures rate adjustment.

Equipment - The approved amount reflects the elimination of funding for one-time equipment purchases in FY 1992.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the operating budget.

DHS PASARR - The department, via an intergovernmental agreement with AHCCCS, conducts Level II psychiatric evaluations of patients in Title XIX certified nursing facilities who have been identified through a Level I screening as potentially having a mental illness.

The approved amount includes \$100 (S) and \$700 (T) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. Included also is \$-0- (S) and \$100 (T) for employee related benefits related to the general adjustment. The approved amount contains \$2,200 (S) and \$8,800 (T) for medical insurance and \$100 (S) and \$500 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved Employee Related Expenditures amount also reflects a rate adjustment of \$(500) (S) and \$(2,000) (T).

	S	T
FTE Positions	0.1	2.7
Personal Services	26,300	105,700
Employee Related Exp.	7,000	35,200
All Other Operating Exp.	34,300	137,000
"Below the Line"	26,700	106,700
TOTAL	94,300	384,600

(Continued)

(Footnotes From Previous Page)

- 1/ The FTE Positions total includes 1 (S) and 4(T) FTE positions in FY 1991 and 0.7 (S) and 2.7 (T) FTE position in FY 1992 and FY 1993 in the DHS PASARR special line item. Also includes 3.15 (S) and 5 (T) FTE positions in the CRS special line item in FY 1991.
- 2/ The expenditure detail for FY 1992 includes a \$250,000 (S) and \$500,000 (T) reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. In addition, Laws 1992, Chapter 4, 7th Special Session provided a supplemental appropriation of \$4,530,900 in additional total expenditure authority for the Children's Rehabilitative Services (CRS) special line item. Laws 1992, Chapter 4, 7th Special Session (Sec. 5) also appropriated the sum of \$88,400 (S) and \$231,000 (T) for the purpose of paying outstanding CRS billings remaining from FY 1991.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 4/ The amounts appropriated shall be used for intergovernmental agreements with the Department of Health Services for the purpose of Medicaid-related licensure, certification and registration, and other functions as set forth above. (General Appropriation Act footnote)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DHS-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Children's Rehabilitative Services (CRS) - The approved amount reflects an estimate of Title XIX funds to be passed through to the Department of Health Services. The state matching funds for these federal dollars are reflected in the DHS Family Health appropriation.

Indirect Cost - Licensure - The approved amount reflects the restoration of \$95,000 (S) and \$190,000 (T) which was eliminated in the FY 1992 Ex-Appropriation Act. The approved amount also includes an increase of \$26,600 (S) and \$53,300 (T) for a higher indirect cost rate in FY 1993.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
ACUTE CARE**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Acute Care Capitation	(S)	200,678,200	276,448,400	330,960,200
	(T)	487,625,900	645,793,900	763,727,400
Fee for Service	(S)	39,742,400	60,062,700	48,389,800
	(T)	66,218,900	118,590,200	121,219,400
Reinsurance	(S)	24,781,700	11,127,300	23,208,200
	(T)	31,848,400	15,635,100	35,966,900
Deferred Liability	(S)	15,857,700	6,121,000	10,050,800
	(T)	23,295,800	22,695,200	32,011,300
Medicare Part B	(S)	2,121,800	1,205,200	223,100
	(T)	6,915,800	8,836,700	6,426,500
QMB	(S)	27,400	189,200	209,300
	(T)	575,000	361,300	935,000
EPSDT Mental Health	(S)	1,145,900	1,042,100	1,000,000
	(T)	2,793,500	23,562,200	21,768,100
Adult Mental Health	(S)	-0-	-0-	-0-
	(T)	-0-	-0-	20,000,000 ^{1/}
Other Legislation	(S)	8,000,000	-0-	-0-
	(T)	9,300,000	-0-	-0-
Additional Federal Funds	(S)	-0-	-0-	(22,500,000)
	(T)	-0-	-0-	-0-
TOTAL	(T)	628,573,300	835,474,600	1,002,054,600
Additional Appropriations - 40th Leg., 9th Special Session				
Health Care Financing	(S)	-0-	-0-	-0-
Chapter 287	(T)	-0-	-0-	16,000,000
AHCCCS, Disproportionate Share	(S)	-0-	25,955,600	23,758,700
Payments, Ch. 292	(T)	-0-	67,892,800	67,892,800
TOTAL APPROPRIATIONS	(T)	628,573,300	903,367,400	1,085,947,400
Less Federal Funds		(271,493,600)	(452,499,500)	(598,957,800)
Less County and Misc. Funds		(64,624,600)	(68,716,400)	(71,689,500)
TOTAL APPROPRIATIONS	(S)	292,455,100	382,151,500 ^{2/}	415,300,100 ^{3/}

^{1/} If S.B. 1502 or similar Legislation to enact a federally-reimbursed adult mental health program is not enacted into law, the \$20,000,000 in expenditure authority for adult mental health shall lapse. (General Appropriation Act footnote) NOTE: SB 1502 was enacted into law.

(Footnotes Continued on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Acute Care Capitation - Represents payments which are made directly to the health plans under contract to AHCCCS for the cost of care rendered to enrolled members. These payments are made on a monthly basis and cover the full range of services required in statute.

The approved amount was based on the following assumptions:

- Enrollment by Rate Code

<u>Rate Code</u>	<u>Member Months</u>	<u>Member Years</u>
Aid to Families with Dependent Children (AFDC)	2,405,060	200,422
Supplemental Security Income (SSI) with Medicare	187,544	15,629
Supplemental Security Income without Medicare	346,629	28,886
SOBRA Women	143,695	11,975
SOBRA Children	980,710	81,726
Medically Needy/Medically Indigent (MN/MI) with Medicare	12,221	1,018
Medically Needy/Medically Indigent without Medicare	594,361	49,530
Eligible Assistance Children (EAC)	237,905	19,825
Eligible Low Income Children (ELIC)	61,456	5,121
	<u>4,969,581</u>	<u>414,132</u>

SOBRA Deliveries

17,076

- Capitation rate increase of 5.19% effective October 1, 1992.
- Change in the Federal Medical Assistance Percentage (FMAP) from 62.61% to 65.89% effective October 1, 1992.
- A reduction of \$2,750,000 for increased reimbursement under the State Legislation Impact Assistance Grant (SLIAG). In FY 1992, SLIAG reimbursement of \$5,000,000 was used to offset the General Fund appropriation for Capitation. The FY 1993 approved amount reflects a SLIAG offset of \$7,750,000.

Fee for Service - Represents payments made on behalf of individuals eligible for medical services, but not yet enrolled in a prepaid health plan. Categorically-eligible persons have a 10-day period in which to choose a health plan. During this period (and any additional time between eligibility and the effective date of plan enrollment), these individuals are eligible to have medically necessary services paid on their behalf. Additionally, if these persons have unpaid bills for services received in the 90-day period prior to their application for eligibility, AHCCCS pays these bills on a fee for service basis.

Non-categorical recipients are to be enrolled with a prepaid health plan within 3 days of the determination of eligibility through an automatic assignment process. Under current law, AHCCCS covers emergency services received up to 48 hours prior to the date of notification of eligibility by a county office.

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(Footnotes Continued From Previous Page)

- 2/ The expenditure detail for FY 1992 includes a supplemental appropriation of \$24,895,100 (S) and \$31,313,800 (T) authorized by Laws 1992 Chapter 4, (H.B. 2002), 7th Special Session. In addition, the expenditure detail for FY 1992 includes a supplemental appropriation of \$700,000 (S) and \$1,955,300 (T) authorized by Laws 1991, Chapter 1, 2nd Special Session. In conjunction with this supplemental appropriation, the Governor ordered AHCCCS to revert at the fiscal year end \$2,000,000 in Acute Care funds. This reversion was subsequently ruled unconstitutional by the Arizona Supreme Court, which concluded that the Governor could not substitute his judgement for that of the Legislature with respect to spending in the Acute Care program.
- 3/ Represents General Appropriation Act fund with special line items for the program.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Categorically-eligible Native Americans who live on reservation and are referred off-reservation by the Indian Health Service (IHS) for services are covered on a fee-for-service basis. Those categorical persons receiving treatment on reservation in an IHS facility are covered entirely by the federal government with AHCCCS serving as the pass-through entity for the federal funds.

Reinsurance - Represents AHCCCS' efforts to limit a prepaid health plan's liability in catastrophic care cases. The Administration has set \$10,000 as the reinsurance deductible for all Medically Needy/Medically Indigent (MN/MI), EAC, and ELIC members (without Medicare Part A coverage). Reinsurance deductibles for categorically-eligible individuals are dependent upon plan enrollment by county as of November of each year and vary as follows:

<u>Enrollment</u>	<u>Reinsurance Deductible</u>
1 - 999 members	\$10,000
1,000 - 9,999 members	\$20,000
10,000+ members	\$30,000

For categorical and other federal members, 80% of the cost incurred by a prepaid health plan in excess of the appropriate deductible is borne by AHCCCS (90% for state-only members), under the following circumstances when costs have been incurred:

- In the provision of payment for covered inpatient hospitalization, emergency care, and certain covered outpatient services such as dialysis not covered by Title XIX, total parenteral nutrition, and other ambulatory services.
- During the contract year or such part of that year in which the individual is enrolled with a plan. Any movement to another plan shall be cause for resetting the reinsurance level.

Additionally, for state-only members, 95% of the cost incurred by a prepaid health plan in excess of the \$10,000 deductible is borne by AHCCCS for related outpatient services that are authorized by AHCCCS and which were incurred within 14 days after discharge from the hospital.

Finally, the reinsurance deductible for enrolled members diagnosed as having Acquired Immune Deficiency Syndrome (AIDS), and persons requiring organ transplants, is \$1,000 regardless of the type of eligibility or plan size. The Administration assumes 90% of the liability for medical costs in excess of this threshold.

Deferred Liability - Represents a concept developed by AHCCCS in which the Director has the prerogative to defer a percentage of the financial liability of an enrolled member back to the Administration. The Administration assumes 50% of the costs for patients who are already incurring expenses on the day they are assigned to a health plan. In order for AHCCCS to defer liability, one of the following conditions must exist:

- The eligible person is in the last 2 weeks of a high-risk pregnancy;
- The eligible person is receiving either active chemotherapy or active radiation for a malignancy or a metastatic disease;
- The eligible person is hospitalized on the effective date of enrollment. Liability may be deferred until the person is discharged or for 15 days, whichever is less, subject to a utilization review by the Administration; or
- The eligible person is an infant who has been continually hospitalized since birth and had a birth weight of less than 2250 grams; or a gestational age of less than 36 weeks; or a major malformation requiring special neonatal care; or received more than 2 days of intensive neonatal care; or required intensive care and subsequently died.

Fee for Service, Deferred Liability, and Reinsurance Assumptions:

- The approved amounts for these line items were based on the following per member per month (PM/PM) costs:

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

<u>Rate Code</u>	<u>FFS Total PM/PM</u>	<u>Reinsurance Total PM/PM</u>	<u>Deferred Liability Total PM/PM</u>
AFDC	\$13.80	\$1.07	\$2.43
Aged with Medicare	11.02	0.00	0.00
Aged without Medicare	39.29	4.04	0.03
Blind with Medicare	39.74	0.00	0.08
Blind without Medicare	49.76	15.80	0.00
Disabled with Medicare	15.81	0.11	0.06
Disabled without Medicare	48.76	21.47	2.40
SOBRA Women	80.65	0.88	0.55
SOBRA Children	22.99	1.83	10.53
MN/MI with Medicare	8.46	4.00	0.64
MN/MI without Medicare	56.68	41.20	25.21
EAC	1.82	0.53	0.01
ELIC	7.69	5.80	1.79

- 5% medical inflation in Fee for Service and Reinsurance.
- FMAP change effective October 1, 1992.
- The Fee for Service estimate reflects federal funds totalling \$25,475,800 to be passed through to the Indian Health Service for services rendered to categorically-eligible Native Americans in an IHS facility on reservation.

EPSDT Mental Health - The approved amount reflects \$1,000,000 (S) and \$2,862,900 (T) for the pharmaceutical and laboratory costs of Title XIX-eligible children receiving mental health services through the Department of Health Services behavioral health delivery system. These AHCCCS clients use AHCCCS' existing contracted network of pharmacies and laboratory facilities. Additionally, the total expenditure authority reflects an estimate of \$18,905,200 in federal funds to be passed through to the Department of Health Services for mental health services rendered to Title XIX-eligible children. The State General Fund match for these pass-through federal dollars is reflected in the Department of Health Services Behavioral Health appropriation.

Adult Mental Health - The approved amount reflects an estimate of Title XIX funding to be passed through to the Department of Health Services for the provision of mental health services to Title XIX - eligible clients over the age of 21. The General Fund match for these federal funds is reflected in the DHS Behavioral Health appropriation.

Additional Federal Funds - This \$22,500,000 General Fund reduction is offset by an equivalent increase in federal funds. The reduction is associated with a number of initiatives, both administrative and legislatively prescribed and designed to increase federal support of the AHCCCS program. Specifically, General Fund savings of \$6,000,000 could be realized through administrative efforts to collect federal reimbursement for emergency deliveries by persons not meeting citizenship or legal residency requirements. Included among the legislative actions are changes enacted in Laws 1992, Chapter 287 (Health Care Financing S.B. 1144) and Laws 1992, Chapter 302 (AHCCCS; Adjusted Bill Charges H.B. 2508), which establish new procedures for converting individuals in 100% state funded groups such as MN/MI and EAC to federal categorical or other federal medical assistance groups. The conversion of EACs could save the state up to \$5,000,000 in FY 1993. These amounts represent estimates only and could change substantially based on agency implementation schedules, the cooperation of applicants in completing federal applications, and a variety of other implementation issues that could lessen first year savings. The General Fund reduction is unspecified and must be allocated by the agency among the Acute Care line items.

Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Medicare Premiums - This line item represents the purchase of Medicare Part B (supplemental medical insurance) on behalf of those eligible for Medicaid and Part A (hospital insurance) coverage. This "buy-in" reduces state costs since the federal government, through Medicare, absorbs some costs that otherwise would have been paid by AHCCCS. In addition, the line also includes the costs of payment of Part A premium costs for certain disabled workers.

Qualified Medicare Beneficiaries (QMBs) - Federal law requires the state to pay Medicare Part A and Part B premiums, deductibles, and co-payments on behalf of certain low-income Medicare beneficiaries. An individual is eligible if:

- They are entitled to Part A Medicare benefits;
- Their resources do not exceed twice the SSI resource limit, or \$4,000; and
- Their income does not exceed 100% of the FPL (\$6,620).

Eligibility - The line items described above are paid on behalf of the following eligibility groups:

Categorically-eligible

AFDC - Individuals who are receiving cash payments from the Aid to Families with Dependent Children (AFDC) program are automatically eligible for AHCCCS services. Federal law also allows, under certain conditions, for some individuals not, or who are no longer, receiving cash payments (e.g. Ribicoff children or transitional assistance cases), to still be eligible for Medicaid; these cases are commonly known as Medical Assistance Only (MAO) cases. In addition, the state implemented an AFDC - Unemployed Parent program on October 1, 1990. Individuals entitled to benefits under this program are also entitled to medical benefits under AHCCCS.

The Comprehensive Medical and Dental Program (CMDP) in the Department of Economic Security (DES) has AHCCCS-eligible children among its total population. AHCCCS passes through funds to CMDP on behalf of these eligible children. AHCCCS also passes through state and federal funds to DES to cover the costs of determining AFDC MAO eligibility.

SSI - Individuals receiving Supplemental Security Income (SSI) monthly cash payments are automatically eligible for AHCCCS services. These individuals are divided up between the 3 major SSI groups - those age 65 or older (aged), the blind, and the disabled. Eligibility for the SSI program is based on uniform nationwide requirements. Like AFDC, SSI also has related MAO groups. Additionally, AHCCCS passes through funds to CMDP on behalf of SSI-eligible children enrolled in that program.

The state's financial responsibility for individuals with Medicare coverage is reduced since that coverage, in effect, serves as a source of third-party funds.

The Social Security Administration performs eligibility determinations for aged, blind, and disabled SSI applicants (DES does certain SSI MAO eligibility work).

Other Federally-Required Groups

SOBRA Women and Infants - Based on changes included in the Omnibus Budget Reconciliation Act of 1989 (OBRA '89), the federal government currently requires states to provide care to pregnant women and infants (under 1 year old) whose family incomes do not exceed 133% of the Federal Poverty Level (FPL) (\$17,822 for a family of 4). AHCCCS commonly refers to these individuals as "SOBRA Women and Infants", after the Sixth Omnibus Budget Reconciliation Act, which took effect in 1987.

The federal government also allows states the option to increase the income limit to 185% of the FPL. The legislature acted upon this option and moved the state's income standard to 140% of the FPL (\$18,760 for a family of 4) in Laws 1990, Chapter 333. Coverage for women is limited to pregnancy (including prenatal care, delivery, postpartum care (60 days), and family planning services) and to other conditions which might complicate the pregnancy.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Infants (and SOBRA children) are entitled to the full range of services offered by the state program.

AHCCCS passes through state and federal funds to DES to cover the costs of determining SOBRA eligibility.

SOBRA Children - The federal government currently requires states to provide medical assistance to children under age 6 whose family incomes do not exceed 133% of the FPL. Additionally, states are required to cover children ages 18 and under with family incomes up to 100% of the FPL. Due to the phase-in language in federal law, the state is now covering 7 year olds, and on October 1, 1992, 9 year old coverage will begin. The next age group will be added each year as of October 1st.

State-Only Groups (no matching federal funds)

Medically Needy/Medically Indigent (MN/MI) - Arizona Revised Statutes provide for AHCCCS eligibility for individuals meeting specified resource limits and the following income criteria (blended from Titles 11 and 36):

<u>Family Size</u>	<u>Maximum Net Income</u>
1	\$3,200
4	\$5,354
8	\$7,530

Unlike the criteria for eligibility in other groups, the MN/MI statutes allow medical expenses to be used to reduce the applicant's total annual income; this is commonly known as allowing an applicant to "spend-down" into eligibility. The spend-down provisions, however, do not apply to the calculation of the applicant's net worth of resources.

The counties determine MN/MI eligibility.

Eligible Assistance Children (EAC) - These children, ages 0-13 years, belonging to families certified by DES to be eligible for the Federal Food Stamp Program. The following represents Food Stamp income criteria as of October 1, 1990:

<u>Family Size</u>	<u>Maximum Gross Income</u>	<u>Maximum Net Income</u>
1	\$ 8,616	\$ 6,624
4	\$17,424	\$13,404
8	\$29,172	\$22,440

Because of the expansion of the federal SOBRA program, the state has been able to transfer a large number of these children into the federally-matched SOBRA group. With the enactment of Chapter 302 (AHCCCS; Adjusted Bill Charges H.B. 2508), nearly two-thirds of the EAC population should be converted in FY 1993 to a federally supported medical assistance group.

DES determines eligibility for this group of children.

Eligible Low-Income Children (ELIC) - These are children, ages 0-13 years, belonging to families whose annual income falls between the following guidelines, which represent the gap between the upper limit of MN/MI income and the Federal Poverty Level (counties determine eligibility):

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

<u>Family Size</u>	<u>Minimum Income</u>	<u>Maximum Income</u>
1	\$3,201	\$ 6,810
4	\$5,355	\$13,950
8	\$7,531	\$23,470

ADDITIONAL APPROPRIATIONS

Health Care Financing - Chapter 287 (S.B. 1144) - This Omnibus Reconciliation Bill addresses 4 major areas with respect to AHCCCS: 1) statutory changes were made to allow for the screening of state-only members (MN/MI) for possible federal categorical or other federal medical eligibility; 2) the county Long Term Care contribution is established for FY 1993 via session law; 3) the county Acute Care contribution for FY 1993 was maintained at the FY 1992 level established by Laws 1992, Chapter 296; and 4) additional expenditure authority is provided for EPSDT Mental Health, relating to the recovery of funds from behavioral health entities.

The changes related to eligibility and categorical screening amend A.R.S. Titles 11 and 36 and require hospitalized Medically Needy applicants who are screened by the counties as potentially eligible for federal coverage to complete and submit a federal application to the Department of Economic Security within 3 days of the county screening. The Department of Economic Security has 60 days in which to determine if the applicant is eligible for a federal group, such as AFDC, or SOBRA. During this period of time, the applicant may still enroll as an MN/MI, but applicants who refuse to cooperate with this federal application process will be denied AHCCCS coverage.

For a discussion of the county Long Term Care contribution, refer to the Long Term Care cost center narrative. The provisions affecting the county Acute Care contribution maintain the FY 1992 level of \$65,076,100. The Acute Care language repeats sections from the FY 1992 session law, Laws 1991, Chapter 296, which increased the county Acute Care contribution by \$6,643,500, with the increase being funded by Maricopa and Pima counties.

Finally, this chapter appropriates \$16,000,000 in additional expenditure authority to AHCCCS for EPSDT Mental Health. This amount represents an estimate of federal funds to be passed through to the Department of Health Services as the federal match for funds expected to be recovered during FY 1993 from certain behavioral health entities.

AHCCCS; Disproportionate Share Payments - Chapter 292 (S.B. 1122) - This chapter establishes the appropriations to AHCCCS for disproportionate share payments in FY 1992 and FY 1993. Payments will be made to county operated hospitals in Maricopa and Pima counties and also to a number of private hospitals throughout the state. In addition, this chapter provides for in lieu payments to county governments other than Maricopa and Pima. In lieu payments each fiscal year will total at a minimum \$54,300 per county government, with no county as a whole receiving less than \$108,600 when in lieu payments are combined with disproportionate payments to private hospitals in each county. The appropriations made in this chapter are exempt from the provisions of A.R.S. §35-190, relating to lapsing of appropriations. The following table summarizes the appropriations.

	<u>FY 1992</u>	<u>FY 1993</u>
County-Operated Hospitals	(S) \$22,491,800 (T) 60,154,700	\$ 20,518,800 60,154,700
Private Hospitals	(S) 2,552,600 (T) 6,826,900	2,328,700 6,826,900
County In Lieu Payments	(S) 911,200 (T) 911,200	911,200 911,200
Total Appropriation	(S) 25,955,600 (T) 67,892,800	23,758,700 67,892,800

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

ADDITIONAL LEGISLATION

AHCCCS: Adjusted Bill Charges - Chapter 302 (H.B. 2508) - This chapter authorizes AHCCCS to implement a new tiered per diem hospital reimbursement methodology beginning March 1, 1993. The new system will replace the current adjusted bill charge system and will contain an annual inflation adjustment, special add-on payments for medical education, re-base adjustments every 2 to 4 years, and a phase-down of the "quick pay" adjustment from 10% to 1% over a 8 year period beginning in March 1996. Other major provisions include a requirement that allogenic bone marrow transplants for categorical recipients be added as a covered service retroactive to October 16, 1990, plus, an eligibility task force is established to develop a plan to implement a comprehensive statewide eligibility system. This chapter also makes changes in the AHCCCS eligibility determination process to allow for the conversion of Eligible Assistance Children (EAC) to a federally-supported medical assistance category. The eligibility changes enacted by this chapter are expected to allow for the conversion of 13,000 Eligible Assistance Children to federal eligibility. Those children unable to convert will maintain their EAC eligibility. Also, children in families newly eligible for food stamps but ineligible for federal medical assistance will be enrolled in the EAC program.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - LONG TERM CARE

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: Headley

GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Lump Sum Appropriation	(S)	-0-	-0-	-0-
	(T)	-0-	231,540,400	264,236,000
NATCEP	(S)	-0-	-0-	-0-
	(T)	-0-	910,000	-0-
DES Long Term Care	(S)	-0-	-0-	-0-
	(T)	199,992,900	-0-	-0-
TOTAL EXP. AUTHORITY	(T)	199,992,900	232,450,400	264,236,000 ^{1/}
Less Federal Funds		(62,240,700)	(144,907,300)	(171,938,400)
Less County Funds		(88,347,100)	(87,543,100)	(92,297,600)
TOTAL APPROPRIATIONS	(S)	-0-	-0-	-0-

(S) = State General Fund
(T) = Total Expenditure Authority

Lump Sum Appropriation - The approved amount is based on a total of 10,394 member years. The approved amount reflects total medical services expenditures which include amounts for capitation, fee for service, and Medicare premium payments. Programmatic expenses in the Long Term Care system are funded entirely with county and federal funds, while the administrative cost of Long Term Care is the responsibility of the AHCCCS Administration.

NATCEP - Funding for this line item is no longer separately identified. AHCCCS has been authorized by the federal government to include payments to nursing facilities for nurse aide training in regular monthly capitation payments. Capitation is included in the ALTCS lump sum appropriation.

ADDITIONAL LEGISLATION

Health Care Financing - Chapter 287 (S.B. 1144) - In addition to other health care related changes, this chapter establishes a FY 1993 county Long Term Care contribution of \$92,297,600. This session law maintains the language from Laws 1991, Chapter 296 that directs the state treasurer to withhold from sales tax distributions to counties the prescribed amount according to the percentage distribution set forth in this chapter.

Mental Health Services - Chapter 301 (S.B. 1502) - This chapter provides for the implementation of a Title XIX adult mental health program. As part of a phased-in approach to implementing this new service for the AHCCCS population, the chapter adds mental health services as a covered service for Long Term Care members age 65 and over effective February 1, 1993. Other Long Term Care members and AHCCCS Acute Care members not defined as seriously mentally ill will be offered mental health services at some later date. In addition, AHCCCS is directed to complete a study by September 30, 1992 that will identify the number of long-term care members in need of mental health services and the associated cost of providing services.

^{1/} Any federal funds that AHCCCS passes through to the Department of Economic Security for use in long-term care for the developmentally disabled shall not count against the long term care expenditure authority above.
(General Appropriation Act footnote)

DEPARTMENT OF ECONOMIC SECURITY - SUMMARY

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

SUMMARY OF GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administration	26,180,800	24,290,400	26,532,400
Developmental Disabilities	44,179,100	41,094,600	41,541,300
Long Term Care	42,682,200	57,086,500	56,186,900
Family Support	101,475,600	125,772,900	133,212,600
Child Support Enforcement	-0-	2,818,200	2,842,600
Social Services	95,636,200	101,022,400	104,552,400
Child Protective Services Training	152,900	303,300	430,100
Employment and Rehabilitation	6,008,200	6,864,100	7,194,100
General Fund Lump Sum Reduction	-0-	-0-	(5,128,900)
TOTAL APPROPRIATIONS	316,315,000	359,252,400	367,363,500
<u>Expenditure Detail</u>			
FTE Positions ^{1/}	2,966.7	2,835.3	2,726.1
Personal Services	63,268,400	64,621,300	64,588,400
Employee Related Exp.	15,292,700	16,177,000	16,810,200
Prof. & Outside Services	2,453,800	2,980,400	2,345,100
Travel - In State	1,590,600	1,724,400	1,839,000
Travel - Out of State	54,800	54,200	59,100
Other Operating Exp.	18,990,000	17,008,000	17,849,100
Food	601,200	631,500	497,500
Equipment	835,100	817,700	939,300
All Other Operating Exp.	24,525,500	23,216,200	23,529,100
OPERATING SUBTOTAL	103,086,600	104,014,500	104,927,700
Special Line Items ^{2/}	213,228,400	255,237,900	267,564,700
General Fund Lump Sum Reduction	-0-	-0-	(5,128,900)
TOTAL APPROPRIATIONS	316,315,000	359,252,400 ^{3/}	367,363,500 ^{4/5/6/}
<u>Fund Summary</u>			
General Fund	315,962,900	358,748,900	366,550,700
Other Appropriated Funds	352,100	503,500	812,800
TOTAL APPROPRIATIONS	316,315,000	359,252,400	367,363,500

(Continued)

^{1/} The FTE Position total includes 100.2 FTE positions funded in certain special line items in FY 1991, 19.9 FTE positions in FY 1992 and 26.4 FTE positions in FY 1993.

^{2/} Details for the Special Line Items are included on the individual program pages.

(Footnotes Continued On Following Page)

DEPARTMENT OF ECONOMIC SECURITY - SUMMARY (Cont'd)
SUMMARY OF GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$659,400 from the General Fund and \$1,700 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. An overall vacancy factor of 2% was applied which reduces the General Fund Personal Services by \$1,278,100.

Employee Related Expenditures - The approved amount includes \$91,400 from the General Fund and \$200 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$7,414,600 for medical insurance and \$380,800 for dental insurance. The approved Other Appropriated Funds amount contains \$18,100 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$2,130,000 for risk management, \$253,900 for the Tucson State Office Building, and \$92,600 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Special Line Items - The approved amount includes \$7,400 (Personal Services, \$6,500; Employee Related Expenditures, \$900) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved General Fund amount contains \$49,900 for medical insurance and \$2,700 for dental insurance. The approved Other Appropriated Funds amount contains \$16,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

General Fund Lump Sum Reduction - The approved amount is based upon 5% of the General Fund operating budget. However, the reduction need not be applied solely to the operating budget, but may be applied to all General Fund line items.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Section 4 reverts \$1.5 million appropriated by Laws 1990, Chapter 8, 3rd Special Session to the state General Fund. These funds had been appropriated for youth centers at Fort Defiance and Kayenta. Section 5 then appropriated the \$1.5 million to the Department of Economic Security for 12 Navajo Senior Centers and other facilities. The appropriation of \$1.5 million was line-item vetoed by the Governor.

(Footnotes Continued From Previous Page)

- 3/ The expenditure detail for FY 1992 includes a \$376,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 4/ The above appropriation is in addition to funds granted to the state by the federal government for the same purposes, but shall be deemed to include the sums deposited in the state treasury to the credit of the Department of Economic Security, pursuant to the provisions of A.R.S. § 42-1341. (General Appropriation Act footnote)
- 5/ A monthly report comparing total expenditures for the month and year-to-date, as compared to prior year totals, shall be forwarded to the President of the Senate, the Speaker of the House of Representatives and the Staff Director of the Joint Legislative Budget Committee by the twenty-fifth of the following month. The report shall include an estimate of (a) potential shortfalls in entitlement programs and (b) potential federal and other funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, (c) shortfalls resulting from new leases or renegotiation of current leases and associated costs, and (d) total expenditure authority of the Child Support Enforcement program for the month and year-to-date as compared to prior year totals. (General Appropriation Act footnote)
- 6/ The Department shall report to the Joint Legislative Budget Committee by January 1, 1993 on its efforts to train health care professionals in the delivery of services to people with developmental disabilities. (General Appropriation Act footnote)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND AND PUBLIC ASSISTANCE COLLECTIONS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	388.3	344.0	312.8
Personal Services	9,475,000	8,400,000 ^{2/}	8,606,100
Employee Related Exp.	2,073,200	1,869,200 ^{2/}	2,053,500
Prof. & Outside Services	566,300	681,600	416,800
Travel - In State	137,600	128,900	179,000
Travel - Out of State	51,900	49,000	52,600
Other Operating Exp.	11,700,200	10,684,700	11,063,700
Equipment	511,500	777,200	827,200
All Other Operating Exp.	12,967,500	12,321,400	12,539,300
OPERATING SUBTOTAL	24,515,700	22,590,600	23,198,900
Public Assistance Collection Fund ^{1/}	199,200	200,200	207,700 ^{3/}
AZTECS Modification	470,600	426,900	580,800
DES West Lease-Purchase	24,700	-0-	-0-
LAN Lease-Purchase	2,800	-0-	-0-
Interagency Coordinating Committee ^{1/}	-0-	-0- ^{4/}	-0-
ACYF ASSISTS	225,900	-0-	-0-
Aging ASSISTS	85,200	-0-	-0-
DD ASSISTS	175,400	-0-	-0-
FMCS Modification	112,300	131,300	131,300
Lease-Purchase Equipment	18,500	941,400	970,100
Alzheimers' Subcommittee	11,000	-0-	-0-
Children's Mental Health	173,800	-0-	-0-
Fingerprinting	10,000	-0-	-0-
Omnibus CPS Act	155,700	-0-	-0-
MEDICS ^{1/}	-0-	-0-	1,443,600
TOTAL APPROPRIATIONS	26,180,800	24,290,400	26,532,400 ^{5/}
Fund Summary			
General Fund	25,981,600	24,090,200	26,324,700
Public Assistance Collections Fund	199,200	200,200	207,700
TOTAL APPROPRIATIONS	26,180,800	24,290,400	26,532,400

(Continued)

- ^{1/} The FTE Positions total includes 6.4 FTE positions funded in the Public Assistance Collection Fund special line item in FY 1991 - FY 1993, 2 FTE positions funded in the Interagency Coordinating Committee special line item in FY 1992, and 8.5 FTE positions funded in the MEDICS special line item in FY 1993.
- ^{2/} The amount includes a transfer out as approved by the Joint Legislative Budget Committee, May 28, 1992: Personal Services, \$674,600 and ERE, \$194,400.

(Footnotes Continued on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND PUBLIC ASSISTANCE COLLECTIONS FUND

FTE Positions - The approved amount reflects a decrease of 31.2 FTE positions:

- Interagency Coordinating Committee - Transfers 2 FTE positions and \$200,000 to federal funding.
- Transferred to Federal Funding - Transfers 37.2 FTE positions from the General Fund to federal funding. This transfer reflects the increase of federal funds in FY 1992 and an anticipated increase in FY 1993. The FY 1992 Personal Services/Employee Related appropriations were reduced by \$611,200 to reflect the timely receipt of Title IV-E dollars. However, the related 17.4 FTE positions were not reduced in FY 1992, but have been reduced in FY 1993. The remaining reduction of 19.8 FTE positions are related to the anticipated increase in FY 1993 of \$704,600 of federal monies to fund these positions.
- Eliminate Venture Team - Includes the reduction of 2.1 state funded FTE positions and \$84,600 through the elimination of the state funding for Venture Team positions. The Legislature never approved state funding for these positions in prior years, expecting instead that non-appropriated funds would cover the cost of these FTE positions.
- Expand DES's Automation Capacity - Adds 1.1 state funded positions and \$445,200 for half-year funding, which finances a 5-year lease-purchase of automation equipment and software to ensure that the DES mainframe computer has adequate memory and storage capacity for its expanding caseloads and programs.
- MEDICS - Adds 8.5 state funded positions and \$1,443,600 for automating the Medical Eligibility Determination and Information Control System for persons applying for Medical Assistance Only (MAO) through Arizona's Health Care Cost Containment System (AHCCCS).
- Transfer In - Transfer in 0.5 FTE positions and \$16,800 from Family Support to conduct compliance reviews of Family Support in regards to the Civil Rights Act of 1964.

Personal Services - The approved amount includes \$68,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 7% was applied which reduces Personal Services by \$750,100, which is a \$9,100 greater reduction than in FY 1992. The appropriation includes the following permanent reductions: \$62,000 from the elimination of the state funding for the Venture Team and \$568,500 from federal Title XX Social Services Block Grant (SSBG) and Title IV-E funds, which will finance the 19.8 FTE positions transferred from the General Fund to federal funding. The approved amount also reflects an increase of \$10,000 for the transfer of 0.5 FTE position from Family Support, \$15,200 for the 1.1 FTE positions added for the expansion of the department's mainframe capacity and a \$751,800 restoration of funds transferred out during FY 1992.

Employee Related Expenditures - The approved amount includes \$9,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$882,500 for medical insurance and \$45,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation includes the following permanent reductions: \$14,800 from the elimination of state funding

(Continued)

(Footnotes Continued From Previous Page)

- 3/ As authorized by Laws 1987, Chapter 55, the \$207,700 appropriated for public assistance collection is available for deposit into the Public Assistance Collections Fund (Personal Services, \$128,400; Employee Related Expenditures, \$34,200; and All Other Operating Expenditures, \$45,100). (General Appropriation Act footnote)
- 4/ The line item was appropriated \$200,000 and 2 FTE positions for FY 1992. Prior to FY 1992, federal monies funded this program. During FY 1992, federal monies were again received. Therefore, the federal monies were used instead of General Fund monies to fund this program.
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND PUBLIC ASSISTANCE COLLECTIONS FUND

for the Venture Team and \$136,100 from federal Title XX Social Services Block Grant (SSBG) and Title IV-E funds, which will finance the 19.8 FTE positions transferred from the General Fund to federal funding. The approved amount also reflects an increase of \$3,100 for the transfer of a 0.5 FTE position from Family Support, and \$3,600 for the 1.1 FTE positions added for the expansion of the department's mainframe capacity.

Professional and Outside Services - The approved amount reflects a decrease of \$264,800 from FY 1992 estimated expenditures.

Travel - In State - The approved amount reflects a decrease of \$600 associated with the elimination of state funding for the Venture Team and a \$50,700 restoration of funds transferred out during FY 1992.

Travel - Out of State - The approved amount reflects a transfer in of \$3,600 associated with the 0.5 FTE position transferred in from Family Support.

Other Operating Expenditures - The approved amount contains \$2,130,000 for risk management, \$253,900 for the Tucson State Office Building, and \$92,600 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). The approved amount also includes an increase of \$376,400 associated with the expansion of the department's mainframe capacity and a \$576,900 restoration of funds transferred out during FY 1992. In addition, the approved amount reflects a net transfer in of \$57,700 from other divisions and special line items. The appropriation also reflects the following reductions: \$7,200 from the elimination of state funding for the Venture Team; \$12,100 related to overall lease-purchase payment decreases; and a \$705,300 offset to the General Fund by the utilization of funds available in DES's non-appropriated Lease Purchases Fund.

Equipment - The approved amount includes \$293,900 for general replacement equipment and \$483,300 for automation replacement equipment. The appropriation also includes \$50,000 for the expansion of DES's mainframe capacity.

Public Assistance Collection Fund - The approved amount includes \$1,800 (Personal Services, \$1,600; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$16,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

A.R.S. § 46-295 requires 25% of repaid erroneous public assistance benefits to be deposited into the Public Assistance Collections Fund. This special line funded 6.4 FTE positions in FY 1991-FY 1993, all of which have been included in the FTE Positions line of the fund summary.

AZTECS Modification - The approved amount funds modifications to the Arizona Technical Eligibility Computer System (AZTECS) to reduce on-line processing time and provide capacity for caseload expansion. AZTECS is the automated eligibility determination system for AFDC and Food Stamps.

The approved amount includes \$179,000 for Professional and Outside Services and \$401,800 for the fourth year of a 7-year lease-purchase, which is a change from the original 5 year lease-purchase payment plan. The original lease-purchase schedule appears on page 83 of the FY 1990 Appropriations Report. Due to delays in the acquisition of the system, the lease-purchase payment schedule was revised as follows:

	<u>TOTAL</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>	<u>STATE</u>	<u>FEDERAL</u>
FY 1990	194,800	137,100	57,700	115,000	79,800
FY 1991	832,000	611,900	220,100	459,800	372,200
FY 1992	847,300	667,900	179,400	432,600	414,700
FY 1993	847,300	717,500	129,800	401,800	445,500
FY 1994	847,300	770,700	76,600	368,700	478,600
FY 1995	652,500	631,200	21,300	260,500	392,000
FY 1996	<u>15,300</u>	<u>14,800</u>	<u>500</u>	<u>6,100</u>	<u>9,200</u>
	<u>4,236,500</u>	<u>3,551,100</u>	<u>685,400</u>	<u>2,044,500</u>	<u>2,192,000</u>

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND PUBLIC ASSISTANCE COLLECTIONS FUND

DES West Lease-Purchase - In FY 1992, the approved amount was transferred to this division's operating budget. The funds provided for the leasing of telephones from the Department of Administration.

LAN Lease Purchase - The local area computer network to support the project team implementing automation changes required by the federal welfare reform legislation was purchased outright during FY 1991.

ACYF ASSISTS - The approved amount funds a comprehensive on-line case management system to track Administration for Children, Youth and Families' (ACYF) clients and providers. In FY 1992, \$610,700 and 30 FTE positions were transferred to Social Services and \$235,500 was transferred to this division's operating budget.

Aging ASSISTS - The approved amount funds continuing development of the Aging and Adult Administration (AAA) ASSISTS system, which was initially financed in the FY 1990 budget. The approved amount provides for training, case conversion, implementation and ongoing maintenance of the system. In FY 1992, \$36,300 and 1 FTE position were transferred to Social Services and \$82,900 was transferred to this division's operating budget.

DD ASSISTS - The approved amount funds a project team to provide program maintenance and enhancements to the Developmental Disabilities (DD)/Long Term Care (LTC) Automated System, which was initially implemented in 1989. This team should permit DES to improve the timeliness and accuracy of a) provider payments and b) client characteristic data. In FY 1992, 1.4 FTE positions were transferred from the General Fund to Other Non-appropriated Funds, and \$148,700 was transferred to this division's operating budget.

FMCS Modification - The approved amount includes \$131,300 for Professional and Outside Services for continual modifications to the department's Financial Management Control System (FMCS). In addition, another \$44,300 is funded in the Professional and Outside Services line item. The approved amount funds developing FMCS interfaces with the Department of Administration's Arizona Financial Information System (AFIS) and the Human Resources Management System (HRMS) and instituting the Auditor General's costing methodology.

Lease-Purchase Equipment - The approved amount includes 3 lease-purchases for computer equipment. The oldest lease-purchase was initially authorized in FY 1987 and FY 1988 budgets for Aid to Families with Dependent Children (AFDC) and other federal programs. The lease purchase schedule appears on page 82 of the FY 1990 Appropriations Report. The FY 1993 payment is \$226,000.

The second lease-purchase permits DES to expand the memory and storage capacity of the existing mainframe computer. The lease-purchase schedule appears on page 96 of the FY 1991 Appropriations Report. The FY 1993 payment is \$223,000.

The third lease-purchase funds the acquisition of a second mainframe computer. The additional workload generated by the new federal welfare reform legislation exceeds the capacity of the current mainframe. The mainframe lease-purchase schedule appears on page 97 of the FY 1991 Appropriations Report. Due to a delay in federal approval for this lease-purchase, the FY 1991 appropriation was reverted. The FY 1993 payment is \$521,100.

Alzheimers' Subcommittee - The approved amount funds administrative support to the Advisory Council on Aging's subcommittee on Alzheimers and related disorders. The appropriation was transferred to this division's operating budget in FY 1992.

Children's Mental Health - The approved amount provides for staff, training and computer programming for the administration of the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health program. In FY 1992, \$45,400 and 1.5 FTE positions were transferred to DD's operating budget, \$58,600 and 2 FTE positions were transferred to Social Services's operating budget, and \$113,800 was transferred to this division's operating budget.

Fingerprinting - The approved amount funds the cost of mandatory fingerprinting of department employees. Funding was transferred to this division's operating budget in FY 1992.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND PUBLIC ASSISTANCE COLLECTIONS FUND

Omnibus Child Protection Act - The appropriation provides funding for additional protective services representation from the Attorney General's Office to meet the juvenile courts 120-day dependency hearing requirement. In FY 1992, \$233,600 and 7.5 FTE positions were transferred to this division's operating budget.

MEDICS - The approved amount funds the beginning of a 30-month project to automate the DES medical eligibility determination system for persons applying for Medical Assistance Only (MAO) through AHCCCS. The appropriation includes \$862,600 for 8.5 state funded FTE positions to begin development and \$581,000 for upgrading facilities to handle the new automation requirements. The development costs, excluding interest payments and staff, will be equally matched by the federal government. The facilities upgrade costs are borne only by the state. The following provides the estimated costs for the next 3 years:

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
MEDICS Development	\$ 862,600	\$1,447,700	\$1,061,200
Facilities Upgrade	<u>581,000</u>	<u>581,000</u>	<u>-0-</u>
Total	<u>\$1,443,600</u>	<u>\$2,028,700</u>	<u>\$1,061,200</u>

The approved amount includes \$2,400 (Personal Services, \$2,100; Employee Related Expenditures, \$300) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$18,600 for medical insurance and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

**DEPARTMENT OF ECONOMIC SECURITY -
DEVELOPMENTAL DISABILITIES**

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	702.3	545.4	489.0
Personal Services	14,237,100	11,677,200	10,600,700
Employee Related Exp.	3,713,900	3,241,700	2,923,600
Prof. & Outside Services	779,600	1,048,000	878,400
Travel - In State	190,200	273,100	243,000
Other Operating Exp.	1,121,600	882,300	790,200
Food	443,100	331,800	204,200
Equipment	56,900	-0-	-0-
All Other Operating Exp.	2,591,400	2,535,200	2,115,800
OPERATING SUBTOTAL	20,542,400	17,454,100	15,640,100
ASH Community Placement	53,100	91,300	118,300
Assistance to Families	390,500	463,200	463,200
DD Foster Care	3,090,400	3,138,700 ^{1/}	3,638,400
Housekeeping Payments	200,100	179,400 ^{1/}	197,400
Out-of-District Placement	654,600	281,000 ^{1/}	181,900
DD Purchase of Care	19,115,600	19,268,000	21,073,700
Stipends & Allowances	8,900	10,400	10,400
Voc. Rehab. Contracts	123,500	208,500	217,900
TOTAL APPROPRIATIONS	44,179,100	41,094,600 ^{2/}	41,541,300 ^{3/4}

With the implementation of the Title XIX federal long term care program in FY 1989, developmental disability resources were split into 2 budget programs. Clients eligible for federal reimbursement are funded from the Long Term Care (LTC) System Fund budget program. All other clients receive assistance through this 100% state funded program, Developmental Disabilities (DD).

(Continued)

- 1/ The amount includes a transfer out as approved by the Joint Legislative Budget Committee, May 28, 1992: DD Foster Care, \$750,000; Housekeeping Payments, \$18,000; and Out-of-District Placement, \$448,700.
- 2/ The amount includes a \$2,949,200 transfer out to the Long Term Care Program as authorized by Laws 1992, Chapter 262 (H.B. 2034).
- 3/ It is the intent of the Legislature that the funds appropriated for DD programs include additional funding for the children's waiting list. The amount appropriated for DD shall be used to provide for services for non-Title XIX eligible clients. The amount shall not be used to pay for other purposes, unless a transfer of funds is approved by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

Certification Schedule - DES planned to phase in federal certification of the Coolidge residential cottages. As soon as a cottage is certified, its residents will become eligible for federal funding. In the interim, these clients' cost of care will be incurred in the 100% state-funded Developmental Disabilities program. The approved amount assumes that 117 clients will be in 6 certified facilities prior to July 1, 1992, which completes the phase in of federal certification.

Caseload Projections - The overall Developmental Disabilities client projections are as follows:

	<u>End of FY 1992</u>	<u>End of FY 1993</u>	<u>Reasons for Change</u>
Arizona Training Program: at Coolidge (ATPC)	86	86	21 clients will transfer to the Long Term Care program in FY 1992 associated with the Title XIX certification of the 6th cottage and client transfers to Title XIX facilities
Large State-Operated Group Homes-Phoenix	5	5	
Other State-Operated Homes	36	36	
ASH Community Placements	13	13	
Assistance to Families	188	188	
Foster Care	140	140	Estimated court-ordered placements
Housekeeping Payments	235	235	
Out-of-District Placement	5	5	
Purchase of Care			
Residential	326	336	10 aging-out clients
Adult Day	446	523	77 aging-out clients
Children Services	570	826	Children's Waiting List
Support Services	1,837	1,837	
Stipends and Allowances	17	17	

FTE Positions - The approved amount reflects a decrease of 56.4 FTE positions:

- **Client Conversions** - Includes a transfer out of 56.4 FTE positions and \$2,232,400 to the LTC program from the DD program. Of this amount, \$183,700 was transferred in FY 1992 as authorized by Laws 1992, Chapter 262 (see Additional Legislation). This includes 17.4 FTE positions and \$693,000 associated with the conversion of the 5th cottage at the Arizona Training Program at Coolidge (ATPC), 34.8 FTE positions and \$1,386,100 associated with the conversion of the 6th cottage at ATPC and 4.2 FTE positions and \$153,300 associated with the transfer of 3 clients to Title XIX facilities.

Personal Services - The approved amount includes \$120,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$115,600, which is a \$10,200 greater reduction than in FY 1992. The approved amount also includes a transfer out of \$1,222,000 to the LTC program for client conversions and a \$35,200 restoration of funds that were transferred to the LTC program during FY 1992.

Employee Related Expenditures - The approved amount includes \$18,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,266,400 for medical insurance and \$65,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes a transfer out of \$338,700 to the LTC program for client conversions.

Professional and Outside Services - The approved amount includes \$27,200 for medical inflation and a transfer out of \$421,800 to the LTC program for client conversions. Also included are the following restorations: \$148,500 which was transferred out to the LTC program and \$76,500 which was transferred out to Employee Related Expenditures during FY 1992.

Travel - In State - The approved amount reflects a transfer out of \$30,100 to the LTC program for client conversions.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount reflects a transfer out of \$92,100 to the LTC program for client conversions.

Food - The approved amount reflects a transfer out of \$127,600 to the LTC program for client conversions.

ASH Community Placement - The approved amount will permit 13 "dually-diagnosed" clients in the Arizona State Hospital to be placed in community settings. These clients need a joint service plan to address both their mental health needs and their developmental disabilities. Title XIX will fund the clients' residential costs. The appropriation will provide non-Title XIX services such as psychiatric care.

Assistance to Families - This program provides payments to families or guardians to purchase services needed to keep a developmentally disabled person in his or her own home or in a semi-independent environment. A maximum of \$400 per month is available for any one individual. The approved amount will fund an estimated 124 clients living with parents or guardians and 64 clients that live independently, the same number as in FY 1992.

Foster Care - The approved amount provides services for 140 developmentally disabled children, adjudicated dependent by the courts, an increase of 31 children over FY 1992. The approved amount funds 29 children in group homes, 105 in family settings, and 6 in other settings.

Housekeeping Payments - A.R.S. § 46-252 requires DES to make a \$70 monthly payment to any person who requires housekeeping services and receives Supplemental Security Income (SSI). The approved amount will fund 235 clients.

Out-of-District Placement - A.R.S. § 15-765 provides that the non-medical and non-educational expenses of mentally handicapped and autistic children are payable by the department when a school district cannot provide satisfactory education services within the district. The approved amount will provide services to 5 children in FY 1993.

Purchase of Care for Developmental Disabilities - The approved amount funds contracted providers for the following services:

Residential Services	\$ 11,761,100
Adult Day Services	2,752,300
Children Services	1,967,800
Support Services	<u>4,592,500</u>
TOTAL	<u>\$21,073,700</u>

The approved amount includes the following:

- **Aging-out residential services** - Funds part-year residential services for 18 year-olds no longer receiving foster care. The approved amount includes \$173,500 to fund 6 months of care for 10 foster care children turning 18 during FY 1993.
- **Aging-out adult day programs** - Funds part-year adult day services for 22 year-olds no longer receiving a public education. The approved amount includes \$264,400 for 77 clients newly eligible in FY 1993.
- **Children Services**
 - The approved amount includes \$1,517,800 for partial restoration of the funds transferred out in FY 1992. The amount will provide funding for the Children's Waiting List.
 - Funds 626 children for 12 months in family-based developmental day training or children up to age 2 for 12 months in preschool-based training and 200 children up to age 5 in a summer program. These numbers include the 256 children that are on the waiting list.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

- The Department of Education (ADE) will provide funding for the preschool-based training of children, ages 3 to 5. Federal legislation (PL 99-457) mandates that the state set standards for handicapped preschool services by the 1991-92 school year. Funding is appropriated to ADE to ensure that a single state agency is responsible for all educational services to children with special needs.
- Fee Schedule - The department is authorized to set up a sliding fee schedule which would allow financially able families to partially offset the cost of the programs. A fee schedule had been used up until 1987 but was discontinued due to accessible state funds. Estimated savings in FY 1993 are \$150,000.

Stipends and Allowances - The approved amount provides weekly allowances to 17 residents of the Arizona Training Programs at Coolidge.

Vocational Rehabilitation Contracts - The approved amount provides vocational rehabilitation services to developmentally disabled persons. The federal government matches the state funds at an 80/20% rate.

ADDITIONAL LEGISLATION

Appropriations; Modifications - Chapter 262 (H.B. 2034) - The bill transfers \$2,949,200 from the Developmental Disabilities (DD) program to the Long Term Care (LTC) program, increases the LTC Total Expenditure Authority by \$6,269,600, and allows the LTC program to expend \$4,279,400 of prior year federal reimbursements. The bill also appropriates \$71,600 from the Special Olympics Fund to the DD program.

State Setoff; Technical Correction Public Finance and Funds - Chapter 312 (S.B. 1365) - The bill exempts the Special Olympics Tax Refund Fund from legislative appropriation.

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE
A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T) ^{1/}		FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	(S)	296.7	338.7	340.3
	(T)	780.8	898.2	979.1
Personal Services	(S)	6,245,700	7,417,200	7,376,900
	(T)	16,295,600	19,826,800	21,142,100
Employee Related Exp.	(S)	1,631,700	2,049,100	2,031,900
	(T)	4,250,600	5,480,100	5,827,200
Prof. & Outside Services	(S)	779,500	774,000	764,900
	(T)	1,883,100	2,179,800	2,254,400
Travel - In State	(S)	124,700	187,500	182,400
	(T)	299,200	494,900	521,700
Travel - Out of State	(S)	-0-	700	-0-
	(T)	-0-	1,400	400
Other Operating Exp.	(S)	666,900	693,100	584,800
	(T)	1,598,600	2,124,200	1,692,000
Food	(S)	158,100	299,700	293,300
	(T)	379,100	497,700	582,800
Equipment	(S)	77,600	3,000	27,200
	(T)	186,100	6,000	77,900
All Other Operating Exp.	(S)	1,806,800	1,958,000	1,852,600
	(T)	4,346,100	5,304,000	5,129,200
OPERATING SUBTOTAL	(S)	9,684,200	11,424,300	11,261,400
	(T)	24,892,300	30,610,900	32,098,500
Acute Care	(S)	7,009,400	8,614,100	9,555,300
	(T)	15,028,700	20,514,700	20,489,500
Fee for Service	(S)	907,100	1,856,300	1,897,800
	(T)	2,362,400	4,950,200	5,434,300
LTC Foster Care	(S)	2,392,400	3,375,300	3,036,900
	(T)	6,264,200	8,165,400	7,946,600
LTC Purchase of Care	(S)	22,490,300	28,959,700	30,230,100
	(T)	58,629,900	73,287,900	76,306,000
Stipends & Allowances	(S)	198,800	205,400	205,400
	(T)	198,800	205,400	205,400
TOTAL EXP. AUTHORITY	(T)	107,376,300	137,734,500	142,480,900
Less Title XIX and Other Funds		64,694,100	80,648,000	86,293,400
TOTAL APPROPRIATIONS		42,682,200	57,086,500 ^{2/}	56,186,900 ^{4/}

(S) = State General Fund

(T) = Total Expenditure Authority

(See Footnotes on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

Long Term Care Program - Laws 1987, Chapter 332, established a Long Term Care (LTC) program for the elderly, physically disabled and developmentally disabled. While the elderly and physically disabled are a county responsibility, DES administers the Developmental Disabilities (DD) program.

With the implementation of this program, the state is eligible for federal Title XIX Medicaid funding. While DES had paid almost 100% of the cost of DD services, the federal government has now begun to share 65% of this expense for certain individuals.

To qualify for federal funding, an individual must have an income below 300% of the Supplemental Security Income (SSI) eligibility limit and have functional needs that require institutionalization. Whenever possible, DES is required to provide care in home-based settings rather than in nursing homes.

Title XIX is an entitlement program -- any individual meeting the financial and functional requirements must receive assistance. The prior 100% state-funded program did not serve all Title XIX eligible clients. As a result, the new federal program has increased participation and reduced the waiting list for services.

With the implementation of Title XIX, developmental disability resources have been split into 2 budget programs. This program, the Long Term Care System Fund, finances the care of DD clients who will qualify for federal aid. All other clients continue to receive assistance through the 100% state-funded Developmental Disabilities budget program. The substantial increase in Long Term Care expenditures from FY 1989 reflects an on-going phase-in of clients from the state to federal programs.

Based on an agreement with the federal government, the program operates on a capitated payment basis. As part of this system, the state and federal governments have negotiated a fixed payment per day per client. The fixed payment rate is anticipated to be renegotiated during FY 1993 as a shortfall in federal funds occurred in FY 1992. The shortfall in FY 1992 was addressed by a transfer in from the Developmental Disabilities program and the use of prior year federal funds as authorized by Laws 1992, Chapter 262 (See Additional Legislation).

Certification Schedule - DES planned to phase in federal certification of the Coolidge residential cottages. As soon as a cottage is certified, its residents will become eligible for federal funding. In the interim, these clients' cost of care will be incurred in the 100% state-funded Developmental Disabilities program. The approved amount assumes that 117 clients will be in 6 certified facilities prior to July 1, 1992, which completes the phase in of federal certification.

(Continued)

- 1/ A.R.S. § 36-2953 establishes a Long Term Care System Fund. Subject to legislative appropriation, this fund consists of all Arizona Health Care Cost Containment System (AHCCCS) monies, state appropriations and other grants used to finance developmentally disabled long term care. The following chart displays both the State General Fund contribution (S) and the Total Expenditure Authority (T) of the Long Term Care System Fund.
- 2/ The expenditure detail for FY 1992 includes a supplemental appropriation of \$1,500,000 in Total Expenditure Authority authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session to permit the payment of prior year claims.
- 3/ The amount reflects a transfer in of \$2,949,200 (S) from the Developmental Disabilities program and an increase of \$6,269,600 in Total Expenditure Authority as authorized by Laws 1992, Chapter 262 (H.B. 2034). Of the transfer, \$297,800 represents the net increase in overall resources with the remaining \$2,651,400 used to offset a shortfall in Title XIX and Other Funds (See Additional Legislation).
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

Caseload Projections - The approved amount is based upon an average caseload of 6,062 in FY 1993. This estimate includes:

	<u>FY 1992</u>	<u>FY 1993</u>	<u>Includes</u>
Arizona Training Program at Coolidge	117	117	21 clients will transfer from the Developmental Disabilities program in FY 1992 associated with the Title XIX certification of the 6th cottage and client transfers to Title XIX facilities
Arizona Training Program at Tucson	43	43	
State Operated Group Homes - Phoenix	40	40	
State Operated Group Homes - Other	72	72	
Fee for Service	266	266	
Foster Care	336	336	
Purchase of Care			
Residential	1,168	1,260	21 "aging out" clients, 71 client caseload growth
Adult Day	1,430	1,678	93 "aging out" clients, 155 client caseload growth
Children Services	661	711	caseload growth of 50 clients or 7.6%
Children's Summer Program	474	502	caseload growth of 28 clients or 6%
Support Services	2,485	2,698	93 "aging out" clients, 120 client caseload growth
Acute Care	5,709	6,062	caseload growth of 353 clients or 6%

FTE Positions - The approved amount includes a net increase of 1.6 (S) and 80.9 (T) FTE positions for the following:

- **Case Managers** - Includes 5.8 (S) and 16.5 (T) FTE positions and \$240,200 (S) and \$687,700 (T) to provide case management services. This represents a 6% increase in case management, the same as the estimated increase in caseload.
- **Client Conversions** - Includes 19.8 (S) and 56.4 (T) FTE positions and \$266,700 (S) and \$313,000 (T) associated with the conversion of clients from the Developmental Disabilities program during FY 1992. These amounts include annualization of 6.1 (S) and 17.4 (T) FTE positions and \$242,000 (S) or \$693,000 (T) associated with the conversion of the 5th cottage in January 1992, 12.2 (S) and 34.8 (T) FTE positions and \$484,000 (S) and \$1,386,100 (T) associated with the conversion of the 6th cottage by July 1, 1992 and 1.5 (S) and 4.2 (T) FTE positions and \$53,500 (S) and \$153,300 (T) associated with the transfer of 3 clients to Title XIX facilities at the Arizona Training Program at Coolidge. Of the preceding amounts, \$270,100 (S) and \$1,341,200 (T), as authorized by Laws 1992, Chapter 262 (H.B. 2034), and \$242,800 (S) and \$578,200 (T) from below the line were transferred to the operating budget in FY 1992 (see Additional Legislation).
- **Other Adjustments** - The change in the Federal Medical Assistance Percentage (FMAP) for FY 1992 has increased federal participation which reduces 24 (S) and 0 (T) FTE positions. An increase of 0 (S) and 8 (T) FTE positions reflects the inclusion of PASAAR in the Total Expenditure Authority.

Personal Services - The approved amount includes \$83,900 (S) and \$241,300 (T) in the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$73,300 (S) and \$209,700 (T), which is a \$32,200 (S) and \$92,200 (T) greater reduction than in FY 1992. The approved amount includes a transfer in of \$299,800 (S) and \$720,100 (T) from the Developmental Disabilities program associated with a re-estimate of client conversions in FY 1992, \$123,700 (S) and \$354,300 (T) associated with the new FTE positions and \$0 (S) and \$91,800 (T) for the inclusion of PASAAR in Total Expenditure Authority. The state's share is further reduced by \$515,500 due to increased federal participation.

Employee Related Expenditures - The approved amount includes \$12,500 (S) and \$36,100 (T) for the general salary adjustment effective April 1, 1993. The approved amount contains \$879,400 (S) and \$2,524,000 (T) for medical insurance and \$45,200 (S) and \$129,800 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount includes

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

a transfer in of \$38,300 (S) and \$79,500 (T) from the Developmental Disabilities program associated with a re-estimate of client conversions in FY 1992, \$34,200 (S) and \$97,600 (T) associated with the new FTE positions and \$0 (S) and \$27,800 (T) for the inclusion of PASAAR in Total Expenditure Authority.

Professional and Outside Services - The approved amount includes \$7,500 (S) and \$21,500 (T) for 5% medical inflation, an increase of \$30,400 (S) and a reduction of \$11,300 (T) associated with a re-estimate of client conversions from the Developmental Disabilities program in FY 1992, and \$0 (S) and \$64,400 (T) for the inclusion of PASAAR in Total Expenditure Authority. The state's share is further reduced by \$47,000 (S) and \$0 (T) due to increased federal participation.

Travel - In State - The approved amount includes a reduction of \$3,200 (S) and \$6,400 (T) associated with a re-estimate of client conversions from the Developmental Disabilities program in FY 1992, an increase of \$10,100 (S) and \$29,000 (T) for new FTE positions and \$0 (S) and \$4,200 (T) for the inclusion of PASAAR in Total Expenditure Authority. The state's share is further reduced by \$12,000 (S) and \$0 (T) due to increased federal participation.

Travel - Out of State - The FY 1993 amount reflects the inclusion of PASAAR in Total Expenditure Authority and a transfer out to Administration of \$700 (S) and \$1,400 (T).

Other Operating Expenditures - The approved amount includes a reduction of \$6,700 (S) and \$13,400 (T) for one-time equipment adjustments, a transfer out to Administration of \$7,500 (S) and \$15,000 (T) for occupancy, a reduction of \$100,700 (S) and \$554,000 (T) associated with a re-estimate of client conversions from the Developmental Disabilities program in FY 1992, an increase of \$45,000 (S) and \$128,900 (T) for the new FTE positions and \$0 (S) and \$21,300 (T) for the inclusion of PASAAR in Total Expenditure Authority. The approved amount for the new FTE positions includes \$13,900 (S) and \$39,600 (T) in one-time expenditures for non-capitalized equipment and telephone installation and \$13,900 (S) and \$39,700 (T) for occupancy for the new FTE positions. The state's share is further reduced by \$38,400 (S) and \$0 (T) due to increased federal participation.

Food - The approved amount includes a transfer in of \$2,100 (S) and \$85,100 (T) from the Developmental Disabilities Program associated with a re-estimate of client conversions in FY 1992, and a reduction of \$8,500 (S) and \$0 (T) due to increased federal participation.

Equipment - The approved amount funds one-time equipment for the new FTE positions.

Acute Care - The department is required by state law to provide acute as well as long term care for its Title XIX clients. The approved amount will fund 6,238 clients by the end of FY 1993, an increase of 353 clients. The approved amount has also been adjusted by 7.5% for medical inflation.

Fee for Service - Medically fragile children and on-reservation American Indians receive assistance on a traditional fee for service basis rather than through a capitated payment system. The approved amount will fund an average of 246 American Indians and 20 medically fragile children during FY 1993.

Foster Care - The approved amount provides services for 336 developmentally disabled children adjudicated dependent by the courts. The approved amount funds 84 children in group homes, 241 children in family settings, and 11 in other settings.

The federal government does not reimburse the state for Foster Care room and board, which is projected to cost \$1,357,100 in FY 1993. The approved amount is based upon the state paying \$613,000, or 45.2% of this cost, with the remaining \$744,100 being financed by client billing revenue.

Purchase of Care - The approved amount includes a net increase of \$1,270,400 (S) and \$3,018,100 (T) for allowances and support services as \$504,400 (S) was transferred in from the Developmental Disabilities program and (T) was increased by \$4,929,900 in FY 1992. The approved amount funds contracts with providers of community services, including:

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

	(S)	(T)
Residential Services	\$14,015,400	\$40,124,000
Residential Room and Board	1,684,400	5,796,000
Adult Day (100% state)	4,390,300	4,390,300
Adult Day (Title XIX)	3,910,100	11,194,200
Voc. Rehabilitation	97,600	487,800
Children Services (100% state)	1,787,400	1,787,400
Children Services (Title XIX)	333,500	800,900
Support Services (100% state)	118,400	118,400
Support Services (Title XIX)	3,893,000	11,145,400
Preschool Transfer	-0-	461,600
Total	\$30,230,100	\$76,306,000

The approved amount includes the following:

- Aging-out residential services - Funds part-year residential services for 18 year-olds no longer receiving foster care. The Legislature has approved \$137,000 (S) and \$310,400 (T) to fund 6 months of care for 21 foster care children turning 18 during FY 1993.
- Residential Services -- Caseload Growth - Includes a net reduction of \$130,500 (S) and an increase of \$2,348,900 (T). The net amount includes \$881,000 (S) and \$2,348,900 (T) for 6% caseload growth and a reduction \$1,011,500 (S) due to increased federal participation. Caseload is expected to average 1,260 clients during FY 1993.
- Residential Room and Board - The federal government does not reimburse the state for room and board, which is projected to cost \$5,796,000 in FY 1993. The approved amount is based upon the state General Fund paying \$1,684,400 or 29.1% of this cost, with the remaining \$4,111,600 being financed by client billing revenue.
- Aging-out Adult Day Programs - Funds part-year adult day services for 22 year-olds no longer receiving a public education and 18 year-olds aging out of Foster Care. The approved amount includes \$322,800 (S) and \$452,700 (T) to fund 6 months of care for 93 newly-eligible FY 1993 clients.
- Adult Day (100% state) - Funds 523 clients, an increase of 125 clients over FY 1992, that are ineligible to receive federal reimbursement for their adult day program. The approved amount includes \$786,500 (S) and (T) for caseload growth of 73 clients. Additional caseload growth of 52 clients is represented in the Aging-out Adult Day Programs. While a client may receive Long Term Care residential services, the federal government will not reimburse certain types of adult day vocational training for that client. The Division of Employment and Rehabilitation Services (DERS) does have federally reimbursable adult day vocational training for eligible clients. It is estimated that at least 10% of the 100% state funded Adult Day clients would qualify for the DERS' program. As 10% of the caseload is estimated to be eligible, 10% of the funding of 100% state funded Adult Day programs or \$487,800 is set aside for the DERS' program. Since the federal government matches the state funds at an approximate 80/20% match rate, state funding was reduced \$390,200 to offset the federal funds available for these clients.
- Adult Day (Title XIX) - Funds 1,155 clients, an increase of 123 clients over FY 1992. The approved amount includes \$331,900 (S) and \$950,300 (T) for caseload growth of 82 clients. Additional caseload growth of 41 clients is represented in the Aging-out Adult Day programs. The state match was reduced by \$270,200 due to increased federal participation.
- Children Services (100% state) - The approved amount is based upon the assumption that the Title XIX federal Medicaid program will not reimburse educational expenses such as developmental day training. The approved amount includes:
 - \$83,400 (S and T) for 7.6% caseload growth for an average of 6 months. Caseload is expected to grow from an average of 661 clients in FY 1992 to an average of 711 clients in FY 1993.

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

- In addition, total expenditure authority is increased by \$461,600 as the Department of Education (ADE) may transfer funding to DES for the preschool-based training of children age 3 to 5. Federal legislation (PL (99-457) mandates that the state set standards for handicapped preschool services by the 1991-92 school year. Funding is appropriated to ADE to ensure that a single state agency is responsible for all educational services to children with special needs.
 - Children Services (Title XIX) - The approved amount includes an increase of \$104,100 (S) and \$144,200 (T) for 6% caseload growth, based upon the assumption that the Title XIX federal Medicaid program will reimburse a summer training program. Caseload is expected to grow from an average of 474 clients in FY 1992 to an average of 502 clients in FY 1993. The state match was reduced by \$17,700 due to increase federal participation.
 - Support Services (100% state) - Includes \$118,400 (S) and (T). The approved amount, an increase of \$59,200 (S) and (T), funds an average of 33 clients at an average monthly cost of \$300. As clients tend to receive a mix of 100% state and Title XIX services, the number of clients actually receiving 100% state services will be higher.
 - Support Services (Title XIX) - Includes \$3,893,000 (S) and \$11,145,400 (T) The approved amount, an increase of \$441,000 (S) and \$1,262,700 (T), funds an average caseload of 2,665 clients at an average monthly cost of \$300. The approved amount also includes \$541,300 (S) and \$1,549,700 (T) to provide skilled nursing services to an estimated caseload of 207 clients. The state match was reduced by \$224,200 due to increased federal participation.
- Stipends and Allowances** - The approved amount, which is the same as FY 1992, provides weekly allowances to 334 residents of state facilities.

ADDITIONAL LEGISLATION

Appropriations; Modifications - Chapter 262 (H.B. 2034) - The bill transfers \$2,949,200 from the Developmental Disabilities (DD) program to the Long Term Care (LTC) program, increases the LTC Total Expenditure Authority by \$6,269,600, and allows the LTC program to expend \$4,279,400 of prior year federal reimbursements. Of the transfer, \$297,800 represents the increase in (S) with the remaining \$2,651,400 used to offset a shortfall in Title XIX and Other Funds.

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	878.8	803.2	766.5
Personal Services	16,421,200	16,534,500	15,907,200
Employee Related Exp.	4,046,900	4,251,900	4,138,100
Prof. & Outside Services	135,100	89,100	89,100
Travel - In State	370,800	350,900	360,600
Other Operating Exp.	3,575,100	3,227,700	3,528,100
Equipment	117,900	37,500	36,400
All Other Operating Exp.	4,198,900	3,705,200	4,014,200
OPERATING SUBTOTAL	24,667,000	24,491,600	24,059,500
AFDC	58,785,400	81,473,900 ^{23/}	88,980,900 ^{4/}
Child Support Automation ^{5/}	213,700	-0-	-0-
Child Support Restructuring ^{5/}	1,960,800	-0-	-0-
Emergency Assistance	767,400	821,500	849,500
General Assistance	13,972,000	16,766,200	17,943,500
Tuberculosis Control	11,900	15,900	19,400
Food Distribution Information	24,000	24,000	24,000
Homeless Shelter	832,900	1,051,900	1,023,900
Information and Referral	111,000	111,000	111,000 ^{6/}
Rural Food Bank Project	61,000	200,900	200,900
Homeless Coordinator	68,500	-0-	-0-
Veterans' Housing	-0-	600,000	-0-
Navajo Senior Center	-0-	216,000	-0-
TOTAL APPROPRIATIONS	101,475,600	125,772,900	133,212,600 ^{7/}

(Continued)

- ^{1/} The FTE Positions includes 85.3 FTE positions funded in the Child Support Restructuring special line in FY 1991 and 0 FTE positions in FY 1992 and FY 1993.
- ^{2/} The amount includes a \$3,500,000 transfer as approved by the Joint Legislative Budget Committee, May 28, 1992. The amount does not include \$500,000 transferred in from the State Share of Retained Earnings (SSRE) associated with Child Support Enforcement. In accordance with A.R.S. § 46-406, any SSRE that is not expended at the end of the fiscal year will be used to offset the appropriation for AFDC.
- ^{3/} The expenditure detail for FY 1992 includes a supplemental appropriation of \$2,295,000 authorized by Laws 1992, Chapter 4 (S.B. 1001), 2nd Special Session.
- ^{4/} Notwithstanding A.R.S. § 35-173 (C), any transfer to or from the \$88,980,900 appropriated for Aid to Families with Dependent Children shall require approval of the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{5/} Child Support Enforcement was established as a separate cost center in FY 1992. Funding for these special line items has been transferred to the new cost center.

(Footnotes Continued on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

FTE Positions - The approved amount includes a reduction of 36.7 FTE positions for the following:

- New Eligibility Workers - Adds 24.2 FTE positions and \$746,800 for additional Aid to Families with Dependent Children (AFDC) and Food Stamp eligibility workers. Since the federal government will match AFDC/Food Stamp state administrative expenses on a dollar-for-dollar basis, this appropriation will result in a total increase of 48.4 positions. The new staff includes 34.8 Eligibility Workers and 13.6 related staff.
- Transfer of Eligibility Workers - Transfers out 60.4 FTE positions and \$1,569,700 to AHCCCS to bring the appropriation into line with the actual workload distribution between DES and AHCCCS eligibility determination.
- Transfer to Administration - Transfers out 0.5 FTE position and \$16,800 to Administration to conduct compliance reviews of Family Support in regards to the Civil Rights Act of 1964.

Personal Services - The approved amount includes \$188,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$186,600, which is a \$1,400 greater reduction than in FY 1992. The amount also includes an increase of \$440,000 for the new eligibility workers, a decrease of \$1,244,000 for the transfer out of 60.4 FTE positions to AHCCCS, and a decrease of \$10,800 for the transfer out of the 0.5 FTE position to Administration.

Employee Related Expenditures - The approved amount includes \$24,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,980,800 for medical insurance and \$102,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The amount also includes an increase of \$115,200 for the new eligibility workers, a decrease of \$325,700 for the transfer out of 60.4 FTE positions to AHCCCS, and a decrease of \$3,100 for the transfer out of the 0.5 FTE position to Administration.

Travel - In State - The approved amount includes a \$9,700 increase for the new FTE positions.

Other Operating Expenditures - The approved amount includes a transfer out of \$67,500 for occupancy to Administration; a \$2,900 decrease associated with the transfer out of the 0.5 FTE position to Administration; a reduction of \$51,200 for one-time non-capitalized equipment, an increase of \$209,000 for food stamp postage associated with caseload growth; and an increase of \$145,500 for the new eligibility workers. Of the \$145,500, the sum of \$72,600 is for one-time expenditures of non-capitalized equipment and telephone installation and \$65,300 is for occupancy. The approved amount also includes restoration of the \$67,500 FY 1992 surplus, which was used to cover the FY 1992 shortfall in the General Assistance program.

Equipment - The approved amount is for the purchase of one-time equipment for the new eligibility workers.

Aid to Families with Dependent Children

- Single-parent households - The approved amount includes \$85,117,600 for monthly payments to an average of 189,979 recipients in single-parent households -- an increase of 17,051, or 9.9%, above estimated FY 1992 participation.

(Footnotes Continued From Previous Page)

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- 6/ It is the intent of the Legislature that the \$111,000 appropriated for Information and Referral Services shall be used to fund services in each city of the state with a population of more than 250,000 persons according to the last United States decennial or special census. (General Appropriation Act footnote)
- 7/ Represents General Appropriation Act funds. Appropriated as a lump sum with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

The approved amount also incorporates the following assumptions:

- 1) an average monthly grant of \$112.29, a 4.7%, or \$5.05, increase above the estimated FY 1992 average cost, as A.R.S. § 46-207.01 requires a benefit adjustment each July 1 in order that assistance paid be equal to 36% of the current Federal Poverty Level adjusted for family size and non-exempt income; and
 - 2) a state match rate of 33.25%, with the federal government financing the remainder.
- Two-parent households - The approved amount includes \$3,863,300 for the benefits for the AFDC-Unemployed Parent (UP) program. Federal law required the state to implement AFDC-UP by October 1, 1990. While the state had previously opted to assist only one-parent households, this program provides cash payments to two-parent families if the principal wage earner is unemployed or otherwise incapacitated.

The approved amount will fund monthly payments for an average of 10,757 recipients in two-parent households--an increase of 3,967 recipients, or 41.6%, above estimated FY 1992 participation.

The approved amount also incorporates the following assumptions:

- 1) an average monthly grant of \$90.01, a 5.1% or \$4.40 increase above the estimated FY 1992 average cost, as A.R.S. § 46-207.01 requires a benefit adjustment each July 1 in order that assistance paid be equal to 36% of the current Federal Poverty Level adjusted for family size and non-exempt income; and
- 2) a state match rate of 33.25% with the federal government financing the remainder.

Child Support Automation and Child Support Restructuring - These special line items are now included in the Child Support Enforcement cost center.

Emergency Assistance - This state-funded program provides temporary financial assistance in emergency situations without reference to certain eligibility factors required for other welfare programs. The approved amount will fund an average of 548 payments per month at an average cost of \$129.18. The approved amount includes restoration of the \$28,000 FY 1992 surplus, which was used to cover the FY 1992 shortfall in the Homeless Shelter line.

General Assistance - This state-funded program provides financial aid to persons who are unemployable because of a physical or mental disability. The recommendation is based on:

- 1) an average payment of \$154, and
- 2) an average of 10,300 clients, for 13.5% growth over actual FY 1992 clients of 9,073.

The following 3 programs are estimated to reduce the caseload of 10,300 by 1,234 clients for a net savings of \$1,090,900.

- Retroactive Recovery - The approved amount includes a savings of \$384,400 as 684 clients are projected to be accepted into the SSI program during FY 1993. Since SSI is paid retroactively to the date of application, an average of \$562 per client will be reimbursed by the Social Security Administration (SSA). A requirement of the GA program, as of July 1, 1992, is that applicants with long term disabilities apply for the SSI program and that SSI retroactive payments be sent to DES for offsetting the GA benefits received by the client while waiting for SSI approval. Funds in excess of the GA benefits paid will be forwarded to the client within 10 days (see Additional Legislation).

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

- Application Assistance - The approved amount includes an additional net savings of \$400,000 associated with General Assistance clients who will require application assistance in converting to the 100% federally-funded Supplemental Security Income (SSI) program. It is estimated that an additional 300 clients will be converted through the application assistance program for an average savings of \$554,400. Payments for application assistance are estimated to cost \$154,400 for a net savings of \$400,000. Application assistance should increase the likelihood that these clients will be accepted into the SSI program (see Additional Legislation).
- Representative Payee - It is projected that 250 clients will be converted in FY 1993 to SSI through the Representative Payee program, which began in FY 1992, for an average savings of \$519,000. These clients, though eligible for SSI, are not in the SSI program as they are deemed incapable of handling their own finances. DES will contract out to the counties for representative payee services to aid these clients with their finances, which will allow the conversions to take place. These contracts are projected to cost \$212,500 for net savings of \$306,500.

The General Assistance (GA) program experienced a shortfall of \$3,817,500 in FY 1992, which was funded through surpluses in other areas of the department.

Tuberculosis Control - The appropriation provides assistance to persons certified unemployable by the State Tuberculosis Control Office because of communicable tuberculosis. The approved amount will fund payments to 12 recipients at an average monthly cost of \$134.72. The approved amount includes restoration of the \$3,500 FY 1992 surplus, which was used to cover the FY 1992 shortfall in the General Assistance program during FY 1992.

Food Distribution Information - A.R.S. § 41-1954 requires the department to coordinate and assist public and private nonprofit organizations that aid the hungry throughout the state. These funds are used to a) inform the hungry about potential sources of food and b) operate a toll-free telephone line for donors to notify food banks of the availability of food.

Homeless Shelter - Along with private sector, city, county and federal funds, this program addresses the emergency and transition shelter needs of the homeless. The agency has divided the program into:

- Emergency Assistance to Needy Families With Children - This federal program provides emergency shelter and services to eligible families for a period of up to 30 days from the date of application. Estimates for FY 1993 are that 54.6% or \$558,600 of the approved amount will be used for this program. As state funds are matched at a 50/50% rate by the federal government, \$1,117,200 in total funds will be available.
- Homeless Shelter - This program previously served both homeless families and individuals. With the new federal program for families, this program now serves homeless individuals or families that are not eligible for the federal program. Estimates are that 45.4% or \$465,300 will be used for this program.

In FY 1992, the Homeless Shelter experienced a shortfall of \$28,000, which was covered by a transfer from Emergency Assistance.

Information and Referral Services - The approved amount provides information and referral services on a 24-hour toll-free, statewide telephone system. This system serves all individuals requesting specific information regarding available resources.

Rural Food Bank - The approved amounts include continued funding of \$64,900 for the rural food bank in Willcox, \$60,000 for the rural food bank in Yuma, \$50,000 for operating costs associated with the expanded usage of the food network truck and \$26,000 for outreach to high need populations or geographic areas.

Homeless Coordinator - This funding, which was the result of additional legislation in FY 1991, is now reflected in the operating budget in FY 1992 and FY 1993.

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

Veterans' Housing - The FY 1992 non-lapsing appropriation provides funds to purchase building materials for veteran-owned and occupied single family residences on the Navajo Reservation over a 2-year period. The Navajo Nation must contribute an amount equal to or greater than the DES contribution.

Navajo Senior Centers - The FY 1992 non-lapsing appropriation funds improvements in Senior Programs on the Navajo reservation over a 2-year period.

ADDITIONAL LEGISLATION

Utility Assistance - Chapter 261 (H.B. 2223) - Increases the annual limit on assistance to low-income households for utility deposits and repairs or replacements of utility-related appliances from \$450 to \$600.

Energy Assistance; Low Income - Chapter 277 (S.B. 1488) - The bill creates:

- 1) a Rate Payor Assistance Fund which consists of grants, donations and interest monies from the Rate Payor Assistance Trust Fund. These funds will assist low-income households with payment of utility bills. Only clients of utilities participating in the Rate Payor Assistance Trust Fund are eligible for assistance.
- 2) the Rate Payor Assistance Trust Fund which consists of monies from utility companies who impose a voluntary 0.6% annual mil assessment. No monies shall be expended or transferred from the fund prior to July 1, 1998. A utility must participate in the voluntary assessment for 5 years for its clients to be eligible to receive assistance from the Rate Payor Assistance Fund.

State Setoff; Technical Correction Public Finances and Funds, Chapter 312 (S.B. 1365) - The bill allows DES to use retroactive Supplemental Security Income (SSI) payments to reimburse the General Assistance (GA) line item for benefits paid to GA recipients while the SSI application was pending. The bill also allows for the reimbursement for attorneys or advocates representing the GA recipient during the SSI application process.

**DEPARTMENT OF ECONOMIC SECURITY -
CHILD SUPPORT ENFORCEMENT**

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	-0-	87.3	87.3
Personal Services	-0-	1,426,900	1,612,300
Employee Related Exp.	-0-	374,300	443,900
Prof. & Outside Services	-0-	34,000	34,000
Travel - In State	-0-	9,100	9,100
Other Operating Exp.	-0-	145,900	145,900
All Other Operating Exp.	-0-	189,000	189,000
OPERATING SUBTOTAL	-0-	1,990,200	2,245,200
Financial Reconciliation	-0-	625,200	311,000
Automation Equipment	-0-	202,800	286,400
TOTAL APPROPRIATIONS	-0- ^{1/}	2,818,200 ^{2/}	2,842,600 ^{3/4}

Child Support Enforcement - Laws 1989, Chapter 295, appropriated \$1,200,000 as part of a multi-year restructuring plan to increase child support collections. Under the restructuring plan originally provided by DES, the Child Support Enforcement Administration would eventually become self-sufficient through the use of retained AFDC child support collections.

Personal Services - The approved amount includes \$21,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$16,300, which is a \$16,100 greater reduction than in FY 1992. The approved amount also includes a \$180,000 restoration for the FY 1992 ex-appropriation.

Employee Related Expenditures - The approved amount includes \$2,800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$224,300 for medical insurance and \$11,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} Funding of \$2,911,700 in FY 1991 is reflected in the Family Support cost center.
- ^{2/} The expenditure detail for FY 1992 includes a \$180,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} A General Appropriation Act footnote requires that DES include information in its monthly expenditure report on total expenditures for the month and year-to-date as compared to prior year totals.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - CHILD SUPPORT ENFORCEMENT (Cont'd)
GENERAL FUND

Financial Reconciliation - The approved amount will fund the financial reconciliation of the remaining 24,300 cases through an outside contract. This will ensure that cases loaded into the Arizona Tracking and Locate Automated System (ATLAS) are correct and usable in a court of law. The appropriation provides funds for the completion of a 2-year project which began in FY 1992. A total of 57,700 cases needed financial reconciliation. During FY 1992, 32,400 cases were reconciled.

Automation Equipment - The approved amount funds the lease-purchase of automation equipment for the Child Support Enforcement Administration. Several studies had singled out the department's lack of automation as the biggest obstacle to improving the program's collection rate. The approved amount represents the fourth year of a 5-year lease-purchase of both a central processing unit upgrade and individual hardware. The lease-purchase schedules appear on page 98 of the FY 1990 Appropriations Report. The approved amount includes a \$50,000 restoration of a transfer out of funds to cover a FY 1992 shortfall in the General Assistance program and an increase of \$33,600 to cover the reduced federal participation rate in the ATLAS computer system, which will become operational in FY 1993. The federal match rate is lower for operational systems as compared to those in the initial stages of implementation.

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND AND CHILD ABUSE PREVENTION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	575.5	596.5	610.0
Personal Services	14,605,000	16,693,700 ^{2/}	17,847,600
Employee Related Exp.	3,298,800	3,785,900 ^{2/}	4,558,200
Prof. & Outside Services	154,500	270,800	58,900
Travel - In State	703,600	693,700	764,600
Other Operating Exp.	1,580,900	1,096,300	1,442,700
Equipment	49,700	-0-	48,500
All Other Operating Exp.	2,488,700	2,060,800	2,314,700
OPERATING SUBTOTAL	20,392,500	22,540,400	24,720,500
Adoption Services	10,725,700	12,523,300	12,523,300
Adult Services	7,232,600	8,271,100	8,416,800
Children Services	33,637,200	37,095,800 ^{2/}	37,904,900
High Risk Infant Services	151,900	475,000	475,000
Intensive Family Services	405,300	489,700	783,500
Child Severance Project	183,200	189,200	189,200
CMDP	3,612,900	3,388,700	3,354,900
Day Care	16,390,100	13,617,800 ^{2/}	13,593,100 ^{3/}
JOBS Child Care	141,800	771,200	530,500
Transitional Child Care	531,700	948,600	1,141,800
Institution Support Payments	405,300	395,600	427,000
LTC Ombudsman ^{1/}	101,000	116,000	116,100
Omnibus CPS Act	1,725,000	-0-	-0-
Videotaping ^{1/}	-0-	200,000	200,800
Homeless and Runaway Youth	-0-	-0-	175,000
TOTAL APPROPRIATIONS	95,636,200	101,022,400 ^{4/}	104,552,400 ^{5/}
<u>Fund Summary</u>			
General Fund	95,636,200	101,022,400	104,377,400
Child Abuse Prevention Fund	-0-	-0-	175,000
TOTAL APPROPRIATIONS	95,636,200	101,022,400	104,552,400

(Continued)

^{1/} The FTE Positions total includes 0.5 FTE position funded in the Long-Term Care (LTC) Ombudsman special line item in FY 1991-FY 1993, and 3 FTE positions funded in the Videotaping special line item in FY 1992-FY 1993.

^{2/} The amount includes a transfer out as approved by the Joint Legislative Budget Committee, May 28, 1992: Personal Services, \$382,500; ERE, \$127,500; Day Care \$400,000; and Children's Services, \$400,000.

(Footnotes Continued on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

FTE Positions - The approved amount reflects an increase of 40 Human Service Worker II positions funded through the transfer of \$1,254,900 to this division's operating budget from the Children Services special line item. These additional positions will assume transporting and other support tasks related to parent-child visitations that are necessary in insuring that efforts are being made to reunite children who have been removed from their homes with their parents. The new positions will allow case managers to provide more therapeutic services, such as coaching and modelling of parent-child interactions and appropriate parenting behaviors.

Personal Services - The approved amount includes \$150,200 in the general salary adjustment effective April 1, 1993. A vacancy factor of 0.55% was applied which reduces Personal Services by \$94,500. The appropriation also includes an increase of \$621,200 for the 40 FTE positions for family reunification and a restoration of the \$382,500 for the JLBC approved transfer.

Employee Related Expenditures - The approved amount includes \$21,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,908,200 for medical insurance and \$97,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation also includes an increase of \$167,900 for the 40 FTE positions associated with family reunification and a restoration of \$127,500 for the Joint Legislative Budget Committee approved transfer.

Adoption Services - The approved amount subsidizes the adoption of children who otherwise would entail high financial risks to prospective parents because of physical, mental or emotional disorders or who, because of age, sibling relationship, or racial or ethnic background would be otherwise difficult to place in adoption.

The approved amount will fund services for an average of 1,842 children per year -- an increase of 173 children, or 8.3%, above estimated FY 1992 participation. The approved amount is also based upon a) an average annual cost per child of \$7,426.06 which reflects a 7.7% decrease in medical costs, and b) Title IV-E federal and other trust revenues of \$1,155,500. This amount does not reflect any change in the adoptive parents' average cash subsidy. The amount includes \$30,000 for non-recurring adoption expenses.

Adult Services - The appropriation reflects an increase of \$826,000 for a community-based continuum of care and services for abused, neglected, and exploited adults. The approved amount is based upon the following allocation:

- Adult Protective Services \$ 124,500
Evaluates allegations of abuse.
- Supplemental Payment 4,422,200
Reflects an increase of \$778,200 for housekeeper, home health aide and visiting nurse services for SSI-eligible households. The approved amount is based upon the current caseload growth rates of 8.8% in housekeeping and 0% in home health aid and visiting nurse services. The average cost is based upon DES estimates, which are considerably higher than FY 1992 budgeted amounts. The caseload and the average cost estimates are as follows:

	<u># of New Clients</u>	<u>Average # of Clients</u>	<u>Average Monthly Cost</u>
Home Health Aide	-0-	507	\$96.17
Housekeeping Payments	339	4,201	69.73
Visiting Nurse	-0-	354	75.78

(Continued)

(Footnotes Continued From Previous Page)

- 3/ The \$13,593,100 appropriated for day care is for a program in which the upper income limit is at least 65% of the state median income as determined by the Department of Economic Security. (General Appropriation Act footnote)
- 4/ The expenditure detail for FY 1992 includes a \$196,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 5/ Represents General Appropriation Act Funds. Appropriated as a lump sum for the program, with special line items. The line items within "Operating Subtotal" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

• Home Care	2,202,200
Provides supplemental payment services plus personal care to non-SSI households. The approved amount will fund an average of 60 hours of services for 2,264 individuals at an average cost of \$16.21 per hour.	
• Older Americans Act	883,700
Matches federal funds for congregate and home-delivered meals as well as other social services. The approved amount will provide home-delivered meals to 10,358 individuals and congregate meals to 41,456 individuals. The approved amount includes an increase of \$47,800 for a total state match of \$70,300 for the federal cost sharing requirements of Title III-B, and \$100,000 in 100% state funds to the 8 Area Agencies on Aging to provide support services, senior centers, and nutrition services.	
• Assessments and Case Management	764,200
Through contracted agencies, assesses the elderly's service need by measuring mobility and family and financial status. A contracted case manager assists the client in matching needs to available resources. The approved amount will provide case management services to 16,458 persons.	
• Geriatric Nurse	20,000
The approved amount will help fund the cost of a geriatric nurse to dispense drugs to the elderly.	
TOTAL	<u>\$8,416,800</u>

Children Services - The appropriation funds a range of contracted services to ensure the well-being of children who are abused or neglected. The total program would be expected to cost \$44,310,000, which is a 5.3% increase over FY 1992 total program estimated expenditures. The approved amount includes a state increase of \$809,100, or 2.2%, and a federal Title IV-E increase of \$1,400,000, or 33.2%, over FY 1992 funding. The combined increase of these 2 funding sources is \$2,209,100, or a 5.3% increase.

The state budgeted amount reflects a transfer in of \$211,900 from this division's Professional and Outside Services line item. The approved amount also reflects a transfer out of \$1,254,900 from this special line item to this division's operating budget for the hiring of 40 FTE positions to aid in family reunification services. The hiring of these Human Service Worker II positions will allow case managers to be more productive and effective in providing therapeutic services to enable quicker decisions on family reunification. These Human Service Worker II positions will perform tasks, such as parent-aide and transporting, which in prior years have been contracted; thereby, lowering the contracting costs for Child Protective Services related activities.

Based on the total estimated increase of 5.3%, the cost estimates for the following type of services are projected as follows:

• In-home services	\$ 8,361,100
Resolves family problems through the use of counseling, day support and parent aides while the child remains in the home.	
• Out-of-home services (Foster Care)	29,548,900
Requires removal of the child from the home and his/her placement in family foster care or other residential setting.	
• Child protective services	6,400,000
Provides support services -- assessments, transportation -- related to removing abused children from the home.	

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

The program will be funded from the following sources:

• State General Fund	37,904,900
• Title IV-E Offset	5,619,000
Title IV-E represents federal funds for foster care children from Aid to Families with Dependent Children (AFDC) households. FY 1993 Title IV-E monies are projected to increase \$1,400,000 over FY 1992 estimates. The large increase reflects the federal government's attempt to reimburse states in a timely fashion for its share of foster care children expenditures.	
• Title XIX (EPSDT Offset)	786,100
Title XIX represents federal funds for foster care children qualifying for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health Program. EPSDT is a program to provide mental health services to categorically-eligible children. This program is mandated under the federal Omnibus Budget Reconciliation Act (OBRA) of 1989.	
TOTAL	<u>\$44,310,000</u>

High Risk Infant Services - The approved amount funds contracted case management services for 200 families whose children are exposed to substance abuse. Eleven contracted counselors/parent aides will provide in-home services including parent education. Services per family will be limited to 6 months with the contracted counselor aiding 18 families a year. The contracted counselors/parent aides will also work closely with the Department of Health Services and county public health nurses who will provide medical services for the infant and behavioral services and substance abuse treatment for the parent.

Intensive Family Services - The approved amount reflects an increase of \$293,800 which adds 3 teams for funding a total of 8 contracted teams to target 275 families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. Cost per family is projected to be \$2,849. A team consists of 1 Parent Aide, 1 Counselor, and 1 Coordinator. A team will respond within 24 hours to the child abuse report and to family emergencies as well as provide services to the family within its home. The services are to be intensive, time-limited (6 to 8 weeks) and geared toward keeping the child in the home. The program will emphasize in-home crisis intervention and parent education.

Child Severance Project - Based upon Laws 1986, Chapter 205, this project is designed to expedite the procedures for making a child eligible for adoption after the original parent-child relationship has been severed. DES may use the funds (a) to enter into an intergovernmental agreement with the Attorney General for legal and paralegal services or (b) to contract for social services incurred in expediting severance and adoption.

Comprehensive Medical and Dental - The appropriation provides full coverage of the medical and dental expenses of foster children under the jurisdiction of the Department of Economic Security, Juvenile Probation Offices and the Department of Corrections.

The approved amount will fund medical services for an average of 5,861 children, which is the same as the estimated FY 1992 participation. The amount is based upon an average annual cost of \$1,774.48 per child, which is the same as FY 1992 cost. The total estimated program would be expected to cost \$10,400,200, which includes \$228,400 in Independent Professional Review Team fees. The program will be funded from the following sources:

• State General Fund	\$3,354,900
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DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

• AHCCCS Title XIX	5,896,500
This amount reflects Arizona Health Care Cost Containment System reimbursement of children eligible for federal assistance. This amount includes the federal as well as the state matching share of the per person capitation rate. Of this amount, \$1,000,000 comes from the Early Periodic Screening Diagnosis and Treatment (EPSDT) Mental Health program which is mandated under the federal Omnibus Budget Reconciliation Act (OBRA) of 1989.	
• ALTCS	952,500
This amount reflects Arizona Long Term Care System reimbursement of children eligible for disabled long-term care.	
• Third Party Liability Payments	196,300
This amount includes the private insurance share of medical costs.	
TOTAL	<u>\$10,400,200</u>

Day Care - The appropriation provides a child day care subsidy for 3 different child care programs. During FY 1992, DES began implementation of its integrated child care administration consisting of 4 programs which provide day care subsidies for eligible families: state Day Care subsidy, AFDC-Employed, At Risk, and the Child Care Development Block Grant (CCDBG). The total FY 1993 estimated expenditures for these 4 programs is \$35,783,600, of which \$13,593,100 is from the General Fund. A total of 24,084 children are estimated to be served.

FY 1993 estimated expenditures and fund sources for each program follows:

• State Day Care Subsidy	\$12,607,200
This program provides a subsidy for eligible families based on family income, family size, and the number of hours of child care received per child. The upper income limit of participating families is at least 65% of the state median income, as determined by DES. The approved amount funds an average of 11,529 children at an estimated per child average monthly subsidy of \$91.13, which is the same as the FY 1992 estimated level. The state Day Care subsidy is funded through 2 sources: a state appropriation of \$6,117,400, and the federal Social Services Block Grant (SSBG) of \$6,489,800.	
• AFDC-Employed Child Care	4,190,500
This federal program provides a subsidy for families that are receiving Aid to Families with Dependent Children (AFDC) and need child care to accept or maintain employment. The subsidy is a market based rate with no family co-payment. The approved amount funds an average of 1,942 children at an estimated per child average monthly subsidy of \$179.80, which is the same as the FY 1992 estimated level. The AFDC-Employed Child Care program is funded through an approximate 65% federal/35% state match rate, which results in a state appropriation match of \$1,463,700 and a federal Title IV-A match of \$2,726,800.	
• At Risk Child Care	11,012,900
This federal program provides a subsidy for families with a gross monthly income level below 33.5% of the October 1991 state median income, which is a level set by DES, and would be at risk of qualifying for the Aid to Families with Dependent Children (AFDC) unless they receive child care so they can accept or maintain employment. The subsidy is a market based rate minus a family co-payment which is determined by using a sliding fee schedule. The FY 1993 average monthly co-payment per child is projected to be	

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

\$10.75, which is the same as FY 1992. The approved amount funds an average of 5,497 children at an estimated per child average monthly subsidy of \$166.94, which is the same as the FY 1992 estimated level. The At Risk Child Care program is funded through 2 sources: \$6,012,000, state appropriation, and \$5,000,900, federal Title IV-A monies. Of the \$6,012,000 state appropriation, \$2,684,500 and the full federal amount represent an approximate 65% federal/35% state match rate. The federal share is capped. The remaining state funding of \$3,327,500 reflects the cost of the program beyond the capped match amount.

Child Care and Developmental Block Grant (CCDBG)

7,973,000

This federal program provides a subsidy for eligible families based on family income, family size, and the number of days of child care received per child. Qualifying families have a gross monthly income level below 33.5% of the October 1991 state median income, which is a level set by DES, and need child care to obtain employment, job training, or education. The subsidy is a market based rate minus a family co-payment. The FY 1993 average monthly co-payment per child is estimated to be \$7.75, which is the same as FY 1992. The approved amount funds an average of 5,116 children at an estimated per child average monthly subsidy of \$129.87, which is the same as the FY 1992 estimated level. The entire \$7,973,000 is funded through the federal CCDBG.

TOTAL

\$35,783,600

JOBS Child Care - The approved amount funds child care assistance to AFDC recipients in the Job Opportunities and Basic Skills (JOBS) program. Federal law required the state to begin providing assistance by October 1, 1990. The appropriation provides child care funds for single-parent AFDC households, consisting of single-parents attending job training 3 days each week, job search applicants, and tribal participants. Funds are also included for AFDC-UP households assuming the parents attend job training 3 days each week. Starting October 1, 1992, those AFDC-UP households with children under 2 years of age are exempt from the program. Prior to July 1, 1992, AFDC-UP households with children under 3 years of age were exempt from the program.

The approved amount is based upon the following assumptions:

- an average caseload of approximately 829 children;
- an average cost of \$152.69 per month, assuming the parent attends job training 3 days each week; and
- a 65.07% federal matching rate, which will result in the state receiving \$988,400 in federal funds.

Transitional Child Care - The approved amount funds transitional day care assistance. Starting April 1, 1990, federal law required the state to guarantee child care for 1 year to former AFDC recipients who are no longer eligible for cash assistance due to increased earnings. The approved amount is based upon the following assumptions:

- an average caseload of approximately 1,463 children;
- an average cost of \$186.21 per month, after deducting a parental co-payment as determined by a sliding fee schedule based on ability to pay; and
- a 65.07% federal matching rate, which will result in the state receiving \$2,127,200 in federal funds.

Institutional Support Payments - This program provides monthly payments to eligible aged, blind or disabled persons in the following settings: private nursing homes; public nursing homes and supervisory care homes. The approved amount is based upon the following monthly payments and the current caseload growth rates in the 3 settings:

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS AND CHILD ABUSE PREVENTION FUND

	<u>Change in # of Clients</u>	<u>Avg. # of Clients</u>	<u>Monthly Payment</u>	<u>FY 1992 Cost</u>
Private Nursing Homes	-0-	41	\$ 80	\$ 39,400
Public Nursing Homes	-0-	-0-	174	-0-
Supervisory Care Homes	-0-	646	50	387,600

Prior to FY 1990, this program had been funded in Family Support.

Long-Term Care (LTC) Ombudsman - The approved amount funds the administrative costs and a 0.5 FTE position of the Office of State Long-Term Care Ombudsman (Laws 1989, Chapter 215). The Office was established during FY 1990 in accordance with the requirements of the federal Older Americans Act. The 0.5 FTE position is for legal services provided by the Attorney General.

The approved amount includes \$100 (Personal Services, \$100; Employee Related Expenditures, \$0) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$1,000 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Omnibus CPS Act - In FY 1992, \$1,699,500 and 32 FTE positions were transferred to this division's operating budget. The increased staff and resources provide for "relative placement" and out-of-home removal reviews and to meet federal requirements that the state make "reasonable efforts" to maintain the child within the family.

Videotaping - The approved amount provides funds for DES to videotape investigative interviews of child sex abuse victims. To lessen the number of such interviews, the department is to coordinate all such interviews with law enforcement officials and the county attorneys' office.

The approved amount includes \$800 (Personal Services, \$700; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,800 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Homeless and Runaway Youth - The appropriation provides money for DES to contract with community service providers to provide community-based services to runaway and homeless youth and their families. The approved amount is funded through the Child Abuse Prevention Fund.

ADDITIONAL LEGISLATION

AHCCCS: Adjusted Bill Changes - Chapter 302 (H.B. 2508) - This bill establishes the DES's hospital reimbursement schedule for inpatient hospital admissions and outpatient hospital services for those children enrolled in the Adoption Services program and CMDP. The department shall reimburse a hospital according to the tiered per diem rates and outpatient cost-to-charge ratios established by AHCCCS. The new schedule will become effective on or after March 1, 1993. It is anticipated these 2 programs will experience cost savings with the utilization of this new schedule.

**DEPARTMENT OF ECONOMIC SECURITY -
CHILD PROTECTIVE SERVICES TRAINING**

A.R.S. § 8-503.01

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

CHILDREN AND FAMILY SERVICES TRAINING PROGRAM	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	7.0	7.0	7.0
Personal Services	70,200	152,300	208,100
Employee Related Exp.	15,000	32,600	48,800
Prof. & Outside Services	-0-	39,100	57,100
Travel - In State	16,200	41,300	60,400
Travel - Out of State	2,900	4,500	6,500
Other Operating Exp.	48,600	33,500	49,200
All Other Operating Exp.	67,700	118,400	173,200
TOTAL APPROPRIATIONS	152,900	303,300 ^{1/}	430,100 ^{2/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	435,800 ^{3/}	1,141,700	1,301,400
Add Revenues	858,800 ^{3/}	463,000	463,000
TOTAL FUNDS AVAILABLE	1,294,600	1,604,700	1,764,400
Expenditures	152,900	303,300	430,100
BALANCE END OF FISCAL YEAR	1,141,700	1,301,400	1,334,300

A.R.S. § 8-503.01 establishes a Children and Family Services Training Program Fund for child protective services staff training. Revenue is generated through the collection of support fees assessed on the parents or guardian of a child in the custody of the Department or a county juvenile probation office. The Department may also expend up to 10% of the fund on collecting these fees. The Department also utilizes federal Title IV-E monies that are available for training activities. These federal funds offset state expenditures.

Personal Services - The approved amount includes \$1,700 in the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$18,100 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- 1/ Represents estimated expenditures. The original FY 1992 appropriation was \$427,100. The total FY 1992 estimated expenditures including federal Title IV-E monies is \$387,300.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.
- 3/ Financial reconciliation has not been completed. These numbers are estimates and may change when the financial reconciliation is completed.

**DEPARTMENT OF ECONOMIC SECURITY -
EMPLOYMENT AND REHAB. SERVICES**

A.R.S. § 41-1951

David A. Lowenberg, Acting Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	118.1	113.2	113.2
Personal Services	2,214,200	2,319,500 ^{2/}	2,429,500
Employee Related Exp.	513,200	572,300 ^{2/}	612,200
Prof. & Outside Services	38,800	43,800	45,900
Travel - In State	47,500	39,900	39,900
Other Operating Exp.	296,700	244,500	244,500
Equipment	21,500	-0-	-0-
All Other Operating Exp.	404,500	328,200	330,300
OPERATING SUBTOTAL	3,131,900	3,220,000	3,372,000
Ind. Living Rehab. Services	552,100	552,700	552,700
Vocational Rehab. Services	1,904,100	1,800,000	1,900,000 ^{3/}
Job Search Stipends	171,500	168,900	139,100
Navajo Employment Service ^{1/}	233,900	234,000	241,800
JOBS	814,100	1,888,500	2,988,500 ^{4/}
TOTAL EXPENDITURE AUTHORITY	6,807,600	7,864,100	9,194,100
Other Receipts	(799,400)	(1,000,000)	(2,000,000) ^{5/}
TOTAL APPROPRIATIONS	6,008,200	6,864,100	7,194,100 ^{6/}

(Continued)

- ^{1/} The FTE Positions total includes 8 FTE positions funded in the Navajo Employment Services line item in FY 1991-FY 1993.
- ^{2/} The amount includes a transfer out of \$104,300 as approved by the Joint Legislative Budget Committee, May 28, 1992: Personal Services, \$84,300 and Employee Related Expenditures, \$20,000.
- ^{3/} It is the intent of the Legislature that Vocational Rehabilitation Services will receive \$200,000 from the Industrial Commission's Special Fund for the purpose of assisting injured workers. (General Appropriation Act footnote)
- ^{4/} It is the intent of the Legislature that the \$2,988,500 appropriated for JOBS may be used to support non-permanent and seasonal positions to fulfill federal program requirements when contracts for services cannot be established with outside parties. The use of such positions shall be reported to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{5/} It is the intent of the Legislature that the Special Administration Fund serve as the source for the \$2,000,000 of Other Receipts. (General Appropriation Act footnote)
- ^{6/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

Personal Services - The approved amount includes \$25,700 in the general salary adjustment effective April 1, 1993. A vacancy factor of 1.7% was applied which reduces Personal Services by \$41,700. The appropriation also includes a restoration for the JLBC approved transfer out of \$84,300.

Employee Related Expenditures - The approved amount includes \$3,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$273,000 for medical insurance and \$13,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation also includes a restoration for the JLBC approved transfer out of \$20,000.

Professional and Outside Services - The approved amount reflects a \$2,100 medical inflation adjustment.

Independent Living Rehabilitative Services - The approved amount will allow severely disabled individuals to live more independently. DES assists the disabled to overcome or circumvent their handicaps through training, counseling, and adaptive aids. The program consists of:

- Services to Individuals, \$338,600. An estimated 1,535 persons will receive independent living services during the year, including case management and counseling.
- Medical Services for Clients, \$214,100. This program will fund 8,212 eye examinations and 6,613 eye glasses and other eye appliances for eligible low-income individuals at an average cost of \$27.36 per person.

Vocational Rehabilitative Services - The approved amount reflects a \$100,000 increase for providing an array of individually planned services for the disabled. Services include case management, counseling, prostheses and remedial education. The federal government matches the state funds at an approximate 80/20% rate.

The approved amount will permit the department to serve 16,477 individuals at an average cost of \$640.16.

To ensure the drawdown of all available federal dollars, DES has identified other sources of state match -- either existing appropriated or non-appropriated funds.

In FY 1992, these other matching sources are:

-- Industrial Commission	\$ 200,000
-- Developmental Disabilities General Fund Transfer	208,500
-- School Districts	250,300
-- Department of Health Services - Behavioral Health	237,300
-- Blind Enterprises Program	194,500
-- Client Billing Revenue	200,000
-- Arizona Industries for the Blind	797,700
-- Establishment Grant Contributions	<u>165,500</u>
Total	<u>\$2,253,800</u>

Local non-profit organizations are usually the source of the Establishment Grant Contributions. These funds can be used to establish new facilities, but cannot finance a client's actual rehabilitation.

The department is expanding its relationship with the Division of Behavioral Health in the Department of Health Services (DHS), which currently funds rehabilitative programs for the seriously mentally ill with 100% state dollars. DHS could use their existing state appropriations as the match and possibly expand its programs four-fold -- given the 80/20 federal matching ratio. The FY 1993 DHS match is estimated to increase to \$1,250,000.

Job Search Stipends - The federal food stamp statute requires states to pay allowances to recipients searching for a job. The state provides \$25 per participant for up to 2 months. The approved amount will fund 1,128 participants for 1 month and 5,000 participants for 2 months.

The approved amount reflects a decrease from FY 1992 estimated expenditures. Due to increased number of food stamp recipients in FY 1992, \$29,800 was transferred in from the JOBS program.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

Navajo Employment Services - Laws 1988, Chapter 304 established a pilot creating complete funding for 3 years for 2-person employment services offices in Window Rock, Chinle, Kayenta and Tuba City. The Navajo Nation is required to provide the office facilities. The approved amount continues funding for the 8 FTE positions: Personal Services, \$162,500; Employee Related Expenditures \$45,400; and All Other Operating Expenditures, \$33,900.

The approved amount includes \$2,300 (Personal Services, \$2,000; Employee Related Expenditures, \$300) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$22,500 for medical insurance and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

JOBS - The approved amount funds contracted services under the Job Opportunities and Basic Skills (JOBS) program. Federal law required the state to begin offering this education, employment and/or training program to AFDC recipients by October 1, 1990. Based upon FY 1992 expenditure data, the approved amount will fund the following:

AFDC Households	\$ 658,500
AFDC-UP Households	<u>2,331,000</u>
TOTAL	\$2,988,500

The state amount will be matched by a like amount of federal funds, \$2,988,500.

- **AFDC** - For single-parent households, DES staff will provide case management and initial appraisal and assessment services to active participants. The approved amount funds development of employment plans, literacy tests, employment search and training, and a work experience (workfare) program. Training includes English as a second language, remedial training, or general equivalency degree (G.E.D.) preparation. Funds are also provided for vocational training and the Teen Parent Project.
- **AFDC-UP** - For two-parent households in the AFDC-UP program, DES will either contract out its case management function or hire non-permanent and seasonal positions to provide case management if outside contracts cannot be established. Besides case management, the approved amount will fund employment plan development, skills training, basic education and employment services.

Two changes will impact the implementation of the JOBS program. By federal requirement, the AFDC single-parent households program must be implemented statewide by October 1, 1992. To date, the program has been implemented only in Maricopa and Pima Counties in which reside 70% of this AFDC population. The AFDC-UP two-parent households already is implemented statewide. In addition to the federal statewide requirement, new state legislation has been adopted which changes the direction of the state's JOBS program. Laws 1992, Chapter 103 (S.B. 1355) revises the state's focus, which emphasizes an education and training framework to one which emphasizes a balance between immediate employment and education and training services. (See Additional Legislation for more detail.) Chapter 103 requires implementation of this new model by October 1, 1992, with a complete statewide phase in by October 1, 1994. In addition, the bill expands the number of program participants. Prior to October 1, 1992, parents who personally provide care for a child under 3 years old were exempt. After October 1, 1992, the age of the child will be lowered to 2 years; thereby, decreasing the number of exemptions to the program.

DES is currently developing implementation plans to incorporate these changes and their potential impact on costs and number of clients served. DES estimates that there are 22,000 AFDC recipients out of approximately 54,000 adult AFDC recipients who will be mandatory clients under the new requirements. In addition, the department projects that the new state focus will encourage a less expensive and faster track for many participants. The department is still developing its phase-in plans and determining which clients will phase into the new model and which clients will need to be continued under the old model. Until the implementation plan is developed and all pertinent information is gathered, details on cost per client or the number of eligible clients are not available.

Other Receipts - It is the intent of the Legislature that the cost of the Employment and Rehabilitative Services program be offset by \$2,000,000 from the Special Administration Fund, which consists of penalties collected for late payment of unemployment compensation charges. The federal government permits states flexibility in their use of these funds. In FY 1993, these "Other Receipts" will be used to fund the JOBS line item.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

ADDITIONAL LEGISLATION

Family Investment Initiative - Chapter 103 (S.B. 1355) - This bill revised the focus of the state Job Opportunities and Basic Services (JOBS) program by requiring eligible adult recipients of Aid to Families with Dependent Children (AFDC), unless exempt, to participate in a prescribed sequence of employment search work experience and education activities. This legislation provides a new model for JOBS. The initial focus of the Arizona JOBS program was education and training. The new model attempts to balance the program between immediate employment and education and training services. The new model specifies 3 separate tracks to which a JOBS participant may be assigned: the Fixed Sequence track; the Self-Initiated Education and Training track; and the Pregnant and Parenting Teen track. The Fixed Sequence track includes: 1) job search activities which will not last longer than 4 consecutive weeks; 2) community work experience which will not last longer than 3 months if employment is not secured during job search; and 3) education and/or training activities, as determined by an assessment, if employment is not obtained by the end of community work experience.

Eligible participants will be assigned to the Fixed Sequence track unless they are exempted by qualifying for one of the following exemptions: 1) individuals who begin an approved education or training program on their own initiative and make satisfactory progress in that program; 2) pregnant women and custodial parents between 16 and 20 years of age who have not received a high school diploma or its equivalent and are making satisfactory progress in educational activities; 3) individuals exempt by federal law or deferred from participation by DES; and 4) parents who are personally providing care for a child under the age of 2.

Exemption from participation in the JOBS program for parents or relatives providing care for a child under the age of 2 becomes effective October 1, 1992. DES must begin implementation of the new program model by October 1, 1992, and phase in the program by geographic locations and have completed the statewide implementation by October 1, 1994.

Spinal and Head Injuries Trust Fund - Chapter 189 (H.B. 2123) - This bill establishes a Spinal and Head Injuries Trust Fund under the administration of the director of DES. Monies are generated from: 1) a \$2.00 charge on every mile per hour driven in excess of 10 miles over the speed limit, and 2) interest earned on the fund balance. Monies shall be expended upon the approval of DES's Rehabilitation Services Administration only if other resources are not available or are not available in a timely manner for the following 5 purposes: public information, prevention and education; rehabilitation, transitional living and equipment necessary for daily living activities; a portion of the disease surveillance system and statewide referral services for those with head injuries and spinal cord injuries; costs incurred by the Advisory Council on Spinal and Head Injuries, which also was created by this bill; and DES's administrative costs for administering this legislation.

DEPARTMENT OF ENVIRONMENTAL QUALITY

A.R.S. § 49-101

Edward Z. Fox, Director

JLBC Analyst: Bock

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	258.0	288.3	299.3
Personal Services	6,407,800	6,496,300	6,342,600
Employee Related Exp.	1,427,300	1,541,800	1,446,300
Prof. & Outside Services	597,500	214,400	216,900
Travel - In State	191,600	232,600	215,100
Travel - Out of State	28,400	18,200	18,200
Other Operating Exp.	1,213,500	1,482,300	1,385,500
Equipment	169,900	196,500	65,700
All Other Operating Exp.	2,200,900	2,144,000	1,901,400
General Fund Lump Sum Reduction	-0-	-0-	(550,800)
OPERATING SUBTOTAL	10,036,000	10,182,100	9,139,500
Special Waste	-0-	392,700	605,100
Pollution Prevention	-0-	360,300	646,700
Used Oil	-0-	-0-	84,100
Aquifer Protection Permits	-0-	-0-	1,215,300
Air Quality Program	-0-	104,800	107,000
Air Permits Administration	-0-	-0-	179,100
TOTAL APPROPRIATIONS	10,036,000	11,039,900 ^{1/}	11,976,800 ^{2/3/}
Fund Summary			
General Fund	10,036,600	10,935,100	10,063,900
Air Quality Fee Fund	-0-	104,800	107,000
Air Permits Administration Fund	-0-	-0-	179,100
Water Quality Assurance Rev. Fund	-0-	-0-	896,000
Hazardous Waste Fund	-0-	-0-	646,700
Used Oil Fund	-0-	-0-	84,100
TOTAL APPROPRIATIONS	10,036,600	11,039,900	11,976,800

(Continued)

- 1/ The expenditure detail for FY 1992 includes a \$585,400 reduction to the General Appropriation Act amount and an \$82,400 reduction to the Special Waste and Pollution Prevention programs, reflecting ex-appropriations authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and by Laws 1992, Chapter 262 (H.B. 2034), 2nd Regular Session.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 3/ Up to \$1,250,000 of the General Fund appropriation may be utilized temporarily to maintain existing environmental programs for which application for federal funds have been submitted. (General Appropriation Act footnote)

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved General Fund amount includes \$62,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$220,500.

Employee Related Expenditures - The approved General Fund amount includes \$8,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$591,000 for medical insurance and \$30,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$16,200 for risk management and \$40,200 for the Tucson State Office Building. An additional \$2,500 in risk management is allocated among the Other Appropriated Funds for below-the-line items.

All Other Operating Expenditures - Professional and Outside Services includes a \$2,500 increase for medical inflation. Equipment is reduced by \$130,800, leaving \$65,700 for replacement items.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the operating budget.

Special Waste Program - Chapter 315, 40th Legislature, 1st Regular Session provided a start-up General Fund appropriation of \$435,500 and created 14.5 FTE positions to begin the special waste program in FY 1992. Chapter 315 imposed a disposal fee for special wastes. The fees are to be deposited to the Special Waste Fund. The revenues are not available to fund the 14.5 FTE positions, however, as Chapter 315 requires the Special Waste Fund to repay the FY 1992 General Fund start-up appropriation. We estimate that, for FY 1993, the Special Waste Fund will have sufficient revenues to repay \$110,000 of the \$435,500 start-up amount. The approved amount adds \$169,600 to the \$435,500 to annualize the program in FY 1993. Office set-up and capital equipment costs are eliminated and the positions are funded for a full year. The total special waste program General Fund cost will be \$605,100, which includes department overhead expenses.

The FY 1992 amount shown reflects a mid-year ex-appropriation of \$42,800. The approved FY 1993 amount includes \$4,000 (Personal Services, \$3,500; Employee Related Expenditures, \$500) for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$11,000. The approved amount contains \$34,600 for medical insurance and \$1,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount is based on the following line-item detail:

FTE Positions	<u>14.5</u>
Personal Services	\$378,900
Employee Related Expenditures	85,700
Professional & Outside Services	43,000
Travel - In State	11,700
Other Operating Expenditures	<u>85,800</u>
TOTAL-General Fund	<u>\$605,100</u>

Pollution Prevention Program - Chapter 315, 40th Legislature, 1st Regular Session provided a start-up General Fund appropriation of \$399,900 and created 15.5 FTE positions to begin the pollution prevention program in FY 1992. The appropriation shifts this cost to the Hazardous Waste Fund in FY 1993 and adds \$246,800 from the Hazardous Waste fund to annualize the program. Office set-up and capital equipment costs are eliminated and the positions are funded

(Continued)

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

for a full year. The total pollution prevention program cost is \$646,700, which includes department overhead costs. Chapter 315 imposed fees related to hazardous waste generation and management. These fees are to be deposited to the Hazardous Waste Fund. We estimate that revenues will be sufficient to support the entire program cost and to repay \$177,300 of the \$399,900 start-up appropriation.

The FY 1992 amount reflects a mid-year ex-appropriation of \$39,600. The approved FY 1993 amount includes \$4,200 (Personal Services, \$3,700; Employee Related Expenditures, \$500) for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$11,000. The approved amount contains \$40,500 for medical insurance and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount is based on the following line-item detail:

FTE Positions	<u>15.5</u>
Personal Services	\$442,800
Employee Related Expenditures	100,200
Travel - In State	13,500
Other Operating Expenditures	<u>90,200</u>
TOTAL - Hazardous Waste Fund	<u>\$646,700</u>

Aquifer Protection Permits - Chapter 280, 40th Legislature, 1st Regular Session appropriated 10 FTE positions from the Water Quality Assurance Revolving Fund (WQARF). The approved amount includes \$402,300 from the WQARF for these 10 positions, and shifts 12 existing APP positions and \$493,700 from the General Fund to the WQARF. The General Fund will continue to fund \$319,300 and 8 FTE positions for departmental overhead costs. The total WQARF amount is \$896,000 and 22 FTE positions. The approved amount includes \$2,300 (Personal Services, \$2,000; Employee Related Expenditures, \$300) from the General Fund and \$6,200 (Personal Services, \$5,500; Employee Related Expenditures, \$700) from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved General Fund amount contains \$33,000 for medical insurance and \$1,700 for dental insurance. The approved Other Appropriated Funds amount contains \$45,300 for medical insurance and \$2,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The total amount is based on the following line-item detail:

FTE Positions	<u>30.0</u>
Personal Services	\$ 839,600
Employee Related Expenditures	191,500
Travel - In State	20,200
Other Operating Expenditures	<u>164,000</u>
	\$ 319,300
TOTAL	<u>\$1,215,300</u>
Funding Sources:	
General Fund	\$319,300
WQARF	896,000

Used Oil - The approved amount adds 1 new FTE and \$46,400 from the Used Oil Fund, which was created last year, and shifts the existing General Fund used oil program position and \$37,700 to the Used Oil Fund. The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$4,100 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The total Used Oil Fund appropriation is for 2 FTE positions and \$84,100, as follows:

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

FTE Positions	<u>2.0</u>
Personal Services	\$44,300
Employee Related Expenditures	10,100
Travel - In State	3,600
Other Operating Expenditures	17,100
Equipment	<u>9,000</u>
TOTAL-Used Oil Fund	<u>\$84,100</u>

Air Quality Fee Fund - The approved amount of \$107,000 continues to fund 3 FTE positions in the Office of Air Quality from the Air Quality Fee Fund. The amount includes \$84,400 for Personal Services, \$19,300 for Employee Related Expenditures, and \$3,300 for Operating Expenditures. The approved amount includes \$800 (Personal Services, \$700; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,900 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Air Quality Permits Administration Fund - Chapter 283, 40th Legislature, 1st Regular Session created the Air Quality Permits Administration Fund consisting of fees and penalties related to air quality permits. The fund is to support permit processing and other program costs. The approved amount shifts 4 existing permit staff FTE positions and \$179,100 from the General Fund to the Permits Administration Fund, as follows: Personal Services, \$125,400; ERE, \$28,600; All Other Operating, \$25,100. This fund is now subject to appropriation. The approved amount includes \$1,100 (Personal Services, \$1,000; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$11,700 for medical insurance and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Taxation; Omnibus Reconciliation - Chapter 290 (S.B. 1340) - This act repeals the environmentally hazardous products license fee and, to replace the revenue source, the act would annually appropriate \$2.9 million from the General Fund to the WQARF. This appropriation was not addressed for FY 1993.

Solid Waste Program Amendments - Chapter 300 (H.B. 2060) - Among other provisions, this act reinstates a fee ceiling for mines that was repealed by Chapter 245 (H.B. 2073). The act provides that after July 1, 1993, interest earned on the Water Quality Assurance Revolving Fund shall be credited to that fund rather than to the General Fund. Also, new solid waste facilities are required to provide proof of financial responsibility.

Water Quality Fund; Aquifer Fees - Chapter 126 (S.B. 1271) - This act establishes ceilings on aquifer protection permit (APP) fees at \$16,000 per facility permit or \$25,000 per multi-facility site, and provides that the fees be deposited to the Water Quality Assurance Revolving Fund. It also specifies that cost recovery "shall include reasonable direct costs but shall not include indirect costs." Indirect costs are to be borne by the General Fund.

Lake Improvement; Aquifer Protection - Chapter 291 (S.B. 1366) - This act requires the director to deposit aquifer protection permit revenues in a separate account within the Water Quality Assurance Revolving Fund (WQARF) and subjects this account to appropriation. It expands the use of the WQARF to include issuing and annually registering aquifer protection permits. This act also subjects the Air Quality Permit Administration Fund to legislative appropriation.

(Continued)

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Water Quality Remedial Actions: Revolving Fund - Chapter 245 (H.B. 2073) - This act expands the allowable uses of the Water Quality Assurance Revolving Fund to include remedial action for emergencies that threaten the environment, not only waters. It allows the Department of Environmental Quality to recover community information costs related to clean-up sites. It allows the director to establish distinct site-related accounts and provides for environmental liens, among other changes related to cost recovery.

Comprehensive Air Quality Act - Chapter 299 (S.B. 1430) - The purpose of this act is to bring Arizona's air quality program into conformity with the Federal Clean Air Act Amendments of 1990. Among the provisions that affect the Department of Environmental Quality, this act authorizes the director to collect higher air quality permit fees and it establishes a fee for facility inspections. It expands the Air Quality Fee Fund uses to include the hazardous air pollutants research study, which the act requires, and to include permit program rule-making costs and the Hazardous Pollutants Control program. The act specifies that the Permit Administration Fund is to be used for "all reasonable direct and indirect costs" of the permit program, as well as for conducting facility inspections.

Tire Disposal - Chapter 331 (H.B. 2144) - This act shifts administration of the Waste Tire Fund from the Department of Environmental Quality to the Department of Revenue and reduces the quarterly transfer of funds to the Department of Environmental Quality from 5% to 3.5% of the Waste Tire Fund receipts.

Hazardous Waste Amendments - Chapter 201 (H.B. 2409) - This act authorizes the Department of Environmental Quality to recover plan and permit processing costs even when the application is denied. It clarifies other provisions that relate to fee assessment and to uses of the Special Waste Fund and Hazardous Waste Fund.

Used Oil Penalty - Chapter 33 (S.B. 1112) - This act clarifies that oil burners must pay penalties on both on-specification and off-specification oil, and that the penalties are to be paid quarterly.

Recycled Materials - Chapter 130 (S.B. 1287) - This act establishes a state recycled materials market development program in the Department of Commerce and requires that from 4% to 5% of the Recycling Fund receipts be transferred to the Department of Commerce for the new program's market development coordinator. Unused monies shall be returned to the Recycling Fund. Also, the act establishes recycling equipment tax credits.

Arizona Commission on Environmental Education - Chapter 278 (S.B. 1545) - This act establishes an independent 9-member Arizona Advisory Council on Environmental Education to coordinate and advance environmental education efforts in Arizona. It also establishes the Environmental Awareness Fund, to consist of gifts and contributions which the council may solicit. There is no appropriation and members of the council are not eligible to receive compensation.

State Lands Adjacent to Mines - Chapter 107 (S.B. 1053) - The purpose of this act is to establish a process for evaluating proposed state actions which may have constitutional takings implications. Once the Attorney General has adopted relevant guidelines as required, state agencies, including the Department of Environmental Quality, will have to assess any proposed new rules, permits, and regulatory or other actions which may be construed as takings. The agency must evaluate the possible costs and fund sources for compensation that may be due to private property rights holders.

DEPARTMENT OF HEALTH SERVICES - SUMMARY

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND AND OTHER APPROPRIATED FUNDS

FY 1991
Actual

FY 1992
Estimate

FY 1993
Approved

Program Summary

Office of the Director	9,860,300	10,411,900	11,841,400
EMS/Health Care Facilities	6,295,300	7,415,600	7,090,200
Disease Prevention Services	5,942,200	6,502,900	6,505,500
Family Health	12,395,600	27,728,900	29,152,500
Behavioral Health	104,335,500	143,985,700	157,929,700
Division of Lab Services	2,521,400	2,704,900	2,730,500
Lump Sum Reduction	-0-	-0-	(2,295,000)

TOTAL APPROPRIATIONS

141,350,300

198,749,900

212,954,800

Expenditure Detail

FTE Positions ^{1/}

1,670.9

1,717.7

1,706.8

Personal Services

33,425,600

36,398,500

38,909,100

Employee Related Exp.

8,306,400

10,108,500

10,598,700

Prof. & Outside Services

3,285,400

4,308,300

4,799,000

Travel - In State

311,900

478,300

517,200

Travel - Out of State

39,800

58,100

58,100

Other Operating Exp.

7,505,000

8,554,100

10,403,600

Food

765,000

1,129,400

790,900

Equipment

653,600

546,600

646,900

All Other Operating Exp.

12,560,700

15,074,800

17,215,700

Lump Sum Reduction

-0-

-0-

(2,295,000)

OPERATING SUBTOTAL

54,292,700

61,581,800

64,428,500 ^{2/}

Special Line Items ^{3/}

87,057,600

137,168,100

143,826,300 ^{243/}

Additional Appropriations ^{3/}

-0-

-0-

4,700,000

TOTAL APPROPRIATIONS

141,350,300

198,749,900 ^{57/}

212,954,800 ^{8/}

Fund Summary

General Fund	139,065,000	193,489,600	198,313,400
EMS Operating Fund	-0-	2,947,500	2,509,900
ASH Disproportionate Share Fd.	-0-	1,955,300	7,431,500
Special Revenue Fund	-0-	357,500	4,700,000

TOTAL APPROPRIATIONS

139,065,000

198,749,900

212,954,800

(See Footnotes on Following Page)

DEPARTMENT OF HEALTH SERVICES - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$403,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.4% was applied which reduces Personal Services by \$971,500.

Employee Related Expenditures - The approved amount includes \$62,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$4,379,000 for medical insurance and \$224,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Intra-Department Transfer of Licensure Positions - The approved amounts reflect the transfer of 4 FTE positions from the Behavioral Health program and 12 FTE positions from the Emergency Medical Services/Health Care Facilities program to the Office of the Director. The appropriation also reflects transferring 14 FTE positions from the Behavioral Health program to the Emergency Medical Services/Health Care Facilities program. The net cost is zero, however, the department believes that the new organization of the licensure function will enhance operations.

(Continued)

- 1/ The FTE Positions total includes 150 FTE positions in FY 1991, 172.4 FTE positions in FY 1992, and 56.6 FTE positions in FY 1993, funded in the special line items.
- 2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for certain programs and a lump sum for other programs. Details for the Special Line Items are included on the individual program pages.
- 3/ Details for the Special Line Items and Additional Appropriations are included on the individual program pages.
- 4/ A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the President of the Senate, the Speaker of the House of Representatives and the Director of the Joint Legislative Budget Committee by the 25th of the following month. The report shall include an estimate of (a) potential shortfalls in programs, (b) potential federal and other funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, (c) all associated administrative and operational expenditures, and (d) total expenditure authority of the month and year-to-date for CMI Services, Regional Residential/Psychiatric Beds, Children's Behavioral Health Services, Children's Behavioral Health State Match for Title XIX, Mental Health Services, Seriously Emotionally Handicapped Children, Substance Abuse Services, and Children's Rehabilitative Services. The report shall also contain detailed month and year-to-date expenditures for any expenditures made from special line items other than for the provision of services. (General Appropriation Act footnote)
- 5/ Notwithstanding Section 35-173, Subsection C, Arizona Revised Statutes, any transfer to or from the amounts appropriated for CMI Services, Regional Residential/Psychiatric Beds, Children's Behavioral Health Services, Children's Behavioral Health State Match for Title XIX, Mental Health Services, Seriously Emotionally Handicapped Children, Substance Abuse Services, Rural Obstetric Service, Children's Rehabilitative Services, AHCCCS - Children's Rehabilitative Services, Medical Malpractice/Obstetrical Services, and the Arizona poison control shall require approval of the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 6/ The expenditure detail for FY 1992 includes a \$357,500 reduction in the General Fund and a \$357,500 supplemental from the Special Revenue Fund, as well as a \$3,000,000 General Fund reduction to the Children's Rehabilitative Services program authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. A supplemental appropriation of \$4,530,900 is shown in the AHCCCS program for Children's Rehabilitative Services which combined with the \$3,000,000 reduction provided a \$1,530,900 supplemental, also authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 7/ Laws 1992, Chapter 4 (H.B. 2002) as passed by the Legislature included a \$717,200 agency wide lump sum reduction for FY 1992. The Governor line item vetoed that provision in order to fund 3 programs that the Legislature had specifically chosen not to fund: 1) The Governor's Corrective Action Plan for Children's Rehabilitative Services; 2) Capital design at the Arizona State Hospital; and 3) Computer upgrades for the business and contract section for Title XIX programs. The Governor also instructed the department to revert \$183,000, thus increasing funding by \$534,200. The Arizona Supreme Court in *Rios v. Symington* upheld the line item veto, but not the ordered reversion. Therefore, no reduction was made to the original appropriation.
- 8/ In addition to the amounts appropriated, earnings on state lands and interest on the investment of the permanent land funds are appropriated to the State Hospital in compliance with the Enabling Act and the Constitution. (General Appropriation Act footnote)

DEPARTMENT OF HEALTH SERVICES - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Transfer of Administrative Costs from Special Line Items to Above-the-Line - All FTE positions and operational costs in special line items were transferred to above-the-line with the exception of the EMS Operating Fund, the Transitional Living Unit, Health Effects Studies, and Chronic Disease Surveillance. The purpose of this transfer is to insure that special line items are only used for the provision of services and not for administrative costs which can obscure actual funded levels of service. The total amount transferred to above-the-line is 104.8 FTE positions and \$3,503,700. This transfer does not reduce actual program funding due to the fact that the amounts shown were already being expended as administrative costs on an annual basis.

The following table shows the number of FTE positions and dollars transferred from each special line item:

<u>Special Line Items</u>	<u>FTE Positions</u>	<u>Administrative Costs</u>
Newborn Intensive Care	7.0	\$267,600
CRS Services	9.3	442,900
Perinatal Care	0.5	12,400
Teen Prenatal Express	1.0	42,200
CRS Info. Referral System	1.0	52,100
EPSDT Administration	23.9	597,000
Children's Match (XIX)	5.0	225,600
Children's Behavioral Health	15.5	533,900
CMI Services	21.9	740,200
Mental Health Services	4.1	146,100
Substance Abuse	5.6	196,000
CMI Clozaril	1.0	36,100
Blood Alcohol Program	2.0	67,700
AHCCCS-CRS	<u>7.0</u>	<u>143,900</u>
TOTAL	<u>104.8</u>	<u>\$3,503,700</u>

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002) 9th Special Session - Appropriates \$2,000,000 from the Arizona State Hospital Disproportionate Share Payments Fund for renovation and repair of buildings at the Arizona State Hospital.

DEPARTMENT OF HEALTH SERVICES - OFFICE OF THE DIRECTOR

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND AND SPECIAL REVENUE FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	182.0	184.0	200.0
Personal Services	4,372,300	4,657,700	5,072,500
Employee Related Exp.	1,012,400	1,101,500	1,236,800
Prof. & Outside Services	405,200	723,300	723,300
Travel - State	22,000	40,600	46,300
Travel - Out of State	4,600	5,600	5,600
Other Operating Exp.	2,483,200	2,592,400	3,656,600
Equipment	282,600	126,000	126,000
All Other Operating Exp.	3,197,600	3,487,900	4,557,800
OPERATING SUBTOTAL	8,582,300	9,247,100	10,867,100
Relocate Vital Records	-0-	190,500	-0-
Direct Grants	578,000	578,000	578,000 ^{1/}
Reimbursement to Counties	700,000	396,300	396,300 ^{2/}
TOTAL APPROPRIATIONS	9,860,300	10,411,900	11,841,400 ^{3/}
Fund Summary			
General Fund	9,860,300	10,054,400	11,841,400
Special Revenue Fund	-0-	357,500	-0-
TOTAL APPROPRIATIONS	9,860,300	10,411,900	11,841,400

Personal Services - The approved amount includes \$48,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$95,000.

(Continued)

- 1/ The appropriation for Direct Grants is to provide for local health work and is to be divided equally among the 15 counties on a non-matching basis, with each county to employ 1 Public Health Nurse and 1 Sanitarian. All funds received by a county under this appropriation which are not used for the prescribed purposes shall revert to the state General Fund. (General Appropriation Act footnote)
- 2/ The \$296,300 appropriated for reimbursement to counties is to provide matching funds to counties for local health work on a 50-50 matching basis and shall be distributed in the following manner: \$174,790 of the funds shall be distributed to counties with populations of less than 500,000 persons on an equal per capita basis as determined by the latest federal decennial census. The distribution for counties with a population of more than 500,000 persons but less than 1,000,000 persons shall be \$57,750 and for counties with a population of over 1,000,000 persons shall be \$163,760.
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF HEALTH SERVICES - OFFICE OF THE DIRECTOR (Cont'd)
GENERAL FUND

The approved amount also reflects the transfer of 4 FTE positions from the Behavioral Health program and 12 FTE positions from the Emergency Medical Services/Health Care Facilities program to the Office of the Director in order to consolidate the licensing function.

Employee Related Expenditures - The approved amount includes \$6,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$523,500 for medical insurance and \$27,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,634,900 for risk management, \$114,600 for the Tucson State Office Building, and \$796,200 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). In addition to the \$796,200 of General Fund rent, the federal government will pay \$265,400 for the space occupied by federally-funded employees, for a total rent charge of \$1,061,600.

Relocate Vital Records - The relocation has been completed, and on-going costs of operating the new location have been transferred above-the-line.

**DEPARTMENT OF HEALTH SERVICES -
EMS/HEALTH CARE FACILITIES**

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	154.5	160.1	151.1
Personal Services	2,111,600	2,625,100	2,723,500
Employee Related Exp.	519,700	834,700	845,700
Prof. & Outside Services	64,800	84,500	84,500
Travel - In State	93,300	136,100	154,400
Travel - Out of State	4,500	11,200	11,200
Other Operating Exp.	626,200	776,500	761,000
Equipment	139,900	-0-	-0-
All Other Operating Exp.	928,700	1,008,300	1,011,100
OPERATING SUBTOTAL	3,560,000	4,468,100	4,580,300
Arizona Poison Control	450,000	450,000	450,000 ^{2/}
EMS Provider Contracts	381,200	400,000	316,000
State EMS Special Projects	144,900	200,000	158,000
Ambulance Replacement	142,100	150,000	118,500
EMSCOM Development	100,000	100,000	79,000
Emer. Med. Svcs. Oper. Fund	1,517,100	1,647,500	1,268,400
EMS Regional Coord. Sys.	-0-	-0-	120,000
TOTAL APPROPRIATIONS	6,295,300	7,415,600	7,090,200 ^{3/}
Fund Summary			
General Fund	4,010,000	4,468,100	4,580,300
EMS Operating Fund	2,285,300	2,947,500	2,509,900
TOTAL APPROPRIATIONS	6,295,300	7,415,600	7,090,200

GENERAL FUND

Personal Services - The approved amount includes \$28,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$53,900.

(Continued)

- ^{1/} The FTE Positions total includes 45 FTE positions in FY 1991, 43.6 FTE positions in FY 1992, and 32.6 FTE positions in FY 1993, funded in the Emergency Medical Services Operating Fund special line item.
- ^{2/} It is the intent of the Legislature that appropriated funds shall not be utilized to support any poison control center other than the one at the University of Arizona. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF HEALTH SERVICES - EMS/HEALTH CARE FACILITIES (Cont'd)
GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND

The approved amount also reflects the transfer of 12 FTE positions to the Office of the Director and the transfer of 14 FTE positions to this program from the Behavioral Health program. These transfers were made in order to consolidate the licensing functions as discussed in the agency summary. The net change from these transfers is a gain of 2 FTE positions to this program, however, 11 FTE positions were eliminated in the Emergency Medical Services Operating Fund line item.

Employee Related Expenditures - The approved amount includes \$4,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$430,400 for medical insurance and \$22,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

EMERGENCY MEDICAL SERVICES OPERATING FUND

Personal Services - The approved amount includes \$8,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$8,200. The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$88,100 for medical insurance and \$4,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Due to lower revenues to the Emergency Medical Services Operating Fund, a 23% across-the-board reduction from FY 1992 was made with the exception of the Arizona Poison Control and the EMS Regional Coordinating System. Eleven FTE positions were eliminated from the EMS Operating Fund line item.

Arizona Poison Control - Provides for a statewide system of poison information, education and treatment services. This program is conducted by the University of Arizona, College of Pharmacy, which also contributes financial support.

EMS Provider Contracts - Provides for contracts with emergency receiving facilities and ambulance services.

Ambulance Replacement - This item funds the upgrading of ambulance services in the rural areas, including the purchase of new ambulances and repair of ambulances.

EMS Special Projects - At the regional level, primary concern is with upgrading EMS training and documentation and evaluation of clinical performances of pre- and post-hospital phases of EMS delivery.

EMSCOM Development - Provides funding for replacement and upgrading of the central communications system components.

EMS Regional Coordinating System - Provides funding of \$30,000 for each of 4 local Regional Coordinating Councils for contracts with the state for coordination and provision of EMS programs.

**DEPARTMENT OF HEALTH SERVICES -
DISEASE PREVENTION SERVICES**

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	77.0	76.0	76.0
Personal Services	1,618,200	1,680,800	1,688,500
Employee Related Exp.	378,700	429,700	420,000
Prof. & Outside Services	71,700	121,500	121,500
Travel - In State	50,300	76,600	76,600
Travel - Out of State	6,100	18,000	18,000
Other Operating Exp.	381,100	463,700	465,500
Equipment	15,500	61,200	61,200
All Other Operating Exp.	524,700	741,000	742,800
OPERATING SUBTOTAL	2,521,600	2,851,500	2,851,300
TB Provider Hospital Care	793,300	873,300	873,300
Sex Transmitted Disease Control	67,900	76,800	76,800
Aids Report/Surveillance	104,400	125,000	125,000
Vaccines	2,125,100	2,125,100	2,125,100
Kidney Program	100,000	100,000	100,000
Health Effects Studies	89,500	158,000	159,100
Chronic Disease Surveillance	140,400	193,200	194,900
TOTAL APPROPRIATIONS	5,942,200	6,502,900	6,505,500 ^{2/}

Personal Services - The approved amount includes \$16,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$25,700.

Employee Related Expenditures - The approved amount includes \$2,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$170,400 for medical insurance and \$8,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The FTE Positions total includes 6 FTE positions funded in the Chronic Disease Surveillance special line item and 4 FTE positions in the Health Effects Studies special line item for FY 1991 through FY 1993.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF HEALTH SERVICES - DISEASE PREVENTION SERVICES (Cont'd)
GENERAL FUND

Tuberculosis Provider Hospital Care and Tuberculosis Control Subventions - Provides for reimbursement to contract hospitals and physicians for the care of hospitalized tuberculosis patients, and for assistance to all county health departments for local tuberculosis control programs.

Kidney Program - Provides for reimbursement to provider hospitals and licensed dialysis centers of costs for transportation and medications for patients ineligible for public assistance.

Sexually Transmitted Disease Control Subventions - Provides assistance to local venereal disease control programs.

AIDS Reporting/Surveillance - Provides a data base system to control the spread of AIDS and AIDS related conditions.

Vaccines - Provides funding for the purchase of vaccines for the state immunization program.

Health Effects Study - West - Provides support to investigate areas where reported adverse health effects have occurred and collect environmental samplings used to identify possible source of exposure.

The approved amount includes \$1,100 (Personal Services, \$1,000; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$9,500 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Chronic Disease Surveillance - Operates chronic disease registries and conducts surveillance programs to determine rates, distribution, and factors influencing chronic diseases.

The approved amount includes \$1,700 (Personal Services, \$1,500; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$14,500 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	102.0	85.7	85.7
Personal Services	1,764,900	1,578,200	2,219,300
Employee Related Exp.	415,800	384,800	517,900
Prof. & Outside Services	128,900	118,800	236,100
Travel - In State	66,000	94,700	96,700
Travel - Out of State	3,000	2,700	2,700
Other Operating Exp.	374,600	353,800	433,500
Equipment	-0-	5,000	3,000
All Other Operating Exp.	572,500	575,000	772,000
OPERATING SUBTOTAL	2,753,200	2,538,000	3,509,200
Adult Cystic Fibrosis	212,600	221,400	221,400
Adult Sickle Cell Anemia	17,300	69,400	69,400
Information/Referral Services	50,700	52,100	-0-
Children's Rehabilitative Services	5,836,700	7,521,400	9,390,000 ^{1/}
AHCCCS - CRS	-0-	9,001,100	8,308,400 ^{1/}
Newborn Intensive Care	2,387,500	5,153,500	4,385,900
Perinatal Care Services	205,800	269,400	257,000
Teen Prenatal Express	561,500	1,072,500	1,081,100
Rural Obstetric Services	73,200	195,000	195,000
Medical Malpractice/Obstetrical	-0-	205,000	205,000
Nutrition Subventions	297,100	330,100	330,100
Prenatal Outreach	-0-	100,000	200,000
WIC Supplemental	-0-	1,000,000	1,000,000
TOTAL APPROPRIATIONS	12,395,600	27,728,900	29,152,500 ^{2/}

Personal Services - The approved amount includes \$21,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$24,200.

The approved amounts reflect the transfer of 25.8 FTE positions and \$961,100 in administrative costs from special line items to above-the-line.

Employee Related Expenditures - The approved amount includes \$2,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$197,800 for medical insurance and \$10,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The amounts appropriated for Children's Rehabilitative Services, AHCCCS-Children's Rehabilitative Services, and for federal expenditure authority in the AHCCCS program are intended to cover all indirect, fixed contract, fee-for-services costs, and all other costs of the Children's Rehabilitative Services program in full, unless a transfer of funds is approved by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH (Cont'd)
GENERAL FUND

Adult Cystic Fibrosis - Provides care and treatment services for adult residents of the state suffering from cystic fibrosis.

Adult Sickle Cell Anemia - Provides funding for adults suffering from sickle cell anemia.

Information/Referral - Funding for this program was transferred to above-the-line.

Children's Rehabilitative Services (CRS) - CRS provides comprehensive health care to children suffering from handicapping or potentially handicapping conditions. The goal of the program is to provide early diagnosis and treatment including surgical intervention to prevent or substantially ameliorate medical conditions which, if left untreated, would lead to permanent handicaps. Additionally, the program strives, through rehabilitative medical care, to improve the health and quality of life for children suffering from non-preventable handicaps. In addition, the AHCCCS - CRS line item provides state match for federal Title XIX eligible children. This program was transferred from the Arizona Health Care Cost Containment System (AHCCCS) in FY 1992.

Overall, the state General Fund has provided an additional \$2,969,100 of increased funding for the Children's Rehabilitative Services (CRS) program. When coupled with the estimated federal financial participation (FFP) for AHCCCS eligible children, the total available for this program is \$29 million. The following table depicts the change from FY 1992.

	<u>FY 1992</u>	<u>FY 1993</u>	<u>Change</u>
CRS	7,521,400	9,390,000	1,868,600
CRS AHCCCS - State Match	9,001,100	8,308,400	(692,700)
CRS AHCCCS - FFP	9,530,900	10,737,300	1,206,400
Transferred to Above-the-Line	-0-	586,800	586,800
TOTAL	<u>26,053,400</u>	<u>29,022,500</u>	<u>\$2,969,100</u>

The table includes the transfer of administrative costs to above-the-line, a supplemental appropriation of \$1,500,000 in FY 1992, and increased FFP.

The CRS program has claims presented for payment following the June 30th end of each fiscal year. This extension of bills into the next year is commonly referred to as the "tail". In FY 1991 and FY 1992, the department did not allocate sufficient resources to adequately pay for this "tail", and supplemental appropriations were made by the Legislature. For FY 1993, it is the intent of the Legislature that the department properly allocate funding to pay for this "tail" and all other program requirements. In other words, the department must manage the program within the appropriation, including the payment of the "tail". The Legislature expressed this intent directly in the General Appropriation Act footnote referred to on the first page of this program section.

Newborn Intensive Care - Provides for transport to and care for newborns in intensive care centers. The approved amount reflects a decrease of \$500,000. This program has experienced large end of year revertments and the FY 1993 agency expenditure plans did not reflect a requirement for the \$500,000 that was reduced. The approved amount also reflects the transfer of 7 FTE positions and \$267,600 in administrative costs to above-the-line.

Perinatal Health Care - Provides funding for adequate prenatal care for women with incomes below the federal poverty level, but above the Arizona Health Care Cost Containment System (AHCCCS) eligibility cutoff. The approved amount reflects the transfer of 0.5 FTE positions and \$12,400 in administrative costs to above-the-line.

Teen Prenatal Express Program - Provides funding for prenatal care, hospital delivery and nursing case management for low income pregnant adolescents not enrolled in AHCCCS. This program is a component of the Perinatal Health Care Program. The approved amount reflects the transfer of 1 FTE position and \$42,200 in administrative costs to above-the-line.

Rural Obstetrical Services - Provides annual financial assistance for physicians performing obstetrical services in underserved areas of the state as determined by the department.

(Continued)

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH (Cont'd)
GENERAL FUND

Medical Malpractice/Obstetrical - Provides financial assistance to physicians and non-profit, community based, non-hospital affiliated primary care clinics performing obstetrical services in federally designated underserved areas in the state.

Nutrition Subventions - Provides support to counties participating in the Nutritional Assessment Program, which provides screening, education, counseling and referrals to persons identified as needing nutrition services.

Prenatal Outreach - Provides funding to assist health workers in identifying high risk (low-income, minority and teen) pregnant women and assisting them in obtaining prenatal care early in their pregnancies. Funding for this program was doubled to offset the loss of one-time private contributions in FY 1992.

WIC Supplemental - Provides \$1,000,000 of state funding to supply nutritious foods to high risk pregnant and lactating women, infants and children up to their fifth birthday. This is in addition to an estimated \$30,172,000 of federal funding for this program.

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH
A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

**GENERAL FUND AND ASH
DISPROPORTIONATE SHARE FUND**
**FY 1991
Actual**
**FY 1992
Estimate**
**FY 1993
Approved**

FTE Positions ^{1/}	1,095.4	1,151.9	1,134.0
Personal Services	22,043,800	24,338,500	25,633,300
Employee Related Exp.	5,619,000	6,960,000	7,162,900
Prof. & Outside Services	2,608,600	3,253,200	3,626,500
Travel - State	60,500	108,600	120,900
Travel - Out of State	14,800	15,000	15,000
Other Operating Exp.	3,190,300	3,885,200	4,583,300 ^{2/}
Food	765,000	1,129,400	790,900
Equipment	52,200	150,000	252,300
All Other Operating Exp.	6,691,400	8,541,400	9,388,900
OPERATING SUBTOTAL	34,354,200	39,839,900	42,185,100
Mental Health Services	9,603,700	9,965,300	9,745,300
Substance Abuse	12,537,400	13,145,500	13,357,100
Transitional Living Unit	351,800	395,300	399,400
Regional Resid./Psych. Beds	3,725,900	5,713,500	5,713,500 ^{3/}
Children's Behavioral Health Services	18,500,100	12,961,300	12,288,800
Serious Emotionally Handicapped Children	-0-	4,332,200	4,332,200
Children's Behavioral Health State Match for Title XIX	-0-	6,768,900	6,543,300
EPSDT-DES	-0-	1,038,000	1,038,000 ^{4/}
Chronically Mentally Ill Services	21,511,600	39,539,000	52,414,100
CMI Medications	1,300,000	2,415,000	2,535,800
Geriatric Residential Beds	-0-	-0-	2,190,000
CMI Clozaril Program	-0-	500,000	487,100
CMI Pilot Program	1,782,200	6,125,000	-0-
EPSDT Administration	668,600	746,800	-0-
Drug Abuse Waiting List	-0-	500,000	-0-
TOTAL	104,335,500	143,985,700	153,229,700 ^{5/6/}
Additional Appropriations -			
40th Leg., 2nd Reg. Session			
AHCCCS; Dispro. Share, Ch. 292	-	-0- ^{7/}	-0- ^{7/}
Health Care Financing, Ch. 287	-	-0-	4,700,000
TOTAL APPROPRIATIONS	104,335,500	143,985,700	157,929,700
Fund Summary			
General Fund	104,335,500	142,030,400	145,798,200
ASH Disproportionate Share Fund	-0-	1,955,300	7,431,500
Special Revenue Fund	-0-	-0-	4,700,000
TOTAL APPROPRIATIONS	104,335,500	143,985,700	157,929,700

(See Footnotes on Following Page)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND AND ASH DISPROPORTIONATE SHARE FUND

Personal Services - The approved amount includes \$273,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$749,500.

The approved amounts include the transfer of 77 FTE positions and \$2,474,900 in administrative costs from special line items to above-the-line.

The approved amount also reflects the transfer of 4 FTE positions from the Behavioral Health program to the Office of the Director, and 14 FTE positions from the Behavioral Health program to the Emergency Medical Services/Health Care Facilities program in order to consolidate the licensing function.

Employee Related Expenditures - The approved amount includes \$43,800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$2,902,500 for medical insurance and \$148,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Mental Health Services - The approved amount provides funding for Mental Health Services for non-Chronically Mentally Ill (CMI) adults. These services tend to be more acute than the CMI program and are not included in the Title XIX program. The approved amount also includes the transfer of 4.1 FTE positions and \$146,100 in administrative costs to above-the-line.

Substance Abuse - The approved amount provides funding for drug and alcohol abuse services throughout the state. The approved amount includes the amount formerly shown under "Drug Abuse Waiting List" and the transfer of 5.6 FTE positions and \$196,000 in administrative costs to above-the-line.

Transitional Living Unit - Provides funding for graduated steps of care between the hospital treatment unit and the living situation in the community. This program is currently located on the grounds of the Arizona State Hospital.

(Continued)

- 1/ The FTE Positions total includes 88 FTE positions in FY 1991, 91 FTE positions in FY 1992, and 14 FTE positions in FY 1993, funded in the special line items.
- 2/ The amount shown reflects a reduction of \$152,700 made by Laws 1992, Chapter 301, (S.B. 1502). This amount was transferred to the AHCCCS program for implementation costs of this legislation.
- 3/ The amount appropriated for Children's Behavioral Health Services shall be used to provide services for non-Title XIX eligible children. The amount shall not be used to pay for either federally or non-federally-reimbursed services for Title XIX eligible children, unless a transfer of monies is approved by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 4/ Of the amount appropriated for Chronically Mentally Ill Services, an amount not to exceed \$500,000 shall be used to upgrade the behavioral health management information systems. The management information system shall be upgraded to provide information on all populations being served, by funding source, by category of referral, and shall record all services provided by major category. The system shall also be upgraded to include all data necessary for comprehensive management of chronically mentally ill services. The system may include revised contract requirements with regional administrative entities and community providers to insure timely, standardized and adequate data collection and reporting. The management information system shall be updated to satisfy these requirements by June 30, 1993. (General Appropriation Act footnote)
- 5/ In addition to the amounts appropriated, earnings on state lands and interest on the investment of permanent land funds are appropriated to the State Hospital in compliance with the Enabling Act and the Constitution. (General Appropriation Act footnote)
- 6/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Operating Exp." are shown for information only.
- 7/ Chapter 292 appropriated \$2,128,800 in FY 1992 and \$1,955,300 in FY 1993 from the General Fund to the Arizona State Hospital Disproportionate Share Payment Fund. When combined with federal funds, these monies have been appropriated from the ASH Disproportionate Share Payment Fund to offset DHS' General Fund appropriation. (See Additional Appropriations Section for further discussion)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND AND ASH DISPROPORTIONATE SHARE FUND

The approved amount includes \$4,100 (Personal Services, \$3,500; Employee Related Expenditures, \$600) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$44,600 for medical insurance and \$2,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Regional Residential Psychiatric Beds - The approved amount includes funding for the regional beds program which is designed to provide more appropriate use of funds and reduce growth in the Arizona State Hospital (ASH) census by developing secure residential/ inpatient alternatives in local areas.

Children's Behavioral Health Delivery System (CBHDS) - The funding provided by the special line items shown below represents the appropriations for the CBHDS. The goal of these programs is to provide comprehensive behavioral health care to all eligible children.

The following chart depicts funding for this program:

Children's Behavioral Health Services These funds provide for prevention programs and for treatment of Non-Title XIX eligible children.	12,288,800
Seriously Emotionally Handicapped Children These funds provide for a portion of the cost of residential treatment and educational services for children referred by school districts. Funding is also provided for this program through the State Department of Education and local school districts.	4,332,200
Children's Match XIX This is the General Fund portion for providing treatment to Title XIX eligible children.	6,543,300
EPSDT-DES EPSDT is short for Early Periodic Screening, Diagnosis and Treatment, and is synonymous with Title XIX Children's Behavioral Health. The EPSDT-DES line item provides funding for the state portion of costs for Title XIX eligible children referred from the Department of Economic Security (DES).	1,038,000
AHCCCS-EPSDT-Federal This is the estimated amount of federal funds that will be received for providing treatment to Title XIX eligible children.	<u>18,905,200</u>
TOTAL	<u>\$43,107,500</u>

The total expenditures on children's behavioral health programs by the state may actually approach or exceed \$50 million in FY 1993. In addition to the amounts shown above, \$2,862,900 is appropriated to AHCCCS for EPSDT pharmaceutical and lab services. The Courts, the Department of Youth Treatment and Rehabilitation and the Department of Economic Security also expend funds for children's behavioral health services. In addition, the numbers shown above reflect only service costs, while there are substantial administrative expenses.

The department receives claims for payment after the June 30th end of each fiscal year. This extension of bills into the next year is commonly referred to as the "tail". The department estimated in June of 1992 that FY 1992 expenditures

(Continued)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND AND ASH DISPROPORTIONATE SHARE FUND

for Children's Title XIX State Match would approach \$13 million, although less than \$7 million had been appropriated for that purpose. The department attributed this large cost overrun to three factors:

- Higher caseload controls and monitoring
- Inadequate contract controls and monitoring
- Overutilization of hospitalization

The Joint Legislative Budget Committee approved a transfer of \$1.3 million dollars from various Personal Services and Employee Related Expenditures line items, while the Legislature enacted Chapter 287, (S.B. 1144), (discussed below), which allows the first \$4.7 million recovered from administrative entities to be expended for FY 1992 claims. Chapter 287 allows the department to use any recoveries in excess of \$4.7 million for Children's Title XIX State Match claims in FY 1993, however, it is unlikely that recoveries will be over \$4.7 million. The FY 1993 appropriation was not adjusted following the supplemental appropriations for FY 1992.

Chronically Mentally Ill (CMI) Funding - CMI, or Seriously Mentally Ill (SMI) are used interchangeably to describe a population of patients that have more serious and persistent mental illness than those funded through the Mental Health Services line item. With passage of S.B. 1502, described below, these programs will become Title XIX eligible in FY 1993, and will receive matching federal funds for covered services of eligible clients. CMI funding is divided into several special line items.

The following table depicts state expenditures and estimated federal revenue only. The counties also expend considerable funds for CMI treatment, however, these amounts are not shown.

Chronically Mentally Ill Services	52,414,100
These funds are used to provide treatment to both Title XIX and Non-Title XIX adults that enter the state mental health system.	
CMI Medications	2,535,800
This funding is exclusively for psychotropic and other required medication for CMI clients.	
Geriatric Residential Beds	2,190,000
The funding provides 30 community residential geriatric treatment beds in order to reduce the census of ASH.	
Regional Resid./Psych. Beds	5,713,500
The funding provides for residential treatment beds in order to reduce the census at ASH.	
CMI Clozaril Program	487,100
Provides funding for CMI patients to receive Clozaril and the required periodic blood testing.	
AHCCCS-Adult Mental Health - Federal	<u>20,000,000</u>
This is the estimated amount of federal funds that will be received for providing treatment to Title XIX eligible adult CMI clients. The amount assumes an October 1, 1992 implementation date.	
TOTAL	<u>83,340,500</u>

(Continued)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND AND ASH DISPROPORTIONATE SHARE FUND

In addition to the amounts shown in the table, the state also expends funds for administrative costs and for the Transitional Living Unit, the Arizona State Hospital, and the Southern Arizona Mental Health Center which provide some services to CMI clients.

Funding for FY 1993 was increased by \$10,000,000 in state funds and an estimated \$20,000,000 in federal funds.

CMI Pilot Program - Funding for this program was combined into the Chronically Mentally Ill Services line item.

EPSDT Administration - Funding for this line item was transferred to above-the-line.

Drug Abuse Waiting List - Funding for this line item was combined into the Substance Abuse line

Geriatric Residential Beds - The approved amount is for 30 community geriatric psychiatric treatment beds. These beds are funded in order to reduce the census at the Arizona State Hospital by moving some geriatric patients into community care.

CMI Clozaril Program - The approved amount is for the purchase of Clozaril and lab services for treatment of persistent debilitating mental illness which has resisted other psychotropic therapy treatments. Lab expenses are incurred because treatment with Clozaril requires frequent blood testing and monitoring. The administrative costs are shown above-the-line starting with FY 1993. The approved amount reflects the transfer of 1 FTE position and \$36,100 in administrative costs to above-the-line.

ADDITIONAL APPROPRIATIONS

AHCCCS, Disproportionate Share Payments - Chapter 292 (S.B. 1122) - The legislation implements the disproportionate share plan for the State of Arizona. This allows the state to receive additional federal matching funds for hospitals that have a disproportionately high percentage of poor clients. The Arizona State Hospital (ASH) qualifies for these payments, and an Arizona State Hospital Disproportionate Share Payment Fund (DSF) was established by Laws 1991, Chapter 3, 4th Special Session to receive both the General Fund share and federal share of payments. Monies are then appropriated from the DSF to the Department of Health Services (DHS) for the operation, maintenance, and capital needs of ASH. The following table depicts the appropriations to and from the DSF for FY 1992 and FY 1993.

	<u>Change</u>	<u>DSF Balance</u>
<u>FY 1992</u>		
General Fund to DSF	2,128,800	2,128,800
Federal Payment to DSF	3,564,600	5,693,400
Less: Appropriations to DHS ^{1/}	(1,955,300)	3,738,100
<u>FY 1993</u>		
General Fund to DSF	1,942,000	5,680,100
Federal Payment to DSF	3,751,400	9,431,500
Less: Appropriation for Capital Imp. at ASH	(2,000,000)	7,431,500
Less: Appropriation for ASH Operations	(7,431,500)	-0-

^{1/} DHS was required to revert \$1,955,300 from their FY 1992 General Fund operating appropriation. Therefore this appropriation balances out the equal reversionment, and zero is shown on the program summary for the net impact in FY 1992.

Health Care Financing - Chapter 287 (S.B. 1144) - The legislation requires monies recovered by the Department of Health Services from the administrative entities to be deposited into the Department of Health Service's Special Revenue Fund (SRF). The act also appropriates the first \$4.7 million recovered for use as payment of the state share for Title XIX Children's Behavioral Health Services in FY 1992, subject to the availability of sufficient funds in the

(Continued)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND AND ASH DISPROPORTIONATE SHARE FUND

SRF. Monies recovered in excess of the first \$4.7 million are appropriated for the state match for Title XIX Children's Behavioral Health Services in FY 1993. The act also raises the expenditure authority for the AHCCCS program for EPSDT Mental Health by \$14 million in FY 1992 and \$2 million in FY 1993 to allow the additional federal match to be expended. Due to the Governor's signing of this act following the end of FY 1992 and without an emergency enactment, the appropriation is shown in FY 1993, although the expenses were incurred in FY 1992.

ADDITIONAL LEGISLATION

Mental Health Services - Chapter 301 (S.B. 1502) - Extends federal Title XIX coverage to adult mental health services starting October 1, 1992, extends EPSDT services to 18-20 year olds, and extends Title XIX coverage to Arizona Long Term Care System (ALTCs) clients 65 years of age or older beginning February 1, 1993. The legislation allows the effected agencies to extend the October 1, 1992 date to February 1, 1993, and the February 1, 1993 date to July 1, 1993. The bill also makes technical corrections, changes "chronically mentally ill" to "seriously mentally ill", and changes the title of the Assistant Director of Behavioral Health to Deputy Director.

The legislation also reduced the CMI Services line item in the Department of Health Services FY 1993 appropriation by \$152,700. An equal amount was then added to the AHCCCS program budget for implementation costs of the legislation in FY 1993.

S.B. 1502 is not expected to have a significant General Fund impact in FY 1993. However, the JLBC Staff completed a fiscal note which estimates General Fund costs for FY 1994 to be between \$2.5 and \$37.6 million, and for FY 1995 between \$16.8 and \$58.3 million. The Department of Health Services (DHS) on the other hand has stated that there will be no additional cost in those fiscal years. The primary differences between the JLBC Staff estimate and the DHS estimate are that the JLBC Staff:

- Includes additional population growth of 2,500 new Title XIX clients per year for 3 years due to the "woodwork effect" of new entitlement programs.
- Estimates cost per client at or above current costs.
- Has reflected the increase of services required to meet the Arnold vs. Sarn requirements.

The DHS estimate:

- Includes no growth in population.
- Includes a significant reduction in cost per client.
- Did not factor in Arnold vs. Sarn requirements.

Therefore, the actual cost of S.B. 1502 will be determined primarily by which assumptions prove to be closest to actual experience.

**DEPARTMENT OF HEALTH SERVICES -
DIVISION OF LAB SERVICES**

A.R.S. § 36-103

Alethea Caldwell, Director

JLBC Analyst: Blanton/Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	60.0	60.0	60.0
Personal Services	1,514,800	1,518,200	1,572,000
Employee Related Exp.	360,800	397,800	415,400
Prof. & Outside Services	6,200	7,000	7,100
Travel - In State	19,800	21,700	22,300
Travel - Out of State	6,800	5,600	5,600
Other Operating Exp.	449,600	482,500	503,700
Equipment	163,400	204,400	204,400
All Other Operating Exp.	645,800	721,200	743,100
OPERATING SUBTOTAL	2,521,400	2,637,200	2,730,500
Blood and Alcohol Program	-0-	67,700	-0-
TOTAL APPROPRIATIONS	2,521,400	2,704,900	2,730,500 ^{2/}

Personal Services - The approved amount includes \$14,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$23,200.

Employee Related Expenditures - The approved amount includes \$2,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$154,400 for medical insurance and \$7,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Blood and Alcohol Program - The 2 FTE positions and all costs of this program were moved to above-the-line and this special line item was deleted.

^{1/} The FTE Positions total includes 2 FTE positions in FY 1992 funded in the Blood and Alcohol special line item.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

ARIZONA COUNCIL FOR THE HEARING IMPAIRED

A.R.S. § 36-1941

Stewart R. Brackney, Executive Director

JLBC Analyst: de la Rosa

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	5.0	5.0	5.0
Personal Services	133,100	133,100	134,300
Employee Related Exp.	30,700	33,800	30,400
Prof. & Outside Services	5,500	8,100	8,100
Travel - In State	2,100	3,000	3,000
Travel - Out of State	700	2,000	2,000
Other Operating Exp.	22,900	23,000	23,000
All Other Operating Exp.	31,200	36,100	36,100
Lump Sum Reduction	-0-	-0-	(2,000)
TOTAL APPROPRIATIONS	195,000	203,000	198,800 ^{1/}

Personal Services - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$13,000 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional & Outside Services - The approved amount contains \$2,700 for interpreters, \$1,400 for lecture fees, and \$4,000 for council member travel.

Other Operating Expenditures - The approved amount contains \$500 for risk management.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ARIZONA COMMISSION OF INDIAN AFFAIRS

A.R.S. § 41-541

Tony Machukay, Executive Director

JLBC Analyst: de la Rosa

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	101,500	111,100	98,600
Employee Related Exp.	24,900	27,700	22,300
Prof. & Outside Services	-0-	-0-	-0-
Travel - In State	7,900	7,100	7,000
Travel - Out of State	200	-0-	-0-
Other Operating Exp.	14,700	13,900	29,600
Equipment	9,700	-0-	-0-
All Other Operating Exp.	32,500	21,000	36,600
Lump Sum Reduction	-0-	-0-	(1,600)
TOTAL APPROPRIATIONS	158,900	159,800	155,900 ^{1/}

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes a decrease of \$13,500 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$9,100 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Travel - In State includes a decrease of \$100. The reduction was made to bring the agency in line with actual expenditures. The approved amount for Other Operating Expenditures contains \$500 for risk management and \$15,700 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

PIONEERS' HOME

A.R.S. § 41-921

Doris Marlowe, Superintendent

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	110.0	107.4	107.4
Personal Services	2,007,600	2,033,300	2,062,100
Employee Related Exp.	600,000	598,300	616,600
Food	219,700	-0-	-0-
Lump Sum Reduction	-0-	-0-	(53,000)
TOTAL APPROPRIATIONS	2,827,300	2,631,600 ^{1/}	2,625,700 ^{2/3/}

Personal Services - The approved amount includes \$26,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$42,000, which is a \$19,200 greater reduction than the FY 1992 vacancy savings. In addition, the appropriation includes a \$21,800 restoration for the FY 1992 ex-appropriation.

Employee Related Expenditures - The approved amount includes \$4,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$27,900 for medical insurance and \$14,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Food - FY 1992 and FY 1993 food expenditures are funded through the Pioneers' Home Charitable Endowment Fund.

Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

- ^{1/} The expenditure detail for FY 1992 includes a \$21,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} In addition to the amounts appropriated, earnings on state lands and interest on the investment of the permanent land funds are appropriated for the Pioneers' Home and the hospital for disabled miners in compliance with the Enabling Act and the Constitution. (General Appropriation Act footnote)

ARIZONA RANGERS' PENSIONS		A.R.S. § 41-951	
		JLBC Analyst: de la Rosa	
GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Arizona Rangers' Pension	<u>8,800</u>	<u>9,200</u>	<u>9,500</u>
TOTAL APPROPRIATIONS	<u><u>8,800</u></u>	<u><u>9,200</u></u>	<u><u>9,500</u></u> ^{1/}

The appropriation includes a 3.5% adjustment for inflation, as per the provisions of A.R.S. § 41-951(B). The pension for the remaining sole survivor is \$792 per month.

^{1/} Represents General Appropriation Act funds.

ARIZONA VETERANS' SERVICE COMMISSION - SUMMARY

A.R.S. § 41-602

Norman O. Gallion, Director

JLBC Analyst: Siegwarth

GENERAL FUND AND VETERANS' GUARDIANSHIP FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Veterans' Affairs	807,600	739,800	757,700
Veterans' Conservatorship	340,300	386,200	391,000
General Fund Lump Sum Reduction	-0-	-0-	(7,100)
TOTAL APPROPRIATIONS	1,147,900	1,126,000	1,141,600
<u>Expenditure Detail</u>			
FTE Positions	34.0	34.0	35.0
Personal Services	641,900	674,200	715,800
Employee Related Exp.	167,000	177,200	187,700
Prof. & Outside Services	200	-0-	-0-
Travel - In State	21,700	25,600	27,500
Travel - Out of State	4,400	2,600	5,800
Other Operating Exp.	178,700	179,400	167,800
Equipment	11,300	7,000	4,100
All Other Operating Exp.	216,300	214,600	205,200
General Fund Lump Sum Reduction	-0-	-0-	(7,100)
OPERATING SUBTOTAL	1,025,200	1,066,000	1,101,600
Special Line Items ^{1/}	122,700	60,000	40,000
TOTAL APPROPRIATIONS	1,147,900	1,126,000	1,141,600 ^{2/}
<u>Fund Summary</u>			
General Fund	807,600	739,800 ^{3/}	750,600
Veterans' Guardianship Fund	340,300	386,200	391,000
TOTAL APPROPRIATIONS	1,147,900	1,126,000	1,141,600

(Continued)

- ^{1/} Details for the Special Line Items are included on the individual program pages.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.
- ^{3/} The expenditure detail for FY 1992 includes a \$12,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

ARIZONA VETERANS' SERVICE COMMISSION - SUMMARY (Cont'd)
GENERAL FUND AND VETERANS' GUARDIANSHIP FUND

Personal Services - The approved amount includes \$5,200 from the General Fund and \$3,500 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$700 from the General Fund and \$500 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$53,300 for medical insurance and \$2,700 for dental insurance. The approved Other Appropriated Funds amount contains \$36,400 for medical insurance and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

General Fund Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the General Fund operating budget.

ARIZONA VETERANS' SERVICE COMMISSION - VETERANS' AFFAIRS

A.R.S. § 41-602

Norman O. Gallion, Director

JLBC Analyst: Siegwarth

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	20.0	20.0	21.0
Personal Services	425,400	424,200	462,300
Employee Related Exp.	106,700	106,300	116,600
Prof. & Outside Services	200	-0-	-0-
Travel - In State	16,800	19,900	21,800
Travel - Out of State	3,400	2,600	5,800
Other Operating Exp.	121,100	119,800	107,100
Equipment	11,300	7,000	4,100
All Other Operating Exp.	152,800	149,300	138,800
OPERATING SUBTOTAL	684,900	679,800	717,700
Veterans' Organization Contracts	36,300	40,000	40,000
Veterans' Cemetery Fund	86,400	20,000	-0-
TOTAL APPROPRIATIONS	807,600	739,800 ^{1/}	757,700 ^{2/}

FTE Positions - The approved amount reflects 1 additional FTE position, a Veterans' Service Officer, and \$21,100 due to caseload growth.

Personal Services - The approved amount includes \$5,200 for the general salary adjustment effective April 1, 1993 and \$15,900 for the new FTE position. The additional increase of \$17,000 reflects the restoration of the ex-appropriation of \$12,000, the restoration of an internal transfer out of \$9,000 to Other Operating Expenditures in FY 1992, and a \$4,000 base reduction as a result of newly hired personnel coming in at lower wages. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$53,300 for medical insurance and \$2,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. This approved amount does not include an internal transfer out of \$2,500 to Other Operating Expenditures in FY 1992.

Travel - In State - The approved amount includes \$400 for the new FTE position. The approved amount does not include an internal transfer out of \$1,500 to Other Operating Expenditures in FY 1992.

Travel - Out of State - The approved amount does not include an internal transfer out of \$3,200 to Other Operating Expenditures in FY 1992.

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$12,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

ARIZONA VETERANS' SERVICE COMMISSION - VETERANS' AFFAIRS (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount contains \$3,500 for risk management and \$10,800 for rent in the Tucson State Office Building, which is an increase of \$2,700. The approved amount also includes \$41,800 for private lease space and an increase of \$800 for the new FTE position. The approved amount does not include an internal transfer in of \$16,200 in FY 1992.

Equipment - The approved amount provides partial funding for the department's 3-year automation plan.

Veterans' Organization Contracts - Provides funding for contracts with Arizona Veterans' organizations that hold charters granted by Congress for the beneficial interest of veterans (A.R.S. § 41-603.A).

Veterans' Cemetery Fund - The final payment for conveyance of the Arizona Veterans' Cemetery to the U.S. National Cemetery System was made in FY 1992. Laws 1989, Chapter 29 (H.B. 2046) authorized conveyance to the U.S. National Cemetery System.

ADDITIONAL LEGISLATION

Desert Storm Memorial - Chapter 132 (S.B. 1390) - The bill establishes the Desert Storm Memorial Fund, which consists of appropriations and donations. These funds shall be used to construct a memorial to Arizona's Desert Storm veterans in the Wesley Bolin Memorial Plaza. The bill also establishes a Desert Storm Memorial Board to oversee the project.

CAPITAL OUTLAY

Veterans' Nursing Home - Laws 1990, Chapter 203 - This bill appropriates \$1,250,000 for FY 1991 and \$1,250,000 for FY 1992 from the state General Fund for deposit with and investment by the State Treasurer to be used for construction of a state veterans' nursing home on the Indian School land, provided that the federal government pays for 65% of the cost of construction. Interest earned on the monies is also appropriated to the Arizona Veterans' Service Commission for such use. This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations unless the appropriation stands until December 31, 1992 without an expenditure or encumbrance. These monies, in addition to the \$2,500,000 appropriated in Laws 1989, Chapter 205, complete the total (35%) state matching requirement.

**ARIZONA VETERANS' SERVICE COMMISSION -
VETERANS' CONSERVATORSHIP**

A.R.S. § 41-602

Norman O. Gallion, Director

JLBC Analyst: Siegwarth

VETERANS' GUARDIANSHIP FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	14.0	14.0	14.0
Personal Services	216,500	250,000	253,500
Employee Related Exp.	60,300	70,900	71,100
Travel - In State	4,900	5,700	5,700
Travel - Out of State	1,000	-0-	-0-
Other Operating Exp.	57,600	59,600	60,700
All Other Operating Exp.	63,500	65,300	66,400
TOTAL APPROPRIATIONS	340,300	386,200	391,000 ^{1/}

Personal Services - The approved amount includes \$3,500 Services for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$36,400 for medical insurance and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,600 for risk management. The approved amount also includes \$25,600 for private lease space, which is an increase of \$1,100.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

INSPECTION AND REGULATION

AGRICULTURAL EMPLOYMENT RELATIONS BOARD

A.R.S. § 23-1386

Maxine McCarthy, Executive Secretary

JLBC Analyst: Bock

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	4.0	3.5
Personal Services	104,100	120,500	107,400
Employee Related Exp.	26,800	23,300	23,700
Prof. & Outside Services	1,800	13,200	11,200
Travel - In State	1,600	7,500	4,200
Other Operating Exp.	9,300	11,100	19,500
Equipment	-0-	-0-	2,000
All Other Operating Exp.	12,700	31,800	36,900
Lump Sum Reduction	-0-	-0-	(1,700)
TOTAL APPROPRIATIONS	143,600	175,600	166,300 ^{1/}

Agency Termination - A.R.S. § 41-2992.15 terminates the Agricultural Employment Relations Board as of July 1, 1992. The Legislature did not pass legislation to continue the agency. Therefore, according to A.R.S. § 41-2956 the agency has six months -- until January 1, 1993, -- to conclude its affairs. The appropriation was made for a full year, however, in case the agency was continued. The unexpended amount of the appropriation will revert to the General Fund.

Personal Services - The approved amount includes \$0 for the general salary adjustment effective April 1, 1993, as this agency is to have concluded its affairs by December 31, 1992.

The approved amount reduces the investigator position from a full-time to a half-time position, and reduces Personal Services by \$12,000 accordingly. Per diem is also reduced by \$1,100.

Employee Related Expenditures - The approved amount includes \$0 for the general salary adjustment effective April 1, 1993, as this agency is to have concluded its affairs by December 31, 1992. The approved amount contains \$9,500 for medical insurance and \$500 for dental insurance. The approved amounts for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust fund.

Professional and Outside Services - Legal support is reduced by \$2,000 due to low complaint and hearing activity.

Travel - In State - Because there have been fewer board meetings due to the low complaint activity, Travel - In State is reduced by \$3,000.

Other Operating Expenditures - The approved amount contains \$1,800 for risk management, and \$9,300 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). The approved amount also eliminates \$200 from Other Operating Expenditures.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF AGRICULTURE - SUMMARY

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: Bock

GENERAL FUND AND OTHER APPROPRIATED FUNDS

FY 1991
Actual

FY 1992
Estimate

FY 1993
Approved

Program Summary

Office of Director	1,818,400	2,233,200	2,444,700
Animal Services	4,143,500	3,955,000	3,594,200
Plant Industries	4,616,300	4,405,500	4,261,900
Chemicals/Environment	762,900	1,007,000	1,053,700
General Fund Lump Sum Reduction	-0-	-0-	(443,800)

TOTAL APPROPRIATIONS

11,341,100

11,600,700

10,910,700

Expenditure Detail

FTE Positions	319.5	309.2	269.7
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Personal Services	6,348,200	6,545,600	5,934,000
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Employee Related Exp.	1,660,500	1,686,600	1,651,000
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Prof. & Outside Services	281,700	384,300	334,300
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Travel - In State	663,400	597,000	483,900
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Travel - Out of State	14,100	35,100	37,100
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Other Operating Exp.	1,005,500	1,076,900	1,554,800
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Equipment	(43,700)	27,700	21,600
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All Other Operating Exp.	1,921,000	2,121,000	2,431,700
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Lump Sum Reduction	-0-	-0-	(443,800)
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OPERATING SUBTOTAL

9,929,700

10,353,200

9,572,900

Special Line Items ^{1/}	1,411,400	1,247,500	1,337,800
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TOTAL APPROPRIATIONS

11,341,100

11,600,700 ^{2/}

10,910,700 ^{3/}

Fund Summary

General Fund	9,848,800	9,814,400	9,161,500
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Pesticide Fund	206,500	399,200	315,100
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Commercial Feed Fund	190,900	185,000	184,400
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Fertilizer Materials Fund	168,300	186,600	184,500
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Citrus, Fruit, & Veg. Fund	758,900	832,800	838,300
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Egg Inspection Fund	167,700	182,700	214,900
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Aquaculture Fund	-0-	-0-	12,000
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TOTAL APPROPRIATIONS

11,341,100

11,600,700

10,910,700

(Continued)

^{1/} Details for the special line items are on the individual program pages.

^{2/} The expenditure detail for FY 1992 includes a \$130,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

DEPARTMENT OF AGRICULTURE - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$55,700 from the General Fund and \$2,700 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.7% was applied which reduces the General Fund Personal Services by \$114,000.

Employee Related Expenditures - The approved amount includes \$7,600 from the General Fund and \$400 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$718,500 for medical insurance and \$37,200 for dental insurance. The approved Other Appropriated Funds amount contains \$37,000 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - The approved amount is a 5% lump sum reduction to the General Fund operating budget.

(Footnotes Continued From Previous Page)

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF AGRICULTURE - OFFICE OF THE DIRECTOR

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	48.6	45.5	40.5
Personal Services	836,000	1,184,400	1,084,900
Employee Related Exp.	217,500	281,300	246,900
Prof. & Outside Services	72,900	161,800	52,800
Travel - In State	31,600	42,400	35,400
Travel - Out of State	14,000	14,500	10,900
Other Operating Exp.	351,200	539,100	992,800
Equipment	-77,300	9,700	14,400
All Other Operating Exp.	392,400	767,500	1,106,300
OPERATING SUBTOTAL	1,445,900	2,233,200	2,438,100
Reduction-In-Force Cost	-0-	-0-	6,600
Agricultural Worker Safety	372,500	-0-	-0-
TOTAL APPROPRIATIONS	1,818,400	2,233,200 ^{1/}	2,444,700 ^{2/}
<u>Fund Summary</u>			
General Fund	1,818,400	2,174,200	2,444,700
Pesticide Fund	-0-	59,000	-0-
TOTAL APPROPRIATIONS	1,818,400	2,233,200	2,444,700

FTE Positions - The net elimination of 5 FTE positions reflects the elimination of 6 positions in the Office of Inspections and the addition of 1 Data Processing Management Specialist. The Data Processing Manager is added to coordinate the department's computer system.

-- **Office of Inspections Shift** - The 4 program specialist positions in the Office of Inspection are shifted to the Plant Industries cost center, to work more closely with the pest exclusion and other plant and pest programs. The \$213,200 reduction to the Office of the Director includes \$165,800 in Personal Services, \$37,800 in Employee Related Expenditures, \$7,000 in Travel - In State, and \$3,600 in Other Operating Expenditures. For reduction-in-force costs, \$6,600 has been added in a special line item to help pay for the costs of employee layoffs. The 2 remaining positions --a secretary and 1 program position -- are eliminated based on low workload for a net cost savings to the department of \$49,400.

(Continued)

- 1/ The expenditure detail for FY 1992 includes a \$28,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF AGRICULTURE - OFFICE OF DIRECTOR (Cont'd)
GENERAL FUND

Personal Services - The approved amount includes \$10,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$12,300.

Employee Related Expenditures - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$105,100 for medical insurance and \$5,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$10,500 for risk management, \$34,900 for the Tucson State Office Building, and \$447,600 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). The approved amount also includes an added \$2,700 for data management costs.

Agricultural Worker Safety - This program is now in the Chemicals/Environmental cost center.

DEPARTMENT OF AGRICULTURE - ANIMAL SERVICES

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: Bock

GENERAL FUND, AQUACULTURE FUND AND EGG INSPECTION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	106.7	107.7	94.7
Personal Services	2,484,400	2,415,900	2,137,700
Employee Related Exp.	660,100	635,300	581,000
Prof. & Outside Services	158,700	139,900	139,900
Travel - In State	403,700	337,100	264,500
Travel - Out of State	(14,500)	9,900	9,900
Other Operating Exp.	208,400	159,200	196,600
All Other Operating Exp.	756,300	646,100	610,900
OPERATING SUBTOTAL	3,900,800	3,697,300	3,329,600
Reduction-in-Force Cost	-0-	-0-	37,700
Animal Damage Control	75,000	75,000	-0-
Aquaculture	700	-0-	12,000
Egg Inspection	167,000	182,700	214,900
TOTAL APPROPRIATIONS	4,143,500	3,955,000 ^{1/}	3,594,200 ^{2/}
Fund Summary			
General Fund	3,975,800	3,772,300	3,367,300
Aquaculture Fund	-0-	-0-	12,000
Egg Inspection Fund	167,700	182,700	214,900
TOTAL APPROPRIATIONS	4,143,500	3,955,000	3,594,200

FTE Positions - The net reduction of 13 FTE positions reflects the elimination of 14 positions from the Livestock programs and the addition of 1 FTE position to the Egg Inspection program.

-- Livestock Programs - The Livestock Inspection and Investigation programs are reduced by \$461,800, which includes \$313,800 in Personal Services; \$71,500 in Employee Related Expenditures; \$72,600 in Travel - In State; \$41,600 for Other Operating Expenditures; and the addition of \$37,700 which are shown in the special line item for reduction-in-force costs.

Due to low productivity, inspections at ranches with small numbers of livestock will be reduced. Inspections will be focused on points of sale, road stops, and random checks of small ranches. The department will concentrate its investigations on high-priority incidents, reducing attention to non-suspicious incidents such as simple road kills.

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$50,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line

DEPARTMENT OF AGRICULTURE - ANIMAL SERVICES (Cont'd)
GENERAL FUND, AQUACULTURE FUND AND EGG INSPECTION FUND

Personal Services - The approved amount includes \$21,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$50,000.

Employee Related Expenditures - The approved amount includes \$3,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$252,400 for medical insurance and \$13,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$1,700 for risk management.

Animal Damage Control - Since FY 1986, the Legislature has appropriated \$75,000 for a cooperative agreement with the U.S. Department of Agriculture's Animal Damage Control (ADC) unit, which destroys animals that are believed to cause harm to livestock or crops through predation, foraging, or disease transmission. The special line item is eliminated and the \$75,000 is moved to Other Operating Expenses for general operating support of the department.

Aquaculture - The approved amount will fund 0.4 FTE position for this program which was established in FY 1991 with a "90/10" fund. The approved amount includes \$100 in Personal Services for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,000 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Egg Inspection Board - The approved Other Appropriated Funds amount was based on the following line item detail:

FTE Positions	<u>6.6</u>
Personal Services	136,900
Employee Related Exp.	38,100
All Other Operating Exp.	<u>39,900</u>
TOTAL	<u>214,900</u>

The approved amount includes \$1,800 (Personal Services, \$1,600; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$17,000 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Livestock Regulation; Powers and Duties - Chapter 58 (H.B. 2221) - Among other changes, this act establishes penalties relating to regulation of livestock.

DEPARTMENT OF AGRICULTURE - PLANT INDUSTRIES

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: Bock

GENERAL FUND AND CITRUS, FRUIT, & VEGETABLE FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	144.2	132.0	110.5
Personal Services	2,578,000	2,456,100	2,214,000
Employee Related Exp.	670,700	657,500	687,900
Prof. & Outside Services	800	8,600	8,600
Travel - In State	187,300	170,900	137,400
Travel - Out of State	1,100	900	6,500
Other Operating Exp.	380,700	278,700	267,100
Equipment	1,500	-0-	-0-
All Other Operating Exp.	571,400	459,100	419,600
OPERATING SUBTOTAL	3,820,100	3,572,700	3,321,500
Reduction-in-Force Cost	-0-	-0-	102,100
Fruit/Veg. Standardization	716,800	757,800	838,300
Market News	37,300	-0-	-0-
USDA Co-Op Agreement	42,100	75,000	-0-
TOTAL APPROPRIATIONS	4,616,300	4,405,500 ^{1/}	4,261,900 ^{2/}
Fund Summary			
General Fund	3,857,400	3,572,700	3,423,600
Citrus, Fruit, & Veg. Fund	758,900	832,800	838,300
TOTAL APPROPRIATIONS	4,616,300	4,405,500	4,261,900

FTE Positions - The net elimination of 21.5 FTE positions reflects the Border Inspection program elimination and the addition of 4 specialist positions shifted from the Office of the Director.

-- **Border Inspection/Pest Exclusion** - The Border Inspection program has inspected vehicles entering Arizona for plant products and plant pests in an effort to prevent pest infestations in Arizona. This program is eliminated in FY 1993 and a new inspection and compliance program is to be developed and installed. Of the 60 FTE positions associated with the border inspections, 27.5 (10 of which are vacant) are eliminated July 1, 1992. The net reduction amount of \$590,600 includes \$455,000 in Personal Services, \$85,500 in Employee Related Expenditures, \$37,500 in Travel - In State, \$14,500 in Other Operating Expenses, and \$102,100 added in a special line item for reduction-in-force costs. The approved amount continues 17.5 FTE positions and \$444,300 (\$347,000 in Personal Services and \$97,300 in Employee Related Expenditures) to phase the border program out over 6 months.

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$47,500 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF AGRICULTURE - PLANT INDUSTRIES (Cont'd)
GENERAL FUND AND CITRUS, FRUIT, & VEGETABLE FUND

The remaining 15 FTE positions are assigned to a new pest exclusion program which the department will develop. The new program will depend upon interior inspections, compliance agreements, and other pest-exclusion strategies. Included for these 15 FTE positions are \$332,800 in Personal Services, \$75,900 in Employee Related Expenditures, \$22,500 in Travel - In State, \$2,000 in Travel Out of State, and \$15,500 in Other Operating Expenditures, for a total approved amount of \$448,700.

- Office of Inspections Shift -- For the 4 positions shifted from the Office of the Director, the approved amount of \$163,800 includes \$124,600 in Personal Services, \$28,400 in Employee Related Expenditures, and \$10,800 in All Other Operating Expenditures. These positions will continue their compliance, field entomology, and pest management functions.

Personal Services - The approved amount includes \$21,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$51,700.

Employee Related Expenditures - The approved amount includes \$3,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$335,800 for medical insurance and \$17,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$27,200 from the General Fund and \$6,100 from the Fruit and Vegetable Standardization Fund for risk management.

USDA Cooperative Agreement - Due to a change in fee management, an appropriation is no longer needed for the agreement on inspecting Mexican produce. Inspection fees will now be paid to the federal government, which will reimburse the state. Formerly, the state collected the fees, and paid the federal government for its share of program expenses. Inspections will continue as before.

ADDITIONAL LEGISLATION

Cotton Gin: Fees - Chapter 256 (H.S. 2388) - This act clarifies provisions on the remittance, management and refunding of ginning fees assessed for cotton pest abatement.

Fruit and Vegetable Standardization - Chapter 354 (H.B. 2456) - This act clarifies and expands produce standardization regulations. It includes provisions on marketing agreements, shipping liens, licensing and fees, and civil penalties, among others. It declares that the Citrus, Fruit and Vegetable Revolving Fund shall be used solely for purposes of administering the standardization program, and provides for earned interest to be credited to the Revolving Fund.

DEPARTMENT OF AGRICULTURE - CHEMICALS/ENVIRONMENTAL

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: Bock

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	20.0	24.0	24.0
Personal Services	449,800	489,200	497,400
Employee Related Exp.	112,200	112,500	135,200
Prof. & Outside Services	49,300	74,000	133,000
Travel - In State	40,800	46,600	46,600
Travel - Out of State	13,500	9,800	9,800
Other Operating Exp.	65,200	99,900	98,300
Equipment	32,100	18,000	7,200
All Other Operating Exp.	200,900	248,300	294,900
OPERATING SUBTOTAL	762,900	850,000	927,500
Agricultural Worker Safety	-0-	157,000	126,200
TOTAL APPROPRIATIONS	762,900	1,007,000 ^{1/}	1,053,700 ^{2/2/}
Fund Summary			
General Fund	197,200	295,200	369,700
Pesticide Fund	206,500	340,200	315,100
Commercial Feed Fund	190,900	185,000	184,400
Fertilizer Materials Fund	168,300	186,600	184,500
TOTAL APPROPRIATIONS	762,900	1,007,000	1,053,700

Personal Services - The approved amount includes \$2,500 from the General Fund and \$2,700 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$300 from the General Fund and \$400 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$25,200 for medical insurance and \$1,300 for dental insurance. The approved Other Appropriated Funds amount contains \$37,000 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The expenditure detail for FY 1992 includes a \$3,900 reduction reflecting a General Fund ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The items within the "Operating Subtotal" are shown for information only.
- ^{3/} Up to \$200,000 of the General Fund appropriation may be used temporarily to maintain the Agricultural Worker Safety and Pesticide Registration programs. Repayment shall be made upon receipt of fees from those programs sufficient for repayment, but no later than June 30, 1983. (General Appropriations Act footnote)

DEPARTMENT OF AGRICULTURE - CHEMICALS/ENVIRONMENTAL (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Other Operating Expenditures - The approved amount contains \$3,300 from Other Appropriated Funds for risk management and \$16,500 from Other Appropriated Funds for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

Agricultural Worker Safety - This program is to protect farm workers from unsafe and illegal pesticide use and other farm practices. The program is funded from the Pesticide Fund. The approved amount was based on the following:

FTE Positions	<u>3.0</u>
Personal Services	79,600
Employee Related Exp.	20,100
All Other Operating Exp.	<u>26,500</u>
TOTAL	<u>126,200</u>

ADDITIONAL APPROPRIATIONS

Organic Food Certification - Chapter 115 (S.B. 1086) - This act establishes a program for the certification of organic foods, requires the director to assess fees for certification, and creates the Organic Food Certification Fund.

STATE BANKING DEPARTMENT

A.R.S. § 6-110

Harold E. Feeney, Superintendent

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	90.0	81.8	55.0
Personal Services	1,924,000	1,962,200	1,461,200
Employee Related Exp.	452,400	486,800	318,200
Prof. & Outside Services	79,400	94,100	67,500
Travel - In State	86,800	90,000	60,000
Travel - Out of State	19,200	20,400	16,000
Other Operating Exp.	269,000	276,400	248,400
Equipment	34,100	8,800	-0-
All Other Operating Exp.	488,500	489,700	391,900
Lump Sum Reduction	-0-	-0-	(43,200)
OPERATING SUBTOTAL	2,864,900	2,938,700	2,128,100
Receiverships	337,300	526,900	272,200 ^{2/}
TOTAL APPROPRIATIONS	3,202,200	3,465,600 ^{3/}	2,400,300 ^{4/5/}

FTE Positions - The approved amount reflects a reduction of 22.8 FTE positions above the line and 4 FTE positions in the Receiverships special line item. The reductions were approved to bring department expenditures more in line with decreasing revenues. The department has historically been required by a footnote in the General Appropriation Act to collect revenue equal to or exceeding its appropriation from the General Fund, making the department self-supporting. Revenue losses have resulted from the movement of 2 major banks to federal charters, the failure of the money transmitter licensing program to develop as expected, and a general decline in licensing activity among other licensed groups. The positions to be eliminated include 22.8 Financial Institution Examiners of various grades and 4 State Examiners.

Personal Services - The approved amount includes \$12,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 0.75% was applied which reduces Personal Services by \$16,300. The approved amount reflects a reduction of \$646,700 associated with the staff reductions. The approved amount also reflects the restoration of \$133,600 which was eliminated in the FY 1992 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount includes \$1,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$130,600 for medical insurance and \$6,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount reflects a reduction of \$141,300 associated with the staff reductions. The approved amount also reflects an Employee Related Expenditures rate reduction of \$28,800.

(Continued)

^{1/} The FTE Positions total includes 9 FTE positions funded in the Receivership special line item in FY 1991 and FY 1992, and 5 FTE positions in FY 1993.

^{2/} From the amount appropriated for Receiverships, the department will revert at fiscal year-end an amount not greater than the amount credited to the Banking Department Receivership Revolving Fund pursuant to A.R.S. § 6-131.01 in accordance with the following formula: 100% of the first \$250,000, 90% of the next \$100,000, and 80% of any remainder. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

STATE BANKING DEPARTMENT (Cont'd)
GENERAL FUND

Professional and Outside Services - The approved amount reflects a reduction of \$26,600 associated with the department realignment due to lower revenues.

Travel - In State - The approved amount reflects a reduction of \$30,000 associated with the staff reductions.

Travel - Out of State - The approved amount reflects a reduction of \$4,400 associated with the staff reductions.

Other Operating Expenditures - The approved amount contains \$30,400 for risk management. This amount reflects risk management charges for the entire department, including the Receiverships Division. The approved amount also reflects a reduction of \$28,000 associated with the staff reductions.

Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

Receiverships - The approved amount was based on the following line item detail:

FTE Positions	5.0
Personal Services	\$114,200
Employee Related Expenditures	24,800
Professional and Outside Services	55,700
Travel - In State	500
Other Operating Expenditures	<u>77,000</u>
TOTAL - RECEIVERSHIPS	<u>\$272,200</u>

The approved amount reflects a reduction of \$256,000 associated with the staff reductions and efforts to bring expenditures in line with available revenues.

The approved amount for Personal Services includes \$1,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount for Employee Related Expenditures includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$10,100 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Title Insurance and Escrow Services - Chapter 203 (H.B. 2489) - Amends various sections of law relating to the regulation of escrow agents and title insurance agents. Major provisions of the chapter include the following: establishes audit requirements for escrow agents; requires escrow agents to submit a certified audit report and a schedule of escrow fees to the Superintendent; establishes civil penalties for violations of approved escrow fees; establishes an escrow guaranty fund to be administered by the Superintendent, consisting of amounts contributed by escrow agents as prescribed by this chapter; establishes a minimum balance in the fund of \$2 million; provides that the fund may be used to pay claims against insolvent escrow agents and may also be used to cover department administration costs; and amends provisions of law relating to the transfer of examination responsibility of title insurers also licensed as escrow agents from the Department of Insurance to the Banking Department.

(Continued)

(Footnotes Continued From Previous Page)

- 3/ The expenditure detail for FY 1992 includes a \$133,600 reduction reflecting on ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 4/ The Banking Department shall set and assess fees that will ensure that the funds deposited to the General Fund will equal or exceed its expenditure from the General Fund. (General Appropriation Act footnote)
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE BANKING DEPARTMENT (Cont'd)
GENERAL FUND

Advance Fee Loan Brokers - Chapter 253 (H.B. 2217) - Establishes registration requirements for advance fee loan brokers; requires a \$50 fee for registration; requires brokers to maintain financial records for the Superintendent's inspection; and authorizes the Superintendent to revoke a broker's registration for violations of provisions set forth in this chapter.

DEPARTMENT OF BUILDING AND FIRE SAFETY
A.R.S. § 41-2141

Eric Borg, Acting Director

JLBC Analyst: de la Rosa

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	72.5	70.2	70.2
Personal Services	1,809,800	1,742,600	1,831,100
Employee Related Exp.	442,000	423,800	454,400
Prof. & Outside Services	900	800	800
Travel - In State	204,900	203,100	203,100
Travel - Out of State	8,000	8,500	8,500
Other Operating Exp.	303,000	286,300	315,000
Equipment	20,900	-0-	-0-
All Other Operating Exp.	537,700	498,700	527,400
Lump Sum Reduction	-0-	-0-	(55,900)
OPERATING SUBTOTAL	2,789,500	2,665,100	2,757,000
Fire Training School	30,000	30,000	30,000 ^{1/}
TOTAL APPROPRIATIONS	2,819,500	2,695,100 ^{2/}	2,787,000 ^{3/}

Personal Services - The approved amount includes \$17,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$27,900. The approved amount also includes \$85,100 to restore funds ex-appropriated in FY 1992.

Employee Related Expenditures - The approved amount includes \$2,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$201,600 for medical insurance and \$10,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$5,400 for risk management and \$34,900 for the Tucson State Office Building. The approved amount also includes \$18,800 to restore funds ex-appropriated in FY 1992.

Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

- ^{1/} The \$30,000 appropriation for the Fire Training School shall be available to the extent that the General Fund will be reimbursed for these expenditures by the Building & Fire Safety Fund. It is the intent of the Legislature that the General Fund be fully reimbursed for the appropriation. (General Appropriation Act footnote)
- ^{2/} The expenditure detail for FY 1992 includes a \$105,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

REGISTRAR OF CONTRACTORS

A.R.S. § 32-1103

Michael Goldwater, Registrar

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	108.1	103.6	102.3
Personal Services	2,302,600	2,313,000	2,328,100
Employee Related Exp.	579,000	569,400	574,400
Prof. & Outside Services	42,800	17,000	27,200
Travel - In State	180,800	184,600	184,600
Travel - Out of State	1,500	4,100	1,600
Other Operating Exp.	612,000	655,500	728,500
Equipment	800	-0-	-0-
All Other Operating Exp.	837,900	861,200	941,900
Lump Sum Reduction	-0-	-0-	(114,500)
TOTAL APPROPRIATIONS	3,719,500	3,743,600 ^{1/}	3,729,900 ^{2/}

Personal Services - The approved amount includes \$25,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$48,000. The approved amount includes an increase of \$24,100 to restore vacancy saving for FY 1992. The approved amount also includes a reduction of \$25,600 and 1.3 FTE positions associated with the agency's Print Shop. The printing equipment will be transferred to the Department of Administration (DOA) Print Shop. Print jobs can be performed by the DOA Print Shop without increasing resources in the DOA budget.

Employee Related Expenditures - The approved amount includes \$3,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$263,300 for medical insurance and \$13,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$14,800 for risk management as well as \$38,100 for the Tucson State Office Building. The approved amount also includes an increase of \$2,100 for replacement computer equipment.

Lump Sum Reduction - The approved amount is a 3% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Biennial Licensure; Registrar of Contractors - Chapter 165 (H.B. 2220) - Changes the licensure system from an annual renewal cycle to a biennial renewal cycle starting January 1, 1993, with corresponding changes to the fee structure. Eliminates discount fees and reimbursement for testing fees. Enables the Registrar to refuse to renew a license

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$104,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

REGISTRAR OF CONTRACTORS (Cont'd)
GENERAL FUND

if a licensee has committed or has been found guilty of any act listed in Section 32-1154. Enables the Registrar to order cease and desist orders and to assess civil penalties even against persons never before licensed but who are acting in the capacity of a contractor, of at least \$200 but not more than \$2,500. If the cease and desist order is not obeyed, the Registrar may assess an additional penalty of up to \$2,500 per day for each day the violation continues. Monies collected from such civil penalties shall be deposited into the General Fund.

CORPORATION COMMISSION - SUMMARY

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administration/Hearing	1,738,600	1,830,600	2,127,000
Corporations	1,066,400	1,030,600	1,079,700
Securities	1,581,600	1,619,300	1,612,000
Railroad Safety	450,400	301,800	346,300
Utilities	4,927,300	4,660,100	4,723,200
Legal	976,000	987,400	934,900
Lump Sum Reduction	-0-	-0-	(197,100)
TOTAL APPROPRIATIONS	10,740,300	10,429,800	10,626,000
<u>Expenditure Detail</u>			
FTE Positions	227.5	225.0	225.0
Personal Services	6,302,100	6,340,600	6,470,300
Employee Related Exp.	1,403,600	1,402,300	1,435,500
Prof. & Outside Services	376,300	369,000	412,400
Travel - In State	186,500	177,700	183,000
Travel - Out of State	69,200	66,900	68,400
Other Operating Exp.	1,433,300	1,507,900	1,829,900
Equipment	209,700	22,100	47,500
All Other Operating Exp.	2,275,000	2,143,600	2,541,200
Lump Sum Reduction	-0-	-0-	(197,100)
OPERATING SUBTOTAL	9,980,700	9,886,500	10,249,900
Special Line Items ^{1/}	759,600	543,300	376,100
TOTAL APPROPRIATIONS	10,740,300	10,429,800	10,626,000
<u>Fund Summary</u>			
General Fund	4,808,300	4,756,500	4,941,800
Other Appropriated Funds	5,932,000	5,673,300	5,684,200
TOTAL APPROPRIATIONS	10,740,300	10,429,800 ^{2/}	10,626,000 ^{3/}

(Continued)

- ^{1/} Details for the Special Line Items are included on the individual program pages.
- ^{2/} The expenditure detail for FY 1992 includes a \$105,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} Appropriated as a lump sum for the agency with special line items. The line items under the "Operating Subtotal" are shown for information only.

CORPORATION COMMISSION - SUMMARY (Con'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$28,400 from the General Fund and \$25,300 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$3,600 from the General Fund and \$3,200 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$314,400 for medical insurance and \$16,300 for dental insurance. The approved Other Appropriated Funds amount contains \$272,300 for medical insurance and \$14,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$86,000 from the General Fund and \$189,700 from Other Appropriated Funds for risk management, \$24,100 from the General Fund and \$34,700 from Other Appropriated Funds for the Tucson State Office Building, and \$261,100 from the General Fund and \$293,100 from Other Appropriated Funds for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capital Outlay Stabilization Fund.

Lump Sum Reduction - The approved amount is a 4% lump sum reduction to the operating budget.

CORPORATION COMMISSION - ADMINISTRATION/HEARING

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	35.0	35.0	35.0
Personal Services	1,008,600	1,070,800	1,089,700
Employee Related Exp.	227,800	228,300	234,700
Prof. & Outside Services	215,300	206,500	199,900
Travel - In State	9,000	11,000	11,000
Travel - Out of State	17,100	14,000	17,000
Other Operating Exp.	241,100	300,000	574,700
Equipment	19,700	-0-	-0-
All Other Operating Exp.	502,200	531,500	802,600
TOTAL APPROPRIATIONS	1,738,600	1,830,600	2,127,000 ^{1/}

Personal Services - The approved amount includes \$7,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.5% was applied which reduces Personal Services by \$26,400. The approved amount also reflects the restoration of \$6,000 which was eliminated in the FY 1992 Ex-Appropriation Act.

The approved amount also includes \$5,400 to annualize the January 1992 Commissioners' statutory salary increase.

Employee Related Expenditures - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$91,300 for medical insurance and \$4,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects the restoration of \$8,700 which was eliminated in the FY 1992 Ex-Appropriation Act. The approved amount also includes \$1,200 for the annualization of the Commissioners' salary increase and a Employee Related Expenditures rate reduction of \$4,500.

Professional and Outside Services - The approved amount reflects the restoration of \$13,500 which was eliminated in the FY 1992 Ex-Appropriation Act. The approved amount also reflects a reduction of \$20,100 for lower Department of Administration Data Center rates.

Travel - Out of State - The approved amount reflects the restoration of \$3,000 which was eliminated in the FY 1992 Ex-Appropriation Act.

Other Operating Expenditures - The approved amount contains \$86,000 for risk management, \$24,100 for the Tucson State Office Building, and \$261,100 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). The amount for Tucson rent represents an increase of \$13,600, while the amount for state-owned space is entirely new for FY 1993.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within this program are shown for information only.

CORPORATION COMMISSION - CORPORATIONS

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

GENERAL FUND AND ARIZONA ARTS TRUST FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	38.0	38.0	38.0
Personal Services	659,200	609,200	651,200
Employee Related Exp.	188,100	178,700	185,500
Prof. & Outside Services	48,500	36,000	36,000
Travel - In State	600	700	700
Travel - Out of State	2,700	3,000	1,500
Other Operating Exp.	160,800	177,200	178,700
Equipment	6,500	-0-	-0-
All Other Operating Exp.	219,100	216,900	216,900
OPERATING SUBTOTAL	1,066,400	1,004,800	1,053,600
Arts Trust Fund Administration	-0-	25,800	26,100
TOTAL APPROPRIATIONS	1,066,400	1,030,600	1,079,700 ^{2/}
<u>Fund Summary</u>			
General Fund	1,037,700	1,004,800	1,053,600
Arizona Arts Trust Fund	28,700	25,800	26,100
TOTAL APPROPRIATIONS	1,066,400	1,030,600	1,079,700

Personal Services - The approved amount includes \$9,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.5% was applied which reduces Personal Services by \$16,600. The approved amount also reflects the restoration of \$33,000 which was eliminated in the FY 1992 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount includes \$1,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$98,600 for medical insurance and \$5,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount reflects a \$1,500 Travel - Out of State reduction, and the restoration of \$1,500 eliminated in Other Operating Expenditures in the FY 1992 Ex-Appropriation Act.

Arts Trust Fund Administration - This line item represents funds appropriated from the Arizona Arts Trust Fund to Support 1 FTE position who processes the Arts Trust Fund assessment. The approved amount includes \$200 from the Arts Trust Fund for the general salary adjustment effective April 1, 1993. The approved amount contains \$2,500 for medical insurance and \$100 for dental insurance. The approved amounts for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} The FTE Positions total includes 1 FTE position funded in the Arts Trust Fund Administration special line item.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items for this program are shown for information only.

CORPORATION COMMISSION - CORPORATIONS (Cont'd)
GENERAL FUND AND ARIZONA ARTS TRUST FUND

ADDITIONAL LEGISLATION

Limited Liability Company Act - Chapter 113 (S.B. 1084) - Establishes provisions for the establishment of a limited liability company; requires such companies to file articles of organization with the Commission; establishes a fee schedule for various types of filing transactions and provides that such fees will be deposited with the State Treasurer in the Arizona Corporation Commission Limited Liability Company Fund; and provides that the fund shall be used by the Commission to cover administrative expenses incurred implementing this chapter. The fund is not subject to appropriations or the provisions of A.R.S. § 35-190 relating to lapsing of appropriations.

Corporations; Public Access Fund - Chapter 118 (S.B. 1175) - Establishes a Public Access Fund consisting of revenues generated through expedited filing fees, access fees from users of the Commission's on-line public records system, and special fees charged in addition to the normal fees for the filing of articles of a domestic or foreign corporation. Monies in the fund are subject to legislative appropriation and shall be used to develop an on-line public records access system on the Commission premises.

CORPORATION COMMISSION - SECURITIES**A.R.S. § 40-101**

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	41.0	40.0	40.0
Personal Services	1,178,200	1,220,100	1,230,000
Employee Related Exp.	266,400	261,200	261,500
Prof. & Outside Services	18,000	20,000	20,000
Travel - In State	4,300	5,000	5,000
Travel - Out of State	9,900	2,000	2,000
Other Operating Exp.	104,800	93,500	93,500
All Other Operating Exp.	137,000	120,500	120,500
OPERATING SUBTOTAL	1,581,600	1,601,800	1,612,000
Expert Testimony	-0-	17,500	-0-
TOTAL APPROPRIATIONS	1,581,600	1,619,300	1,612,000 ^{1/}

Personal Services - The approved amount includes \$9,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$13,300.

Employee Related Expenditures - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$103,700 for medical insurance and \$5,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes an Employee Related Expenditures rate reduction of \$900.

Expert Testimony - The special line item was eliminated due to the absence of actual expenditures for expert witnesses.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within this program are shown for information only.

CORPORATION COMMISSION - RAILROAD SAFETY

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	8.0	8.0	8.0
Personal Services	216,700	195,100	228,900
Employee Related Exp.	52,200	47,900	53,300
Travel - In State	43,800	39,400	44,700
Travel - Out of State	4,200	3,800	3,800
Other Operating Expenditures	20,100	15,600	15,600
All Other Operating Exp.	68,100	58,800	64,100
OPERATING SUBTOTAL	337,000	301,800	346,300
Railroad Warning Systems	113,400	-0-	-0- ^{1/2}
TOTAL APPROPRIATIONS	450,400	301,800	346,300 ^{3/}

Personal Services - The approved amount includes \$2,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also reflects the restoration of \$31,800 which was eliminated in the FY 1992 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$20,800 for medical insurance and \$1,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects the restoration of \$4,000 which was eliminated in the FY 1992 Ex-Appropriation Act and a Employee Related Expenditures rate adjustment of \$1,100.

Travel - In State - The approved amount reflects the restoration of \$5,300 which was eliminated in the FY 1992 Ex-Appropriation Act.

Railroad Warning Systems - Funds in the special line item provide the state match for federal funds used to upgrade railroad crossings throughout the state. No new General Fund appropriation was approved for FY 1993 given the presence of a significant carry-forward balance remaining from prior year appropriations.

- ^{1/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{2/} While no new funds were appropriated for this line item, the fund balance as of June 1992 was \$420,000.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within this program are shown for information only.

CORPORATION COMMISSION - UTILITIES

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

UTILITY REGULATION REVOLVING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	89.0	87.5	87.5
Personal Services	2,612,800	2,593,500	2,614,500
Employee Related Exp.	558,000	549,800	576,700
Prof. & Outside Services	85,100	85,000	135,000
Travel - In State	126,000	118,100	118,100
Travel - Out of State	19,300	30,000	30,000
Other Operating Exp.	747,900	763,900	851,400
Equipment	132,000	19,800	47,500
All Other Operating Exp.	1,110,300	1,016,800	1,182,000
OPERATING SUBTOTAL	4,281,100	4,160,100	4,373,200
Utility Audits, Studies, Investigations and Rate Hearings	646,200	500,000	350,000 ^{1/2}
TOTAL APPROPRIATIONS	4,927,300	4,660,100	4,723,200 ^{3/}

Personal Services - The approved amount includes \$21,000 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 3.5% was applied which reduces Personal Services by \$97,400.

Employee Related Expenditures - The approved amount includes \$2,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$227,000 for medical insurance and \$11,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects an Employee Related Expenditures rate adjustment of \$24,200.

Professional and Outside Services - The approved amount includes \$50,000 from the Pipeline Safety Revolving Fund for updating pipeline safety training videos.

Other Operating Expenditures - The approved amount contains \$189,700 for risk management, \$34,700 for the Tucson State Office Building, and \$293,100 for rent in state-owned space. The approved amount for rent reflects the consolidation of all rent funded from the Utility Regulation Revolving Fund into this cost center. The approved amount reflects an increase of \$86,600 for Utilities' Phoenix office space, both state-owned and private, and a \$900 increase for Tucson rent.

(Continued)

- 1/ This appropriation is exempt from A.R.S. §35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- 2/ In addition to the \$350,000 appropriation, there is a carry-forward balance of \$600,000 from prior year appropriations.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within this program are shown for information only.

CORPORATION COMMISSION - UTILITIES (Cont'd)

UTILITY REGULATION REVOLVING FUND

Equipment - The approved amount includes \$17,500 for replacement computers. The approved amount also includes \$30,000 from the Pipeline Safety Revolving Fund for replacement safety inspection equipment.

Audits and Rate Hearings - Funds in this special line item are used to hire outside consultants who provide expertise and advise Utilities staff during commission public utility rate hearings. In prior years, this line item has been funded at the \$500,000 level. However, because of the accumulation of a large carry-forward balance, the Legislature reduced the approved amount for FY 1993 by \$150,000.

CORPORATION COMMISSION - LEGAL

A.R.S. § 40-101

The Honorable Renz D. Jennings, Chairman

JLBC Analyst: Headley

UTILITY REGULATION REVOLVING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	16.5	16.5	16.5
Personal Services	626,600	651,900	656,000
Employee Related Exp.	111,100	136,400	123,800
Prof. & Outside Services	9,400	21,500	21,500
Travel - In State	2,800	3,500	3,500
Travel - Out of State	16,000	14,100	14,100
Other Operating Exp.	158,600	157,700	116,000
Equipment	51,500	2,300	-0-
All Other Operating Exp.	238,300	199,100	155,100
TOTAL APPROPRIATIONS	976,000	987,400	934,900 ^{1/}

Personal Services - The approved amount includes \$4,100 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$42,800 for medical insurance and \$2,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects an Employee Related Expenditures rate reduction of \$13,100.

Other Operating Expenditures - The approved amount reflects the movement of \$44,000 out of this cost center and into the Utilities cost center, thus consolidating all rent funded from the Utility Regulation Revolving Fund in the Utilities cost center. The approved amount also restores \$2,300 which was allocated for the purchase of capitalized equipment in FY 1992.

Equipment - The approved amount reflects the elimination of funding for one-time capitalized equipment purchases in FY 1992.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within this program are shown for information only.

INDUSTRIAL COMMISSION - SUMMARY

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administration	2,572,500	3,004,800	2,879,200
Claims	2,599,900	2,628,700	2,701,800
Administrative Law Judge	3,191,100	3,446,400	3,589,700
Labor	378,700	390,300	436,200
Special Fund	431,700	449,600	457,000
Occupational Safety & Health	1,638,700	1,625,600	1,591,400
Legal Counsel	633,700	652,300	663,200
TOTAL APPROPRIATIONS	11,446,300	12,197,700	12,318,500
<u>Expenditure Detail</u>			
FTE Positions	257.0	256.5	260.0
Personal Services	6,024,100	6,177,800	6,381,500
Employee Related Exp.	1,384,000	1,466,900	1,551,200
Prof. & Outside Services	1,380,400	1,472,600	1,544,600
Travel - In State	131,200	141,100	141,100
Travel - Out of State	9,900	11,900	11,900
Other Operating Exp.	2,458,600	2,918,700	2,679,000
Equipment	58,100	8,700	9,200
All Other Operating Exp.	4,038,200	4,553,000	4,385,800
TOTAL APPROPRIATIONS	11,446,300	12,197,700	12,318,500 ^{1/2}

Personal Services - The approved amount includes \$64,700 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$8,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$680,500 for medical insurance and \$35,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Section 1(C)H of the Capital Outlay Bill appropriates \$50,800 from the Industrial Commission Special Fund to the Industrial Commission for the maintenance and repair of state buildings in accordance with the building renewal formula established pursuant to A.R.S. §41-793.01.

- 1/ It is the intent of the Legislature that the Industrial Commission allocate \$200,000 from the Special Fund to fund an Interagency Service Agreement with the Department of Economic Security to assist injured workers eligible for workers' compensation. (General Appropriation Act footnote)
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for certain programs and a modified lump sum for other programs.

INDUSTRIAL COMMISSION - ADMINISTRATION

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	43.0	42.6	43.0
Personal Services	992,900	1,010,900	1,057,500
Employee Related Exp.	230,700	235,400	251,200
Prof. & Outside Services	79,800	78,600	78,700
Travel - In State	14,300	14,900	14,900
Travel - Out of State	3,600	4,500	4,500
Other Operating Exp.	1,233,800	1,660,500	1,472,400
Equipment	17,400	-0-	-0-
All Other Operating Exp.	1,348,900	1,758,500	1,570,500
TOTAL APPROPRIATIONS	2,572,500	3,004,800	2,879,200 ^{1/}

Personal Services - The approved amount includes \$10,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount restores a 0.4 FTE position which was eliminated by the statewide FTE reduction policy in FY 1992. The approved amount also includes an increase of \$35,900 to restore the vacancy savings reduction taken in FY 1992 and to reclassify 2.0 FTE positions.

Employee Related Expenditures - The approved amount includes \$1,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$114,500 for medical insurance and \$5,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes an increase of \$100 to fund 5% medical inflation for medical evaluation services.

Other Operating Expenditures - The approved amount includes the following:

- \$2,900 for risk management.
- a \$15,000 reduction to reflect the agency's telephone system conversion.
- a \$114,000 reduction to reflect the completion of the Wang Data Processing System.
- a \$20,600 reduction to reflect the actual number of optical disk cartridges needed.
- a \$38,500 reduction to rent based on the actual space allocation requirement for FY 1993. The State Parks Board was scheduled to move from the Industrial Commission Building in FY 1992 and the Industrial Commission was scheduled to occupy the vacated space, however, the move will not occur until mid-FY 1993.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - CLAIMS

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	85.0	81.8	83.0
Personal Services	1,393,300	1,351,400	1,403,500
Employee Related Exp.	359,900	366,600	406,000
Prof. & Outside Services	393,900	405,000	411,600
Travel - In State	200	1,000	1,000
Travel - Out of State	1,200	2,000	2,000
Other Operating Exp.	444,700	502,700	477,700
Equipment	6,700	-0-	-0-
All Other Operating Exp.	846,700	910,700	892,300
TOTAL APPROPRIATIONS	2,599,900	2,628,700	2,701,800 ^{1/}

Personal Services - The approved amount includes \$20,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount restores 1.2 FTE positions which were eliminated by the statewide FTE reduction policy in FY 1992. The approved amount includes an increase of \$31,400 to restore the vacancy savings reduction taken in FY 1992 and to reclassify 2.0 FTE positions.

Employee Related Expenditures - The approved amount includes \$2,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$217,100 for medical insurance and \$11,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes an increase of \$500 to fund 5% medical inflation for medical and hospital services as well as a base increase of \$6,100 to reflect the agency's Data Processing usage as determined by the Department of Administration.

Other Operating Expenditures - The approved amount includes a decrease of \$10,000 to reflect the completion of the agency's telephone system conversion. The approved amount also includes a reduction of \$15,000 for microfiche.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - ADMINISTRATIVE LAW JUDGE**A.R.S. § 23-101**

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	50.0	53.5	54.0
Personal Services	1,690,900	1,824,900	1,912,000
Employee Related Exp.	349,000	370,900	406,800
Prof. & Outside Services	791,000	878,400	933,500
Travel - In State	19,100	21,600	21,600
Travel - Out of State	300	600	600
Other Operating Exp.	340,800	345,500	315,200
Equipment	-0-	4,500	-0-
All Other Operating Exp.	1,151,200	1,250,600	1,270,900
TOTAL APPROPRIATIONS	3,191,100	3,446,400	3,589,700 ^{1/}

Personal Services - The approved amount includes \$13,400 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount restores a 0.5 FTE position which was eliminated by the statewide FTE reduction policy in FY 1992. The approved amount also includes an increase of \$70,700 to restore the vacancy savings reduction taken in FY 1992 and to reclassify 4.0 FTE positions.

Employee Related Expenditures - The approved amount includes \$1,800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$144,500 for medical insurance and \$7,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes an increase of \$55,100 for Court Reporters and Medical Witness fees.

All Other Operating Expenditures - The approved amount includes a \$25,000 reduction to reflect the completion of the agency's telephone system conversion, a \$5,300 reduction for non-capitalized equipment and a \$4,500 reduction for capitalized equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - LABOR

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	13.0	13.0	14.0
Personal Services	240,000	256,500	277,500
Employee Related Exp.	56,200	63,400	74,600
Prof. & Outside Services	100	200	200
Travel - In State	5,600	7,500	7,500
Travel - Out of State	1,500	1,400	1,400
Other Operating Exp.	73,400	61,300	65,800
Equipment	1,900	-0-	9,200
All Other Operating Exp.	82,500	70,400	84,100
TOTAL APPROPRIATIONS	378,700	390,300	436,200 ^{1/}

Personal Services - The approved amount includes \$3,500 for the general salary adjustment effective April 1, 1993. The approved amount includes 1 Clerk Typist III position to handle the increased volume of public inquiries. The approved amount also includes an increase of \$3,000 to reflect a higher Personal Services requirement.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved other appropriated funds amount contains \$36,000 for medical insurance and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Equipment - The approved amount includes \$9,200 for a vehicle to be used by the Labor Division inspectors.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

INDUSTRIAL COMMISSION - SPECIAL FUND

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	15.0	15.0	15.0
Personal Services	293,600	307,000	308,800
Employee Related Exp.	70,000	74,700	80,000
Prof. & Outside Services	14,800	15,400	15,700
Travel - In State	-0-	500	500
Other Operating Exp.	53,300	52,000	52,000
All Other Operating Exp.	68,100	67,900	68,200
TOTAL APPROPRIATIONS	431,700	449,600	457,000 ^{1/}

Personal Services - The approved amount includes \$3,700 for the general salary adjustment effective April 1, 1993. The approved amount includes a reduction of \$1,900 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$38,800 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes an increase of \$300 to fund 5% medical inflation for medical and hospital services.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

INDUSTRIAL COMMISSION - OCCUPATIONAL SAFETY AND HEALTH A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	36.0	35.6	36.0
Personal Services	1,029,600	1,014,700	1,006,100
Employee Related Exp.	241,100	255,700	235,100
Prof. & Outside Services	43,600	47,100	47,100
Travel - In State	85,200	87,800	87,800
Travel - Out of State	2,900	2,900	2,900
Other Operating Exp.	221,800	213,200	212,400
Equipment	14,500	4,200	-0-
All Other Operating Exp.	368,000	355,200	350,200
TOTAL APPROPRIATIONS	1,638,700	1,625,600	1,591,400 ^{1/}

Personal Services - The approved amount includes \$9,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount restores a 0.4 FTE position which was eliminated by the statewide FTE reduction policy in FY 1992. The approved amount also includes a reduction of \$17,600 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$90,700 for medical insurance and \$4,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount includes a reduction of \$800 to reflect the agency's telephone system conversion as well as a reduction of \$4,200 for capitalized equipment.

ADDITIONAL LEGISLATION

OSHA: Employee Definition: Penalties - Chapter 10 (S.B. 1059) - Raises the maximum civil penalty from \$10,000 to \$70,000 per violation with a minimum of \$5,000 collected for employers who willfully or repeatedly violate requirements of section 23-403. For a non-serious violation, the maximum penalty is raised from \$1,000 to \$7,000 per violation.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - LEGAL COUNSEL

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	15.0	15.0	15.0
Personal Services	383,800	412,400	416,100
Employee Related Exp.	77,100	100,200	97,500
Prof. & Outside Services	57,200	47,900	57,800
Travel - In State	6,800	7,800	7,800
Travel - Out of State	400	500	500
Other Operating Exp.	90,800	83,500	83,500
Equipment	17,600	-0-	-0-
All Other Operating Exp.	172,800	139,700	149,600
TOTAL APPROPRIATIONS	633,700	652,300	663,200 ^{1/}

Personal Services - The approved amount includes \$3,700 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$38,900 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes an increase of \$9,300 to fund legal fees associated with an increase in litigation activity as well as an increase of \$600 to fund 5% medical inflation for medical evaluation and hospital services.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF INSURANCE

A.R.S. § 20-101

Susan Gallinger, Director

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	84.0	86.0	86.0
Personal Services	1,851,100	1,926,200	1,972,900
Employee Related Exp.	436,500	455,600	479,500
Prof. & Outside Services	79,000	49,700	49,700
Travel - In State	6,000	10,300	10,300
Travel - Out of State	20,200	14,600	14,600
Other Operating Exp.	543,800	614,300	648,300
Equipment	34,600	1,000	1,200
All Other Operating Exp.	683,600	689,900	724,100
Lump Sum Reduction	-0-	-0-	(94,600)
TOTAL APPROPRIATIONS	2,971,200	3,071,700 ^{1/}	3,081,900 ^{2/}

Personal Services - The approved amount includes \$20,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$29,600.

The approved amount also includes the following changes from the FY 1992 appropriation:

- \$30,900 for an Insurance Analyst III position for increased workload in the areas of small group health insurance and long term care policies.
- Restoration of \$5,000 which was eliminated in the FY 1992 Ex-Appropriation Act.
- A reduction of \$10,000 associated with the higher vacancy rate used for FY 1993.

Employee Related Expenditures - The approved amount includes \$2,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$222,800 for medical insurance and \$11,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

The approved amount also includes the following changes from the FY 1992 appropriation:

- \$7,500 for the new Insurance Analyst position.
- Restoration of \$6,000 which was eliminated in the FY 1992 Ex-Appropriation Act.
- \$10,300 for an Employee Related Expenditures adjustment.
- A reduction of \$2,500 associated with the higher vacancy rate.

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$11,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF INSURANCE (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount includes \$4,000 for risk management and \$19,900 for the Tucson State Office Building. The approved amount reflects private sector rent of \$236,800, plus \$78,800 for the operating expense portion of the agency's private space lease.

The approved amount also includes the following changes from the FY 1992 appropriation:

- \$1,900 for the new Insurance Analyst position.
- \$31,400 for increased private sector rent.
- \$6,800 for higher Tucson rent.
- A reduction of \$6,100 for replacement of non-capitalized equipment.

Equipment - The approved amount reflects \$1,200 for capitalized equipment related to the new Insurance Analyst III position.

Lump Sum Reduction - The approved amount is a 3% lump sum reduction to the operating budget.

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

A.R.S. § 4-111

Mark G. Mazzie, Superintendent

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	55.00	55.0	54.0
Personal Services	1,146,100	1,174,000	1,181,800
Employee Related Exp.	303,800	284,300	299,600
Prof. & Outside Services	25,200	51,800	34,800
Travel - In State	74,400	56,000	56,000
Travel - Out of State	400	800	-0-
Other Operating Exp.	361,300	335,900	355,600
Equipment	11,600	-0-	-0-
All Other Operating Exp.	472,900	444,500	446,400
Lump Sum Reduction	-0-	-0-	(18,900)
OPERATING SUBTOTAL	1,922,800	1,902,800	1,908,900
Liquor Board	-0-	24,800	24,800 ^{1/}
Microfilm System	40,000	4,600	-0-
TOTAL APPROPRIATIONS	1,962,800	1,932,200 ^{2/}	1,933,700 ^{3/}

Personal Services - The approved amount includes \$13,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$18,000. The amount also reflects the reduction of 1 FTE position, a Clerk Typist III, for a savings of \$16,600.

Employee Related Expenditures - The approved amount includes \$1,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$140,700 for medical insurance and \$7,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount reflects a reduction of \$17,000 for contract hearing officers and court reporters.

Other Operating Expenditures - The approved amount contains \$23,000 for risk management and \$24,100 for the Tucson State Office Building.

(Continued)

- 1/ It is legislative intent that Board expenses be limited to the \$24,800 appropriated, and that any transfer of monies into this line item be submitted to the Joint Legislative Budget Committee consistent with A.R.S. § 36-173(C). (General Appropriation Act footnote)
- 2/ The expenditure detail for FY 1992 includes a \$59,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF LIQUOR LICENSES AND CONTROL (Cont'd)
GENERAL FUND

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

Liquor Board - The special line reflects expenditures related to the operation of the Liquor Board. It includes \$5,000 in board member per diem costs and \$19,800 for Travel - In State.

STATE MINE INSPECTOR

A.R.S. § 27-121

The Honorable Douglas K. Martin, State Mine Inspector

JLBC Analyst: Brainard

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	10.5	10.5	10.5
Personal Services	311,400	300,700	327,800
Employee Related Exp.	77,400	66,900	72,500
Prof. & Outside Services	2,700	300	-0-
Travel - In State	43,400	35,800	43,400
Travel - Out of State	2,500	1,600	1,400
Other Operating Exp.	99,900	150,100	178,700
Equipment	-0-	2,900	-0-
All Other Operating Exp.	148,500	190,700	223,500
Lump Sum Reduction	-0-	-0-	(5,700)
TOTAL APPROPRIATIONS	537,300	558,300 ^{1/}	618,100 ^{2/3/}

Personal Services - The approved amount includes \$2,400 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$27,200 for medical insurance and \$1,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$104,400 for risk management, \$43,400 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF), and \$10,100 for telephone service and supplies.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget, excluding the salary of the State Mine Inspector.

- ^{1/} The expenditure detail for FY 1992 includes a \$9,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} Included in this appropriation is funding for the Mine Safety Program. (General Appropriation Act footnote)

OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD**A.R.S. § 23-422**

Jack Duncan, Chairman

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	0.0	0.0
Personal Services	700	700	700
Prof. & Outside Services	6,900	7,400	7,400
Travel - In State	900	900	900
Other Operating Exp.	100	100	100
All Other Operating Exp.	7,900	8,400	8,400
OPERATING SUBTOTAL	8,600	9,100	9,100
Lump Sum Reduction	-0-	-0-	(100)
TOTAL APPROPRIATIONS	8,600	9,100	9,000 ^{1/23}

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

- 1/ Fifty percent of all Board expenses are paid for by the Federal Government as part of the OSHA grant included in the budget of the Industrial Commission - Occupational Safety and Health Division.
- 2/ Pursuant to A.R.S. § 23-422, the appropriation is exempt from A.R.S. § 35-190 relating to lapsing appropriations. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF RACING - SUMMARY

A.R.S. § 5-101

William Linton, Director

JLBC Analyst: Martinez

GENERAL FUND AND COUNTY FAIR RACING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Commercial Racing	2,065,500	2,298,100	2,496,400
County Fair Racing	245,800	358,900	348,400
Arizona Racing Industry	12,400	19,800	20,100
General Fund Lump Sum Reduction	-0-	-0-	(50,100)
TOTAL APPROPRIATIONS	2,323,700	2,676,800	2,814,800
FTE Positions	58.3	53.7	55.7
Personal Services	1,202,700	1,349,200	1,467,200
Employee Related Exp.	319,600	310,200	341,400
Prof. & Outside Services	444,400	554,900	605,400
Travel - In State	97,700	142,900	170,200
Travel - Out of State	7,700	9,400	8,100
Other Operating Exp.	236,600	277,100	268,100
Equipment	15,000	33,100	4,500
All Other Operating Exp.	801,400	1,017,400	1,056,300
General Fund Lump Sum Reduction	-0-	-0-	(50,100)
TOTAL APPROPRIATIONS	2,323,700	2,676,800	2,814,800 ^{1/}
<u>Fund Summary</u>			
General Fund	2,077,900	2,317,900	2,466,400
County Fair Racing Fund	245,800	358,900	348,400
TOTAL APPROPRIATIONS	2,323,700	2,676,800 ^{2/}	2,814,800

Personal Services - The approved amount includes \$12,100 from the General Fund and \$1,600 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces the General Fund Personal Services by \$12,700. The approved amount also includes \$33,700 in Personal Services for 1 EDP Systems Project Manager position to supervise and aid in the regulation of satellite wagering facilities statewide. The amount also contains \$13,500 for 1 Accounting Technician I position to handle the department's collection and accounting responsibilities for Boxing Commission revenues.

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.
- 2/ The expenditure detail for FY 1992 includes a \$74,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.S. 2002), 7th Special Session.

DEPARTMENT OF RACING - SUMMARY (Cont'd)
GENERAL FUND AND COUNTY FAIR RACING FUND

Employee Related Expenditures - The approved amount includes \$1,600 from the General Fund and \$200 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$127,800 for medical insurance and \$6,600 for dental insurance. The approved Other Appropriated Funds amount contains \$16,900 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

General Fund Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Racing; Disposition of Revenue - Chapter 82 (H.B. 2014) - This act reduces the Coliseum and Exposition Center share of pari-mutuel racing revenues from 5% to 4.5% and repeals the elimination of the subsidy in FY 1994. The act also increases the pari-mutuel shares to the County Fairs Racing Betterment Fund from 8.25% to 8.5%, and the Stallion Award Fund from 0.25% to 0.5%.

Boxing Commission; Funding - Chapter 337 (H.B. 2218) - This act transfers revenue collection and accounting responsibilities for Boxing Commission revenues to the Department of Racing.

Reservation Gambling - Chapter 286 (H.B. 2352) - The bill creates the Permanent Tribal-State Compact Fund and appropriates monies deposited in the fund on or before June 30, 1993, to the Department of Racing for the purposes of carrying out the duties and responsibilities of the state gaming agency in compacts between the state and Indian tribes. Monies in the fund will be paid by Indian tribes which have compacts with the state to reimburse the Department of Racing for administrative and regulatory expenses. Monies deposited in the fund after June 30, 1993, are subject to legislative appropriation. The Department of Racing's regulatory authority will expire 2 years following the effective date of the law, unless continued by the Legislature.

DEPARTMENT OF RACING - COMMERCIAL RACING			A.R.S. § 5-101
William Linton, Director		JLBC Analyst: Martinez	
GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	51.4	47.2	49.2
Personal Services	1,085,300	1,192,800	1,309,200
Employee Related Exp.	295,000	274,000	302,900
Prof. & Outside Services	408,400	518,700	561,900
Travel - In State	41,700	53,600	77,600
Travel - Out of State	7,000	4,900	3,900
Other Operating Exp.	213,100	249,100	238,900
Equipment	15,000	5,000	2,000
All Other Operating Exp.	685,200	831,300	884,300
TOTAL APPROPRIATIONS	2,065,500	2,298,100	2,496,400 ^{1/}

Personal Services - The approved amount includes \$12,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$12,700.

Employee Related Expenditures - The approved amount includes \$1,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$127,800 for medical insurance and \$6,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$554,900 for animal testing expenses and \$7,000 for legal costs.

Travel - In State - The approved amount provides funding for additional travel expenses associated with regulating off-track wagering facilities.

Other Operating Expenditures - The approved amount contains \$94,300 for risk management.

Equipment - The appropriated amount provides funding for one-time replacement equipment costs.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF RACING - COUNTY FAIR RACING**A.R.S. § 5-101**

William Linton, Director

JLBC Analyst: Martinez

COUNTY FAIR RACING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	6.9	6.5	6.5
Personal Services	117,400	156,400	158,000
Employee Related Exp.	24,600	36,200	38,500
Prof. & Outside Services	34,600	33,600	41,100
Travel - In State	55,100	85,700	89,300
Other Operating Exp.	14,100	18,900	19,000
Equipment	-0-	28,100	2,500
All Other Operating Exp.	103,800	166,300	151,900
TOTAL APPROPRIATIONS	245,800	358,900	348,400 ^{1/}

Personal Services - The approved amount includes \$1,600 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$16,900 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount of \$41,100 is for animal testing expenses.

Other Operating Expenditures - The approved amount contains \$13,300 for risk management.

Equipment - The appropriated amount includes one-time costs for replacement equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF RACING - ARIZONA RACING INDUSTRY**A.R.S. § 5-101**

William Linton, Director

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Prof. & Outside Services	1,400	2,600	2,400
Travel - In State	900	3,600	3,300
Travel - Out of State	700	4,500	4,200
Other Operating Exp.	9,400	9,100	10,200
- All Other Operating Exp.	12,400	19,800	20,100
TOTAL APPROPRIATIONS	12,400	19,800	20,100 ^{1/}

Funds are appropriated to the Arizona Racing Industry in support of the duties of the Arizona Racing Commission under the authority of A.R.S. § 5-104.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

RADIATION REGULATORY AGENCY - SUMMARY

A.R.S. § 30-652 AND 32-2802

William A. Wright, Acting Director

JLBC Analyst: Fusak

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Rad. Evaluation/Compliance	1,456,900	1,348,900	912,600
Med. Radiologic Tech. Board	93,400	90,300	91,100
TOTAL APPROPRIATIONS	1,550,300	1,439,200	1,003,700
<u>Expenditure Detail</u>			
FTE Positions	26.0	22.0	22.0
Personal Services	760,100	640,900	690,600
Employee Related Exp.	169,400	139,500	154,700
Prof. & Outside Services	9,800	8,300	8,300
Travel - In State	36,800	31,200	31,200
Travel - Out of State	2,700	5,800	5,800
Other Operating Exp.	199,400	172,000	199,500
Equipment	46,800	21,000	-0-
All Other Operating Exp.	295,500	238,300	244,800
General Fund Lump Sum Reduction	-0-	-0-	(86,400)
OPERATING SUBTOTAL	1,225,000	1,018,700	1,003,700
Special Line Items ^{1/}	325,300	21,000	-0-
Additional Appropriation ^{2/}	-0-	399,500	-0-
TOTAL APPROPRIATIONS	1,550,300	1,439,200 ^{2/}	1,003,700 ^{3/}
<u>Fund Summary</u>			
General Fund	1,131,600	928,400	912,600
Nuclear Emergency Mgmt. Fund	325,300	420,500 ^{4/}	-0-
Rad. Tech. Cert. Fund	93,400	90,300	91,100
TOTAL APPROPRIATIONS	1,550,300	1,439,200	1,003,700

(Continued)

- 1/ Details for the Special Line Items and Additional Appropriation are included on the individual program pages.
- 2/ The expenditure detail for FY 1992 includes a \$9,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H. B. 2002), 7th Special Session.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum by program. The line items are shown for information only.
- 4/ Laws 1992, Chapter 138 appropriated \$399,450 from the General Fund to the Nuclear Emergency Management Fund. The FY 1992 estimate includes a carry forward of \$21,000.

RADIATION REGULATORY AGENCY - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$5,000 from the General Fund and \$500 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$700 from the General Fund and \$100 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$54,900 for medical insurance and \$2,800 for dental insurance. The approved Other Appropriated Funds amount contains \$5,200 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

**RADIATION REGULATORY AGENCY -
RADIATION EVALUATION AND COMPLIANCE**

A.R.S. § 30-652

William A. Wright, Acting Director

JLBC Analyst: Fusak

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	24.0	20.0	20.0
Personal Services	704,300	587,200	636,400
Employee Related Exp.	157,000	125,200	142,100
Prof. & Outside Services	9,200	6,300	6,300
Travel - In State	34,600	28,500	28,500
Travel - Out of State	1,600	4,100	4,100
Other Operating Exp.	178,100	156,100	181,600
Equipment	46,800	21,000	-0-
All Other Operating Exp.	270,300	216,000	220,500
Lump Sum Reduction	-0-	-0-	(86,400)
OPERATING SUBTOTAL	1,131,600	928,400	912,600
Nuclear Emergency Mgmt. Fund	325,300	21,000 ^{1/}	-0-
TOTAL	1,456,900	949,400	912,600 ^{2/}
Additional Appropriations- 40th Leg., 1st Reg. Session			
Nuclear Emergency Mgmt., Ch. 138	--	399,500	--
TOTAL APPROPRIATIONS	1,456,900	1,348,900 ^{3/}	912,600
Fund Summary			
General Fund	1,131,600	928,400	912,600
Nuclear Emergency Mgmt. Fund	325,300	420,500	-0-
TOTAL APPROPRIATIONS	1,456,900	1,348,900	912,600

Personal Services - The approved amount includes \$5,000 for the general salary adjustment effective April 1, 1993. The approved amount also includes an increase of \$34,800 to restore vacancy savings and to provide funding for a secretary position which was unfunded in FY 1992.

(Continued)

- ^{1/} Represents the carry forward from the Nuclear Emergency Management Fund which is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.
- ^{3/} The expenditure detail for FY 1992 includes a \$9,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

RADIATION REGULATORY AGENCY - RADIATION EVALUATION AND COMPLIANCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Employee Related Expenditures - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$54,900 for medical insurance and \$2,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount contains \$4,000 for risk management as well as an increase of \$32,900 to reflect the FY 1993 rental lease agreement. The approved amount includes a reduction of \$6,800 for operating supplies, a reduction of \$1,500 for repair-maintenance and an increase of \$900 for miscellaneous adjustments.

Lump Sum Reduction - The approved amount is a \$86,400 lump sum reduction to the operating budget.

ADDITIONAL APPROPRIATIONS

Nuclear Emergency Appropriation and Assessment - Chapter 138 (H.B. 2006) - Appropriates \$843,000 from the General Fund to the Nuclear Emergency Management Fund of which \$399,450 is allocated for use by the Radiation Regulatory Agency as follows: Personal Services - \$142,500; Employee Related Expenditures - \$40,800; Other Operating Expenditures - \$158,200; and Equipment - \$57,950. Monies appropriated to the Nuclear Emergency Management Fund are exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

ADDITIONAL LEGISLATION

Control of Ionizing Radiation - Chapter 35 (S.B. 1228) - Requires the agency to adopt rules establishing radiological standards, personnel standards and quality assurance programs to assure the accuracy and safety of screening and diagnostic mammography. Designates that one board member of the Radiation Regulatory Hearing Board shall possess expertise in the field of mammography. Requires the agency to make annual inspections of facilities which provide diagnostic or screening mammography examinations.

**RADIATION REGULATORY AGENCY -
MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS**

A.R.S. § 32-2802

William A. Wright, Acting Director

JLBC Analyst: Fusak

RADIOLOGIC TECHNOLOGIST CERTIFICATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	2.0	2.0	2.0
Personal Services	55,800	53,700	54,200
Employee Related Exp.	12,400	14,300	12,600
Prof. & Outside Services	600	2,000	2,000
Travel - In State	2,200	2,700	2,700
Travel - Out of State	1,100	1,700	1,700
Other Operating Exp.	21,300	15,900	17,900
All Other Operating Exp.	25,200	22,300	24,300
TOTAL APPROPRIATIONS	93,400	90,300	91,100 ^{1/}
MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	173,700	257,600	183,000
Add Revenue	177,300	15,700	179,000
TOTAL FUNDS AVAILABLE	351,000	273,300	362,000 ^{2/}
Expenditures	93,400	90,300	91,100
BALANCE END OF FISCAL YEAR	257,600	183,000	270,900

Personal Services - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$5,200 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$300 in risk management as well as an increase of \$2,000 to reflect the agency's FY 1993 rental lease agreement.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

^{2/} The program has a biennial licensing cycle.

STATE REAL ESTATE DEPARTMENT

A.R.S. § 32-2102

Jerry Holt, Commissioner

JLBC Analyst: Headley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	76.0	76.0	72.0
Personal Services	1,598,100	1,667,600	1,772,900
Employee Related Exp.	418,900	429,700	438,700
Prof. & Outside Services	92,000	80,000	78,000
Travel - In State	57,400	90,000	75,000
Travel - Out of State	3,600	10,000	10,000
Other Operating Exp.	480,700	490,200	422,300
Equipment	27,500	8,000	-0-
All Other Operating Exp.	661,200	678,200	585,300
Lump Sum Reduction	-0-	-0-	(55,800)
TOTAL APPROPRIATIONS	2,678,200	2,775,500 ^{1/}	2,741,100 ^{2/}

FTE Positions - The approved amount reflects the elimination of 4 vacant positions resulting from an agency reorganization.

Personal Services - The approved amount includes \$17,700 for the general salary adjustment effective April 1, 1992. A vacancy factor of 1.5% was applied which reduces Personal Services by \$27,000. The higher FY 1993 vacancy rate reduces Personal Services by \$5,500. The approved amount also reflects the restoration of \$93,100 eliminated in the FY 1992 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount includes \$2,400 for the general salary adjustment effective April 1, 1992. The approved amount contains \$186,700 for medical insurance and \$9,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount reflects a reduction of \$2,000 related to lower usage of contracted administrative law judges.

Travel - In State - The approved amount reflects a reduction of \$15,000 associated with the scaling-back of statewide travel by the commissioner and other department managers.

Other Operating Expenditures - The approved amount includes \$3,600 for risk management and \$34,100 for the Tucson State Office Building. The approved amount reflects a reduction of \$69,600 resulting from the department's renegotiation of its private space lease, an increase of \$4,900 for the Tucson Office Building, and \$3,200 in miscellaneous reductions. The approved amount includes \$199,300 for the departments' private lease.

Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

^{1/} The expenditure detail for FY 1992 includes a \$93,100 reduction reflecting on ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

RESIDENTIAL UTILITY CONSUMER OFFICE

A.R.S. § 40-401.1

Ron Mathis, Director

JLBC Analyst: Headley

RESIDENTIAL UTILITY CONSUMER OFFICE REVOLVING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	12.0	12.0	12.0
Personal Services	463,700	464,900	468,300
Employee Related Exp.	91,100	103,000	97,500
Prof. & Outside Services	416,800	337,400	329,400
Travel - In State	6,700	9,700	13,500
Travel - Out of State	5,100	7,600	7,600
Other Operating Exp.	94,000	95,500	102,100
All Other Operating Exp.	522,600	450,200	452,600
TOTAL APPROPRIATIONS	1,077,400	1,018,100	1,018,400 ^{1/}

Personal Services - The approved amount includes \$3,000 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes an increase of \$400 to fully fund all positions.

Employee Related Expenditures - The approved amount includes \$400 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved amount contains \$31,200 for medical insurance and \$1,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects an Employee Related Expenditures rate reduction of \$5,100.

Professional and Outside Services - The approved amount reflects a reduction of \$8,000 based on decreased need for outside consultants.

Travel - In State - The approved amount reflects an increase of \$3,800 for higher travel costs of new board members who live a greater distance away from Phoenix than past members.

Other Operating Expenditures - The approved amount includes \$2,100 for risk management and \$48,800 for RUCO's FY 1993 allocation of the lease-purchase payment for the Court's building. The approved amount reflects an increase of \$2,800 for the Courts Building payment and \$1,500 for miscellaneous increases.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF WEIGHTS AND MEASURES

A.R.S. § 41-2065

Geoffrey Gonsler, Acting Director

JLBC Analyst: Fusak

GENERAL FUND, AIR QUALITY FUND AND USED OIL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	61.0	66.1	66.1
Personal Services	1,253,800	1,403,500	1,431,500
Employee Related Exp.	324,000	345,200	368,900
Prof. & Outside Services	40,900	45,300	45,300
Travel - In State	207,600	230,000	230,000
Travel - Out of State	6,700	5,000	5,000
Other Operating Exp.	318,400	315,300	477,300
Equipment	152,100	41,100	41,200
All Other Operating Exp.	725,700	636,700	798,800
General Fund Lump Sum Reduction	-0-	-0-	(39,400)
TOTAL APPROPRIATIONS	2,303,500	2,385,400	2,559,800 ^{1/}
<u>Fund Summary</u>			
General Fund	1,934,700	2,137,800	1,941,500 ^{2/}
Air Quality Fund	368,800	247,600	291,500 ^{3/}
Used Oil Fund	-0-	-0-	326,800
TOTAL APPROPRIATIONS	2,303,500	2,385,400 ^{4/}	2,559,800

Personal Services - The approved amount includes \$11,800 from the General Fund and \$4,500 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces the General Fund Personal Services by \$21,800.

Employee Related Expenditures - The approved amount includes \$1,600 from the General Fund and \$600 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$129,200 for medical insurance and \$6,700 for dental insurance. The approved Other Appropriated Funds amount contains \$40,800 for medical insurance and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 2/ The General Fund appropriation includes \$162,000 which is to be used only for costs associated with relocating the agency to a new facility; expenditures shall be limited to a rent or lease-purchase payment, moving expenses, increased utilities and maintenance contracts. (General Appropriation Act Footnote)
- 3/ The Air Quality Fund appropriation is to be used only for expenditures associated with either the Pima or Maricopa County oxygenated fuel testing programs. (General Appropriation Act footnote)
- 4/ The expenditure detail for FY 1992 includes a \$29,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

DEPARTMENT OF WEIGHTS AND MEASURES (Cont'd)
GENERAL FUND, AIR QUALITY FUND AND USED OIL FUND

	Continuing Services (General Fund)	Oxygenated Fuel (Air Quality Fund)	Used Oil Testing (Used Oil Fund)
FTE Positions	48.1	8.0	10.0
Personal Services	1,087,000	164,000	180,500
Employee Related Exp.	280,200	42,300	46,400
Prof. & Outside Services	37,800	-0-	7,500
Travel - In State	161,100	25,200	43,700
Travel - Out of State	5,000	-0-	-0-
Other Operating Exp.	368,600	60,000	48,700
Equipment	41,200	-0-	-0-
All Other Operating Exp.	613,700	85,200	99,000
Lump Sum Reduction	(39,400)	-0-	-0-
TOTAL APPROPRIATIONS	1,941,500	291,500	326,800

Continuing Services (General Fund)

The line item detail, provided for information purposes, represents expenditures for administration, package testing, large scale testing, technical petroleum testing, metrology, and special investigations.

Personal Services - The approved amount includes \$11,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$21,800.

Employee Related Expenditures - The approved amount includes \$1,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$129,200 for medical insurance and \$6,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$17,100 for risk management as well as \$162,000 for relocation expenses, including a lease-purchase or rental payment, increased utilities and maintenance contracts and moving expenses.

Equipment - The approved amount includes \$27,000 to replace 9 portable scales and \$14,200 to purchase 1 ultra micro balance for calibration of ultra small mass.

Lump Sum Reduction - The approved amount is a 2% lump sum reduction to the operating budget.

Oxygenated Fuel Program (Air Quality Fund)

Personal Services - The approved amount includes \$2,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount transfers 2 FTE positions from the General Fund (Continuing Services) to the Air Quality Fund (Oxygenated Fuel Program). With this change, all positions associated with the Oxygenated Fuel Program will be funded from the Air Quality Fund.

(Continued)

DEPARTMENT OF WEIGHTS AND MEASURES (Cont'd)
GENERAL FUND, AIR QUALITY FUND AND USED OIL FUND

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$19,500 for medical insurance and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount shifts funding to conform with actual expenditure patterns.

Used Oil Testing (Used Oil Fund)

Personal Services - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount transfers 10 FTE positions from the General Fund (Continuing Services) to the Used Oil Fund. The Used Oil Program was funded from the General Fund in FY 1992. In FY 1993, fees collected from testing used oil by the Department of Weights and Measures combined with 50% of all used oil fees collected by the Department of Environmental Quality will be sufficient to cover the costs of the program.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$21,300 for medical insurance and \$1,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount reduces capitalized equipment by \$41,100.

ADDITIONAL LEGISLATION

Civil Penalties; Department of Weights and Measures - Chapter 176 (H.B. 2359) - Requires the Department to conduct inspections of the instruments, standards or devices owned or operated by federal, state or local government agencies upon request as well as charge a corresponding fee. Requires the department to publish and distribute to consumers weighing and measuring information. Enables the department to issue a stop-use or stop-sale order if a prescribed fee or late charge is not paid.

Comprehensive Air Quality Act - Chapter 299 (S.B. 1430) - Requires the department to test not less than annually all Stage I and Stage II Vapor Recovery Systems that are installed or operated in this state. The department shall affix a seal of approval if the system is in compliance with the law or mark it rejected and stop the use of those systems not determined to be in compliance with the law. Establishes Stage II motor fuel device fees. The department shall maintain and keep current a list of design and performance standards for Stage I and Stage II vapor recovery systems certified by the California Air Resources Board. Beginning July 1, 1993, for gasoline dispensing sites with a throughput of over 10,000 gallons per month in a county with over 125,000 people shall not transfer gasoline into storage tanks at dispensing sites unless the storage tank is equipped with either a Stage I vapor collection system or a properly installed on-site vapor control system. In an ozone non-attainment area designated as moderate, serious, severe or extreme, gasoline may not be transferred unless the dispensing site is equipped with a Stage II system. Before the initial installation or modification of any Stage I or Stage II Recovery System, the owner shall obtain a plan review and approval from the department. The department in consultation with the Department of Environmental Quality (DEQ) and the State Fire Marshal shall establish by rule standards for the installation and operation of Stage I and Stage II systems. The department shall establish by rule plan review and approval fees. Dispensing site subject to the requirements must comply by the following dates:

- sites for which construction commenced after November 15, 1990, shall comply by May 15, 1993.
- sites with an annual throughput of more than 1,200,000 for any year during which the site was dispensing gasoline starting with January 1, 1987, shall comply by November 15, 1993.
- all other sites shall comply by November 15, 1994. Any county, city or town outside an ozone non-attainment area designated as moderate may request technical assistance from DEQ in evaluating the air quality and may request the imposition of the requirements of Stage II systems within their respective jurisdictions.

**OCCUPATIONAL AND LICENSING AGENCIES
SUMMARY OF RECEIPTS, APPROPRIATIONS AND BALANCE FORWARD
FISCAL YEAR 1993**

<u>Agency/Board</u>	<u>Balance Forward FY 1993</u>	<u>90% of FY 1993 Receipts</u>	<u>FY 1993 Approved</u>	<u>Balance Forward FY 1994</u>
Board of Accountancy	\$ 523,800	\$ 830,800	\$ 789,800	\$ 564,800
Board of Appraisal	39,300	224,800	221,100	43,000
Barber Examiners Board	96,400	110,800	139,900	67,300
Behavioral Health Examiner	112,200	144,000	251,200	5,000
Boxing Commission ^{1/}	11,000	-0-	-0-	-0-
Chiropractic Examiners Board	96,600	234,800	228,400	103,000
Board of Cosmetology	639,000	678,000	596,800	720,200
Board of Dental Examiners	292,200	512,500	467,300	337,400
Funeral Directors & Embalmers Board	80,700	228,200	169,400	139,500
Homeopathic Medical Examiners Board	29,000	18,100	18,600	28,500
Board of Medical Examiners	1,146,100	2,619,500	2,370,600	1,395,000
Naturopathic Physical Examiners Board	31,700	36,700	26,200	42,200
Board of Nursing	602,000	1,387,000	1,113,700	875,300
Nursing Care Institution Admin. Board ^{2/}	102,600	117,000	61,900	146,700
Occupational Therapy Board	64,200	46,500	53,700	57,000
Dispensing Opticians Board	42,300	61,400	60,200	43,500
Board of Optometry	97,400	19,000	97,300	19,100
Osteopathic Examiners Board	334,400	553,900	256,600	631,700
Board of Pharmacy	730,000	677,000	623,900	783,100
Physical Therapy Examiners Board	99,400	125,400	66,500	158,300
Podiatry Examiners Board	43,100	51,200	44,400	49,900
Board of Private Postsecondary Education	54,700	127,200	135,700	46,200
Psychologist Examiners Board	343,500	255,900	174,400	425,000
Board of Respiratory Care Examiners	85,100	120,200	118,000	87,300
Structural Pest Control Commission ^{3/}	-0-	244,200	244,200	-0-
Board of Technical Registration	418,100	966,100	867,200	517,000
Veterinary Medical Examiners Board	<u>53,200</u>	<u>271,000</u>	<u>158,400</u>	<u>165,800</u>
TOTALS	<u>6,168,000</u>	<u>10,661,200</u>	<u>9,355,400</u>	<u>7,451,800</u>

- ^{1/} Agency was changed to a General Fund agency; the Boxing Fund was eliminated and all receipts will be deposited into the Genral Fund.
- ^{2/} Approved amount does not include a \$11,000 General Fund loan repayment.
- ^{3/} Estimates does not include the Inspector Support Fund. It is the intent of the legislature that not more than 25% of the appropriation shall be expended from he Structural Pest Control Commission Fund.

STATE BOARD OF ACCOUNTANCY

A.R.S. § 32-701

Ruth R. Lee, Executive Director

JLBC Analyst: de la Rosa

BOARD OF ACCOUNTANCY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	9.0	9.0	9.0
Personal Services	184,200	190,900	193,100
Employee Related Exp.	40,600	52,200	48,000
Prof. & Outside Services	205,100	206,800	268,900
Travel - In State	6,400	9,700	11,000
Travel - Out of State	5,900	4,800	6,300
Other Operating Exp.	132,100	165,500	159,200
Equipment	10,300	-0-	-0-
All Other Operating Exp.	359,800	386,800	445,400
OPERATING SUBTOTAL	584,600	629,900	686,500
Special Investigations	-0-	103,300	103,300
TOTAL APPROPRIATIONS	584,600	733,200	789,800 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	485,500	466,700	523,800
Add Revenues	565,800	790,300	830,800
TOTAL FUNDS AVAILABLE	1,051,300	1,257,000	1,354,600
Expenditures	584,600	733,200	789,800
BALANCE END OF FISCAL YEAR	466,700	523,800	564,800

Personal Services - The approved amount includes \$2,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$23,400 for medical insurance and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$27,800 for data processing, \$99,200 for legal services, \$132,700 for examinations, and \$9,200 for other expenses.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE BOARD OF ACCOUNTANCY (Cont'd)
BOARD OF ACCOUNTANCY FUND

Travel - In State - Approved amount includes a \$1,300 increase for additional traveling expenses for a new board member.

Travel - Out of State - Approved amount includes a \$1,500 increase to attend conferences in locations different than FY 1992.

Other Operating Expenditures - The approved amount contains \$2,400 for risk management, \$30,700 for office space rent, \$5,000 for advertising, and \$20,000 for postage. The approved amount also includes a \$1,000 increase for repair/maintenance contracts and a \$7,300 decrease in office rent to reflect the actual contract amount.

Special Investigations - The approved amount includes \$103,300 to fund the second of a 2-year special investigations program. The Board will use the money to pursue allegations made against Certified Public Accountants and individual accounting firms that performed audits of now insolvent financial institutions.

BOARD OF APPRAISAL

A.R.S. § 32-3604

Adriane Brown-White, Director

JLBC Analyst: Fusak

GENERAL FUND AND BOARD OF APPRAISAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	4.0	4.0
Personal Services	34,400	95,700	108,600
Employee Related Exp.	4,000	30,500	25,100
Prof. & Outside Services	16,300	30,700	30,700
Travel - In State	2,800	25,500	25,500
Travel - Out of State	1,100	2,000	2,000
Other Operating Exp.	8,900	35,400	29,200
Equipment	21,200	-0-	-0-
All Other Operating Exp.	50,300	93,600	87,400
TOTAL APPROPRIATIONS	88,700	219,800	221,100 ^{1/}
Fund Summary			
General Fund	75,000 ^{2/}	-0-	-0-
Board of Appraisal Fund	13,700	219,800	221,100
TOTAL APPROPRIATIONS	88,700	219,800	221,100
BOARD OF APPRAISAL FUND			
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	75,000	221,000	39,300
Add Revenues	234,700	113,100	224,800 ^{3/}
TOTAL FUNDS AVAILABLE	309,700	334,100	264,100
Expenditures	88,700	219,800	221,100
Payback of General Fund	-0-	75,000 ^{4/}	-0-
BALANCE END OF FISCAL YEAR	221,000	39,300	43,000

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

^{2/} The Board of Appraisal was established in FY 1990 with \$75,000 from the General Fund for start-up costs. The Board members, however, were not appointed until August 9, 1990 and consequently the agency did not start operating until FY 1991. The Board was allowed to carry forward the start-up appropriation and expend it in FY 1991.

^{3/} Revenue estimate assumes 1,020 renewals.

^{4/} Represents \$75,000 repayment to the General Fund, pursuant to Laws 1990, Chapter 313.

BOARD OF APPRAISAL (Cont'd)

GENERAL FUND AND BOARD OF APPRAISAL FUND

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. The approved amount includes an increase of \$10,200 to fully fund board member per diem as provided for in A.R.S. § 38-611. The approved amount also includes an increase of \$1,700 for per diem for 3 additional board members, added by Laws 1991, Chapter 233 (H.B. 2165). Chapter 233 brought the total number of board members to 11 members. However, subsequent to the passage of H.B. 2165, Laws 1992, Chapter 343 (H.B. 2314) reduced the total number of board members from 11 to 9 members. (See Additional Legislation below)

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$11,600 for medical insurance and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$400 for risk management as well as a decrease of \$7,700 for rent to reflect the actual rent requirement. The approved amount also includes an increase of \$1,500 for postage due to a change in the renewal cycle from a 3 year renewal cycle for appraisers and a 2 year renewal cycle for tax agents to a biennial for both as mandated by Laws 1992, Chapter 343 (H.B. 2314).

ADDITIONAL LEGISLATION

State Board of Appraisal - Chapter 343 (H.B. 2314) - States that no person other than a state licensed or state certified appraiser may receive a fee for a real estate appraisal or an appraisal review. Changes the number of Board members from 11 to 9 members. Raises the license, certificate or resident temporary license or certificate fee from not more than \$225 to not more than \$425. Raises the 2 year federal registry fee from the actual registry cost to double the actual federal registry fee. Changes the renewal cycle to a biennial renewal cycle. Specifies that any person who creates the impression of licensure or certification by the state or any person who knowingly provides false or fraudulent information to the Board is guilty of a class 1 misdemeanor.

BOARD OF BARBERS

A.R.S. § 32-301

Mario Herrera, Executive Director

JLBC Analyst: Bock

BOARD OF BARBERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	79,800	82,100	82,800
Employee Related Exp.	16,400	18,000	18,900
Prof. & Outside Services	400	800	800
Travel - In State	8,200	11,300	14,100
Travel - Out of State	-0-	800	1,300
Other Operating Exp.	20,500	21,700	22,000
Equipment	4,200	-0-	-0-
All Other Operating Exp.	33,300	34,600	38,200
TOTAL APPROPRIATIONS	129,500	134,700	139,900 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARDED			
Balance Beg. of Fiscal Year	144,700	129,400	96,400
Add Revenues	114,200	101,700	110,800
TOTAL FUNDS AVAILABLE	258,900	231,100	207,200
Expenditures	129,500	134,700	139,900
BALANCE END OF FISCAL YEAR	129,400	96,400	67,300

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. No vacancy factor of was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$7,700 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Travel - In State - The approved increase of \$2,800 for Travel - In State is for inspection and enforcement activity.

Travel - Out of State - The approved amount includes an additional \$500 for attendance at the national professional association meeting.

Other Operating Expenditures - The approved amount includes an additional \$300 for supplies related to data processing.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF BEHAVIORAL HEALTH EXAMINERS

A.R.S. § 32-3251

David Oake, Executive Director

JLBC Analyst: Bock

BEHAVIORAL HEALTH EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	2.0	4.0	4.0
Personal Services	67,900	106,000	142,700
Employee Related Exp.	10,900	22,000	26,400
Prof. & Outside Services	20,200	8,000	4,000
Travel - In State	6,300	10,000	13,700
Travel - Out of State	2,500	5,000	3,000
Other Operating Exp.	47,900	53,500	61,400
Equipment	5,300	8,000	-0-
All Other Operating Exp.	82,200	84,500	82,100
TOTAL APPROPRIATIONS	161,000	212,500 ^{1/}	251,200 ^{2/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	2,500	5,700	112,200
Add Revenues	200,200	333,000	144,000
TOTAL FUNDS AVAILABLE	202,700	338,700	256,200
Expenditures	161,000	212,500	251,200
Payback of General Fund	36,000 ^{3/}	14,000 ^{3/}	-0-
BALANCE END OF FISCAL YEAR	5,700	112,200	5,000

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes \$18,600 to annualize the Administrative Secretary that was added in the FY 1992 Supplemental, and \$23,200 for additional limited staff for office management and complaint processing.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$11,100 for medical insurance and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The expenditure detail for FY 1992 includes a supplemental appropriation of \$33,600 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} Laws 1990, Chapter 94 specifies that the State Treasurer shall deposit 10% of the monies collected pursuant to this act in the State General Fund. An additional 10% of the monies collected pursuant to this act were to be collected by the Treasurer to repay the 1990 General Fund appropriation of \$50,000 until such time as that amount had been repaid to the State General Fund. Laws 1991, Chapter 95 (H.B. 2346), changed the repayment schedule to require that \$36,000 be repaid within FY 1991 and \$14,000 be repaid within FY 1992.

BOARD OF BEHAVIORAL HEALTH EXAMINERS (Cont'd)
BEHAVIORAL HEALTH EXAMINERS FUND

Professional and Outside Services - The approved amount adds \$2,000 for legal services for complaint processing.

Travel - In State - The approved amount adds \$3,700 for board member and staff travel expenses.

Other Operating Expenditures - The approved amount contains \$300 for risk management, and adds \$15,800 for miscellaneous Other Operating items, \$1,100 of which is a rent adjustment.

ADDITIONAL LEGISLATION

Behavioral Health Examiners; Certified Associates - Chapter 359 (H.B. 2539) - This act creates 2 new classes of certified practitioner: the associate counselor and the associate marriage and family therapist. This will add to the Board's workload as well as to the fee receipts.

BOXING COMMISSION

A.R.S. § 5-221

John Montano, Executive Director

JLBC Analyst: Martinez

GENERAL FUND AND BOXING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1.5	1.5	1.0
Personal Services	35,700	35,200	30,100
Employee Related Exp.	10,400	9,000	7,100
Prof. & Outside Services	300	1,200	1,000
Travel - In State	1,300	3,000	3,000
Travel - Out of State	900	900	900
Other Operating Exp.	9,200	6,800	10,000
Equipment	-0-	-0-	-0-
All Other Operating Exp.	11,700	11,900	14,900
Lump Sum Reduction	-0-	-0-	(500)
TOTAL APPROPRIATIONS	57,800	56,100	51,600 ^{1/2}
Fund Summary			
General Fund	54,400	27,300	51,600
Boxing Fund	3,400	28,800	-0-
TOTAL APPROPRIATIONS	57,800	56,100	51,600
BOXING FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	7,200	30,800	11,000
Add Revenues	27,000	9,000	-0-
TOTAL FUNDS AVAILABLE	34,200	39,800	11,000
Expenditures	3,400	28,800	-0-
General Fund Deposits	-0-	-0-	11,000 ^{3/}
BALANCE END OF FISCAL YEAR	30,800	11,000	-0-

(Continued)

^{1/} The Boxing Commission shall report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate and House Appropriation Committees, and the Director of the Joint Legislative Budget Committee on a quarterly basis. This report shall contain the number of boxing events, gross receipts, state revenues, license fee collections, and records of deposits. (General Appropriation Act footnote)

BOXING COMMISSION (Cont'd)
GENERAL FUND AND BOXING FUND

Personal Services - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved General Fund amount contains \$3,300 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Boxing Commission; Funding - Chapter 337 (H.B. 2218) - The bill transfers revenue collection and accounting responsibilities for Boxing Commission revenues to the Department of Racing and increases the tax on the gross receipts of a boxing contest from 2% to 4%. The bill also eliminates the Boxing Commission as a "90/10" agency. All revenues collected for the Boxing Commission are to be deposited into the General Fund.

(Footnotes Continued From Previous Page)

- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ H.B. 2218 (Chapter 337) eliminates the Boxing Commission as a "90/10" agency. All revenues collected for the Boxing Commission are to be deposited into the General Fund.

STATE BOARD OF CHIROPRACTIC EXAMINERS

A.R.S. § 32-901

Elaine LeTarte, Executive Director

JLBC Analyst: de la Rosa

BOARD OF CHIROPRACTIC EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	107,400	107,800	112,600
Employee Related Exp.	22,000	20,800	22,000
Prof. & Outside Services	13,000	16,200	16,200
Travel - In State	3,500	12,200	7,100
Travel - Out of State	6,200	4,800	5,200
Other Operating Exp.	57,000	52,000	54,000
Equipment	7,100	9,300	11,300
All Other Operating Exp.	86,800	94,500	93,800
TOTAL APPROPRIATIONS	216,200	223,100 ^{1/}	228,400 ^{2/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	69,900	80,400	96,600
Add Revenues	226,700	239,300	234,800
TOTAL FUNDS AVAILABLE	296,600	319,700	331,400
Expenditures	216,200	223,100	228,400
BALANCE END OF FISCAL YEAR	80,400	96,600	103,000

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes an increase of \$3,800 for board member compensation for additional board meetings to address a hearing backlog.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$10,000 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Travel - In State includes an increase of \$400 to attend a conference. The approved amount for Other Operating Expenditures includes a \$1,000 increase for private space rent, a \$1,000 increase in maintenance contracts for equipment, and \$1,200 for risk management. The approved amount for Capitalized Equipment includes \$9,300 for a replacement copier and \$2,000 for the purchase of conference tables.

^{1/} The expenditure detail for FY 1992 includes a supplemental appropriation of \$5,100 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF COSMETOLOGY

A.R.S. § 32-501

Sue Sansom, Executive Director

JLBC Analyst: Bock

BOARD OF COSMETOLOGY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	14.5	15.5	15.5
Personal Services	289,000	308,600	312,500
Employee Related Exp.	70,200	78,600	83,100
Prof. & Outside Services	45,600	48,100	66,400
Travel - In State	21,500	25,000	25,000
Travel - Out of State	6,100	1,200	5,700
Other Operating Exp.	110,100	102,000	95,100
Equipment	5,700	-0-	9,000
All Other Operating Exp.	189,000	176,300	201,200
TOTAL APPROPRIATIONS	548,200	563,500	596,800 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	665,600	657,400	639,000
Add Revenues	540,000	545,100	678,000
TOTAL FUNDS AVAILABLE	1,205,600	1,202,500	1,317,000
Expenditures	548,200	563,500	596,800
BALANCE END OF FISCAL YEAR	657,400	639,000	720,200

Personal Services - The approved amount includes \$3,900 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$500 for the salary adjustment effective April 1, 1993. The approved amount contains \$40,200 for medical insurance and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$22,900 for testing services, of which \$4,000 is for a fee increase on the written exam and \$18,900 is for the new standardized practical exam. The amount includes a reduction of \$7,000 to return to the original FY 1992 appropriated base, and adds \$2,400 for the Department of Administration's data center charges.

Travel - Out of State - The approved amount adds \$3,500 for board member and staff travel to national professional association meetings.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF COSMETOLOGY (Cont'd)
BOARD OF COSMETOLOGY FUND

Other Operating Expenditures - The approved amount eliminates \$6,600 in one-time non-capitalized equipment, \$2,600 in other one-time expenditures, and \$1,000 in contract maintenance since the approved new photocopier will be under warranty.

Capitalized Equipment - The approved amount adds \$9,000 for a new replacement photocopier.

BOARD OF DENTAL EXAMINERS

A.R.S. § 32-1201

Mark K. Steinberg, Executive Director

JLBC Analyst: de la Rosa

DENTAL BOARD FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	8.0	8.0	9.0
Personal Services	196,500	208,800	242,100
Employee Related Exp.	35,200	44,400	54,400
Prof. & Outside Services	24,000	24,000	24,000
Travel - In State	4,800	6,500	6,500
Travel - Out of State	3,200	5,400	5,400
Other Operating Exp.	72,200	89,100	86,100
All Other Operating Exp.	104,200	125,000	122,000
OPERATING SUBTOTAL	335,900	378,200	418,500
Automation	-0-	18,000	8,800
Impaired Dentist Program	10,000	40,000	40,000
TOTAL APPROPRIATIONS	345,900	436,200	467,300 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	242,500	(2,500)	292,200
Add Revenues	100,900	730,900	512,500
TOTAL FUNDS AVAILABLE	343,400	728,400	804,700
Expenditures	345,900	436,200	467,300
BALANCE END OF FISCAL YEAR	(2,500)	292,200	337,400

Personal Services - The approved amount includes \$2,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes \$21,200 for staff reclassification and \$9,900 for half-year funding of 1 Legal Assistant.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$23,700 for medical insurance and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$2,900 for risk management and elimination of \$3,000 for non-capitalized equipment and furniture.

Impaired Dentist Program - The approved amount provides \$40,000 for the Impaired Dentist Monitoring and Rehabilitative Program, which monitors and treats dentists with dependency problems.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

A.R.S. § 32-1301

Jean Ellzey, Executive Director

JLBC Analyst: Martinez

BOARD OF FUNERAL DIRECTORS AND EMBALMERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	2.5	3.0	3.0
Personal Services	67,800	83,000	83,700
Employee Related Exp.	13,600	27,600	17,700
Prof. & Outside Services	16,800	24,200	24,300 ^{1/}
Travel - In State	7,700	19,500	19,500
Travel - Out of State	1,700	-0-	-0-
Other Operating Exp.	6,500	24,200	24,200
All Other Operating Exp.	32,700	67,900	68,000
TOTAL APPROPRIATIONS	114,100	178,500	169,400 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	20,700	31,000	80,700
Add Revenues	124,400	228,200	228,200
TOTAL FUNDS AVAILABLE	145,100	259,200	308,900
Expenditures	114,100	178,500	169,400
BALANCE END OF FISCAL YEAR	31,000	80,700	139,500

Personal Services - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$8,200 for board member per diem.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$7,800 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$17,800 for joint office costs. The \$17,800 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The approved amounts for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$900 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF HOMEOPATHIC MEDICAL EXAMINERS

A.R.S. § 32-2901

John C. Reed, M.D., Board President

JLBC Analyst: Martinez

BOARD OF HOMEOPATHIC MEDICAL EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.25	0.25	0.25
Personal Services	3,900	5,400	5,500
Employee Related Exp.	300	500	500
Prof. & Outside Services	5,400	10,100	11,000 ^{1/}
Travel - In State	100	300	500
Other Operating Exp.	1,700	2,100	1,100
Equipment	1,900	-0-	-0-
All Other Operating Exp.	9,100	12,500	12,600
TOTAL APPROPRIATIONS	13,300	18,400	18,600 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	31,000	30,700	29,000
Add Revenues	13,000	16,700	18,100
TOTAL FUNDS AVAILABLE	44,000	47,400	47,100
Expenditures	13,300	18,400	18,600
BALANCE END OF FISCAL YEAR	30,700	29,000	28,500

Personal Services - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$1,200 for board member per diem.

Professional and Outside Services - The approved amount includes \$10,100 for joint office costs. The \$10,100 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The approved amount for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$300 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF MEDICAL EXAMINERS

A.R.S. § 32-1401

Douglas N. Cerf, Executive Director

JLBC Analyst: de la Rosa

BOARD OF MEDICAL EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	39.0	39.0	40.5
Personal Services	911,600	1,053,800 ^{1/}	1,107,900
Employee Related Exp.	188,400	228,000 ^{1/}	242,700
Prof. & Outside Services	382,700	354,300	380,200
Travel - In State	31,000	37,500	37,500
Travel - Out of State	8,000	8,800	8,800
Other Operating Exp.	393,500	399,500	427,000
Equipment	40,300	-0-	-0-
All Other Operating Exp.	855,500	800,100	853,500
OPERATING SUBTOTAL	1,955,500	2,081,900	2,204,100
Office Automation	40,700	28,500	-0-
Attorney General - Legal Fees	166,400	166,500	166,500 ^{2/}
TOTAL	2,162,600	2,276,900	2,370,600 ^{3/}
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Supplemental Appropriation, Ch. 262	--	50,000 ^{4/}	--
TOTAL APPROPRIATIONS	2,162,600	2,326,900	2,370,600
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	1,122,400	1,176,400	1,146,300
Add Revenues	2,243,700	2,296,800	2,619,500
TOTAL FUNDS AVAILABLE	3,366,100	3,473,200	3,765,800
Expenditures	2,162,600	2,326,900	2,370,600
Transfer to Biological Fluid Testing Rev. Fund	27,100	-0-	-0-
BALANCE END OF FISCAL YEAR	1,176,400	1,146,300	1,395,200

^{1/} The Joint Legislative Budget Committee approved the transfer of \$1,000 from Personal Services to Employee Related Expenditures.

(Footnotes Continued on Following Page)

BOARD OF MEDICAL EXAMINERS (Cont'd)
BOARD OF MEDICAL EXAMINERS FUND

Personal Services - The approved amount includes \$10,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$10,700. The approved amount also includes \$15,500 to fund a 0.5 Nurse Consultant position and \$21,500 to fund 1 Administrative Assistant for examinations. The Nurse Consultant will function as a liaison officer, handling complaints that do not need to go to formal investigation. The Administrative Assistant will handle the increased examinations workload caused by a change in licensing examination procedure. The Administrative Assistant will also handle inquiries and reports to the National Practitioner Data Bank.

Employee Related Expenditures - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$104,600 for medical insurance and \$5,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional & Outside Services - The approved amount includes \$64,000 for Legal Services and \$260,200 for medical evaluations and monitoring of impaired physicians.

Other Operating Expenditures - The approved amount contains \$22,200 for risk management and \$8,200 for the Tucson State Office Building. The approved amount also includes \$65,800 for postage and delivery services, \$159,000 for private space rent, and \$34,000 for repair/maintenance contracts.

(Footnotes Continued From Previous Page)

- 2/ The \$166,500 appropriated for Attorney General - Legal Fees is specifically designated to pay for the Personal Services and Employee Related Expenditures of the 2 Assistant Attorney General positions and a 0.5 Legal Secretary position assigned to the Board of Medical Examiners. Any monies not expended for the purpose specified shall revert to the Board of Medical Examiners Fund. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.
- 4/ Additional appropriation approved to cover unanticipated formal hearing costs for court reporters, hearing officers, and other legal services.

NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

A.R.S. § 32-1501

Glenn T. Ozalan, N.D., Board Chairman

JLBC Analyst: Martinez

BOARD OF NATUROPATHIC PHYSICIANS EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.25	0.25	0.25
Personal Services	6,600	6,600	6,700
Employee Related Exp.	500	600	600
Prof. & Outside Services	7,100	15,000	15,100 ^{1/}
Travel - In State	900	1,500	1,500
Other Operating Exp.	2,600	2,300	2,300
Equipment	1,500	-0-	-0-
All Other Operating Exp.	12,100	18,800	18,900
TOTAL APPROPRIATIONS	19,200	26,000	26,200 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	10,200	23,400	31,700
Add Revenues	32,400	34,300	36,700
TOTAL FUNDS AVAILABLE	42,600	57,700	68,400
Expenditures	19,200	26,000	26,200
BALANCE END OF FISCAL YEAR	23,400	31,700	42,200

Personal Services - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$2,000 for board member per diem.

Professional and Outside Services - The approved amount includes \$10,100 for joint office costs. The \$10,100 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The approved amount for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$300 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF NURSING

A.R.S. § 32-1602

Fran Roberts R.N., Executive Director

JLBC Analyst: de la Rosa

BOARD OF NURSING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	21.2	21.7	21.7 ^{1/}
Personal Services	527,600	555,500	560,500
Employee Related Exp.	102,700	121,000	130,300
Prof. & Outside Services	103,200	53,000	83,000
Travel - In State	23,400	14,300	14,300
Travel - Out of State	9,400	5,700	5,700
Other Operating Exp.	256,700	225,300	224,300
All Other Operating Exp.	392,700	298,300	327,300
OPERATING SUBTOTAL	1,023,000	974,800	1,018,100
Nurse Aid Registration Program	86,900	74,900	42,100
TOTAL APPROPRIATIONS	1,109,900	1,049,700	1,060,200 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	211,000	999,000	602,200 ^{3/}
Add Revenues	1,721,000	653,000	1,387,000
Transfer In from AHCCCS	513,000	215,000	368,000
TOTAL FUNDS AVAILABLE	2,445,000	1,867,000	2,357,200
Expenditures	1,109,900	1,049,700	1,060,200
Non-Appropriated Expenditures	336,100	215,100	326,400
BALANCE END OF FISCAL YEAR	999,000	602,200	970,600

Personal Services - The approved amount includes \$5,000 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$56,200 for medical insurance and \$2,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The FTE Positions total includes 1.5 FTE positions funded in the Nurse Aid Registration Program special line item.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF NURSING (Cont'd)
BOARD OF NURSING FUND

Other Operating Expenditures - The approved amount contains \$4,900 for risk management. The approved amount also includes a decrease of \$1,000 for non-capitalized equipment.

Nurse Aid Registration Program (NARP) - The board is responsible for administering the Nurse Aid Training and Registration Program mandated by the federal Medicaid program. The board's responsibilities included: overseeing the training curriculum of schools conducting nurse aid training; maintaining a registry; coordinating renewals; auditing the validity of reimbursement requests for training from schools conducting nurse aid training and forwarding them to the Arizona Health Care Cost Containment System (AHCCCS) for payment; and conducting testing for nurse aides. The board is only responsible for paying administrative costs relating to NARP. Approximately 15,000 nurse aides are on the registry.

The approved amount includes \$500 (Personal Services, \$400; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$4,000 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The amount approved for Professional and Outside Expenditures includes a \$5,500 increase for Nurse Aid Examiners. The NARP appropriation was also reduced by \$40,000 to reflect Medicare monies to be passed through the Department of Health Services (DHS) to the board for NARP. The appropriation is based on the following objects of expenditure:

FTE Positions	1.5
Personal Services	\$36,000
Employee Related Exp.	8,900
Prof. & Related Exp.	25,500
Travel - In State	500
Travel - Out of State	500
Other Operating Exp.	<u>10,700</u>
Sub-Total	82,100
Less Medicare Pass-through	<u>(40,000)</u>
TOTAL	<u>\$42,100</u>

NURSING CARE INSTITUTION ADMINISTRATORS BOARD

A.R.S. § 36-446.02

Christine Springer, Executive Director

JLBC Analyst: Martinez

GENERAL FUND AND BOARD OF NURSING CARE INSTITUTION ADMINISTRATORS FUND

	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.70	0.70	0.70
Personal Services	22,800	24,100	24,300
Employee Related Exp.	6,600	6,200	4,400
Prof. & Outside Services	18,800	26,700	24,100 ^{1/}
Travel - In State	800	4,500	4,300
Other Operating Exp.	4,400	4,900	4,800
All Other Operating Exp.	24,000	36,100	33,200
TOTAL APPROPRIATIONS	53,400	66,400	61,900 ^{2/}
Fund Summary			
General Fund	3,700	-0-	-0-
Bd. of Nursing Care Inst. Admin. Fund	49,700	66,400	61,900
TOTAL APPROPRIATIONS	53,400	66,400	61,900

NURSING CARE INSTITUTION ADMINISTRATORS FUND AND GENERAL FUND

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	38,300	23,200	102,600
General Fund	7,000 ^{3/}	-0-	-0-
Add Revenues	31,300	151,300	117,000 ^{4/}
TOTAL FUNDS AVAILABLE	76,600	174,500	219,600
Expenditures	53,400	66,400	61,900
Payback to General Fund	-0-	5,500	11,000 ^{5/}
BALANCE END OF FISCAL YEAR	23,200	102,600	146,700

(Continued)

- 1/ This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ The amount represents an additional General Fund appropriation for start-up costs associated with the licensure and regulation of adult care home managers.
- 4/ This agency has a biennial licensing cycle.
- 5/ The amount represents the final repayment for the FY 1990 \$16,500 General Fund supplemental appropriation.

NURSING CARE INSTITUTION ADMINISTRATORS BOARD (Cont'd)
GENERAL FUND AND BOARD OF NURSING CARE INSTITUTION ADMINISTRATORS FUND

Personal Services - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$4,800 for board member per diem.

Employee Related Expenditures - The approved amount contains \$1,800 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$12,900 for joint office costs. The \$12,900 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount includes \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The amount approved for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$500 for risk management.

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

A.R.S. § 32-3401

Kenneth D. Fink, Executive Director

JLBC Analyst: Martinez

**GENERAL FUND AND OCCUPATIONAL
THERAPY BOARD FUND****FY 1991
Actual****FY 1992
Estimate****FY 1993
Approved**

FTE Positions	0.7	0.7	1.0
Personal Services	1,400	20,000	28,700
Employee Related Exp.	-0-	5,100	6,600
Prof. & Outside Services	-0-	1,500	4,100
Travel - In State	900	1,500	1,300
Travel - Out of State	-0-	-0-	1,300
Other Operating Exp.	-0-	7,000	11,700
All Other Operating Exp.	900	10,000	18,400
TOTAL APPROPRIATIONS	2,300	35,100	53,700
<u>Fund Summary</u>			
General Fund	2,300	-0-	-0-
Occupational Therapy Board Fund	-0-	35,100	53,700
TOTAL APPROPRIATIONS	2,300	35,100	53,700 ^{1/}

OCCUPATIONAL THERAPY BOARD FUND**RECEIPT, EXPENDITURES AND BALANCES FORWARD**

Balance Beg. of Fiscal Year	-0-	22,700	64,200
General Fund Appropriation	25,000	-0-	-0-
Add Revenues	-0-	101,600	46,500
TOTAL FUNDS AVAILABLE	25,000	124,300	110,700
Expenditures	2,300	35,100	53,700
Payback to General Fund	-0-	25,000 ^{2/}	-0-
BALANCE END OF FISCAL YEAR	22,700	64,200	57,000

Personal Services - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$2,400 for board member per diem and \$8,400 for annualization of the executive director's salary.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

^{2/} The amount represents the repayment for the FY 1991 \$25,000 General Fund appropriation for agency start-up costs.

BOARD OF OCCUPATIONAL THERAPY EXAMINERS (Cont'd)
GENERAL FUND AND OCCUPATIONAL THERAPY BOARD FUND

Employee Related Expenditures - The approved amount contains \$3,300 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$300 for risk management and \$2,400 for rent in state-owned space. The approved amounts for rent in state-owned space are to be transferred into the Capitol Outlay Stabilization Fund.

BOARD OF DISPENSING OPTICIANS

A.R.S. § 32-1671

Careen J. Heinze, Executive Director

JLBC Analyst: Martinez

BOARD OF DISPENSING OPTICIANS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.8	0.8	0.8
Personal Services	25,300	29,600	29,800
Employee Related Exp.	4,300	8,000	5,800
Prof. & Outside Services	13,400	14,600	14,700 ^{1/}
Travel - In State	1,700	3,100	3,100
Other Operating Exp.	3,500	6,800	6,800
All Other Operating Exp.	18,600	24,500	24,600
TOTAL APPROPRIATIONS	48,200	62,100	60,200 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	31,500	43,100	42,300
Add Revenues	59,800	61,300	61,400
TOTAL FUNDS AVAILABLE	91,300	104,400	103,700
Expenditures	48,200	62,100	60,200
BALANCE END OF FISCAL YEAR	43,100	42,300	43,500

Personal Services - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$4,400 for board member per diem.

Employee Related Expenditures - The approved amount contains \$2,500 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$14,200 for joint office costs. The \$14,200 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount includes \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The approved amount for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$700 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF OPTOMETRY

A.R.S. § 32-1701

Florence Moore, Executive Director

JLBC Analyst: Martinez

BOARD OF OPTOMETRY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1.5	1.75	1.75
Personal Services	50,600	53,900	54,300
Employee Related Exp.	10,200	13,800	11,200 ^{1/}
Prof. & Outside Services	15,700	18,000	18,100 ^{1/}
Travel - In State	9,000	5,700	5,700
Travel - Out of State	-0-	700	700
Other Operating Exp.	4,800	7,300	7,300
All Other Operating Exp.	29,500	31,700	31,800
TOTAL APPROPRIATIONS	90,300	99,400	97,300 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	112,100	38,100	97,400
Add Revenues	16,300	158,700	19,000 ^{3/}
TOTAL FUNDS AVAILABLE	128,400	196,800	116,400
Expenditures	90,300	99,400	97,300
BALANCE END OF FISCAL YEAR	38,100	97,400	19,100

Personal Services - The approved amount includes \$400 for the general salary adjustment effective April 1, 1993. No vacancy factor of was applied. The approved amount includes \$5,200 for board member per diem.

Employee Related Expenditures - The approved amount contains \$4,800 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$13,900 for joint office costs. The \$13,900 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The amount approved for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$800 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

^{3/} This agency has a biennial licensing cycle.

ARIZONA BOARD OF OSTEOPATHIC EXAMINERS

A.R.S. § 32-1801

Robert J. Miller, Ph.D., Executive Director

JLBC Analyst: de la Rosa

BOARD OF OSTEOPATHIC EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.5	4.5	5.0
Personal Services	129,800	132,400	146,000
Employee Related Exp.	29,500	26,400	30,900
Prof. & Outside Services	31,300	35,400	35,500
Travel - In State	5,500	5,800	5,800
Travel - Out of State	3,200	4,300	3,800
Other Operating Exp.	42,500	41,500	34,600
Equipment	14,400	-0-	-0-
All Other Operating Exp.	96,900	87,000	79,700
OPERATING SUBTOTAL	256,200	245,800	256,600 ^{1/}
Automation	-0-	12,600	-0-
TOTAL APPROPRIATIONS	256,200	258,400	256,600
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	314,800	535,800	334,400
Add Revenues	477,200	57,000	553,900 ^{2/}
TOTAL FUNDS AVAILABLE	792,000	592,800	888,300
Expenditures	256,200	258,400	256,600
BALANCE END OF FISCAL YEAR	535,800	334,400	631,700

Personal Services - The approved amount includes \$1,200 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes \$6,400 to fund a 0.5 Clerk Typist position to address an increase in workload, and \$6,000 for staff reclassification.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$12,800 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- ^{2/} This agency has a biennial licensing cycle.

ARIZONA BOARD OF OSTEOPATHIC EXAMINERS (Cont'd)
BOARD OF OSTEOPATHIC EXAMINERS FUND

All Other Operating Expenditures - The approved amount for Professional and Outside Services reflects an inflationary increase of \$100 for medical services. The approved amount for Travel - Out of State reflects a decrease of \$500. The approved amount for Other Operating Expenditures contains \$2,400 for risk management and elimination of \$6,900 for data processing equipment lease-purchase.

Automation - The \$12,600 in below-the-line automation has been eliminated due to project completion.

BOARD OF PHARMACY

A.R.S. § 32-1901

Llyn A. Lloyd, Executive Secretary

JLBC Analyst: de la Rosa

BOARD OF PHARMACY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	11.0	11.0	11.0
Personal Services	367,800	390,200	391,200
Employee Related Exp.	80,800	88,500	79,800
Prof. & Outside Services	22,100	23,600	23,600
Travel - In State	39,700	33,400	33,400
Travel - Out of State	4,000	4,000	4,000
Other Operating Exp.	93,200	80,600	78,700
Equipment	-0-	-0-	8,200
All Other Operating Exp.	159,000	141,600	147,900
OPERATING SUBTOTAL	607,600	620,300	618,900
Automation	10,400	5,000	5,000
TOTAL APPROPRIATIONS	618,000	625,300	623,900 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	617,100	678,300	730,000
Add Revenues	679,200	677,000	677,000
TOTAL FUNDS AVAILABLE	1,296,300	1,355,300	1,407,000
Expenditures	618,000	625,300	623,900
BALANCE END OF FISCAL YEAR	678,300	730,000	783,100

Personal Services - The approved amount includes \$2,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$28,300 for medical insurance and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$2,900 for risk management and \$3,900 for the Tucson State Office Building. The approved amount also includes a decrease of \$2,900 reflecting the completion of a copy machine lease-purchase.

Equipment - The approved amount contains \$8,200 for the purchase of 2 laptop computers and 2 vehicle upgrades.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF PHYSICAL THERAPY EXAMINERS

A.R.S. § 32-2001

Patricia Plack, Executive Director

JLBC Analyst: Martinez

**BOARD OF PHYSICAL THERAPY
EXAMINERS FUND****FY 1991
Actual****FY 1992
Estimate****FY 1993
Approved**

FTE Positions	1.0	1.0	1.0
Personal Services	28,000	27,900	30,600
Employee Related Exp.	5,200	6,900	6,500
Prof. & Outside Services	16,400	19,100	18,100 ^{1/}
Travel - In State	1,300	3,600	3,200
Travel - Out of State	900	1,500	1,300
Other Operating Exp.	6,500	7,500	6,800
All Other Operating Exp.	25,100	31,700	29,400
TOTAL APPROPRIATIONS	58,300	66,500	66,500 ^{2/}

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	70,800	130,400	99,400
Add Revenues	117,900	35,500	125,400 ^{3/}
TOTAL FUNDS AVAILABLE	188,700	165,900	224,800
Expenditures	58,300	66,500	66,500
BALANCE END OF FISCAL YEAR	130,400	99,400	158,300

Personal Services - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$1,800 for board member per diem and \$2,400 for the executive director's salary increase.

Employee Related Expenditures - The approved amount contains \$2,800 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$12,800 for joint office costs. The \$12,800 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The amount approved for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$500 for risk management.

- 1/ This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ This agency has a biennial licensing cycle.

BOARD OF PODIATRY EXAMINERS

A.R.S. § 32-801

Michael Kates, D.P.M., President

JLBC Analyst: Martinez

BOARD OF PODIATRY EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	0.0	1.0	1.0
Personal Services	3,900	21,500	21,800
Employee Related Exp.	100	4,000	5,100
Prof. & Outside Services	28,000	15,200	15,300 ^{1/}
Travel - In State	100	400	400
Other Operating Exp.	1,700	1,800	1,800
All Other Operating Exp.	29,800	17,400	17,500
TOTAL APPROPRIATIONS	33,800	42,900	44,400 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	22,600	36,200	43,100
Add Revenues	47,400	49,800	51,200
TOTAL FUNDS AVAILABLE	70,000	86,000	94,300
Expenditures	33,800	42,900	44,400
BALANCE END OF FISCAL YEAR	36,200	43,100	49,900

Personal Services - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$3,000 for board member per diem.

Employee Related Expenditures - The approved amount contains \$2,600 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$13,400 for joint office costs. The \$13,400 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance for the State Boards Office Employee Related Expenditures. The amount approved for medical insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$300 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE BOARD OF PRIVATE POSTSECONDARY EDUCATION

A.R.S. § 32-3002

Dona M. Markley, Executive Director

JLBC Analyst: Layzell

BOARD OF PRIVATE POSTSECONDARY EDUCATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.2	3.0	3.0
Personal Services	78,700	78,600	79,300
Employee Related Exp.	19,100	16,800	17,500
Prof. & Outside Services	3,400	17,200	8,700
Travel - In State	1,400	3,500	3,500
Travel - Out of State	-0-	800	800
Other Operating Exp.	21,200	27,300	25,900
Equipment	200	-0-	-0-
All Other Operating Exp.	26,200	48,800	38,900
TOTAL APPROPRIATIONS	124,000	144,200	135,700 ^{1/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	86,200	77,000	54,700
Add Revenues	114,800	121,900	127,200
TOTAL FUNDS AVAILABLE	201,000	198,900	181,900
Expenditures	124,000	144,200	135,700
BALANCE END OF FISCAL YEAR	77,000	54,700	46,200

Personal Services - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$7,800 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes negative base adjustments of \$300 for data processing services and \$9,700 for an investigator consultant. The approved amount also includes an additional \$1,500 for a consultant to assist with 3 school closings.

Other Operating Expenditures - The approved amount contains \$10,900 for rent in state-owned space. The approved amount also includes negative base adjustments of \$900 for printing expenses and \$1,000 for non-capitalized equipment, and an additional \$100 for maintenance contracts.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF PSYCHOLOGIST EXAMINERS

A.R.S. § 32-2062

Barbara Gast, Executive Director

JLBC Analyst: Martinez

BOARD OF PSYCHOLOGIST EXAMINERS FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1.0	1.0	2.0
Personal Services	32,100	31,700	60,200
Employee Related Exp.	8,000	7,000	14,300
Prof. & Outside Services	39,100	62,900	71,300 ^{1/}
Travel - In State	2,000	4,000	4,000
Travel - Out of State	1,600	1,500	5,000
Other Operating Exp.	11,300	16,500	19,600
All Other Operating Exp.	54,000	84,900	99,900
TOTAL APPROPRIATIONS	94,100	123,600	174,400 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	235,700	433,200	343,500
Add Revenues	291,600	33,900	255,900 ^{3/}
TOTAL FUNDS AVAILABLE	527,300	467,100	599,400
Expenditures	94,100	123,600	174,400
BALANCE END OF FISCAL YEAR	433,200	343,500	425,000

Personal Services - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$4,700 for board member per diem, \$19,000 for the addition of an Administrative Assistant, and \$9,000 for an increase in the executive director's salary.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$7,400 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF PSYCHOLOGIST EXAMINERS (Cont'd)
BOARD OF PSYCHOLOGIST EXAMINERS FUND

Professional and Outside Services - The approved amount includes \$24,400 for joint office costs. The \$24,400 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$2,200 for medical insurance and \$200 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$800 for risk management.

STATE BOARDS OFFICE

Delores DeBaca, Director

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	2.0	4.0	3.0
Personal Services	54,600	68,300	47,200
Employee Related Exp.	10,800	21,600	14,800
Prof. & Outside Services	19,600	23,500	22,400
Other Operating Exp.	61,200	55,600	61,700
Equipment	-0-	-0-	-0-
All Other Operating Exp.	80,800	79,100	84,100
TOTAL APPROPRIATIONS	146,200	169,000	146,100 ^{1/}

STATE BOARDS OFFICE Funding Breakdown

Contributing Boards	Personal Services	ERE	Sal. Adj.		Acct'g & Computer	Rent	Other Operating	Total	% of Total
			Pers Serv	ERE					
Funeral Directors	\$3,975	\$1,257	\$70	\$10	\$4,004	\$6,220	\$2,290	\$17,826	12.20%
Homeopaths	3,973	1,256	70	10	288	2,189	2,290	10,076	6.90%
Naturopaths	3,973	1,256	70	10	288	2,205	2,290	10,092	6.91%
Nursing Care Admin	3,974	1,256	70	10	2,145	3,106	2,290	12,851	8.80%
Dispensing Opticians	3,974	1,256	70	10	2,388	4,167	2,290	14,155	9.69%
Optometry	3,974	1,256	70	10	2,438	3,798	2,290	13,836	9.47%
Physical Therapy	3,974	1,257	70	10	2,226	2,952	2,290	12,779	8.75%
Podiatry	3,974	1,257	70	10	2,358	3,415	2,290	13,374	9.15%
Psychologists	10,748	3,399	70	10	2,460	5,372	2,290	24,349	16.66%
Veterinary	3,975	1,257	70	10	3,809	5,362	2,290	16,773	11.48%
Total	\$46,514	\$14,707	\$700	\$100	\$22,404	\$38,786	\$22,900	\$146,111	100.00%

^{1/} The State Boards Office is funded through the Professional and Outside Services line of the participating boards. These line items are presented for information only.

BOARD OF RESPIRATORY CARE EXAMINERS

A.R.S. § 32-3501

Ann Marie Toshner, Executive Director

JLBC Analyst: Bock

**RESPIRATORY CARE EXAMINERS FUND
AND GENERAL FUND****FY 1991
Actual****FY 1992
Estimate****FY 1993
Approved**

FTE Positions	0.0	2.0	2.0
Personal Services	-0-	54,200	55,500
Employee Related Exp.	-0-	11,000	12,200
Prof. & Outside Services	-0-	5,000	5,000
Travel - In State	-0-	5,600	4,000
Travel - Out of State	-0-	2,000	2,000
Other Operating Exp.	-0-	45,000	35,300
Equipment	-0-	4,000	4,000
All Other Operating Exp.	-0-	61,600	50,300
TOTAL APPROPRIATIONS	-0-	126,800 ^{1/}	118,000 ^{4/}
Fund Summary			
General Fund	-0-	50,000	-0-
Respiratory Care Examiners Fund	-0-	76,800	118,000
TOTAL APPROPRIATIONS	-0-	126,800	118,000

RESPIRATORY CARE EXAMINERS FUND**RECEIPTS, EXPENDITURES AND BALANCES FORWARD**

Balance Beg. of Fiscal Year	-0-	-0-	85,100
Transfer From General Fund	-0-	50,000 ^{2/}	-0-
Add Revenues	-0-	211,900	120,200
TOTAL FUNDS AVAILABLE	-0-	261,900	205,300
Payback to General Fund	-0-	50,000 ^{3/}	-0-
Expenditures	-0-	126,800	118,000
BALANCE END OF FISCAL YEAR	0	85,100	87,300

(Continued)

^{1/} The expenditure detail for FY 1992 includes a supplemental appropriation of \$2,800 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} The Board of Respiratory Care Examiners was established in FY 1992 with \$50,000 appropriated by Laws 1990, Chapter 256 from the General Fund for start-up costs.

(Footnotes Continued on Following Page)

DEPARTMENT OF RESPIRATORY CARE EXAMINERS (Cont'd)
RESPIRATORY CARE EXAMINERS FUND AND GENERAL FUND

Personal Services - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$5,500 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - Travel - In State is reduced by \$1,000, based on expected need. The approved amount for Other Operating Expenditures includes \$300 for risk management and is reduced by \$7,600 to reflect expected rent charges. Non-capitalized equipment is reduced by \$12,100, as the agency acquired its start-up office equipment during FY 1992.

(Footnotes Continued From Previous Page)

- 3/** Laws 1990, Chapter 256 specifies that the State Treasurer shall deposit 10% of the monies collected pursuant to this act in the state General Fund. An additional 10% of the monies collected pursuant to this act were to be collected by the Treasurer to repay the appropriation of \$50,000 to the state General Fund. All monies have been repaid within FY 1992.
- 4/** Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STRUCTURAL PEST CONTROL COMMISSION

A.R.S. § 32-2302

Jack D. Root, Executive Director

JLBC Analyst: de la Rosa

**STRUCTURAL PEST CONTROL COMM.
FUND & STRUCTURAL PEST CONTROL
COMM. INSPECTION SUPPORT FUND****FY 1991
Actual****FY 1992
Estimate****FY 1993
Approved**

FTE Positions	26.0	26.0	26.0
Personal Services	467,500	557,200	509,500
Employee Related Exp.	99,600	135,200	130,000
Prof. & Outside Services	123,800	132,500	132,500
Travel - In State	70,700	69,300	69,300
Travel - Out of State	11,400	5,000	3,000
Other Operating Exp.	177,800	122,400	122,400
Equipment	55,200	-0-	10,200
All Other Operating Exp.	438,900	329,200	337,400
TOTAL APPROPRIATIONS	1,006,000	1,021,600	976,900 ^{1/2}

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	84,700	44,100	44,100
Add Revenues	965,400	1,021,600	1,144,000
TOTAL FUNDS AVAILABLE	1,050,100	1,065,700	1,188,100
Expenditures	1,006,000	1,021,600	976,900
BALANCE END OF FISCAL YEAR	44,100	44,100	211,200

Personal Services - The approved amount includes \$5,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 10.5% was applied which reduces Personal Services by \$59,100. This rate includes the normal 1% vacancy rate applied to agencies of this size and a 9.5% vacancy rate to reflect the salaries of 3 of 5 vacant Inspector I positions. In FY 1991, the agency was appropriated the 5 Pest Control Inspectors in accordance with A.R.S. § 32-2304C, which states that the commission is to maintain a ratio of 1 inspector to every 200 industry members. The agency, however, has not been able to fill the 5 positions due to a lack of qualified applicants, and the positions have remained vacant since appropriation in FY 1991.

Employee Related Expenditures - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$61,000 for medical insurance and \$3,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

2/ It is the intent of the Legislature that not more than 25% of the appropriation shall be expended from the Structural Pest Control Commission Fund. (General Appropriation Act footnote)

STRUCTURAL PEST CONTROL COMMISSION (Cont'd)
STRUCTURAL PEST CONTROL COMM. FUND &
STRUCTURAL PEST CONTROL COMM. INSPECTION SUPPORT FUND

Professional and Outside Services - The approved amount contains \$32,000 for data processing, \$9,800 for legal expenses, \$55,000 for laboratory support, \$10,000 for training, and \$3,600 for fingerprinting.

Other Operating Expenditures - The approved amount contains \$16,000 for risk management, \$58,400 for office space rent and \$10,700 for operating supplies.

Equipment - The approved amount of \$10,200 is for a replacement photocopier.

STATE BOARD OF TECHNICAL REGISTRATION

A.R.S. § 32-102

Ronald Dalrymple, Executive Director

JLBC Analyst: de la Rosa

TECHNICAL REGISTRATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	15.0	15.0	15.0
Personal Services	310,300	309,200	308,500
Employee Related Exp.	72,600	74,800	79,300
Prof. & Outside Services	178,700	23,100	105,400
Travel - In State	10,400	10,000	10,000
Travel - Out of State	11,400	11,400	9,500
Other Operating Exp.	182,300	173,600	176,600
Equipment	5,800	7,000	5,000
All Other Operating Exp.	388,600	225,100	306,500
OPERATING SUBTOTAL	771,500	609,100	694,300
Examinations	-0-	172,900	172,900
TOTAL APPROPRIATIONS	771,500	782,000	867,200 ^{1/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	110,600	208,600	418,100
Add Revenues	869,500	991,500	966,100
TOTAL FUNDS AVAILABLE	980,100	1,200,100	1,384,200
Expenditures	771,500	782,000	867,200
BALANCE END OF FISCAL YEAR	208,600	418,100	517,000

Personal Services - The approved amount includes \$3,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes a decrease of \$4,400 to reflect the vacancy savings achieved by hiring an Investigations Supervisor at entry level.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$38,400 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount contains \$15,700 for data processing, \$7,400 for legal services, and \$82,300 for the publication of a combined member, code, and rules roster.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with a special line item. The line items within the "Operating Subtotal" are shown for information only.

STATE BOARD OF TECHNICAL REGISTRATION (Cont'd)
TECHNICAL REGISTRATION FUND

Other Operating Expenditures - The approved amount contains \$7,600 for risk management, \$5,000 for a photocopier machine, and \$3,000 for additional rent clause in the agency's lease.

Examinations - This line item includes the cost of purchasing national professional licensing examinations. This expense was previously displayed in the Professional and Outside Services line item.

VETERINARY MEDICAL EXAMINING BOARD

A.R.S. § 32-2201

Louise Battaglia, Executive Director

JLBC Analyst: Martinez

BOARD OF VETERINARY MEDICAL EXAMINING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	83,400	78,700	84,500
Employee Related Exp.	16,700	16,700	16,700
Prof. & Outside Services	26,100	31,000	31,100 ^{1/}
Travel - In State	9,700	12,100	12,100
Travel - Out of State	600	1,900	1,900
Other Operating Exp.	13,500	12,100	12,100
Equipment	1,800	-0-	-0-
All Other Operating Exp.	51,700	57,100	57,200
TOTAL APPROPRIATIONS	151,800	152,500	158,400 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	48,000	149,500	53,200 ^{3/}
Add Revenues	253,300	56,200	271,000
TOTAL FUNDS AVAILABLE	301,300	205,700	324,200
Expenditures	151,800	152,500	158,400
BALANCE END OF FISCAL YEAR	149,500	53,200	165,800

Personal Services - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes \$17,500 for board member per diem.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$7,300 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$16,800 for joint office costs. The \$16,800 for joint office costs includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. (See Footnote 1)

Other Operating Expenditures - The approved amount contains \$900 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

^{3/} This agency has a biennial licensing cycle.

EDUCATION

ARIZONA COMMISSION ON THE ARTS

A.R.S. § 41-983

Shelly M. Cohn, Executive Director

JLBC Analyst: de la Rosa

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	11.5	11.5	11.5
Personal Services	311,900	308,900	311,900
Employee Related Exp.	66,800	67,900	70,300
Prof. & Outside Services	100	-0-	-0-
Travel - In State	14,800	13,100	13,100
Travel - Out of State	800	700	800
Other Operating Exp.	97,100	96,200	77,800
All Other Operating Exp.	112,800	110,000	91,700
Lump Sum Reduction	-0-	-0-	(4,700)
OPERATING SUBTOTAL	491,500	486,800	469,200
Community Service Project	1,021,000	859,100	836,100
TOTAL APPROPRIATIONS	1,512,500	1,345,900 ^{1/}	1,305,300 ^{2/}

Personal Services - The approved amount includes \$2,900 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also includes a reduction of \$3,900 to reflect a lower Personal Services requirement and an increase of \$4,000 to restore funds ex-appropriated in FY 1992.

Employee Related Expenditures - The approved amount includes \$400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$29,400 for medical insurance and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Travel - In State includes an increase of \$100. The approved amount for Other Operating Expenditures contains \$9,600 for risk management and \$500 for the purchase of a typewriter. Also included is a decrease of \$18,900 from the FY 1992 rent appropriation to reflect the savings that were to be achieved by moving into state space in FY 1993. However, the commission will remain in private space due to problems in finding suitable state space.

Community Service Projects - The approved amount includes a \$31,700 deduction from the FY 1992 level and an increase of \$8,700 to restore funds ex-appropriated in FY 1992. Community Service Project monies are grants made available to arts organizations and Arizona communities on a matching basis for such programs as Art in Arizona Towns, Artists in Education, Ticket Discount, Art in Public Places, and Cultural Heritage.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

1/ The expenditure detail for FY 1992 includes a \$13,900 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES

A.R.S. § 15-1424

Don Puyear, Ph.D., Executive Director

JLBC Analyst: Layzell

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	10.0	10.0	11.0
Personal Services	408,800	466,800	469,500
Employee Related Exp.	71,700	81,300	81,600
Prof. & Outside Services	24,100	6,000	6,000
Travel - In State	40,000	34,600	34,600
Travel - Out of State	3,700	-0-	-0-
Other Operating Exp.	76,100	9,200	21,200
Equipment	10,200	-0-	-0-
All Other Operating Exp.	154,100	49,800	61,800
OPERATING SUBTOTAL	634,600	597,900	612,900
Operating State Aid ^{1/}			
Cochise	--	4,264,200	4,357,900
Coconino	--	979,400	1,000,900
Graham	--	3,616,300	3,695,800
Maricopa	--	29,097,000	29,736,300
Mohave	--	2,483,700	2,538,300
Navajo	--	3,192,300	3,262,400
Pima	--	12,604,700	12,881,600
Pinal	--	4,362,500	4,458,300
Yavapai	--	3,327,800	3,400,900
Yuma/LaPaz	--	3,507,900	3,585,000
Total - Operating State Aid	67,033,100	67,435,800	68,917,400
Capital Outlay State Aid ^{1/}			
Cochise	--	523,900	535,400
Coconino	--	202,600	207,000
Graham	--	431,800	441,300
Maricopa	--	5,201,600	5,315,500
Mohave	--	245,300	250,700
Navajo	--	358,000	365,800
Pima	--	1,817,800	1,857,600
Pinal	--	518,900	530,300
Yavapai	--	377,200	385,500
Yuma/LaPaz	--	420,700	429,900
Total - Capital Outlay State Aid	8,344,200	10,097,800	10,319,000 ^{2/}
Equalization Aid ^{1/}			
Cochise	--	836,500	960,800
Graham	--	5,055,400	5,306,400
Total - Equalization Aid	5,126,500	5,891,900	6,267,200
Economic Dev. Training Program	-0-	150,000	150,000
TOTAL APPROPRIATIONS	81,138,400	84,173,400 ^{3/}	86,266,500 ^{4/}

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES (Cont'd)
GENERAL FUND

Personal Services - The approved amount includes \$2,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The appropriation also includes 1 additional FTE position for the Director of Governmental Affairs. No additional funding was provided for this additional FTE position.

Employee Related Expenditures - The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$29,000 for medical insurance and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Operating State Aid - The approved amount for Operating State Aid provides funding at the original FY 1992 level for each district.

Capital Outlay State Aid - The approved amount for Capital Outlay State Aid provides funding at the original FY 1992 level for each district.

Equalization Aid - Equalization Aid is paid to a community college district which has a property tax base that is less than the minimum assessed value specified in A.R.S. § 15-1402. Under the prior statute, the minimum equalization base increases by 7% annually. Equalization Aid was then paid out on the basis of the difference between this minimum assessed valuation and the district's projected assessed valuation at a lesser of the rate of \$1.37 per \$100 of assessed valuation or the district's levy rate. The approved amount reflects a statutory change to A.R.S. § 15-1402 where the minimum assessed valuation is increased by the average growth in actual assessed valuation for all rural districts for the 2 most recent years and Equalization Aid is paid out on the basis of the difference between minimum assessed valuation and the most recent year's actual assessed valuation for the district (see Additional Legislation). Equalization Aid is still calculated at the lesser of \$1.37 per \$100 of assessed valuation or the district's levy..

Economic Development Training Program - This provides the second year of funding to the Maricopa Community College District for a specialized workforce training program for a major interstate banking firm located in the Phoenix metropolitan area.

ADDITIONAL LEGISLATION

Community College Funding - Chapter 345 (H.B. 2346) - This omnibus act restructures community college funding per the recommendations of the Joint Legislative Committee on Community College Finance with certain modifications. The major provisions of the bill are as follows:

-- Operating State Aid - This act repeals the current provisions of A.R.S. § 15-1466 and establishes a new method for calculating operating state aid:

- 1) Determine the current year's state aid for each district and adjust it for inflation (GNP Deflator).
- 2) In addition to the inflationary increase, beginning in FY 1994 the state will adjust for the growth or decline in actual full time student equivalent (FTSE) enrollment for each district. This will be calculated by multiplying the change in the two most recent year's actual FTSE for each district by the average state aid per FTSE appropriated in the current year (the product of total operating state aid appropriated in the current year divided by the most recent year's actual FTSE for all districts).

(Continued)

- 1/ FY 1992 was the first time that State Aid to Community Colleges was appropriated by district.
- 2/ Each district has the option of using up to 20% of its total capital outlay aid appropriation for operating aid purposes, or this same amount may be taken out of its total operating state aid appropriation and used for capital outlay purposes. (General Appropriation Act footnote)
- 3/ Expenditure detail for FY 1992 includes a \$1,714,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. This reduction was fully restored in the FY 1993 appropriation.
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES (Cont'd)
GENERAL FUND

- 3) The sum of the base plus inflation plus/minus FTSE change will become the base amount to be adjusted in the next year.

In addition to these changes, this act also provides that FY 1993 operating state aid will be appropriated to the 10 community college districts in the same proportion as in the FY 1992 appropriation. Further, for the purposes of calculating Operating State Aid for FY 1994, Yavapai County Community College District's FY 1991 actual FTSE will be adjusted downward by 361 resulting in a total FY 1991 FTSE count of 2,291, and Coconino County Community College District's FY 1991 FTSE count will be established at 361.

- Capital Outlay State Aid - In addition to the current capital outlay state aid formula specified in A.R.S. § 15-1464, this act provides that each district has the option of using up to 20% of its capital outlay aid appropriation for operating aid purposes or this same amount may be taken out of the district's operating aid appropriation and used for capital outlay purposes.
- Equalization Aid - This act amends A.R.S. § 15-1402 by setting the minimum assessed valuation required to establish a community college district in FY 1993 at \$448,017,200. In FY 1994 and subsequent years, this minimum assessed valuation will increase by the average percentage increase in the actual total assessed valuation for all rural districts for the two most recent years for which actual data is available.

This act also repeals A.R.S. § 15-1468, adds a new § 15-1468 which calculates equalization aid in the following manner for districts which have less than the amount of assessed valuation prescribed in § 15-1402: 1) determine the difference between the minimum assessed valuation per § 15-1402 and the district's prior year actual assessed valuation; and 2) multiply this difference by the lesser of \$1.37 per \$100 assessed valuation or the district's levy.

Education Omnibus Reconciliation Bill - Chapter 288 (S.B. 1361) - This legislation includes the following sections relative to community colleges:

- Section 16 of this act amends A.R.S. § 15-1402 by setting the minimum assessed valuation required to establish a community college district in FY 1993 at \$448,017,200. In FY 1994 and subsequent years, this minimum assessed valuation will increase by the average percentage increase in the actual total assessed valuation for all rural districts for the 2 most recent years for which actual data is available.
- Section 17 of this act repeals A.R.S. § 15-1468 and Section 18 of this act adds a new § 15-1468 which calculates equalization aid in the following manner for districts which have less than the amount of assessed valuation prescribed in § 15-1402: a) determine the difference between the minimum assessed valuation per § 15-1402 and the district's prior year actual assessed valuation; and b) multiply this difference by the lesser of \$1.37 per \$100 assessed valuation or the district's levy.
- Section 19 of this act sets the growth rate for community colleges at 0% resulting in no inflation adjustment for FY 1993. Section 21 of this act provides that all operating state aid appropriated to the 10 community college districts shall be appropriated in the same proportion as was appropriated in FY 1992.
- Section 20 suspends A.R.S. § 15-1464 and provides that the FY 1993 capital outlay aid appropriations to community college districts shall be the same amounts appropriated in FY 1992.

Sections 16, 17, and 18 of this act are identical to the Equalization Aid changes in Chapter 345 above.

SCHOOLS FOR THE DEAF AND THE BLIND - SUMMARY

A.R.S. § 15-1301

Kenneth L. Rislov, Acting Director

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Phoenix Day School	2,197,700	2,542,500	2,743,400
Arizona Diagnostic Treatment and Education Center	1,034,900	1,126,700	1,184,100
Tucson Campus	8,461,400	9,541,500	11,206,500
TOTAL APPROPRIATIONS	11,694,000	13,210,700	15,134,000
<u>Expenditure Detail</u>			
FTE Positions	482.90	477.7	490.2
Personal Services	11,980,200	12,014,000	12,715,000
Employee Related Exp.	1,672,900	2,760,400	2,964,200
Prof. & Outside Services	306,500	162,700	165,200
Travel - In State	61,400	36,600	50,600
Travel - Out of State	(2,000)	-0-	-0-
Other Operating Exp.	2,061,200	2,652,300	3,797,800
Food	151,100	160,100	147,200
Equipment	340,400	252,100	305,400
All Other Operating Exp.	2,918,600	3,263,800	4,466,200
Lump Sum Reduction	-0-	-0-	(18,000)
OPERATING SUBTOTAL	16,571,700	18,038,200	20,127,400
Special Education			
Institutional Voucher Fund	(4,444,700)	(4,535,900)	(4,703,400)
Endowment Earnings and Out-of-State Tuition	(443,000)	(291,600)	(290,000)
TOTAL APPROPRIATIONS	11,684,000	13,210,700 ^{1/}	15,134,000 ^{2/}

Personal Services - The approved amount includes \$403,700 to provide inequity salary adjustments to all positions at the Arizona State Schools for the Deaf and Blind (ASDB) as required by Laws 1988, Chapter 237. Of this amount, \$283,100 is funded directly in the ASDB appropriation and reflects a 4.7% increase for FY 1992 which was not funded by the Legislature in that year and \$120,600 is funded in the general salary adjustment section of the General Appropriations Act and reflects a 2% increase for FY 1993. The inequity adjustment is based upon a comparison of

(Continued)

- 1/ The expenditure detail for FY 1992 includes a \$109,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for each program. The line items within "All Other Operating Exp." are shown for information only.

SCHOOLS FOR THE DEAF AND THE BLIND - SUMMARY (Cont'd)
GENERAL FUND

ASDB's salaries, by educational level, with similar personnel in school districts providing significant programs for sensory impaired children. Chapter 237 provided that the Department of Administration shall conduct salary inequity studies and that the Joint Legislative Budget Committee (JLBC) shall use the results in making its recommendation for funding Personal Services. The increase will be funded in mid-year.

Employee Related Expenditures - The approved amount includes \$15,400 for the 2% salary equity adjustment funded in Section 102. The approved amount contains \$1,267,000 for medical insurance and \$65,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Special Education Evaluation - Chapter 172 (H.B. 2281) - Makes changes in terminology and program definitions to meet the federal Individuals with Disabilities Education Act (IDEA). Adds new descriptive categories (i.e. autistic, emotionally disabled) with corresponding definitions. Changes the first phase of the placement cycle from diagnostic to interim placement. Increases the time period from 30 to 60 days for the purposes of completing an education evaluation and making a recommendation for voucher funding. If a voucher is not granted, voucher monies shall only be paid for the interim placement. Requires that the Individualized Education Program (IEP) for any child placed in a residential facility include exit criteria that indicate when a child can be moved to a less restrictive placement.

SCHOOLS FOR THE DEAF AND THE BLIND - PHOENIX DAY SCHOOL A.R.S. § 15-1361

Kenneth L. Rislov, Acting Director

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	118.9	116.5	125.5
Personal Services	2,974,000	3,035,300	3,317,100
Employee Related Exp.	392,200	704,100	771,500
Prof. & Outside Services	34,000	30,200	30,500
Travel - In State	3,000	4,100	4,100
Other Operating Exp.	394,900	370,700	379,900
Food	43,300	40,100	41,200
Equipment	124,800	140,300	119,200
All Other Operating Exp.	600,000	585,400	574,900
OPERATING SUBTOTAL	3,966,200	4,324,800	4,663,500
Special Education			
Institutional Voucher Fund	(1,768,500)	(1,782,300)	(1,920,100) ^{1/}
TOTAL APPROPRIATIONS	2,197,700	2,542,500	2,743,400 ^{2/}

Personal Services - The approved amount includes funding for 2 additional Multiple Disabilities with Severe Sensory Impairments (MDSSI) classes which will serve 8 students. Funding for the classes includes \$155,700 for the addition of 8 FTE positions (2 teachers, 2 teacher aids and 4 support positions). The approved amount includes \$101,800 to provide inequity salary adjustments to all positions at the Arizona State Schools for the Deaf and Blind (ASDB) as required by Laws 1988, Chapter 237. Of this amount, \$71,400 is funded directly in the ASDB appropriation and reflects a 4.7% increase for FY 1992 which was not funded by the Legislature in that year and \$30,400 is funded in the general salary adjustment section of the General Appropriations Act and reflects a 2% increase for FY 1993. The approved amount includes \$24,600 to fund 1 FTE position which was funded through excess Permanent Special Education Institutional Voucher funds. The approved amount includes an increase of \$30,700 to restore vacancy savings taken in FY 1992. The approved amount also includes a vacancy factor of 1% which reduces Personal Services by \$30,900.

Employee Related Expenditures - The approved amount includes \$4,000 for the 2% salary equity adjustment funded in Section 102. The approved amount contains \$320,200 for medical insurance and \$16,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an additional \$300 for medical and hospital services. The approved amount includes \$3,500 for non-capitalized replacement equipment (for a total of \$16,900) which funds one-third of the equipment scheduled for replacement. The Equipment appropriation includes \$53,500 for the final lease-purchase payment for 5 preschool buses, \$32,000 to replace 3 school buses each with over 100,000 miles on them and \$31,700 to fund one-third of the remaining equipment scheduled for replacement.

^{1/} Prior to the expenditure of any voucher funds in excess of the \$1,920,100 shown above, the Schools for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

**SCHOOLS FOR THE DEAF AND THE BLIND -
ARIZONA DIAGNOSTIC TREATMENT AND EDUCATION CENTER**

A.R.S. § 15-1301

Kenneth L. Rislov, Acting Director

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	56.6	55.5	58.5
Personal Services	1,189,800	1,165,300	1,253,300
Employee Related Exp.	163,900	283,800	310,800
Prof. & Outside Services	13,100	18,300	18,700
Travel - In State	500	800	800
Travel - Out of State	300	-0-	-0-
Other Operating Exp.	17,700	39,900	48,700
All Other Operating Exp.	31,600	59,000	68,200
OPERATING SUBTOTAL	1,385,300	1,508,100	1,632,300
Special Education			
Institutional Voucher Fund	(350,400)	(381,400)	(448,200) ^{1/}
TOTAL APPROPRIATIONS	1,034,900	1,126,700	1,184,100 ^{2/}

Personal Services - The approved amount includes \$39,100 to provide inequity salary adjustments to all positions at the Arizona State Schools for the Deaf and Blind (ASDB) as required by Laws 1988, Chapter 237. Of this amount, \$27,400 is funded directly in the ASDB appropriation and reflects a 4.7% increase for FY 1992 which was not funded by the Legislature in that year and \$11,700 is funded in the general salary adjustment section of the General Appropriations Act and reflects a 2% increase for FY 1993. The approved amount includes \$52,400 to fund 3 FTE positions which were funded through excess Permanent Special Education Institutional Voucher Funds. The approved amount includes an increase of \$8,800 to restore vacancy savings taken in FY 1992. The approved amount also includes a vacancy factor of 1% which reduces Personal Services by \$12,300.

Employee Related Expenditures - The approved amount includes \$1,400 for the 2% salary equity adjustment funded in Section 102. The approved amount contains \$150,000 for medical insurance and \$7,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an additional \$400 for medical and hospital services.

- ^{1/} Prior to the expenditure of any voucher funds in excess of the \$448,200 shown above, the Schools for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

SCHOOLS FOR THE DEAF AND THE BLIND - TUCSON CAMPUS

A.R.S. § 15-1301

Kenneth L. Rislov, Acting Director

JLBC Analyst: Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	307.4	305.7	306.2
Personal Services	7,816,400	7,813,400	8,144,600
Employee Related Exp.	1,116,800	1,772,500	1,881,900
Prof. & Outside Services	259,400	114,200	116,000
Travel - In State	57,900	31,700	45,700
Travel - Out of State	(2,300)	-0-	-0-
Other Operating Exp.	1,648,600	2,241,700	3,369,200
Food	107,800	120,000	106,000
Equipment	215,600	111,800	186,200
All Other Operating Exp.	2,287,000	2,619,400	3,823,100
Lump Sum Reduction	-0-	-0-	(18,000)
OPERATING SUBTOTAL	11,220,200	12,205,300	13,831,600
Special Education			
Institutional Voucher Fund	(2,325,800)	(2,372,200)	(2,335,100) ^{1/}
Endowment Earnings and Out-of-State Tuition	(433,000)	(291,600)	(290,000)
TOTAL APPROPRIATIONS	8,461,400	9,541,500	11,206,500 ^{2/}

Personal Services - The approved amount includes \$262,800 to provide inequity salary adjustments to all positions at the Arizona State Schools for the Deaf and Blind (ASDB) as required by Laws 1988, Chapter 237. Of this amount, \$184,300 is funded directly in the ASDB appropriation and reflects a 4.7% increase for FY 1992 which was not funded by the Legislature in that year and \$78,500 is funded in the general salary adjustment section of the General Appropriations Act and reflects a 2% increase for FY 1993. The approved amount includes a reduction of \$39,700 and 2 FTE positions due to a loss of 4 students in FY 1992 and thus a decrease in money received through Permanent Special Education Institutional Voucher Funds. The approved amount includes an increase of \$30,200 and 1 Vocational Services FTE position for transition services. The position will keep ASDB in compliance with the Individuals with Disabilities Education Act (IDEA) which requires ASDB to provide transition services to graduating students and will aid approximately 281 eligible students in the transition to post-school activities. The approved

(Continued)

- ^{1/} Prior to the expenditure of any voucher funds in excess of the \$2,335,100 shown above, the Schools for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

SCHOOLS FOR THE DEAF AND THE BLIND - TUCSON CAMPUS (Cont'd)
GENERAL FUND

amount includes an increase of \$48,900 and 1.5 FTE positions to preschool support services as required by federal law (P.L. 99-457). The support services positions will serve approximately 145 preschool students eligible for the support. The approved amount includes an increase of \$77,800 to restore vacancy savings taken in FY 1992. The approved amount also includes a vacancy factor of 1% which reduces Personal Services by \$78,800.

Employee Related Expenditures - The approved amount includes \$10,000 for the 2% salary equity adjustment funded in Section 102. The approved amount contains \$796,800 for medical insurance and \$41,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$1,800 for medical and hospital services. The approved amount for Other Operating contains \$98,800 for risk management and an increase of \$1,062,700 to fund the lease-purchase payment requirements for the ASDB High School, Elementary and Middle School, Training Center, Auditorium, Deaf and Blind Food Service Facility and Modular buildings. The appropriation includes a decrease of \$49,300 for savings associated with the FY 1992 installation of a new telecommunication system on the Tucson Campus. The appropriation includes an increase of \$13,400 for non-capitalized replacement equipment (for a total of \$69,700). The Equipment appropriation includes \$61,800 for the final lease-purchase payment for 6 buses, \$63,500 for the first payment of the replacement telephone equipment and \$57,500 to partially fund the remaining capitalized equipment (excluding replacement vehicles) scheduled for replacement. The approved amount includes an increase of \$97,300 to fund increased costs in utilities. ASDB will be operating 5 new air-conditioned buildings which replaced facilities that utilized evaporative cooling systems. This in addition to anticipated electric rate increases by Tucson Electric will cause utility costs to increase significantly in FY 1993.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to administration for the Tucson Campus.

DEPARTMENT OF EDUCATION - SUMMARY

A.R.S. § 15-201

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
State Board of Education	163,400	131,100	141,500
General Services Administration	8,051,800	7,072,400	8,508,700
Assistance to Schools	1,197,498,900	1,315,548,100	1,361,858,800
Vocational Education	1,247,300	1,255,500	1,279,300
Lump Sum Reduction	-0-	-0-	(278,900)
TOTAL APPROPRIATIONS	1,206,961,400	1,324,007,100	1,371,509,400
<u>Expenditure Detail</u>			
FTE Positions	214.9	231.6	231.6
Personal Services	5,275,600	5,132,400	5,360,600
Employee Related Exp.	1,115,600	1,135,200	1,190,900
Prof. & Outside Services	361,700	405,500	157,200
Travel - In State	111,600	116,800	110,200
Travel - Out of State	21,900	27,900	32,700
Other Operating Exp.	1,054,600	1,052,400	1,506,300
Equipment	143,100	9,700	-0-
All Other Operating Exp.	1,692,900	1,612,300	1,806,400
Lump Sum Reduction	-0-	-0-	(278,900)
OPERATING SUBTOTAL	8,084,100	7,879,900	8,079,000
Special Line Items ^{1/}	1,198,877,300	1,316,093,300	1,363,430,400
Additional Appropriations ^{1/}	--	33,900	--
TOTAL APPROPRIATIONS	1,206,961,400	1,324,007,100 ^{2/}	1,371,509,400 ^{3/}

Personal Services - The approved amount includes \$44,400 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$5,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$463,300 for medical insurance and \$23,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - The approved amount is a 4% lump sum reduction to the operating budget. The lump sum reduction was not applied to Vocational Education due to federal "maintenance of effort" requirements.

^{1/} Details for the Special Line Items and Additional Appropriations are included on the individual program pages.

^{2/} The expenditure detail for FY 1992 includes a \$757,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and supplemental appropriations of \$19,190,700 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and \$33,900 authorized by Laws 1992, Chapter 262 (H.B. 2034). These changes result in a net increase of \$18,467,300.

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF EDUCATION - STATE BOARD OF EDUCATION

A.R.S. § 15-201

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	2.5	2.5	2.5
Personal Services	50,200	44,500	53,400
Employee Related Exp.	15,300	13,200	13,900
Prof. & Outside Services	17,600	14,100	10,500
Travel - In State	700	7,300	700
Travel - Out of State	1,600	400	5,200
Other Operating Exp.	73,600	51,600	57,800
Equipment	4,400	-0-	-0-
All Other Operating Exp.	97,900	73,400	74,200
TOTAL APPROPRIATIONS	163,400	131,100 ^{2/}	141,500 ^{3/}

Personal Services - The approved amount includes a \$600 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$6,500 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes a reduction of \$3,600 to reflect the transfer of Communications Service Center funding to the General Services Administration budget. The approved amount for Travel - In State includes a reduction of \$6,600 to better reflect actual expenditures. The approved amount for Other Operating Expenditures includes an increase of \$6,200 to better reflect actual expenditures.

^{1/} The number of FTE positions does not include the 9 members of the State Board of Education.

^{2/} The expenditure detail for FY 1992 includes a \$12,700 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The program and line item detail are shown for information only.

**DEPARTMENT OF EDUCATION - GENERAL SERVICES
ADMINISTRATION**

A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	159.5	159.75	159.75 ^{1/}
Personal Services	4,318,700	4,188,200	4,392,800
Employee Related Exp.	916,500	937,100	983,000
Prof. & Outside Services	272,100	311,700	67,000
Travel - In State	89,400	88,100	88,100
Travel - Out of State	20,300	27,500	27,500
Other Operating Exp.	917,700	931,000	1,378,700
Equipment	138,700	9,700	-0-
All Other Operating Exp.	1,438,200	1,368,000	1,561,300
OPERATING SUBTOTAL	6,673,400	6,493,300	6,937,100
Achievement Testing	995,200	192,500	1,163,000
Education Commission of the States	41,200	43,100	45,000
School Restructuring	100,000	66,200	100,000
SLIAG Administration	39,400	30,000	22,600 ^{2/}
SLIAG Outreach	-0-	20,000	24,400 ^{3/}
Special Education Audit	202,600	227,300	216,600
Subtotal	1,378,400	579,100	1,571,600
TOTAL APPROPRIATIONS	8,051,800	7,072,400 ^{4/}	8,508,700 ^{5/}

(Continued)

- ^{1/} The FTE positions total includes 5.75 FTE positions funded in special line items. This includes 5 FTE positions which are funded in the Special Education Audit line item, a 0.5 FTE position which is funded in the SLIAG Administration line item and a .25 FTE position which is funded in the SLIAG Outreach line item.
- ^{2/} The \$22,600 appropriation for state legalization impact assistance administration shall be available to the extent that the General Fund will be reimbursed for these expenditures by the State Legalization Impact Assistance Grants, authorized by section 204 of P.L. 99-603, the Immigration Reform and Control Act of 1986. It is the intent of the Legislature that the General Fund be fully reimbursed for this appropriation. (General Appropriation Act footnote)
- ^{3/} It is the intent of the Legislature that the Department of Education seek federal reimbursements for state funded SLIAG Outreach activities. Any federal reimbursement received shall be deposited in the General Fund. (General Appropriation Act footnote)
- ^{4/} The expenditure detail for FY 1992 includes a \$175,600 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{5/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF EDUCATION - GENERAL SERVICES ADMINISTRATION (Cont'd)
GENERAL FUND

Personal Services - The approved amount includes \$37,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$85,900. The approved amount includes \$1,300 to annualize elected officials' salary adjustments which became effective January 1, 1992. The approved amount transfers \$185,400 for 8 FTE positions from Professional and Outside Services within each department division and special line item to Personal Services for the Communications Service Center. The Communications Service Center has been funded through billings to the various divisions within the departments. The divisions and line items historically used appropriations made in Professional and Outside Services to pay the Center. The transfer from Professional and Outside Services will directly match the increase in Personal Services and all other affected lines. The approved amount also includes an increase of \$1,200 to reflect the actual Personal Services requirement.

Employee Related Expenditures - The approved amount includes \$4,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$388,000 for medical insurance and \$20,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount contains \$11,600 for risk management, \$27,400 for the Tucson State Office Building, and \$396,600 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF). The approved amount includes a General Fund decrease of \$111,100 for rent in the new State Courts Building for a total state requirement of \$47,100. This reduction reflects the federal government's portion of the total rent requirement. The approved amount includes a reduction of \$22,000 for postage, a reduction of \$600 for data processing due to new data center rates, an increase of \$18,200 for printing, an increase of \$15,000 for telecommunications and a \$3,400 base reduction. The approved amount reduces non-capitalized equipment by \$1,500 and capitalized equipment by \$9,700. The approved amount also includes a reduction of \$244,100 to Professional and Outside Services as well as an increase of \$69,900 to Other Operating Expenditures to reflect the change in the funding mechanism for the Communications Service Center.

Achievement Testing - The approved amount provides \$298,700 for the test materials, scoring, and cumulative match for the testing of 3 grades, which will be designated by the State Board of Education, for nationally standardized norm-referenced achievement tests. The Iowa Tests of Basic Skills will be used for elementary grades and the Tests of Achievement and Proficiency will be used for secondary grades. Laws 1992, Chapter 288 (S.B. 1361) allows the State Board of Education to provide norm referenced achievement test services to school districts which request assistance in testing pupils in additional grades if sufficient monies are appropriated. The approved amount includes \$864,300 to administer the Arizona Student Assessment Plan (ASAP) essential skills testing. ASAP will be used to test grades 3, 8 and 12 in reading, writing and mathematics with the option to test social studies and science. Of the total amount approved for ASAP, \$100,000 will be used to develop the form to be utilized in the Spring of 1993 testing program.

Education Commission of the States - The approved amount includes an increase of \$1,900 for the state's assessment for the Education Commission of the States (ECS). The \$45,000 appropriation represents the dues for the state's membership in the ECS. The State Commission consists of 7 members. Four of the members are from the Legislature, with 2 members appointed by the President of the Senate and 2 selected by the Speaker of the House of Representatives. The remaining 3 members are appointed by the Governor.

School Restructuring - The approved amount provides funding for the evaluation of the school restructuring program. Laws 1990, Chapter 357 (S.B. 1552) established a Joint Legislative Committee on School Restructuring Incentives. Schools wishing to participate in the program were required to submit program proposals to the committee by October 15, 1990. No more than 16 schools could be approved for participation by the Committee. Program proposals were required to include documentation demonstrating that the restructuring plans were developed in conjunction with teachers and parents and included objectives and goals that were to be achieved through participation in the program. Schools that received approval to participate in the program were allowed to increase their Base Support Levels (BSL) by up to \$40,000, depending on student count.

SLIAG (State Legalization Impact Assistance Grants) Administration - The approved amount represents funding required for the administrative costs associated with the SLIAG grant monies (see Assistance to Schools program). The state General Fund will be reimbursed by the federal SLIAG grants for this "up-front" funding. The SLIAG grant

DEPARTMENT OF EDUCATION - GENERAL SERVICES ADMINISTRATION (Cont'd)
GENERAL FUND

monies are provided to applying states which provide educational services to certain illegal aliens who have become legal residents of the United States under the amnesty program established by Congress in 1986. All payments for educational services, whether provided by state and local education agencies or by private non-profit organizations, must go through the state Department of Education. The approved amount is based on 1.5% of the Assistance to Schools appropriation for SLIAG Adult Education. The SLIAG Adult Education budget was reduced from \$2,000,000 to \$1,500,000 for FY 1993 and therefore a corresponding base reduction of \$7,500 was made to SLIAG Administration. The appropriation is detailed as follows:

FTE Positions	0.5
Personal Services	\$12,300
Employee Related Expenditures	3,000
Prof. & Outside Services	600
Other Operating Expenditures	6,700
TOTAL	<u>\$22,600</u>

The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$1,300 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

SLIAG (State Legalization Impact Assistance Grants) Outreach - The approved amount includes \$24,400 for SLIAG outreach. The appropriation will allow the Department of Education to inform illegal aliens, who became legal residents of the United States under the amnesty program established by Congress in 1986, of SLIAG educational services currently available in their communities. The approved amount is based on the following objects of expenditure:

FTE Positions	0.25
Personal Services	\$ 5,600
Employee Related Expenditures	1,400
Prof. & Outside Services	8,400
Travel - In State	1,500
Other Operating Expenditures	7,500
TOTAL	<u>\$24,400</u>

The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$600 for medical insurance and \$0 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes a \$700 reduction to reflect the changes in the funding mechanism of the Communication Services Center.

Special Education Audit - A.R.S. § 15-236 provides that the Department of Education shall annually request a separate line item appropriation for program and fiscal audits of special education programs. The audits are designed to determine the degree of school district compliance with existing statutes and regulations and to ensure the appropriate placement of students in special education programs. The approved amount is based on the following objects of expenditure:

FTE Positions	5.0
Personal Services	\$148,800
Employee Related Expenditures	33,200
Prof. & Outside Services	200
Travel - In State	20,000
Travel - Out of State	-0-
Other Operating Expenditures	14,400
Equipment	-0-
TOTAL	<u>\$216,600</u>

DEPARTMENT OF EDUCATION - GENERAL SERVICES ADMINISTRATION (Cont'd)
GENERAL FUND

The approved amount includes \$1,400 (Personal Services, \$1,200; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$13,000 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes a decrease of \$15,300 to reflect the change in the funding mechanism of the Communications Service Center.

ADDITIONAL LEGISLATION

Education; Financing Adjustments - Chapter 288 (S.B. 1361) - Changes the number of grades to be tested with the nationally standardized norm-referenced achievement test from grades 2 through 12 to 3 grades designated by the State Board of Education. Allows the State Board to provide norm-referenced achievement test services to school districts which request assistance in testing pupils in additional grades if sufficient monies are appropriated.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS
A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	26.6	43.05	43.05
Statutory Formula Programs			
Basic State Aid	917,284,700	997,247,800	1,047,812,900 ^{1/23/}
Prior Year State Aid	100,262,400 ^{4/}	143,196,400 ^{5/}	143,196,400 ^{6/}
Additional State Aid	138,878,500	131,810,100	126,746,000
Assistance to School Districts	212,700	455,000	509,600
Cert. of Ed. Convenience	8,574,900	8,047,200	9,130,300
Perm. Education Vouchers	2,381,700	2,894,100	2,995,500
Perm. Spec. Ed. Inst. Vouchers	4,516,500	5,074,500	5,091,000
Subtotal	1,172,111,400	1,288,725,100	1,335,481,700
Non-Formula Programs			
Academic Contest Fund	74,700	75,000	75,000 ^{7/}
Academic Decathlon	82,100	81,300	101,300 ^{8/}
Adult Education Assistance	3,035,900	3,048,400	3,042,600 ^{9/}
Arizona Humanities Council	-0-	40,000	40,000
Arizona Principals' Academy	37,900	25,200	25,200
AZ Teacher Evaluation Program	401,400	400,500	392,500
ASSET	234,000	234,000	234,000
Chemical Abuse	846,300	818,900	832,100
Computer and Tech. Equipment	850,000	-0-	-0-
Dropout Prevention	1,237,400	2,177,700	2,182,600
Extended School Year	487,900	500,000	500,000
Full-Day Kindergarten	1,346,100	1,400,000	1,402,000
Gifted Support	1,000,500	999,900	1,001,100
K-3 Support	5,465,700	5,442,200	5,452,500
Preschool Disabilities	1,433,200	1,911,000	955,500
Preschool Disabilities Support	436,500 ^{10/}	400,000	-0-
Preschool At-Risk Program	591,000	1,600,000	2,601,700
Residential Placement	-0-	100,000	100,000
School Breakfast Program	-0-	100,000	-0-
School Buses-Native Americans	440,400	-0-	-0-
School District Housing	850,000	-0-	-0- ^{11/}
SLIAG Adult Education	822,100	1,500,000	1,500,300
Tuition Fund	-0-	100,000	100,000
Vocational Ed. Assistance	2,815,000	2,835,000	2,835,000
Vocational Ed. Prog. Support	949,800	1,000,000	1,003,700
Voc. & Tech. Education	1,949,600	2,000,000	2,000,000
Subtotal	25,387,500	26,789,100	26,377,100
TOTAL	1,197,498,900	1,315,514,200	1,361,858,800
Additional Appropriations -			
40th Leg., 2nd Reg. Session			
Laws 1992, Chapter 262 - Approp.; Mod.	--	33,900	--
TOTAL APPROPRIATIONS	1,197,498,900	1,315,548,100 ^{12/}	1,361,858,800 ^{13/}

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

- 1/ The approved amount includes a reduction of \$142,500,000 to reflect FY 1993 Basic State Aid payments deferred to FY 1994. Laws 1992, Chapter 1, 9th Special Session appropriates \$142,500,000 in FY 1994 for the FY 1993 apportionment reduction, with the funds to be disbursed on July 1, 1993 in amounts equal to the reductions taken in Basic State Aid and Additional State Aid. The bill also appropriates \$696,400 in FY 1994 to the State Board of Education for distribution, on July 1, 1993, to school districts incurring expenses associated with the reduction.
- 2/ The approved amount includes a reduction of \$21,700,000 for estimated savings in employer contributions to the State Retirement System for school district personnel. Laws 1990, Chapter 310 provides that if the employer contribution rate to the State Retirement Plan is less than 5.09%, for the current year, school district expenditures and State Aid shall be reduced. The law provides that each school district shall report to the State Board of Education by October 1, the estimated savings based on a rate reduction from 5.09% to the rate for the current year. Before May 1, each district shall calculate the actual amount of savings and before May 15, each school district shall decrease its Revenue Control Limit (RCL) and District Support Level (DSL) by the actual amount of employer contribution savings. Equalization assistance shall be determined on the adjusted RCL and DSL. School districts not qualifying for equalization assistance shall have their Additional State Aid reduced. The State Board may begin reducing State Aid apportionment payments beginning with the October payment. The salary base upon which the savings is computed shall not include salaries paid from funds other than maintenance and operation or capital outlay or from items exempt from the RCL or Capital Outlay Revenue Limit (CORN), and which are limited to specific purposes. The salary base shall also be adjusted so as not to include salaries paid from maintenance and operation overrides or PL 81-874 funds allocated for disabled children and children with specific learning disabilities.
- 3/ Included in the lump sum appropriation of \$1,047,812,900 is \$2,500,000 which represents total state funding for a GNP deflator adjustment of 0.5% for Basic State Aid. Additional funding for the GNP Deflator adjustment will be provided by prior year school district ending cash balances and shall not come from the remainder of the appropriation for Basic State Aid. (General Appropriation Act footnote)
- 4/ Laws 1989, Chapter 273 required the State Board of Education to reduce, on a pro rata basis, the June 1990 apportionment of Basic State Aid and Additional State Aid by \$100,000,000. Laws 1989, Chapter 311 appropriated \$100,000,000 in FY 1991, with the funds to be disbursed on July 1, 1990. Chapter 311 also appropriated \$313,000 to the State Board for distribution to school districts incurring expenses associated with the FY 1990 State Aid reduction.
- 5/ Laws 1991, Chapter 1, 1st Special Session required the State Board of Education to reduce, on a pro rata basis, the June 1991 apportionment of Basic State Aid and Additional State Aid by \$142,500,000. Laws 1990 Chapter 1, 3rd Special Session, appropriated \$142,500,000 in FY 1992, with the funds to be disbursed on July 1, 1991. Chapter 1 also appropriated \$696,400 to the State Board for distribution to school districts incurring expenses associated with the FY 1991 State Aid reduction.
- 6/ Laws 1991, Chapter 288 required the State Board to reduce, on a pro rata basis, the June 1992 apportionment of Basic State Aid and Additional State Aid by \$142,500,000. Laws 1991, Chapter 287 appropriated \$142,500,000 in FY 1993, with the funds to be disbursed on July 1, 1992. Chapter 287 also appropriated \$696,400 to the State Board of Education for distribution to school districts incurring expenses associated with the FY 1992 State Aid reduction.
- 7/ The \$75,000 appropriation for the Academic Contest Fund includes \$25,000 for costs associated with sending state level winners of the National Bicentennial Competition on the Constitution and Bill of Rights to the national competition.
- 8/ The appropriation includes \$20,000 for costs associated with Arizona hosting the 1993 national finals of the Academic Decathlon. (General Appropriation Act footnote)
- 9/ It is the intent of the Legislature that no more than 10% of the appropriation for adult education assistance be used by the Department of Education for operating the Division of Adult Education. It is also the intent of the Legislature that the greatest possible proportion of monies appropriated for adult education programs be devoted to instructional, rather than administrative, aspects of the programs. (General Appropriation Act footnote)
- 10/ The FY 1991 actual for Preschool Disabilities Support includes a reduction of \$350,000 to reflect monies reverted in FY 1992 as part of the mid-year budget reduction.
- 11/ The \$1,500,300 appropriation for State Legalization Impact Assistance - Adult Education shall be available to the extent that the General Fund will be reimbursed for these expenditures by the State Legalization Impact Assistance Grants, authorized by section 204 of P.L. 99-603, the Immigration Reform and Control Act of 1986. It is the intent of the Legislature that the General Fund be fully reimbursed for this appropriation. (General Appropriation Act footnote)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

STATUTORY FORMULA PROGRAMS

Basic State Aid Entitlement - The General Fund appropriation, when combined with the General Fund appropriation made pursuant to Laws 1992, Chapter 1, 9th Special Session reflects the major portion of the estimated \$1,248,312,900 total requirement for basic state support aid. The difference between the estimated total amount required and the General Fund amount appropriated will be funded by expendable income derived from the Permanent State Common School Fund together with receipts derived from any other source and will be expended, whenever possible, prior to expenditure of General Fund monies. The General Fund appropriation, when combined with other monies in the State School Fund, provides basic state support to school districts for maintenance and operation, transportation and capital outlay funding as provided by A.R.S. § 15-973. This aid is based upon a weighted student count and a qualifying tax rate upon the assessed valuation of the districts.

The GNP Price Deflator adjustment for FY 1993 is 0%, except that the Base Level and the state support level per transportation route mile are increased by 0.5%. The Base Level for FY 1993 is \$2,410.26. The approved amount is based on an FY 1992 estimated student count of 625,134 (1,183 Preschool Disabilities Average Daily Membership (ADM), 458,771 elementary ADM and 165,180 secondary ADM) and a 1% increase in 1992 overall assessed valuation. The Endowment deduction of \$58,000,000 includes \$3,000,000 related to a proposed statutory change in S.B. 1365 which would have credited capital appreciation realized on investment of the Permanent State School Fund as income. The additional \$3,000,000 will not be realized, however, since the Governor vetoed this provision. The approved amount is based on the following computation:

FY 1993 Base Equalization Requirement	\$1,398,463,900
Add:	
Career Ladder Expansion	500,000
Student Loss (A.R.S. §15-902)	700,000
Tuition Loss (A.R.S. §15-954)	1,200,000
Financial/Compliance Audits (A.R.S. §15-914)	1,100,000
Restructuring (A.R.S. §15-901)	876,800
Subtotal	\$4,376,800
Add:	
Education System Committed Youth	2,072,200
Sudden Growth	7,800,000
CEC's and Transportation -	
Unorganized Districts	1,300,000
Subtotal	11,172,200
Total Equalization Requirement	1,414,012,900
Deduct:	
County Equalization	(119,000,000)
27% of District Ending Cash Balances	(25,000,000)
Endowments	(58,000,000)
Subtotal	(202,000,000)
Required Funding	1,212,012,900
Less:	
"Rollover"	(142,500,000)
"Retirement Recapture"	(21,700,000)
Subtotal	(164,200,000)
FY 1993 General Fund Appropriation	<u>\$1,047,812,900</u>

(Continued)

(Footnotes Continued From Previous Page)

12/ The expenditure detail for FY 1992 includes a \$569,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and supplemental appropriations of \$19,190,700 authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session and \$33,900 authorized by Laws 1992, Chapter 262 (H.B. 2034). These changes result in a net increase of \$18,655,600.

13/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

The Education Financing Adjustments Bill - Chapter 288 (S.B. 1361) amends several statutory sections affecting school finance to:

- 1) require school districts to revert a percentage of their ending cash balances related to State Aid apportionments to a separate account within the County Aid for Equalization Assistance for Education Fund. The percentages are: 27% for FY 1993; 18% for FY 1994; 0% for subsequent years. The cash balance reversion amounts, along with the 53¢ County Equalization levy will be prorated to all districts in each county per statutory formula. This provision reduces Basic State Aid by \$25,000,000 for FY 1993;
- 2) require the County School Superintendent to compute the amount of the Minimum QTR Tax to be levied;
- 3) allow school districts to revise their budgets to reflect Legislative changes to school finance laws made after May 1.

The Education Financing Adjustments Bill, through session law, also:

- 1) sets the GNP Deflator adjustment at 0% for FY 1993, except that the Base Level and the state support level per transportation route mile are increased by 0.5%. School districts may adopt budgets which reflect the 0.5% increase. Funding for the increase in the Base Level and the state support level per transportation route mile will come from \$2,500,000 in state funding and monies reverted to the County Aid for Equalization Assistance for Education Fund from school district modified ending cash balances. "Zero-Aid" districts will not revert any portion of their modified ending cash balances to the County Aid for Equalization Assistance for Education Funds. The Zero-Aid districts may fund the increase from their modified ending cash balances, if available, or from a tax increase. Districts whose reduction amounts exceed their modified ending cash balances shall revert amounts equal to their modified ending cash balances. If the 0.5% adjustment results in the requirement for more than \$2,500,000 in state funding, the 0.5% increase shall be proportionally reduced so the state cost does not exceed \$2,500,000;
- 2) limits Sudden Growth and Rapid Decline funding for FY 1993 to 64% of the requirement at a total savings of approximately \$5,900,000;
- 3) suspends the deduction of PL 81-874 receipts (Federal Impact Aid) from Basic State Aid for FY 1993 and FY 1994 at a cost of \$15 million per year. The United States Department of Education denied the state's request to be certified as an equalized state for FY 1989 and FY 1990. Certification would have allowed the state to take Federal Impact Aid into consideration in determining Basic State Aid apportionments to school districts. Subsequent to the "de-certification," the Arizona Department of Education (ADE) entered into an agreement with a coalition of Federal Impact Aid districts to suspend deductions from State Aid apportionments for FY 1993 and FY 1994. In addition, the agreement calls for joint support of federal legislation which would deem Arizona to have been certified to make reductions in State Aid for FY 1989 through FY 1992;
- 4) allows school districts to budget as the budget balance carry forward an amount not to exceed 3% of the Revenue Control Limit (RCL);
- 5) continues the rollover at \$142,500,000.

Additional State Aid to Schools - The appropriation is made to enable the state to carry out the requirements of A.R.S. § 15-972. This program is also known as the "homeowners' rebate" program. The Additional State Aid for education provided by this appropriation shall be apportioned as provided in A.R.S. § 15-973.

The approved amount is based on an increase of 3% in Class Five (residential) assessed valuation in 1992, an average increase of 3% in school district tax rates and a reduction in the "buydown" rate from 45% to 40%. Laws 1990, Chapter 3, 3rd Special Session provided that the reduction rate shall be 50% in tax year 1990, and shall decline by 5% every year until it reaches 0% in tax year 2000. Laws 1988, Chapter 271 amended A.R.S. § 15-972 to provide that the maximum state reduction in property taxes for any residential parcel shall not exceed \$500. The approved amount includes a reduction of \$1,400,000 for estimated savings in employer contributions to the State Retirement System for school district personnel in districts which do not receive Basic State Aid. In these cases, the "recapture" will be made in Additional State Aid.

Assistance to Public School Districts for Children of State Employees - The appropriation provides assistance to school districts for educating the children of certain state employees as prescribed by A.R.S. § 15-976. The approved amount represents the full cost of tuition for eligible students.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Certificates of Educational Convenience - The appropriation provides reimbursement to school districts that have students enrolled on Certificates of Educational Convenience as provided by A.R.S. § 15-825. The approved amount represents the full cost of tuition for eligible students placed in 1) a state rehabilitation or corrective institution, 2) a foster home or child care agency licensed by the Department of Economic Security (DES), 3) a residential facility operated by DES, or 4) a residence pursuant to the Interstate Compact on Juveniles.

The approved amount is based on the following estimated student counts and estimated FY 1993 average costs per ADM:

	<u>ADM</u>	<u>Average Cost</u>
Regular	936	\$3,739
Special Education	532	10,583

Permanent Education Voucher Fund - The appropriation is for the education costs of students placed in private institutions by the Department of Economic Security (DES), Department of Corrections (DOC), the Department of Youth Treatment and Rehabilitation (DYTR), Department of Health Services (DHS) or the Juvenile Courts, as provided by A.R.S. § 15-1182. Laws 1990, Chapter 164 established a new Permanent Education Voucher Fund and appropriated \$500,000 to the Department of Education (ADE) for FY 1991 for additional voucher costs associated with the fund and \$60,000 to ADE for administering the provisions of the law. Chapter 164 changed the Permanent Special Education Voucher Fund to the Permanent Education Voucher Fund to allow funding to be provided for children with behavioral problems and special education children whose parents retain custody of the children. Chapter 164 also added DHS as a "placing agency."

The approved amount includes \$60,000 for administration and is based on the following estimated student counts and FY 1993 rates per ADM:

	<u>K-8</u>		<u>9-12</u>	
	<u>ADM</u>	<u>Rate</u>	<u>ADM</u>	<u>Rate</u>
Group A	82.8	\$5,113.42	-0-	-0-
Emotional Disabilities	165.1	6,793.37	193.4	\$7,058.50
Multiple Disabilities	-0-	-0-	2.0	9,348.25
Specific Learning Disabilities	-0-	-0-	2.0	3,356.34

Permanent Special Education Institutional Voucher Fund - The appropriation is for the special education costs of students attending the Arizona Schools for the Deaf and the Blind (ASDB) and developmentally disabled programs operated by the Department of Economic Security, in accordance with A.R.S. § 15-1202.

The approved amount is based on the following estimated student counts and FY 1993 rates per ADM:

	<u>ADM</u>	<u>Rate</u>
Visual Impairments	75.3	\$9,617.50
Hearing Impairments	385.8	8,231.60
Multiple Disabilities	10.8	8,559.40
Multiple Disabilities with Severe		
Sensory Impairment	87.2	12,391.71
Orthopedic Impairments	2.0	9,014.94

NON-FORMULA PROGRAMS

Academic Contest Fund - The Academic Contest Fund was established by Laws 1988, Chapter 308. As specified in A.R.S. § 15-1241, monies in the fund are to be used to send state level winners of academic contests and their chaperons to the national levels of the contests. The approved amount includes \$25,000 for costs associated with sending state level winners of the National Bicentennial Competition on the Constitution and Bill of Rights to the national competition.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Academic Decathlon - The appropriation provides funding for administrative and material costs incurred in support of the Academic Decathlon and other academic events. The appropriation is based on the following objects of expenditure:

FTE Positions	1.0
Personal Services	<u>\$18,900</u>
Employee Related Expenditures	5,200
Prof. & Outside Services	-0-
Travel - In State	1,900
Travel - Out of State	900
Other Operating Expenditures	<u>5,000</u>
Operating Subtotal	31,900
Assistance to School Districts	49,400
Hosting 1993 National Finals	<u>20,000</u>
TOTAL	<u>\$101,300</u>

The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$2,600 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Adult Education Assistance - The appropriation provides funding for classes in adult basic education, general education development and citizenship, on a statewide basis. A.R.S. § 15-232 establishes the Division of Adult Education within the Department of Education. A.R.S. § 15-234 provides that the appropriation for adult education may be expended for operating the division and for providing assistance to school districts and counties offering adult education programs. The approved amount will be distributed by the Department of Education based on a formula which allocates funding based on hours of instruction. The appropriation is based on the following objects of expenditure:

FTE Positions	5.75
Personal Services	<u>\$172,600</u>
Employee Related Expenditures	38,400
Prof. & Outside Services	26,100
Travel - In State	4,700
Other Operating Expenditures	38,700
Equipment	-0-
Operating Subtotal	280,500
Program Assistance	<u>2,762,100</u>
TOTAL	<u>\$3,042,600</u>

The approved amount includes \$1,600 (Personal Services, \$1,400; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$14,900 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Arizona Humanities Council - The approved amount provides assistance to the Arizona Humanities Council for educational outreach services to Arizona school districts.

Arizona Principals' Academy - The approved amount continues funding in support of the Academy as established by Laws 1984, Chapter 348. As specified in A.R.S. § 15-562, the Academy may be an educational program of 2 weeks' duration, offered during the summer for at least 300 participants. Monies are to be used for the costs of administering the Principals' Academy and for the instructional or program costs of the Academy.

Arizona Teacher Evaluation Program - The approved amount provides funding for administering the Arizona Teacher Proficiency Examination (ATPE) and the Arizona Teacher Residency Program. A.R.S. § 15-533 requires entrants into teacher training programs and nonresidents seeking teaching certificates to pass a reading, grammar, and mathematics proficiency examination. The Residency Program is a comprehensive, skill-based program of on-the-job training and observation for graduates of colleges of education. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>5.0</u>
Personal Services	\$147,800
Employee Related Expenditures	33,100
Prof. & Outside Services	17,100
Travel - In State	5,000
Travel - Out of State	900
Other Operating Expenditures	<u>46,400</u>
Operating Subtotal	250,300
Assistance to School Districts	<u>142,200</u>
TOTAL	<u>\$392,500</u>

The approved amount includes \$1,400 (Personal Services, \$1,200; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$13,000 for medical insurance and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ASSET (Arizona School Services through Educational Technology) - The appropriation provides funding to assist districts in enhancing educational instruction through television course work. The approved amount provides approximately \$160,000 for the payment of transmission costs and approximately \$74,000 for the shipping and distribution of printed materials.

Chemical Abuse - The approved amount continues funding in support of the Chemical Abuse program as established by Laws 1985, Chapter 242. As specified in A.R.S. § 15-712, monies are to be used to assist school districts with the costs of programs designed to prevent chemical abuse by pupils in kindergarten programs and grades 1 through 12. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>6.6</u>
Personal Services	\$197,200
Employee Related Expenditures	43,900
Prof. & Outside Services	26,100
Travel - In State	12,000
Other Operating Expenditures	<u>78,100</u>
Operating Subtotal	357,300
Assistance to School Districts	<u>474,800</u>
TOTAL	<u>\$832,100</u>

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

The approved amount includes \$1,800 (Personal Services, \$1,600; Employee Related Expenditures, \$200) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$17,100 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Computer and Technological Equipment - The appropriation provided funding to assist school districts, with enrollments of at least 50,000 pupils in a county with a population of more than 400,000 but less than 1,500,000, in the allocation and purchase of computer and technological equipment. A portion of the appropriation was used for staff training and technical support. The equipment was allocated to schools having large percentages of pupils in kindergarten programs and grades 1 through 8 who were at risk of not succeeding in the education system.

Dropout Prevention (7-12 At-Risk) - Laws 1988, Chapter 308 established a 4-year pilot project of grants to school districts having large percentages of pupils in grades 7 through 12 who are at risk of dropping out of school prior to completing high school graduation requirements. The appropriation is based on the following objects of expenditure:

FTE Positions	1.5
Personal Services	\$29,500
Employee Related Expenditures	8,000
Prof. & Outside Services	133,400
Travel - In State	1,900
Travel - Out of State	1,000
Other Operating Expenditures	1,100
Operating Subtotal	174,900
Assistance to School Districts	2,007,700
TOTAL	<u>\$2,182,600</u>

The approved amount includes \$500 (Personal Services, \$400; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$3,900 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Extended School Year - Laws 1990, Chapter 322 required school districts to provide extended school year programs for handicapped students and appropriated \$500,000 to the Department of Education (ADE) for the purpose of supplying supplemental monies to districts that required additional monies to provide such programs. Chapter 322 required all school districts to provide an extended school year program for handicapped pupils if such a program is necessary to prevent harm to the pupils' ability to maintain identified skills or to accommodate critical learning periods for pupils who are unlikely to receive other opportunities to learn targeted skills or behavior. Chapter 322 required the State Board of Education to prescribe rules for use by school districts in establishing extended school year programs and in determining eligibility for the programs. Chapter 322 also prescribed the method for computing the base support levels and transportation support level for extended school year programs and added a new Group B weight in the State Aid formula for Seriously Emotionally Handicapped (SEH), Educable Mentally Handicapped (EMH), Learning Disabled (LD), Speech Handicapped (SH), and Other Health Impaired (OHI) children. Laws 1992, Chapter 172 makes changes in terminology and program definitions to meet the federal Individuals with Disabilities Education Act (IDEA). The approved amount continues funding at the FY 1992 level.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Full-Day Kindergarten for At-Risk Pupils - Laws 1990, Chapter 392 established a program for the disbursement of additional monies to schools providing kindergarten programs serving large numbers of at-risk pupils and appropriated \$1,400,000 for FY 1991 to the State Board of Education for allocation to qualifying schools. Of the total appropriation, \$100,000 was to be used by the Department of Education to provide technical assistance to schools receiving additional monies. The appropriation is based on the following objects of expenditure:

FTE Positions	1.8
Personal Services	\$37,400
Employee Related Expenditures	10,000
Prof. & Outside Services	23,100
Travel - In State	1,500
Travel - Out of State	1,500
Other Operating Expenditures	27,500
Operating Subtotal	101,000
Assistance to School Districts	1,301,000
TOTAL	<u>\$1,402,000</u>

The approved amount includes \$500 (Personal Services, \$400; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$4,800 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Gifted Support - Laws 1989, Chapter 273 provided for the establishment of a program of grants for additional services to meet the educational needs of gifted pupils and to establish school district gifted demonstration and training sites. Chapter 273 provided that a school district which complies with the statutory provisions relating to programs for gifted students may apply to the State Board of Education for additional funding equal to \$55 per pupil for 3% of its student count, or \$1,000, whichever is more. Chapter 273 appropriated \$1,000,000 for gifted support and provided that \$900,000 of the appropriation shall be allocated for direct grants to school districts, \$50,000 shall be utilized to establish gifted demonstration and training sites and \$50,000 shall be used by the Department of Education to provide staff for technical assistance and support to school districts. The appropriation is based on the following objects of expenditure:

FTE Positions	2.0
Personal Services	\$36,600
Employee Related Expenditures	10,300
Prof. & Outside Services	100
Travel - In State	3,100
Other Operating Expenditures	6,000
Operating Subtotal	56,100
Assistance to School Districts	945,000
TOTAL	<u>\$1,001,100</u>

The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$5,200 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

K-3 Support - Laws 1988, Chapter 308 established a 4-year pilot project of grants to school districts having large percentages of pupils in kindergarten programs and grades 1 through 3 who are at risk of not succeeding in the educational system. Laws 1989, Chapter 273 established a second phase of the K-3 at-risk pilot project, for fiscal years 1990 through 1992. Of the additional \$2,500,000 approved by the Legislature for K-3 support for FY 1990, \$500,000 was allocated to strengthen and expand first phase projects, \$100,000 was allocated by the Department of Education for technical assistance and evaluation, and \$1,900,000 was provided to fund new second phase projects. The appropriation is based on the following objects of expenditure:

FTE Positions	3.3
Personal Services	<u>\$94,600</u>
Employee Related Expenditures	21,500
Prof. & Outside Services	188,000
Travel - In State	7,500
Travel - Out of State	3,000
Other Operating Expenditures	<u>63,100</u>
Operating Subtotal	377,700
Assistance to School Districts	<u>5,074,800</u>
TOTAL	<u>\$5,452,500</u>

The approved amount includes \$900 (Personal Services, \$800; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$8,600 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Preschool Disabilities - Laws 1989, Chapter 96 established a special education advisory committee to oversee the transition of educational services for handicapped preschool children from the Department of Economic Security (DES) to the Department of Education (ADE) to ensure that ADE is the single state agency responsible for all educational services for children with special needs. The transition of services was in response to federal legislation (Public Law 99-457) which mandated that the state set standards for handicapped preschool services by the 1991-92 school year. The funding transferred to ADE is used to contract back with DES to continue to provide educational services to the children served by DES. The approved amount for FY 1993 includes a reduction of \$955,500. As the children served by DES "age out" the funding for this line item will not be required.

Preschool Disabilities Support - Laws 1988, Chapter 281 provided for the voluntary inclusion of handicapped preschool children, age 3 to 5, in the Group A support level category in the State Aid formula and allowed school districts to begin budgeting for such pupils in FY 1990. Laws 1990, Chapter 258 required school districts to provide educational programs for handicapped preschool children and appropriated \$900,000 to the Department of Education (ADE) to assist districts that must increase enrollment in existing programs or establish new programs for such children. Chapter 258 required school districts to provide educational programs for 4-year-old handicapped preschool children, who are not already receiving services through the Department of Education or the Department of Economic Security (DES), beginning in the 1990-1991 school year. Chapter 258 also required the State Board of Education to develop rules for use by school districts in providing services for handicapped children and prescribed the children that may be counted as handicapped for purposes of calculating Average Daily Membership (ADM). Chapter 258 added a new Group B weight in the State Aid formula for Preschool Handicapped Severely Developmentally Delayed (PSH-SDD) children. No funding was approved for FY 1993 since all preschool children with disabilities are now counted in school district ADM.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Preschool At-Risk Program - Laws 1990, Chapter 345 established a 4-year pilot project of preschool grants to school districts for FY 1991-FY 1994 and appropriated \$500,000 to the State Board of Education for grants for at-risk preschool pilot projects and \$100,000 to the Department of Education (ADE) for providing technical assistance, training, monitoring, and evaluation of the projects. The \$500,000 appropriation was subject to receiving matching funds of at least \$500,000 from private industry. The grants were to be disbursed by the State Board to school districts to be used in individual schools to provide preschool services to at-risk children who have reached the age of 4. Schools were to be selected for grants based on the percentage of at-risk children in their kindergarten through third grade populations and on the quality of their programs. Chapter 345 established a Joint Legislative Committee on Preschool Programs and required the committee to study the role of the public schools in providing preschool education to at-risk pupils. The committee is to develop a written report containing its findings and recommendations and submit a final report to the President of the Senate and the Speaker of the House by December 31, 1994.

Laws 1991, Chapter 251 provided that the Department of Education shall conduct an evaluation of selected participants in both phases of the program and the State Board of Education shall appoint a State Early Childhood Advisory Council to advise the department on early childhood education and the at-risk preschool pilot project. Chapter 251 also provided that monies appropriated to ADE for funding at-risk preschool pilot programs shall be deposited in the At-Risk Preschool Pilot Program Fund. The department shall account separately for the monies for phase 1 and phase 2 programs. Monies in the fund are exempt from A.R.S. § 35-190, relating to lapsing of appropriations. Laws 1992, Chapter 4, 7th Special Session removed the matching requirement for "phase 1" monies. The approved amount includes an increase of \$1,000,000 for additional phase 2 projects. The appropriation is based on the following objects of expenditure:

FTE Positions	1.8
Personal Services	<u>\$38,500</u>
Employee Related Expenditures	10,100
Prof. & Outside Services	37,300
Travel - In State	2,700
Travel - Out of State	-0-
Other Operating Expenditures	<u>13,100</u>
Operating Subtotal	101,700
Assistance to School Districts	<u>2,500,000</u>
TOTAL	<u>\$2,601,700</u>

The approved amount includes \$500 (Personal Services, \$400; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$4,800 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Residential Placement - Laws 1991, Chapter 173 clarified the statutes relating to residential placement of special education students. The approved amount includes funding to provide training to school districts in identifying students requiring residential placement and to establish a "Residential Emergency Fund" for use when the Department of Economic Security (DES) or the Department of Health Services (DHS) lacks funds to place students.

School Buses for Native American Preschool Programs - The appropriation was provided to assist school districts in the purchase of buses for preschool programs for Native Americans. The amounts required a match from any available source of monies.

School District Housing Facilities - The appropriation was for deposit in the School District Housing Facilities Fund for the purposes prescribed in A.R.S. § 15-977.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

SLIAG (State Legalization Impact Assistance Grants) Adult Education - The appropriated amount for this line item represents funding required for the adult education costs associated with the SLIAG grant monies. The state General Fund will be reimbursed by the federal SLIAG grants for this "up front" funding. The SLIAG grant monies are provided to applying states which provide educational services to certain illegal aliens who have become legal residents of the United States under the amnesty program established by Congress in 1986. All payments for educational services, whether provided by state and local education agencies or by private non-profit organizations, must go through the state Department of Education. Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session reduced the SLIAG Adult Education appropriation from \$2,000,000 to \$1,500,000 to more closely reflect anticipated actual expenditures for FY 1992. The \$500,000 was transferred to the Department of Administration (DOA), Division of Finance to reimburse education providers for audit exceptions related to services provided to I688A applicants under the SLIAG program retroactively to October 1, 1987. The appropriation is based on the following objects of expenditure:

FTE Positions	1.3
Personal Services	\$25,600
Employee Related Expenditures	6,900
Prof. & Outside Services	500
Other Operating Expenditures	800
Operating Subtotal	33,800
Program Assistance	1,466,500
TOTAL	\$1,500,300

The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$3,400 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Tuition Fund - Laws 1990, Chapter 348 appropriated \$100,000 to the Department of Education (ADE) for FY 1991 to establish a new tuition fund to facilitate the most appropriate placement of sensory impaired pupils. Monies in the fund are to be distributed through an application and approval process to pay or supplement tuition costs for:

- part-time attendance at a regular public school by a pupil enrolled in a regional cooperative program.
- part-time or full-time attendance at a program of a cooperative if the school district of residence is unable to pay the full tuition.
- part-time or full-time attendance of a pupil from a school district in a special program at another school district, if the resident school district is unable to pay the full tuition.
- part-time attendance at a regular public school by an Arizona Schools for the Deaf and the Blind (ASDB) special purpose pupil.

The FY 1991 appropriation was ex-appropriated for the FY 1991 mid-year budget reduction. Funding was restored for FY 1992. The approved amount represents continuation of funding at the FY 1992 level.

Vocational Education Assistance - The appropriation provides assistance to school districts offering vocational education programs as specified in A.R.S. § 15-787. To be eligible to receive state funds, districts must meet the minimum standards and requirements established by the State Board of Vocational and Technological Education. Funding is allocated to school districts offering vocational training programs emphasizing "high-demand" occupations. The State Vocational Education Funding Model priority listing of vocations serves as the basis for funding allocation.

Vocational Education Program Support - The approved amount is in addition to the \$2,835,000 in state assistance for vocational education programs. These monies shall be available to local school districts with an emphasis on entry-level skill preparation, and based upon established standards of program quality. The funding is allocated to school districts offering vocational training programs requiring extensive vocational education equipment. Laws 1991, Chapter

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

218 allows the State Board of Vocational and Technological Education to authorize expenditures for the personnel and operating costs of providing state level coordination and leadership for vocational student organizations from this appropriation. The appropriation is based on the following objects of expenditure:

FTE Positions	10.0
Personal Services	\$266,700
Employee Related Expenditures	62,400
Prof. & Outside Services	29,600
Travel - In State	17,500
Other Operating Expenditures	107,500
Operating Subtotal	483,700
Assistance to School Districts	520,000
TOTAL	\$1,003,700

The approved amount includes \$2,800 (Personal Services, \$2,500; Employee Related Expenditures \$300) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$26,000 for medical insurance and \$1,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Vocational and Technological Education - Laws 1990, Chapter 330 established the State Board for Vocational and Technological Education to provide program evaluation services and to integrate the vocational and technological education programs being offered by the state's grade schools and community colleges. Chapter 322 replaced the State Board for Vocational and Technical Education with a new expanded member State Board for Vocational and Technological Education and appropriated \$2,000,000 to the board for FY 1991 to expand existing vocational education pilot programs and to provide training in vocational and technological education for teachers. The appropriation was also to be used to develop comprehensive legislation regarding statewide vocational education programs, to provide staffing to the board to develop an integrated plan for statewide vocational and technological education, and to develop a proposal for the establishment of a tax on employers as a new source of funding for vocational education programs. Chapter 330 also established a Vocational and Technological Education Advisory Committee and expanded the grade levels for vocational and technological education programs from 9 through 12 to 7 through 12. The approved amount continues funding at the FY 1992 level.

ADDITIONAL APPROPRIATIONS

Appropriations; Modifications - Chapter 262 (H.B. 2034) - Appropriates \$33,934 to the Department of Education for FY 1992 for the increase in Basic State Aid resulting from a student count of 762 for the East Valley Institute of Technology (EVIT).

ADDITIONAL LEGISLATION

Career Ladder; Technical Assistance - Chapter 158 (H.B. 2122) - Provides that school districts authorized to budget for career ladder programs, which have additional authorized budget capacity for the current fiscal year, shall have their apportionment of State Aid reduced for the following year by that amount. Also continues for FY 1993 and beyond the reduction in career ladder districts' State Aid (.000375 multiplied by the Base Support Level) which is to be used by the Department of Education to hire personnel to provide technical assistance to the State Board, the State Career Ladder Advisory Committee and school districts relative to the implementation and operation of career ladder programs.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

Special Education Evaluation - Chapter 172 (H.B. 2281) - Makes changes in terminology and program definitions to meet the federal Individuals with Disabilities Education Act (IDEA). Adds new descriptive categories (i.e. autistic, emotionally disabled) with corresponding definitions. Changes the first phase of the placement cycle from diagnostic to interim placement. Increases the time period from 30 to 60 days for the purposes of completing an educational evaluation and making a recommendation for voucher funding. If a voucher is not granted, voucher monies shall only be paid for the interim placement. Requires that the Individualized Education Program (IEP) for any child placed in a residential facility include exit criteria that indicate when a child can be moved to a less restrictive placement.

Drug Free School Grounds - Chapter 196 (H.B. 2292) - Increases the presumptive sentence for a drug free school violation by 1 year and raises the minimum required service time from one-half the sentence to the entire sentence imposed by the court. Requires schools to post permanent signs that identify the school as a drug free school.

Career Ladder Program; Expansion - Chapter 246 (H.B. 2121) - Allows the State Board of Education to approve up to 20 additional districts to budget for career ladder programs for FY 1994. If the total number of districts approved is more than 5, the total ADM of the districts may not exceed 10% of the state's ADM. The State Board may approve additional districts for FY 1995 but only to the extent that the Legislature appropriates, in advance, sufficient monies to cover the costs of the development phase for such districts.

Education; Financing Adjustments - Chapter 288 (S.B. 1362) - Amends several statutory sections affecting school finance to:

- 1) require school districts to revert a percentage of their ending cash balances related to State Aid apportionments to a separate account within the County Aid for Equalization Assistance for Education Fund. The percentages are: 27% for FY 1993; 18% for FY 1994; 0% for subsequent years. The cash balance reversion amounts, along with the 53¢ County Equalization levy will be prorated to all districts in each county per statutory formula;
- 2) require the County School Superintendent to compute the amount of the Minimum QTR Tax to be levied;
- 3) allow school districts to revise their budgets to reflect Legislative changes to school finance laws made after May 1.

The Education Financing Adjustments Bill, through session law, also:

- 1) sets the GNP Deflator adjustment at 0% for FY 1993, except that the Base Level and the state support level per transportation route mile are increased by 0.5%. School districts may adopt budgets which reflect the 0.5% increase. Funding for the increase in the Base Level and the state support level per transportation route mile will come from \$2,500,000 in state funding and monies reverted to the County Aid for Equalization Assistance for Education Fund from school district modified ending cash balances. "Zero-Aid" districts will not revert any portion of their modified ending cash balances to the County Aid for Equalization Assistance for Education Fund. The Zero-Aid districts may fund the increase from their modified ending cash balances, if available, or from a tax increase. Districts whose reduction amounts exceed their modified ending cash balances shall revert amounts equal to their modified ending cash balances. If the 0.5% adjustment results in the requirement for more than \$2,500,000 in state funding, the 0.5% increase shall be proportionally reduced so the state cost does not exceed \$2,500,000;
- 2) limits Sudden Growth and Rapid Decline funding for FY 1993 to 64% of the requirement;
- 3) suspends the deduction of PL 81-874 receipts (Federal Impact Aid) from Basic State Aid for FY 1993 and FY 1994 (See Basic State Aid);
- 4) allows school districts to budget as the budget balance carry forward an amount not to exceed 3% of the Revenue Control Limit (RCL);
- 5) continues the rollover at \$142,500,000.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND

School Finance Revisions - Chapter 305 (S.B. 1096) - Modifies, through amendment of statute and through session law, several provisions relating to K-12 issues and school finance. Among the major provisions are the following:

- 1) establishes a Comprehensive School Health Policy Council to foster cooperation among all state and local governmental entities, neighborhood groups, community organizations and private groups to improve the comprehensive health of school-aged children. Also establishes the Comprehensive School Health Fund;
- 2) permanently extends K-3 overrides;
- 3) repeals the requirement for the reading, grammar and mathematics proficiency examination for persons entering teacher training programs. On or before January 1, 1993 each university shall establish qualifications for entrance into its teacher training programs;
- 4) requires school districts to report to the State Board for Vocational and Technological Education the method used to distribute funds for high demand and high wage occupational programs;
- 5) establishes the Vocational and Technological Education Restructuring Fund to be used to assist model vocational and technological programs approved by the Board. The Joint Legislative Budget Committee (JLBC) shall verify that amounts disbursed from the fund do not exceed the total amount appropriated for model programs;
- 6) changes the instruction time for K-8 students from minutes per day to hours per school year;
- 7) allows up to \$80,000 of monies reverted from the career ladder program in FY 1993 to be used by the Department of Education for implementation of laws relating to Federal Impact Aid, for technical assistance to districts affected by Federal Impact Aid, for all necessary costs to the state resulting from school equalization litigation and for school finance data analysis. If sufficient monies are available after these allocations, up to \$50,000 is to be transferred to Legislative Council for the purpose of conducting studies relating to education reform. If any monies are available after these allocations, 50% of the amount is to be available to schools currently participating in the restructuring incentive program and 50% is to be used to assist districts in planning programs for at-risk pupils;
- 8) removes the "pilot" status of the preschool at-risk program;
- 9) extends the K-3 and 7-12 (Dropout Prevention) at-risk pilot programs until such time that sufficient funding is provided through additional Group B weights in the funding formula.

Public Finances and Funds - Chapter 312 (S.B. 1365) - The bill would have credited capital appreciation realized on investment of the Permanent State School Fund as income. The Governor vetoed this provision of the bill (See Basic State Aid).

DEPARTMENT OF EDUCATION - VOCATIONAL EDUCATION

A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	26.3	26.3	26.3
Personal Services	906,700	899,700	914,400
Employee Related Exp.	183,800	184,900	194,000
Prof. & Outside Services	72,000	79,700	79,700
Travel - In State	21,500	21,400	21,400
Other Operating Exp.	63,300	69,800	69,800
All Other Operating Exp.	156,800	170,900	170,900
TOTAL APPROPRIATIONS	1,247,300	1,255,500	1,279,300 ^{1/2/3/}

Personal Services - The approved amount includes \$6,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$9,300.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$68,800 for medical insurance and \$3,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- 1/ The above appropriation is made to enable the state to cooperate with the federal government in carrying out the provisions of an act of Congress approved February 23, 1917 and acts amendatory and supplementary thereto, providing for the promotion and development of cooperative vocational education. (General Appropriation Act footnote)
- 2/ The appropriation represents the state funding requirement for administrative costs associated with the Vocational Education Program, which is required to be funded by the State of Arizona under Public Law 94-482.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The program and line item detail are shown for information only.

ARIZONA HISTORICAL SOCIETY

A.R.S. § 41-821

Dr. Michael F. Weber, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	49.5	49.5	49.5
Personal Services	1,157,700	1,190,900	1,202,900
Employee Related Exp.	236,100	276,400	286,300
Prof. & Outside Services	58,700	31,300	31,300
Travel - In State	11,500	9,100	9,100
Other Operating Exp.	1,629,400	1,644,100	1,666,200
Equipment	23,500	10,300	17,000
All Other Operating Exp.	1,723,100	1,694,800	1,723,600
OPERATING SUBTOTAL	3,116,900	3,162,100	3,212,800
Journal of Arizona History	5,000	5,000	5,000
Historical Society Grants	30,000	30,000	30,000
Library Acquisitions	1,300	1,500	1,500
TOTAL APPROPRIATIONS	3,153,200	3,198,600 ^{1/}	3,249,300 ^{2/}

Personal Services - The approved amount includes \$12,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$37,200.

Employee Related Expenditures - The approved amount includes \$1,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$128,500 for medical insurance and \$6,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$62,900 for risk management. The appropriation also includes a \$1,700 increase for the Papago Park Museum lease-purchase, and restoration of \$20,400 for the FY 1992 ex-appropriation.

Equipment - The approved amount includes an increase of \$6,700 for the purchase of a passenger van to replace a 1975 station wagon.

Journal of Arizona History - The appropriation provides for the publishing of the Journal as required pursuant to A.R.S. § 41-824 (A). The Journal is published quarterly.

(Continued)

^{1/} The expenditure detail for FY 1992 includes a \$20,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ARIZONA HISTORICAL SOCIETY (Cont'd)
GENERAL FUND

Historical Society Grants - The approved amount provides for contracts to a certified county or local historical society within each county for services to be performed for the benefit of the state, as allowed pursuant to A.R.S. § 41-821 (H & I). To qualify as a certified historical society, the society must be nonprofit and have a functioning program of historical value. Certification and contract agreements are reviewed annually.

Library Acquisitions - The appropriation provides for the purchase of rare manuscripts for placement in the permanent library collection.

ADDITIONAL LEGISLATION

Historical Society Revolving Fund - Chapter 85 (H.B. 2043) - This bill establishes a permanent Arizona Historical Society Revolving Fund in the state treasury. Deposits will be from all monies received by the Society from the operation of gift shops, book shops, food service facilities, and charges for the use of or admission into any of the Society's facilities. The Society shall expend these monies for enhancement of programs or for operation or improvement of its facilities. The Society shall prepare an annual report, due to the Legislature during January of each year, which documents monies received, from where and for what purposes the monies were used. In addition, the report will provide plans for the next fiscal year. This fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

PRESCOTT HISTORICAL SOCIETY

A.R.S. § 41-831

Mac R. Harris, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	15.5	15.5	15.5
Personal Services	331,600	351,400	355,100
Employee Related Exp.	91,700	86,900	89,800
Prof. & Outside Services	4,500	3,900	3,900
Travel - In State	300	300	300
Other Operating Exp.	78,800	75,000	65,400
All Other Operating Exp.	83,600	79,200	69,600
Lump Sum Reduction	-0-	-0-	(5,100)
TOTAL APPROPRIATIONS	506,900	517,500	509,400 ^{1/}

Personal Services - The approved amount includes \$3,900 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The appropriation also reflects a decrease of \$200 due to a retirement and hiring at a lower salary level.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$40,100 for medical insurance and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,200 for risk management. The approved amount is \$9,600 lower than the FY 1992 estimated expenditure. The decrease reflects the following reductions: \$32,500 for the final Gurley and Summit Streets lease-purchase payment and \$11,000 for the removal of 2 leaking underground fuel tanks. Both items were completed in FY 1992. The approved amount also includes the following increases: \$26,100 to offset the one-time expenditure of \$26,100 for OOE by the Sharlot Hall Historical Society, the private auxiliary of the Prescott Historical Society and \$7,800 for utility expenses which had previously been provided free of charge by the City of Prescott.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF MEDICAL STUDENT LOANS

A.R.S. § 15-1723

Christopher A. Leadem, Vice-Chairman

JLBC Analyst: Layzell

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
Medical Student Loans	<u>3,000</u>	<u>1,000</u>	<u>1,000</u> ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	64,900	83,100	65,200
Add: Loan Collections	93,200	59,100	81,300
General Fund	<u>3,000</u>	<u>1,000</u>	<u>1,000</u>
TOTAL FUNDS AVAILABLE	161,100	143,200	147,500
Medical Student Loans	<u>78,000</u>	<u>78,000</u>	<u>84,000</u>
BALANCE END OF FISCAL YEAR	<u>83,100</u>	<u>65,200</u>	<u>63,500</u>

Medical Student Loans - The amount appropriated to the Board shall be deposited in the Medical Student Loan Fund as prescribed by A.R.S. § 15-1725. The appropriated amount, along with the available student loan fund, may be used to provide funding for up to 40 loans per year.

ADDITIONAL LEGISLATION

Medical Student Loans - Chapter 338 (H.B. 2228) - Specifies that loans shall be given to those students at the College of Medicine who intend to specialize in Family Practice, Pediatrics, Obstetrics or Internal Medicine, and who agree to serve in medically underserved areas of the state. For FY 1993, increases the maximum loan amount from \$6,000 to tuition plus a stipend not to exceed \$10,000. For FY 1994 and subsequent years, the \$10,000 stipend shall receive inflationary increases per the change in the GNP deflator. Also allows the Board to waive the interest and penalty for recipients who fail to fulfill their service if the recipient was unable to fulfill their service due to death or permanent disability.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency.

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN
INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE),
AND COMMISSION FOR POSTSECONDARY EDUCATION**

A.R.S. § 15-1621

Frank Besnette, Ph.D., Executive Director

JLBC Analyst: Lee

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	32.61	32.60	28.10
Personal Services	1,338,800	1,319,800	1,153,700
Employee Related Exp.	265,500	277,800	200,600
Prof. & Outside Services	19,100	33,300	33,000
Travel - In State	6,500	16,300	16,100
Other Operating Exp.	244,100	205,900	203,800
Equipment	92,600		
All Other Operating Exp.	362,300	255,500	252,900
OPERATING SUBTOTAL	1,966,600	1,853,100	1,607,200
WICHE Interstate Office	68,400	71,500	75,000
WICHE Student Subsidy	1,734,800 ^{1/}	1,799,000 ^{2/}	1,992,400
Course Equivalency Guide	12,100	13,200	13,200
Student Financial Aid Trust Fund	1,058,900	1,058,900	1,166,800
State Student Incentive Grant	1,201,400	1,201,400	1,220,800 ^{3/}
Teacher Loan Forgiveness Fund	100,000	-0-	-0-
TLFF for Deaf and Blind	95,000	95,000	95,000
Area Health Education Centers	262,000	486,800	887,700
TOTAL APPROPRIATIONS	6,499,200	6,578,900 ^{4/}	7,058,100 ^{5/6/}

(Continued)

- ^{1/} An additional \$166,100 was expended from the Collections Revolving Fund.
- ^{2/} An additional \$85,900 was expended from the Collections Revolving Fund.
- ^{3/} The \$1,220,800 appropriated for State Student Incentive Grant is to be used to make grants under the Arizona State Student Incentive Grant program administered by the Arizona Commission for Postsecondary Education. Grants may be made according to the provisions of applicable federal and state laws and regulations relating to this program to Arizona residents who demonstrate financial need and who are attending, on at least a half-time basis, an approved program at a properly accredited Arizona postsecondary educational institution. Each participating institution, public or private, in order to be eligible to receive state matching funds under the State Student Incentive Grant program for grants to students, shall provide an amount of institutional matching funds which shall be equal to the amount of funds provided by the state to the institution for the State Student Incentive Grant program. Administrative expenses incurred by the Board of Regents shall be paid from institutional matching funds and shall not exceed 13% of the funds. (General Appropriation Act footnote)
- ^{4/} The expenditure detail for FY 1992 includes a \$178,100 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

(Footnotes Continued on Following Page)

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN INTERSTATE COMMISSION FOR
HIGHER EDUCATION (WICHE), AND COMMISSION FOR POSTSECONDARY EDUCATION (Cont'd)
GENERAL FUND**

Personal Services - The approved amount includes \$7,000 for the general salary adjustment effective April 1, 1993. The approved amount also reflects a reduction of 4.5 FTE positions associated with an operational improvement in the board's governing functions.

Employee Related Expenditures - The approved amount includes \$800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$72,300 for medical insurance and \$3,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$8,400 for risk management and \$149,200 for commercial lease of office space.

WICHE Office Expenses - The appropriated amount provides for Arizona's annual pro rata share of administrative expenses for the Western Interstate Commission for Higher Education.

WICHE Student Subsidies - The approved amount provides funding for subsidies to 99 continuing WICHE students and 32 new WICHE students in the fields of study shown below:

<u>Field of Study</u>	<u>Continuing Students</u>	<u>New Students</u>	<u>Amount</u>
Osteopathy	6	2	\$ 92,000
Dentistry	27	9	490,200
Veterinary Medicine	53	18	1,306,400
Occupational Therapy	6	2	47,000
Optometry	7	1	56,800
TOTAL	99	32	\$1,992,400

The FY 1992 mid-year reduction of \$127,900 was fully restored in FY 1993. Of the \$127,900 reduction, \$85,900 was supplemented by the Collections Revolving Fund for the Western Interstate Commission for Higher Education to fund the program needs in FY 1992.

(Continued)

(Footnotes Continued From Previous Page)

- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within "All Other Operating Exp." are shown for information only.
- 6/ In addition to the General Fund amount shown, it is anticipated that \$724,100 will be available for operating expenditures from local funds, which includes no more than \$389,800 from indirect cost revenues contributed by the 3 universities, \$303,200 from postsecondary funds and \$31,100 from federal funds. Including the pass-through funds of \$2,951,600, the total local fund budget is based upon the following objects of expenditures:

	<u>Indirect Cost Revenues</u>	<u>Postsecondary Funds</u>	<u>Federal Funds</u>	<u>Total</u>
FTE Positions	3.0	4.9	0.1	8.0
Personal Services	\$123,300	\$ 171,700	5,100	\$ 300,100
Employee Related Exp.	26,400	36,100	1,100	63,300
All Other Operating Exp.	240,100	95,400	24,900	360,400
OPERATION SUB-TOTAL	389,800	303,200	31,100	724,100
SSIG Institutional Match	-0-	1,062,100	-0-	1,062,100
SSIG Federal Match	-0-	-0-	1,220,800	1,220,800
All Other Federal Funds	-0-	-0-	668,700	668,700
TOTAL	\$389,800	\$1,365,300	\$1,920,600	\$3,675,700

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN INTERSTATE COMMISSION FOR
HIGHER EDUCATION (WICHE), AND COMMISSION FOR POSTSECONDARY EDUCATION (Cont'd)
GENERAL FUND**

Course Equivalency Guide - The approved amount provides funding for the publishing of the Course Equivalency Guide to help community college students become familiar with courses and identify transfer requirements to 4-year institutions.

Student Financial Aid Trust Fund - The approved amount provides funds to the Universities for the purposes of providing immediate aid to students with verifiable financial need and creating an endowment for future financial aid. Laws 1989, Chapter 123 (H.B. 2144) authorized the Board of Regents to establish such a fund.

State Student Incentive Grant Program - The approved amount is to match federal funds for scholarships to students who attend accredited post-secondary educational institutions in the state and who demonstrate financial need.

Teacher Loan Forgiveness Fund for the Deaf and the Blind - The approved amount provides funding for a loan program to persons in teacher training programs in the areas of the deaf and the blind within the College of Education at the University of Arizona. The allocation of \$95,000 should be the same as the original intent of H.B. 2225 (Laws 1990, Chapter 340) which authorized a \$50,000 distribution to 10 students in the form of loans in equal amounts of \$5,000 per student and a \$45,000 distribution to the College of Education at the University of Arizona for instructional support of the teacher training program in the areas of the deaf and the blind.

Area Health Education Centers - The approved amount provides funding for Arizona Area Health Education program associated with 3 centers; Southeast Area Health Education Center in Nogales, Western Area Health Education Center in Yuma, and Northern Area Health Education Center in Flagstaff.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Section 1 (B) of the Capital Outlay Bill appropriates \$5,459,300 from the General Fund to the Board of Regents for allocation to the universities for the maintenance and repair of university buildings in accordance with A.R.S. § 41-790 and § 41-793.01. The appropriation represents 31% support of the Building Renewal Formula as established by A.R.S. § 41-793.01. The Board shall require each university to establish a major maintenance and repair account to deposit monies allocated from this appropriation. Amounts deposited in this account shall be audited annually by the Board, and the approved monies may be used only for facilities on the statewide building inventory approved by the Joint Committee on Capital Review. Appropriated monies may not be spent on infrastructure repairs or replacement, or maintenance contracts for building components and equipment.

ADDITIONAL LEGISLATION

General Administrative Powers of the Board - Chapter 307 (S.B. 1202) - This act makes the following changes relative to the powers and duties of the Board of Regents:

- Provides that the Board of Regents shall have and exercise the powers necessary for the effective governance and administration of the institutions under its control. The Board may authorize each university to adopt such regulations, policies, rules or measures as are deemed necessary and may delegate in writing to its committees, to its university presidents, university vice-presidents, university deans, legal counsel and administrative officers, to faculty of the universities, or to other entities under its control, any part of its authority for the administration and governance of such institutions, including those powers enumerated in § 15-1625, Subsection B, paragraphs 2 and 4 and paragraphs 3, 4, 6, 7, 9 and 10 of Subsection A and Subsection B of § 15-1626. Any delegation of authority may be rescinded by the Board at any time in whole or in part.
- Provides that, in addition to appointing and employing university employees, the Board may determine the compensation of employees as it deems necessary.

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN INTERSTATE COMMISSION FOR
HIGHER EDUCATION (WICHE), AND COMMISSION FOR POSTSECONDARY EDUCATION (Cont'd)
GENERAL FUND**

- Deletes specific requirements with regard to certain tuition and fee charges but maintains the Board's general ability to set tuition and fee levels for the universities as it deems necessary.
- Specifies that the Board shall prescribe admission qualifications for all students to the universities.
- Provides that each university, not the Board, shall establish rules and regulations with regard to the control of vehicles and nonpedestrian devices on university property.
- Establishes new sunset date for the Board (July 1, 2002).

Risk Management Insurance for University Programs - Chapter 288 (S.B. 1361) - As a new session law provision, Chapter 288 allows interns, externs, residents and fellows in programs of universities under the jurisdiction of the Arizona Board of Regents to be eligible for insurance coverage under § 41-621, Subsection A, paragraph 3, Arizona Revised Statutes, effective July 1, 1992.

University Student Exchange Program with the State of Sonora, Mexico - Chapter 213 (S.B. 1432) - Authorizes the Board of Regents to establish a program for the exchange of students between the state universities of Arizona and colleges and universities located in the State of Sonora, Mexico. The program may provide for in-state tuition for 50 Sonoran students in exchange for similar tuition provisions for up to 50 Arizona students enrolled or seeking enrollment in Sonoran colleges or universities. The Board of Regents may direct the universities to work in conjunction with the Arizona-Mexico Commission to coordinate recruitment and admission activities.

Faculty Governance of the State Universities - Chapter 259 (S.B. 1106) - § 15-1601(B) of the Arizona Revised Statutes is amended to provide that subject to the responsibilities and powers of the Board of Regents and the university presidents, the faculty members of the universities, through their elected faculty representatives, shall share responsibility for academic and educational activities and matters related to faculty personnel, shall participate in the governance of their respective universities, and shall actively participate in the development of university policy.

ARIZONA STATE UNIVERSITY - MAIN CAMPUS
A.R.S. § 15-1601

Lattie F. Coor, Ph.D., President

JLBC Analyst: Layzell

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4,912.0	4,841.0	4,853.0
Personal Services	160,028,800	159,345,200	156,115,500
Employee Related Exp.	29,273,800	30,490,600	30,324,400
Prof. & Outside Services	3,068,400	1,210,700	1,039,800
Travel - In State	137,300	340,100	291,800
Travel - Out of State	1,591,300	745,100	638,300
Other Operating Exp.	33,668,500	33,213,900	29,967,400
Library Acquisitions	4,952,800	4,819,700	4,219,400
Equipment	5,529,300	9,514,300	10,076,800
All Other Operating Exp.	48,947,600	49,843,800	46,233,500
OPERATING SUBTOTAL	238,250,200	239,679,600	232,673,400
Minority Recruitment and Retention ^{1/}	-0-	-0-	-0-
TOTAL EXP. AUTHORITY	238,250,200	239,679,600	232,673,400
Collections	(54,835,100)	(56,415,100)	(49,794,800)
Other Receipts	(1,384,500)	(1,550,400)	(1,100,000)
Balances Forward	(64,500)	-0-	-0-
SUBTOTAL	(56,284,100)	(57,965,500)	(50,894,800)
General Fund Lump Sum Reduction	-0-	(3,634,300)	-0-
TOTAL APPROPRIATIONS	181,966,100	178,079,800 ^{2/}	181,778,600 ^{3/4/}

Personal Services - The approved amount includes \$1,172,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$4,902,300. The approved amount includes 46.5 FTE positions and related funding to cover personnel and operating costs for 4 new facilities scheduled to open during FY 1993: Goldwater Center for Science and Engineering (7/92); Computing and Network Services Building (7/92); Life Sciences Building (10/92); and the Law Library (12/92). The approved amount also includes support for the Forestry Sciences Building, currently owned by the Federal Government, that will become part of the university's space inventory in December, 1992 and annualization of partial year funding provided in FY 1992 for the Music Building Expansion. The approved amount includes a 34.5 FTE position reduction due to a decline of 506 FTE students, based on a 3-year rolling average. This reduction is calculated on the basis of 1 faculty position and 0.5 support staff per 22 FTE student change.

(Continued)

^{1/} Amounts are included in the Operating Subtotal.

^{2/} The General Fund total for FY 1992 includes a \$3,634,300 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{3/} Represents General Appropriation Act funds. Appropriated as a General Fund lump sum for the agency. The line items are shown for information only as estimates and for comparative funding information.

^{4/} The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

ARIZONA STATE UNIVERSITY - MAIN CAMPUS (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount includes \$153,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$9,955,200 for medical insurance and \$573,700 for dental insurance.

Other Operating Expenditures - The approved amount contains \$1,204,000 from the General Fund for risk management. This amount will be combined with \$257,900 of non-appropriated funds.

Equipment - The approved amount includes \$9,859,200 for replacement equipment and \$217,600 for equipment associated with the new facilities coming on line in FY 1993.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and underrepresented student populations. Funded within the "Operating Subtotal."

Student Enrollment Change - Enrollment funding is based upon a 3-year rolling weighted average enrollment of 33,672 full-time equivalent (FTE) students during the following fall semesters:

Fall 1990 (Actual)	-	34,057;	at 25%	=	8,514
Fall 1991 (Estimate)	-	33,552;	at 50%	=	16,776
Fall 1992 (Projection)	-	33,528;	at 25%	=	<u>8,382</u>
Total					<u><u>33,672</u></u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

FY 1992 Mid-Year Reduction - The lump sum reduction of \$3,634,300 was fully restored in FY 1992.

ARIZONA STATE UNIVERSITY - WEST

A.R.S. § 15-1601

Lattie F. Coor, Ph.D., President

JLBC Analyst: Layzell

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	511.2	535.3	546.3
Personal Services	11,452,600	15,796,000	15,878,100
Employee Related Exp.	2,110,300	3,308,700	3,442,800
Prof. & Outside Services	838,500	395,400	373,100
Travel - In State	39,800	106,800	101,200
Travel - Out of State	147,500	217,900	207,100
Other Operating Exp.	8,509,800	8,672,800	8,225,700
Library Acquisitions	1,984,000	1,623,800	1,517,000
Equipment	2,514,700	1,191,600	873,100
All Other Operating Exp.	14,034,300	12,208,300	11,297,200
OPERATING SUBTOTAL	27,597,200	31,313,000	30,618,100
Collections	(3,025,900)	(3,806,500)	(3,833,100)
Other Receipts	(6,100)	(10,000)	(10,000)
Balances Forward	(8,200)	-0-	-0-
SUBTOTAL	(3,040,200)	(3,816,500)	(3,843,100)
General Fund Lump Sum Reduction	-0-	(549,900)	-0-
TOTAL APPROPRIATIONS	24,557,000	26,946,600 ^{1/}	26,775,000 ^{2/3/}

Personal Services - The approved amount includes \$131,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$499,500. The approved amount includes 5 FTE positions and related funding for a facilities planning/development program and 6 FTE positions and related funding due to a projected growth in enrollment of 85 FTE students between Fall 1991 and Fall 1992. Enrollment growth funding is based on a ratio of 1 faculty position and 0.5 support staff per 22 FTE student change. The approved amount also annualizes student support services which were funded for a part of FY 1991 and not annualized in FY 1992.

Employee Related Expenditures - The approved amount includes \$17,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,296,800 for medical insurance and \$81,800 for dental insurance.

(Continued)

^{1/} The General Fund total for FY 1992 includes a \$549,900 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a General Fund lump sum for the agency. Neither expenditure authority nor collection funds were appropriated. The line items are estimates and are shown for information only.

^{3/} The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

ARIZONA STATE UNIVERSITY - WEST (Cont'd)
GENERAL FUNDS

Equipment - The approved amount includes \$842,000 for replacement equipment and \$31,100 for equipment associated with the enrollment growth positions and the facilities planning/development program.

Student Enrollment Growth - Enrollment growth funding is based on the following change in FTE students:

Fall 1991 (Actual)	-	2,286
Fall 1992 (Estimated)	-	<u>2,371</u>
FTE Student Change		<u>85</u>

FY 1992 Mid-Year Reduction - The lump sum reduction of \$549,900 was fully restored in FY 1993.

NORTHERN ARIZONA UNIVERSITY

Eugene M. Hughes, Ph.D., President

A.R.S. § 15-1601

JLBC Analyst: Lee

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1,874.68	1,937.00	2,006.70
Personal Services	56,646,500	58,609,400	59,797,400
Employee Related Exp.	12,362,700	13,097,700	14,431,200
Prof. & Outside Services	643,500	529,500	502,900
Travel - In State	415,200	461,600	417,000
Travel - Out of State	309,200	341,800	326,600
Other Operating Exp.	11,380,500	13,877,100	12,313,600
Library Acquisitions	1,217,100	1,691,300	1,486,800
Equipment	2,953,700	2,234,400	2,538,300
All Other Operating Exp.	16,919,200	19,135,700	17,585,200
OPERATING SUBTOTAL	85,928,400	90,842,800	91,813,800
Minority Recruitment & Retention	527,500	566,700	498,200
TOTAL EXP. AUTHORITY	86,455,900	91,409,500	92,312,000
Collections	(17,828,300)	(18,767,600)	(18,022,800)
Other Receipts	(647,200)	(600,000)	(700,000)
Balances Forward	3,900	(100,000)	(100,000)
SUBTOTAL	(18,471,600)	(19,467,600)	(18,822,800)
General Fund Lump Sum Reduction	-0-	(1,438,800)	-0-
TOTAL APPROPRIATIONS	67,984,300	70,503,100 ^{1/}	73,489,200 ^{2/3/}

Personal Services - The approved amount includes \$484,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$1,878,200. The approved amount also includes funding for 63.7 new FTE positions to accommodate an additional 936 FTE students, and 6 new FTE positions for facilities support for the new Forestry Complex building.

Employee Related Expenditures - The approved amount includes \$65,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$5,871,900 for medical insurance and \$444,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ The General Fund total for FY 1992 includes a \$1,438,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 2/ Represents General Appropriation Act funds. Appropriated as a General Fund lump sum for the agency. The line items are shown for information only as estimates and for comparative funding information.
- 3/ The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

NORTHERN ARIZONA UNIVERSITY (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount contains \$720,400 for risk management, which will be combined with \$147,600 of non-appropriated funds for a total of \$868,000.

Equipment - The approved amount includes \$2,344,300 for replacement equipment and \$194,000 for new equipment associated with the student enrollment growth and new facilities support positions.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and underrepresented student populations.

Student Enrollment Growth - The enrollment funding is based upon a 3-year weighted rolling average enrollment of 15,877 full-time equivalent students during the following fall semesters:

Fall of 1990 (Actual)	-	15,006;	at 25%	=	3,752
Fall of 1991 (Estimate)	-	16,034;	at 50%	=	8,017
Fall of 1992 (Projection)	-	16,433;	at 25%	=	<u>4,108</u>
Total					<u>15,877</u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

FY 1992 Mid-Year Reduction - The lump sum reduction of \$1,438,800 was fully restored in FY 1993.

UNIVERSITY OF ARIZONA - MAIN CAMPUS
A.R.S. § 15-1601
Manuel T. Pacheco, Ph.D., President
JLBC Analyst: Lee

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	5,380.2	5,381.9	5,364.2
Personal Services	154,924,400	153,885,600	150,582,800
Employee Related Exp.	25,873,600	26,798,500	28,003,000
Prof. & Outside Services	1,093,700	1,398,000	1,196,800
Travel - In State	278,700	597,000	513,400
Travel - Out of State	601,200	697,700	593,400
Other Operating Exp.	25,953,500	27,950,700	24,881,700
Library Acquisitions	4,921,400	5,715,200	4,970,600
Equipment	4,941,900	6,573,800	7,623,600
All Other Operating Exp.	37,790,400	42,932,400	39,779,500
OPERATING SUBTOTAL	218,588,400	223,616,500	218,365,300
Minority Recruitment & Retention	1,161,300	1,189,200	1,034,200
Agriculture	37,717,200	38,594,500	37,167,400
TOTAL EXP. AUTHORITY	257,466,900	263,400,200	256,566,900
Collections	(55,138,300)	(58,056,700)	(52,470,900)
Other Receipts	(4,587,400)	(4,734,800)	(4,760,000)
Balances Forward	(766,100)	-0-	-0-
SUBTOTAL	(60,491,800)	(62,791,500)	(57,230,900)
General Fund Lump Sum Reduction	-0-	(4,012,200)	-0-
TOTAL APPROPRIATIONS	196,975,100	196,596,500 ^{2/}	199,336,000 ^{3/4}

Personal Services - The approved amount includes \$1,098,900 for the general salary adjustment effective April 1, 1993, plus an additional \$196,700 for the Agriculture program shown as a separate line item. A vacancy factor of 3% was applied which reduces Personal Services by \$4,727,100, with an additional reduction of \$848,700 for the Agriculture program.

The approved amount reflects a reduction of 33 FTE positions associated with an enrollment decline of 483 FTE students based upon a 3-year weighted rolling average. The approved amount also includes funding for 15.3 new FTE positions for operating support for the new Fine Arts and North Plant facilities.

(Continued)

- ^{1/} The FTE Positions total includes the FTE positions funded in the Agriculture special line item.
- ^{2/} The General Fund total for FY 1992 includes a \$4,012,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a General Fund lump sum for the agency, with a special line for Agriculture. The line items are shown for information only as estimates and for comparative funding information.
- ^{4/} The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

UNIVERSITY OF ARIZONA - MAIN CAMPUS (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount includes \$139,300 for the general salary adjustment effective April 1, 1993, plus an additional \$24,900 for the Agriculture program. The approved amount contains \$9,863,500 for medical insurance and \$589,300 for dental insurance including the Agriculture program. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$1,526,900 for risk management, which will be combined with \$890,900 of non-appropriated funds for a total of \$2,417,800.

Equipment - The approved amount includes \$7,575,500 for replacement equipment and \$48,100 for new equipment associated with the new facilities support positions. In addition, the Agriculture program includes \$1,421,900 for replacement equipment.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and under-represented student populations.

Student Enrollment Growth - The enrollment funding is based upon a 3-year weighted rolling average enrollment of 31,019 full-time equivalent students during the following fall semesters:

Fall of 1990 (Actual)	-	31,514;	at 25%	=	7,879
Fall of 1991 (Estimate)	-	31,172;	at 50%	=	15,586
Fall of 1992 (Projection)	-	30,216;	at 25%	=	7,554
Total					<u>31,019</u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

Agriculture - The approved amount was based upon the following line item allocation of funds:

FTE Positions	<u>814.5</u>
Personal Services	<u>\$26,994,400</u>
Employee Related Exp.	<u>5,019,900</u>
Prof. & Outside Services	131,200
Travel - In State	547,800
Travel - Out of State	130,400
Other Operating Exp.	2,921,800
Equipment	<u>1,421,900</u>
All Other Operating Exp.	<u>5,153,100</u>
TOTAL EXP. AUTHORITY	37,167,400
Collections/Receipts	<u>\$(5,869,000)</u>
TOTAL	<u>\$31,298,400</u>

The approved amount for Agriculture includes \$196,700 for Personal Services and \$24,900 for Employee Related Expenditures to fund the general salary adjustment effective April 1, 1993. The approved amount also contains \$1,499,300 for medical insurance and \$89,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. A vacancy factor of 3% was applied which reduces Personal Services by \$848,700.

FY 1992 Mid-Year Reduction - The lump sum reduction of \$4,012,200 was fully restored in FY 1993.

UNIVERSITY OF ARIZONA - COLLEGE OF MEDICINE
A.R.S. § 15-1601

Manuel T. Pacheco, Ph.D., President

JLBC Analyst: Lee

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	625.7	623.7	634.8
Personal Services	24,936,700	26,802,500	26,341,700
Employee Related Exp.	3,710,400	3,752,700	4,345,400
Prof. & Outside Services	153,700	91,100	79,800
Travel - In State	32,000	117,200	102,700
Travel - Out of State	29,300	23,500	20,500
Other Operating Exp.	6,598,100	6,417,900	5,789,100
Library Acquisitions	601,800	632,100	553,600
Equipment	946,400	781,200	729,000
All Other Operating Exp.	8,361,300	8,063,000	7,274,700
OPERATING SUBTOTAL	37,008,400	38,618,200	37,961,800
Clinical Teaching Support	9,467,000	9,005,900	8,834,300
TOTAL EXP. AUTHORITY	46,475,400	47,624,100	46,796,100
Collections	(1,966,500)	(2,153,600)	(2,245,900)
Other Receipts	(111,200)	-0-	-0-
Balances Forward	(227,900)	-0-	-0-
SUBTOTAL	(2,305,600)	(2,153,600)	(2,245,900)
General Fund Lump Sum Reduction	-0-	(909,400)	-0-
TOTAL APPROPRIATIONS	44,169,800	44,561,100 ^{2/}	44,550,200 ^{3/}

Personal Services - The approved amount includes \$153,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$830,000. The approved amount also includes funding for 11.1 new FTE positions to support the Library expansion.

Employee Related Expenditures - The approved amount includes \$19,200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$971,400 for medical insurance and \$60,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} Does not include FTE positions within the Clinical Teaching Support expenditure category.
- ^{2/} The General Fund total for FY 1992 includes a \$909,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a General Fund lump sum for the agency. The line items are shown for information only as estimates and for comparative funding information.

UNIVERSITY OF ARIZONA - COLLEGE OF MEDICINE (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount contains \$1,999,100 for risk management.

Equipment - The approved amount includes \$716,600 for replacement equipment and \$12,400 for new office equipment associated with the new facilities support positions.

Clinical Teaching Support - These funds provide for the cost of hospital training for Clinical Assistants, Medical Students and other health care residents and interns. The College of Medicine will contract with the University Medical Center, and possibly other community hospitals, for the necessary training.

FY 1992 Mid-Year Reduction - The lump sum reduction of \$909,400 was fully restored in FY 1993.

ADDITIONAL LEGISLATION

Financial Audit of the University of Arizona Medical School Expenditures - Chapter 133 (S.B. 1425) - Authorizes the Auditor General to conduct a study which shall address the issues involving the 4% dean's tax to University Physicians, Inc., the University of Arizona internal indirect cost rate and the College of Medicine's resident program. The Auditor General shall submit his report on or before March 1, 1993 to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House Health Committees, and the Chairmen of the Senate and House Appropriations Committees. The sum of \$9,000 is appropriated from the General Fund to the Office of the Auditor General for the study.

PROTECTION AND SAFETY

DEPARTMENT OF CORRECTIONS - SUMMARY

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND OTHER APPROPRIATED FUNDS

FY 1991
Actual

FY 1992
Estimate

FY 1993
Approved

Program Summary

Adult Institutions	186,849,300	198,189,900	213,745,300
Human Resources & Development	31,511,300	37,137,400	39,738,200
Administration	13,084,900	11,594,200	12,912,200
Correctional Industries	288,400	-0-	-0-
Community Corrections	8,649,100	9,040,300	7,020,400
General Fund Lump Sum Reduction	-0-	-0-	(2,571,100)

TOTAL APPROPRIATIONS

240,383,000

255,961,800

270,845,000

Expenditure Detail

FTE Positions	5,928.2	6,062.4	6,465.4
Personal Services	124,673,100	133,393,300	140,650,900
Employee Related Exp.	37,543,500	40,306,200	43,081,600
Prof. & Outside Services	17,943,000	18,860,800	21,565,900
Travel - In State	370,100	433,100	465,800
Travel - Out of State	93,300	104,000	95,900
Other Operating Exp.	36,424,300	38,273,500	39,850,000
Equipment	4,127,300	4,388,500	2,748,300
All Other Operating Exp.	58,958,000	62,059,900	64,725,900
General Fund Lump Sum Reduction	-0-	-0-	(2,571,100)

OPERATING SUBTOTAL

221,174,600

235,759,400

245,887,300

Food	15,279,600	16,158,200	18,589,400
Work Incentive Pay Plan	3,663,000	3,845,200	4,216,500
Discharge Expense	265,800	199,000	341,800
Community Provider Beds	-0-	-0-	1,810,000

TOTAL APPROPRIATIONS

240,383,000

255,961,800

270,845,000

1/2/91

Fund Summary

General Fund	240,383,000	255,025,400	253,797,000
Corrections Fund	-0-	-0-	16,111,600
Penitentiary Land Earnings Fund	-0-	936,400	936,400

TOTAL APPROPRIATIONS

240,383,000

255,961,800

270,845,000

(See Footnotes on Following Page)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$1,429,600 from the General Fund and \$95,100 from the Corrections Fund for the general salary adjustment effective April 1, 1993. A vacancy factor of 4% was applied which reduces the General Fund Personal Services by \$5,438,500 and Corrections Fund Personal Services by \$317,200. The approved General Fund amount includes funding for 6,068.5 FTE positions, \$497,000 for overtime, \$1,024,200 for Hazardous Duty pay and \$158,700 for shift differential payments. The approved amount from the Corrections Fund contains funding for 396.9 FTE positions. The approved amount for all additional FTE positions, authorized by the General Appropriation Act, are based on the entry level salaries, as established by the Personnel Division of the Department of Administration.

Employee Related Expenditures - The approved amount includes \$243,300 from the General Fund and \$16,500 from the Corrections Fund for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$15,304,700 for medical insurance and \$788,100 for dental insurance. The approved Corrections Fund amount contains \$998,900 for medical insurance and \$51,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved also was \$2,004,100 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified with the Correctional Service Officer Series.

General Fund Lump Sum Reduction - The approved amount is a 1% reduction to the operating budget.

Additional Prison Capacity - The approved amount includes \$4,083,500 and 136 FTE positions to operate the new 250 bed, medium, security (Level III) addition at the Arizona State Prison Complex-Safford. This new facility began accepting inmates in May of 1992. Approved also was \$8,503,000 and 315.5 FTE positions for operation of the new Cook Unit. The Cook Unit is an 800 bed medium security (Level III) prison, now under construction at Florence. The first 400 beds of the Cook Unit are expected to be ready for occupancy in November of 1992. The second 400 beds are funded to open in February of 1993.

The Governor's budget was based upon a plan to double-bunk the new 250 bed addition to the Safford Prison from July 1, 1992 to May 31, 1993 and then activate the second 400 beds of the Cook Unit on June 1, 1993. Thereafter, the inmates that are double-bunked at the Safford Prison are to be transferred to the Cook Unit. The Department of Corrections is continuing to study that plan. If it is determined feasible to double-bunk the Safford facility, the Department of Corrections can do that by delaying the opening of the last 400 beds of the Cook Unit. Additional costs and staff required for the Safford double-bunking will have to be reallocated from the approved amounts for the last 400 beds of the Cook Unit.

Community Correctional Facilities - Legislation enacted during the 8th Special Session authorized the Department of Corrections to operate the Southern Arizona Correctional Release Center for either male or female inmates and to close the Northern Arizona Correctional Release Center (NACRC) and New Dawn as soon as feasible. New Dawn is a correctional release center for women. Funds approved for NACRC and New Dawn are to be used to fund contracts for 450 secure community treatment beds.

(Continued)

- 1/ Twenty-five percent of land earnings and interest from the State Charitable, Penal and Reformatories Land Fund shall be distributed to the Department of Corrections in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions. (General Appropriation Act footnote)
- 2/ One hundred percent of land earnings and interest from the Penitentiary Land Fund shall be distributed to the Department of Corrections in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 4/ The General Fund appropriation was reduced \$1,527,800 and Other Appropriated Funds were increased by \$509,500, for a net ex-appropriation of \$1,018,300 as authorized by Laws 1992, Chapter 4 (H.B. 2004), 7th Special Session. The Governor line item vetoed the ex-appropriations for the Department of Corrections and ordered the department to revert \$913,100 to the General Fund at the end of the fiscal year. The Arizona Supreme Court subsequently ruled that the Governor's line item veto of the appropriation was constitutional, but he may not constitutionally alter the amount of the reduction by ordering a reversion of a lesser amount. As a result of the court's decision, the FY 1992 appropriations for the Department of Corrections remained unchanged.

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Prison Population - The table below compares the actual growth of the average daily prison population from FY 1985 to FY 1992, and includes projections for FY 1993. The "Average Daily Population" represents the average number of inmates managed by the Department of Corrections during the year.

Average Daily Prison Population
For FY 1985 to FY 1992
(with projections for FY 1993)

<u>Fiscal Year</u>	<u>Average Daily Population</u>	
	<u>Prisons</u>	<u>CRC ^{1/}</u>
1985	7,583	201
1986	8,270	205
1987	9,508	209
1988	10,705	222
1989	11,935	240
1990	13,066	253
1991	13,911	258
1992	15,041	282
1993	16,081	144

^{1/} Correctional Release Centers.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Appropriates \$419,900 from the Penitentiary Land Fund and \$400,000 from the Charitable, Penal and Reformatories Fund for the following projects:

• Arizona State Prison Complex - Florence, Central Unit Code Compliance	\$509,600
Design and replacement of the natural gas pipeline based in the Central Unit; design and initial construction of fire safety improvements in Cell Blocks 2, 3, and 4; and design and construction of electrical service in the Vocational Education building and waste piping leaks in Cell Block 2.	
• Arizona State Prison Complex - Florence Central Health Unit	\$60,300
Initial design of a health and geriatric dormitory. This appropriation supplements \$50,000 previously allocated to this project.	
• Statewide Building Maintenance	\$250,000
This appropriation is for emergency projects, and is intended to supplement Building Renewal monies.	
Total Capital Outlay Appropriation	<u>\$819,900</u>

ADDITIONAL LEGISLATION

Parole Classification; Eligibility - Chapter 1, (S.B. 1003), 8th Special Session - Allows a person to begin accruing earned release credits, or good time, after serving one quarter of the mandatory minimum prison term. This act is retroactive to September 27, 1990 and became effective June 26, 1992.

(Continued)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Corrections Fund - Chapter 2 (H.B. 2002), 8th Special Session - Re-establishes the Corrections Fund and specifies how tax revenues deposited to that fund may be used. Monies in the fund may be expended by the director of the Department of Administration, subject to the approval of the Joint Committee on Capital Review and the Legislature, for construction, major maintenance, purchase or lease of corrections or state operated juvenile facilities. With prior approval of the Legislature, these monies may also be used for minor maintenance and operations of state operated juvenile and adult correction facilities.

Monies deposited to the Corrections Fund are derived from luxury taxes on tobacco products, alcoholic beverages, cannabis and controlled substances. The taxes will be deposited into the Corrections Fund until June 30, 2000, at which time they are scheduled to become General Fund revenues. The authority to deposit these taxes in the Corrections Fund was originally scheduled to expire on June 30, 1994.

This legislation authorizes the closure of the Northern Arizona Correctional Release Center and New Dawn, a correctional release center for women. It also provides that the Southern Arizona Correctional Release Center may be operated for either males or females.

The act authorizes construction of 1,450 prison beds, at a cost not to exceed \$43,500,000. Construction is to be financed with Certificates of Participation. The certificates are limited to a repayment period not to exceed 5 years. The facilities to be constructed are shown in Table 1:

<p style="text-align: center;">AUTHORIZED PRISON CONSTRUCTION Fiscal Year 1993</p>			
<p style="text-align: right;">TABLE 1</p>			
<u>Facility</u>	<u>Location</u>	<u>Bed Size</u>	<u>Estimated Cost</u>
Female Prison, Level III	Tucson	250	\$ 8,300,000
Male Prison, Level III	Florence	800	22,000,000
Male Prison, Level III, for Alcohol & Drug Treatment	Tucson	<u>400</u>	<u>13,000,000</u>
Totals		<u>1,450</u>	<u>\$43,300,000</u>

In addition to the construction program shown above, the Department of Corrections is authorized to lease 250 minimum or medium security beds from Apache County. Apache County will finance and construct these facilities according to the specifications of the Department of Corrections. The Department of Corrections may lease the facility for a period of not less than 15 years nor more than 20 years.

The amounts shown below are appropriated from the Corrections Fund to the Department of Administration for FY 1993:

- For the architecture and engineering services to design 1,450 prison beds. \$1,500,000
This appropriation is to be repaid to the Correction Fund, from the proceeds of the sale of Certificates of Participation, before June 30, 1993.
- For the Department of Youth Treatment and Rehabilitation, to correct life-safety conditions at the Adobe Mountain and Catalina Mountain Juvenile Institutions. 500,000
- For a staff of 8.5 FTE positions to supervise the construction of corrections facilities. 346,000
- Total** **\$2,346,000**

(Continued)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

The Department of Administration is now required to include an architectural reuse option in each contract for the design of prisons. This will enable the department to reuse prison plans at a future site. The reuse option provides for payment of any additional design, site adaptation, and construction administration costs incurred by the architect.

Table 2 is a 5-year projection for the Corrections Fund. It shows the estimated revenue collections and expenditure projections based on the provisions contained in this act.

State of Arizona
 Corrections Fund
 Estimated Revenues and Expenditure Projections

	TABLE 2					
	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Beginning Balance	\$ 3,003,831	\$ 226,131	\$13,437,704	\$22,335,526	\$31,185,850	\$39,985,809
Add Estimated Revenues	20,850,000	20,850,000	20,850,000	20,850,000	20,850,000	20,850,000
A & E Fee Reimbursement	1,500,000	-0-	-0-	-0-	-0-	-0-
Estimated Funds Available	\$25,353,831	\$21,076,131	\$34,287,704	\$43,185,526	\$52,035,850	\$60,835,809
Deduct:						
Outstanding Appropriations	\$ 6,670,100	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Expenditure Projections						
DOC Operating Budget	16,111,600	-0-	-0-	-0-	-0-	-0-
Estimated Apache Lease, Term 20 Yr.	-0-	925,000	925,000	925,000	925,000	925,000
Lease-Pur., 1450 Beds, 5 Years, 5.95%	-0-	6,713,427	11,027,178	11,074,676	11,125,041	11,178,448
Dept of Youth Treatment - Repairs	500,000	-0-	-0-	-0-	-0-	-0-
Architecture & Eng. Fees	1,500,000	-0-	-0-	-0-	-0-	-0-
Dept of Administration	346,000	-0-	-0-	-0-	-0-	-0-
Total Deductions	\$25,127,700	\$ 7,638,427	\$11,952,178	\$11,999,676	\$12,050,041	\$12,103,448
Projected Ending Balance	\$ 226,131	\$13,437,704	\$22,335,526	\$31,185,850	\$39,985,809	\$48,732,361

Prisons; Contracting for Services - Chapter 3 (H.B. 2004), 8th Special Session - This act adds community transition to the list of contract services that may be used by the Department of Corrections. Community transition means community correctional centers as defined in A.R.S. § 41-1613. It further defines the terms detention and incarcerations. Treatment is also defined as services provided by a non profit corporation, for the rehabilitation of persons who are committed to the Department of Corrections for driving while under the influence of liquor or drugs, or who demonstrate the need for substance or alcohol abuse intervention.

The Joint Legislative Budget Committee is required to review all requests for proposals for treatment and any contract renewals or amendments for treatment.

Amended also was A.R.S. § 41-1609.1 relating to adult incarceration contracts. As amended, any person proposing to contract with the state must agree that all security personnel shall be a public employees. Before any contract can be renewed, the director and the Joint Legislative Budget Committee must determine that the contractor is providing the same quality of services as is the state, but at a lower cost. The Risk Management Division must now approve a contractors plan of insurance.

The requirement contained in A.R.S. § 41-2813, that all contracts involving the detention of secure care of committed youth must conform with the requirement of A.R.S. § 41-1609.01, was deleted.

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4,961.2	5,164.4	5,569.9
Personal Services	101,059,500	106,947,000 ^{1/}	114,169,100
Employee Related Exp.	31,664,100	33,828,200 ^{2/}	36,593,400
Prof. & Outside Services	3,649,300	4,034,300	4,323,300
Travel - In State	235,500	277,000	299,800
Travel - Out of State	76,200	78,000	69,400
Other Operating Exp.	27,635,000	29,433,800	30,895,300
Equipment	3,629,800	3,834,700	2,605,900
All Other Operating Exp.	35,225,800	37,657,800 ^{3/}	38,193,700
OPERATING SUBTOTAL	167,949,400	178,433,000	188,956,200
Food	15,040,300	15,795,500 ^{3/}	18,457,600
Work Incentive Pay Plan	3,593,800	3,762,400 ^{3/}	4,179,700
Discharge Expense	265,800	199,000 ^{3/}	341,800
Community Provider Beds	-0-	-0-	1,810,000
TOTAL APPROPRIATIONS	186,849,300	198,189,900	213,745,300 ^{4/}
<u>Fund Summary</u>			
General Fund	186,849,300	197,253,500	196,697,300
Corrections Fund	-0-	-0-	16,111,600
Penitentiary Land Earnings Fund	-0-	936,400	936,400
TOTAL APPROPRIATIONS	186,849,300	198,189,900	213,745,300

Personal Services - The approved amount includes \$1,218,300 from the General Fund and \$95,100 from the Corrections Fund for the general salary adjustment effective April 1, 1993. A vacancy factor of 3.8% was applied which reduces the General Fund Personal Services by \$4,133,500 and the Corrections Fund Personal Services by \$317,200.

(Continued)

- ^{1/} With the recommendation of the Joint Legislative Budget Committee, \$339,200 was transferred from the Human Resources and Development appropriation for Personal Services and \$226,400 was transferred from Employee Related Expenditures.
- ^{2/} With the recommendation of the Joint Legislative Budget Committee, \$226,400 was transferred to Personal Services.
- ^{3/} Reflects transfers, approved by the Department of Administration, pursuant to A.R.S. § 35-173.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Included in the approved amount is \$250,200 to annualize the cost of additional positions authorized in FY 1992, but only partially funded. Approved also were 118 FTE positions and \$2,217,600 for the 250 bed addition to the Arizona State Prison Complex-Safford. The addition to the Safford prison was opened in May of 1992. The new addition was opened several months before the original schedule. Opening costs were paid through reallocation of FY 1992 appropriations to the Department of Corrections. The approved amount for FY 1993, for the Safford Prison represents full funding and will require no annualization in FY 1994.

A total of 287.5 positions and \$3,973,800 was added for operation of the new Cook Unit, a medium security, Level III, prison, located at Florence. The first 400 beds of the Cook Unit are scheduled to open in November of 1992. To meet the proposed opening date, 180.5 of the new positions are funded for a 10 month period. This allows 2 months for recruiting and training new employees. The estimated cost of these 180.5 FTE positions, during the 10 month period, is \$2,816,000. The approved amount provides funding to open the second 400 beds of the Cook Unit in February of 1993. A total of 107 FTE positions are authorized for the second 400 beds. The positions were funded for a period of 7 months, again allowing 2 months for recruiting and training. The approved amount for the second 400 beds is \$1,157,800.

In May of 1992, the Department of Corrections, with the recommendation of the Joint Legislative Budget Committee, transferred \$339,200 to this line item. These funds were used to offset the added cost of opening the new Safford addition. The following month, \$226,400 was transferred from Employee Related Expenditures, with the recommendation of the Joint Legislative Budget Committee, to fund overtime for the supervision of inmates housed in temporary beds. The total of these 2 transfers, \$565,600, is not included in the approved amount for FY 1993.

A minor change in the vacancy factor increased the approved amount by \$32,700.

The approved General Fund amount includes funding for 5,173 FTE positions, \$482,000 for overtime and \$1,024,200 for Hazardous Duty pay. The approved amount from the Corrections Fund contains funding for 396.9 FTE positions.

Employee Related Expenditures - The approved amount includes \$211,000 from the General Fund and \$16,500 from the Corrections Fund for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$13,040,300 for medical insurance and \$672,700 for dental insurance. The approved Corrections Fund amount contains \$998,900 for medical insurance and \$51,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved, also, was \$1,987,300 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Service Officer series.

Professional and Outside Services - The approved amount includes \$1,466,600 to house prisoners in county jails prior to entering the state correctional system. Funding is based upon an average daily population of 100 inmates in county jails, at an estimated cost of \$40.18 per day. In addition, \$2,147,600 is approved for contracts with community colleges that provide educational opportunities for inmates. There is also \$215,100 for medical and hospital services, including psychiatric and psychological testing, \$215,600 for legal expenses, \$162,200 for religious services, and \$116,200 is for inmate related costs and other operational items. An increase of \$142,900 was approved for the projected increase in the average daily population and \$9,700 was added as a special increase of 5% for medical inflation. The sum of \$29,500 was moved to this line item from Community Corrections as the result of closing the Northern Arizona Correctional Release Center and New Dawn. Included in the approved amount is \$106,900 which represents the restoration of funds reallocated for other purposes during FY 1992.

Travel - In State - The approved amount includes \$3,400 to annualize amounts authorized previously, but only partially funded. In addition, \$6,000 was added to support the additional staff authorized for the new addition to the Safford prison and \$8,900 was approved for the new Cook Unit prison at Florence. An increase of \$2,900 was included in the approved amount for the projected increase in the average daily prison population. A transfer of \$1,600 made in FY 1992 was restored.

Other Operating Expenditures - Included in the approved amount is an increase of \$383,100 for the projected increase in the prison population, \$190,800 to annualize the cost of operating new prisons opened in FY 1992, but only partially funded that year. The sum of \$458,400 was added for operational costs of the 250 bed addition to the Arizona State Prison Complex-Safford. The approved amount also provides \$1,159,800 for the new 800 bed Cook Unit located at

(Continued)

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Florence. Of that amount, \$500,000 represents one time start-up costs. The amount approved for the Cook Unit is phased to coincide with the planned opening dates and will require annualization in FY 1994. A special increase of \$6,700 was approved for medical inflation. Offsetting approved increases was a decrease of \$165,300 for non-recurring costs associated with new prisons opened in FY 1992. Excluded also was \$572,000 that was reallocated to this line item in FY 1992, by the Department of Corrections, after the FY 1993 budget was transmitted to the Legislature.

Equipment - The approved amount provides \$1,422,600 for replacement equipment and \$1,183,300 for the purchase of movable equipment for the new 800 bed Cook Unit, located at Florence.

Food - Included in the approved amount is an increase of \$887,000 for the cost of the projected increase in the prison population. The approved amount also includes a net increase of \$58,000 for the inventory and employee food costs for the 2 new prisons to be opened in FY 1993. There was \$183,500 transferred from Community Corrections as a result of closing the Northern Arizona Correctional Release Center and New Dawn. Within the approved amount is the restoration of \$1,533,600 which was transferred for other purposes in FY 1992, after the FY 1993 budget was submitted to the Legislature. The funds transferred in FY 1992 became available when the department unexpectedly received surplus foods from operation "Desert Storm."

Work Incentive Pay Plan - Funds payments to inmates who perform work assignments.

Community Provider Beds - The approved amount provides partial year funding for 450 secure community treatment beds for male and female inmates who have alcohol and drug problems. The director of the Department of Corrections is required to review all inmates incarcerated within the department and determine which offenders may be placed in these facilities. Treatment is defined by Laws 1992, Chapter 3 (H.B. 2004) - 8th Special Session as, services provided, by a nonprofit corporation, for the rehabilitation of those who are committed for driving under the influence of intoxicating liquor or drugs, or persons demonstrating a need for substance abuse or alcohol abuse intervention.

Population - The FY 1993 appropriation is based upon funding for an estimated average daily population of 16,081 adult inmates. One hundred of these inmates are expected to be housed in county jails.

Land Endowment Earnings Fund - The approved amount includes \$936,400 appropriated from the Penitentiary Land Earnings Fund. This fund derives its revenues from use fees on lands granted to the State of Arizona pursuant to Section 25 of the Enabling Act and interest earned on the investment of the permanent Penitentiary Land Fund. Penitentiary Land Earnings Fund revenues include \$838,600 which is to be paid by the Department of Youth Treatment and Rehabilitation for lease of the land where the Adobe Mountain and Black Canyon Juvenile Institutions are located.

**DEPARTMENT OF CORRECTIONS - HUMAN RESOURCES
AND DEVELOPMENT**

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	479.5	505.5	547.5
Personal Services	13,552,700	16,291,900 ^{1/}	17,293,900
Employee Related Exp.	3,341,300	3,897,800 ^{2/}	4,100,700
Prof. & Outside Services	11,603,200	12,894,600	14,627,800
Travel - In State	78,500	85,400	85,300
Travel - Out of State	3,200	5,000	5,000
Other Operating Exp.	2,730,500	3,687,600	3,506,500
Equipment	201,900	275,100 ^{3/}	119,000
All Other Operating Exp.	14,617,300	16,947,700	18,343,600
TOTAL APPROPRIATIONS	31,511,300	37,137,400	39,738,200 ^{4/}

Personal Services - The approved amount includes \$127,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 5.8% was applied which reduces Personal Services by \$1,060,900. The vacancy factor for this program was increased from 3% to 5.8% in FY 1993, thereby reducing the approved amount by \$533,000. This change is warranted by the fact that the Department of Corrections continues to experience significant difficulties attracting and retaining professional health care personnel.

Forty-two FTE positions and \$1,022,800 were added to staff the new 250 bed addition to the Arizona State Prison Complex-Safford and the new 800 bed Cook Unit located at Florence. There are 16 FTE positions and \$463,200 for the Safford Prison and 26 FTE positions and \$559,600 for the Cook Unit. The addition to the Safford Prison is fully funded in FY 1993. The positions approved for the Cook Unit are phased in to coincide with the construction completion schedule. Annualization will be required for the Cook Unit positions in FY 1994. The approved amount for these newly added positions is based upon entry level salaries as established by the Personnel Division of the Department of Administration.

The approved amount also includes \$45,800 to annualize the cost of the additional staff authorized for the Rynning Unit at Florence, which opened in FY 1992. In May of 1992, the Department of Corrections transferred, with the recommendation of the Joint Legislative Budget Committee, \$339,200 to Adult Institutions and \$22,200 to Community Corrections. The \$339,200 transferred to Adult Institutions has been restored and is included in the approved amount for FY 1993. The approved amount includes \$158,700 for shift differential pay and \$7,200 for overtime.

(Continued)

- 1/ With the recommendation of the Joint Legislative Budget Committee, \$339,200 was transferred to Adult Institutions for Personal Services and \$22,200 was transferred to Community Corrections for Personal Services.
- 2/ With the recommendation of the Joint Legislative Budget Committee, \$6,200 was transferred to Community Corrections for Employee Related Expenditures.
- 3/ Includes \$169,400 transferred from other programs, as approved by the Department of Administration, pursuant to A.R.S. § 35-173.
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items are shown for information only.

DEPARTMENT OF CORRECTIONS - HUMAN RESOURCES AND DEVELOPMENT (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount includes \$19,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,339,100 for medical insurance and \$68,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved also was \$6,200 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Service Officer series.

Professional and Outside Services - The approved amount provides \$3,349,800 for medical services, \$9,791,400 for hospitalization, \$716,700 for temporary professional services and \$769,900 for all other items. All other items include the interagency agreement with the Department of Public Safety for operation of the Correction Officer Training Academy in Tucson, pre-employment medical and psychological testing, as well as, the employee psychological assistance program. Included in the approved amount is an increase of \$704,600 for the anticipated growth in the prison population and \$649,300 for medical inflation, which is projected to be 5%. The approved amount, also, includes the restoration of \$379,300 which was reallocated or transferred during FY 1992.

Other Operating Expenditures - Approved increases include \$132,300 for the projected population growth, \$14,300 to annualize costs associated with new prisons opened last fiscal year, but only partially funded and \$54,900 for operation of the 250 bed addition to the Arizona State Prison Complex-Safford and the new 800 bed Cook Unit at Florence. Of this amount, \$10,800 is for the Safford Complex. The balance of \$44,100 is for the Cook Unit and represents only partial year funding. Annualization will be required for the Cook Unit in FY 1994. A special 5% increase, of \$103,900, was approved for medical inflation. The approved amount contains \$51,500 for the Tucson State Office Building. That amount reflects a net increase of \$4,200. The approved amount was reduced \$8,500 for non-recurring expenditures. In FY 1992, the Department of Corrections increased this line item \$482,200 through the reallocation and transfer of funds. Since those changes took place after the FY 1993 budget was submitted to the Legislature, they are not reflected in the approved amount.

Equipment - The approved amount provides \$119,000 for replacement equipment. Moveable equipment requirements for the Safford Prison Complex addition and the new Cook Unit were funded from FY 1992 appropriations.

DEPARTMENT OF CORRECTIONS - ADMINISTRATION

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	188.0	191.0	195.0
Personal Services	5,068,600	5,075,000	5,191,100
Employee Related Exp.	1,161,200	1,191,300	1,251,000
Prof. & Outside Services	2,053,500	1,628,200	2,104,700
Travel - In State	32,800	51,900	52,400
Travel - Out of State	11,900	16,900	17,900
Other Operating Exp.	4,514,300	3,424,200	4,271,700
Equipment	242,600	206,700	23,400
All Other Operating Exp.	6,855,100	5,327,900 ^{1/}	6,470,100
TOTAL APPROPRIATIONS	13,084,900	11,594,200	12,912,200 ^{2/}

Personal Services - The approved amount includes \$47,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.4% was applied which reduces Personal Services by \$127,200. The approved amount includes \$3,100 to annualize the cost of 2 positions approved in FY 1992. Four additional positions, 3 Investigator III's and a Secretary were authorized for the 250 bed addition at the Arizona State Prison Complex-Safford and the new 800 bed Cook Unit located at Florence. These 4 new positions are estimated to cost \$65,400 in FY 1993. Two of the investigators are only partially funded in FY 1993, and will require annualization in FY 1994. A change in the vacancy factor resulted in a \$500 addition to Personal Services. Within the approved amount is \$4,600 for overtime.

Employee Related Expenditures - The approved amount includes \$6,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$500,900 for medical insurance and \$25,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Included in the approved amount is \$1,900 for uniform allowances, authorized for positions classified within the Correctional Service Officer series.

Professional and Outside Services - The approved amount includes \$1,894,000 for data processing services. This amount represents an increase of \$108,700 for the projected increase in the average daily inmate population. Data processing costs were reduced \$197,500 for FY 1993. This reduction reflects an anticipated decrease in the amounts to be charged by the Department of Administration's Data Center. Other approved amounts include \$162,700 for legal services and \$48,000 for financial services and other special management studies. The approved amount further includes the restoration of \$565,300 reallocated for other purposes by the Department of Corrections during FY 1992.

Travel - In State - Included in the approved amount is \$3,800 to support the additional investigators to be assigned to the new Cook Unit and the addition to the Safford prison. The amounts approved for the Cook Unit are only partially funded in FY 1993, and will have to be annualized in FY 1994. Approved, also, was \$200 to annualize

(Continued)

^{1/} Reflects the transfer of \$406,100 to other programs, as approved by the Department of Administration, pursuant to A.R.S. § 35-173.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for this agency with special line items. The line items are shown for information only.

DEPARTMENT OF CORRECTIONS - ADMINISTRATION (Cont'd)
GENERAL FUND

expenses authorized in FY 1992, but only partially funded. The Department of Corrections reallocated \$3,500 to this line item in FY 1992, after the FY 1993 budget recommendations were transmitted to the Legislature. That amount is not included in the approved amount for FY 1993.

Other Operating Expenditures - The approved amount contains \$2,359,000 for risk management and \$829,500 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund. The approved amount also includes \$3,600 to annualize the costs associated with new prisons opened in FY 1992. Approved also was \$9,300 for costs associated with the addition to the Safford prison and the new 800 bed Cook Unit at Florence. There is \$57,100 included for non-capitalized equipment.

Equipment - The approved amount provides \$6,200 to equip the investigator authorized for the second 400 bed section at the Cook Unit and \$17,200 for replacement of existing items.

**DEPARTMENT OF CORRECTIONS - ARIZONA
CORRECTIONAL INDUSTRIES**

A.R.S. § 41-1622

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	18.0	0.0	0.0
Personal Services	209,500	-0-	-0-
Employee Related Exp.	78,900	-0-	-0-
TOTAL APPROPRIATIONS	288,400	-0-	-0-

Pursuant to A.R.S. § 41-1629(c), Arizona Correctional Industries was mandated to be self-sufficient on July 1, 1991. Consequently, no funds have been appropriated for this program in FY 1992, nor FY 1993. Arizona Correctional Industries continues to operate, and is funded from the sale of goods and services produced by inmates and the liquidation of assets which are no longer needed. These funds are deposited and expended from the Arizona Correctional Industries Revolving Fund. A summary of the actual and estimated financial activities of the Arizona Correctional Industries Revolving Fund is shown below:

ARIZONA CORRECTIONAL INDUSTRIES REVOLVING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Estimated
Balance Beg. of Fiscal Year	3,023,700	2,326,600	2,312,700
Sales and Services	5,674,300	5,651,100	6,000,000
TOTAL FUNDS AVAILABLE	8,698,000	7,977,700	8,312,700
<u>EXPENDITURES</u>			
FTE Positions	67.0	50.0	52.0
Personal Services	1,401,100	1,327,500	1,365,500
Employee Related Exp.	340,600	323,300	333,200
Prof. & Outside Services	23,500	77,500	77,500
Travel - In State	11,600	10,400	10,400
Travel - Out of State	3,500	1,200	1,200
Other Operating Exp.	4,347,300	3,504,000	3,678,000
Food	6,300	3,200	3,200
Equipment	237,500	417,900	450,000
TOTAL EXPENDITURES	6,371,400	5,665,000	5,919,000
BALANCE END OF FISCAL YEAR	2,326,600	2,312,700	2,393,700

DEPARTMENT OF CORRECTIONS - COMMUNITY CORRECTIONS

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	182.5	201.5	153.0
Personal Services	4,782,800	5,079,400 ^{1/}	3,996,800
Employee Related Exp.	1,298,000	1,388,900 ^{2/}	1,136,500
Prof. & Outside Services	637,000	303,700	510,100
Travel - In State	23,300	18,800	28,300
Travel - Out of State	2,000	4,100	3,600
Other Operating Exp.	1,544,500	1,727,900	1,176,500
Equipment	53,000	72,000	-0-
All Other Operating Exp.	2,259,800	2,126,500 ^{3/}	1,718,500
OPERATING SUBTOTAL	8,340,600	8,594,800	6,851,800
Food	239,300	362,700 ^{3/}	131,800
Work Incentive Pay Plan	69,200	82,800 ^{3/}	36,800
TOTAL APPROPRIATIONS	8,649,100	9,040,300	7,020,400 ^{4/}

Personal Services - The approved amount includes \$37,000 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.9% was applied which reduces Personal Services by \$116,900. As the result of closing the Northern Arizona Correctional Release Center and New Dawn, a correctional release center for women, 58.5 FTE positions were eliminated which reduced Personal Services by \$1,293,700. Ten positions were added to Home Arrest at a cost of \$190,700. These additional positions include 8 Correctional Program Officers II's, a Correctional Program Supervisor, and a secretarial position. The vacancy factor was also increased \$16,600. The approved amount also allows \$3,200 for overtime.

Employee Related Expenditures - The approved amount includes \$6,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$424,400 for medical insurance and \$21,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Included in the approved amount is \$8,700 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified with the Correctional Service Officer series.

(Continued)

- ^{1/} With the recommendation of the Joint Legislative Budget Committee, \$22,200 was transferred from the Human Resources and Development program appropriation for Personal Services.
- ^{2/} With the recommendation of the Joint Legislative Budget Committee, \$6,200 was transferred from the Human Resources and Development program appropriation for Employee Related Expenditures.
- ^{3/} Includes amounts transferred from other programs, approved by the Department of Administration, pursuant to A.R.S. §35-173.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF CORRECTIONS - ADULT COMMUNITY CORRECTIONS (Cont'd)
GENERAL FUND

Professional and Outside Services - The approved amount includes \$225,000 for psychiatric and psychological services for individuals on parole or work furlough. In addition, \$180,000 was approved for substance abuse testing. These amounts include a 5% increase for medical inflation. Included, also, is \$70,100 for security and maintenance of the New Dawn facility after it is closed. New Dawn is a state-owned facility. The remaining amount, \$35,000, is for counseling services and daily delivery services to Maricopa and Pima County Parole Offices.

Travel - In State - The approved amount includes an increase of \$500 for the expanded Home Arrest staff. Included also is the restoration of \$13,100 that was transferred by the Department of Corrections in FY 1992, after the FY 1993 budget recommendations were submitted to the Legislature. The sum of \$4,100 was deducted as the result of closing the Northern Arizona Correctional Release Center and New Dawn.

Other Operating Expenditures - The approved amount reflects a net decrease of \$551,400. There was \$513,000 transferred to the Adult Institution program as the result of closing the Northern Arizona Correctional Release Center and New Dawn. In FY 1992, the Department of Corrections transferred \$185,200 to this line item after the FY 1993 budget recommendations were submitted to the Legislature. Consequently, that amount is not included in the approved amount. Offsetting these decreases is the addition of \$146,800. The addition includes \$125,500 for Home Arrest for rental of electronic monitoring equipment, \$21,200 to support the additional Home Arrest Staff and \$100 for medical inflation.

Food - The approved amount provides funding for food served to inmates and employees assigned to the Southern Arizona Correctional Release Center (SACRC) in Tucson. Of the amount approved, \$2,500 is for meals furnished to Correctional Service Officers and other employees as authorized by department policy. Food costs of \$185,900 for the Northern Arizona Correctional Release Center and New Dawn were not funded in FY 1993. Excluded from the approved amount was \$45,000 transferred from other programs in FY 1992.

Work Incentive Pay Plan - Funds payments to residents of the Southern Arizona Correctional Release Center who perform work assignments.

Population - The FY 1993 appropriation is based upon an average daily population of 144 at the Southern Arizona Correctional Release Center.

In addition, the approved amount includes funding to support 400 inmates released to the Home Arrest program. This includes an additional 125 slots approved and funded for FY 1993. The amount appropriated for Home Arrest is based on the supervision ratio of 1 Correctional Service Officer for each 25 Home Arrest offenders, as amended by Laws 1991, Chapter 265.

ADDITIONAL LEGISLATION

Corrections Fund, Chapter 2 (H.B. 2002), 8th Special Session - Section 5 of this act authorizes the Department of Corrections to operate the Southern Arizona Correctional Release Center for male or female residents. Further, the Department of Corrections is directed to close the Northern Arizona Correctional Release Center and the New Dawn Correctional Release Center as soon as feasible. Funding previously appropriated for these 2 release centers is to be used to contract for 450 secure community treatment beds for male and female inmates who have alcohol or drug problems.

The director of the Department of Corrections is required to conduct a review of all inmates within the Department to determine which offenders may be placed in the secure community treatment beds. The director's review is to include the inmate's behavior while incarcerated, the inmate's desire for treatment and the inmate's history of substance abuse.

ARIZONA CRIMINAL JUSTICE COMMISSION

A.R.S. § 41-2404

Rex Holgerson, Executive Director

JLBC Analyst: Martinez

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	6.0	6.0	6.0
Personal Services	207,000	190,100	191,600
Employee Related Exp.	34,200	36,700	39,600
Prof. & Outside Services	10,900	7,000	7,000
Travel - In State	3,400	9,300	9,300
Travel - Out of State	500	3,000	3,000
Other Operating Exp.	74,300	74,200	61,500
Equipment	3,100	-0-	-0-
All Other Operating Exp.	92,200	93,500	80,800
OPERATING SUBTOTAL	333,400	320,300	312,000 ^{1/}
Drug Enforcement Account	971,300	2,500,000	2,000,000 ^{2/}
Drug Prevention Resource Center	-0-	160,000	200,000
Substance Abuse Surveys	-0-	25,000	-0-
TOTAL APPROPRIATIONS	1,304,700	3,005,300	2,512,000 ^{3/}
Fund Summary			
Arizona Commission on Criminal Justice Fund	333,400	345,300	312,000
Drug Enforcement Account	-0-	160,000	200,000
General Fund	971,300	2,500,000 ^{4/}	2,000,000
TOTAL APPROPRIATIONS	1,304,700	3,005,300	2,512,000
ARIZONA COMMISSION ON CRIMINAL JUSTICE FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	220,000	179,400	129,100
Add Revenues	292,800	295,000	295,000
TOTAL FUNDS AVAILABLE	512,800	474,400	424,100
Expenditures	333,400	345,300	312,000
BALANCE END OF FISCAL YEAR	179,400	129,100	112,100

(See Footnotes on Following Page)

ARIZONA CRIMINAL JUSTICE COMMISSION (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$1,500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$15,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$500 for risk management and \$35,300 for rent in state-owned space.

Drug Enforcement Account - The appropriation of \$2,000,000 from the General Fund was made to aid cash flow since the date of receipt of federal funds is unknown. This amount will revert to the General Fund upon receipt of federal funds (see footnote 2).

Drug Prevention Resource Center - The Arizona Drug Prevention Resource Center was established to decrease the incidence of drug and alcohol abuse by children and youths. A.R.S. § 12-284(C) requires 2% of all Superior Court filing fees to be deposited into the Drug Enforcement Account and to be appropriated to the Drug Prevention Resource Center. The amount appropriated is an estimate of the funds that will be available.

- 1/ The Arizona Criminal Justice Commission shall submit a quarterly report to the Chairmen of the Senate and House of Representatives Appropriations Committees and the Staff Director of the Joint Legislative Budget Committee relating to the investigation and the collection of license fees and taxes on cannabis and controlled substances as provided by Title 42, Chapter 7, Article 1, A.R.S., as well as other fees, fines, surcharges, penalty assessments, and costs devoted to criminal justice and related purposes. (General Appropriation Act footnote)
- 2/ The sum of \$2,000,000 shall revert to the General Fund upon receipt of Federal Funds granted for Federal Fiscal Year 1993 under the Drug Control and System Improvement Grant Program (as authorized by the Omnibus Drug Initiative Act of 1988), but no later than June 30, 1993. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 4/ The FY 1992 General Appropriation Act appropriated \$2,500,000 to the Commission. Upon receipt of federal funds, \$2,500,000 reverted to the General Fund.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - SUMMARY A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUND AND NUCLEAR EMERGENCY MANAGEMENT FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Emergency Services	1,069,500	1,188,400	726,900
Military Affairs	3,228,300	3,293,300	3,327,600
TOTAL APPROPRIATIONS	4,297,800	4,481,700	4,054,500
FTE Positions	63.5	62.5	62.5
Personal Services	1,427,900	1,495,200	1,526,500
Employee Related Exp.	332,400	389,600	408,500
Prof. & Outside Services	18,300	23,500	23,500
Travel - In State	32,200	39,400	39,300
Travel - Out of State	10,600	9,100	8,200
Other Operating Exp.	1,017,200	1,021,400	1,071,400
Equipment	56,600	7,100	-0-
All Other Operating Exp.	1,134,900	1,100,500	1,142,400
Lump Sum Reduction	-0-	-0-	(109,400)
OPERATING SUBTOTAL	2,895,200	2,985,300	2,968,000
Special Line Items	1,402,600	1,052,800	1,086,500 ^{1/}
Additional Appropriation	-0-	443,600 ^{2/}	-0-
TOTAL APPROPRIATIONS	4,297,800	4,481,700	4,054,500
<u>Fund Summary</u>			
General Fund	3,933,900	4,038,100	4,054,500
Nuclear Emer. Mgt. Fund	363,900	443,600	-0-
TOTAL APPROPRIATIONS	4,297,800	4,481,700	4,054,500

Personal Services - The approved amount includes \$15,200 for the general salary adjustment effective April 1, 1993. A vacancy factor of 0.72% was applied which reduces Personal Services by \$11,100.

Employee Related Expenditures - The approved amount includes \$2,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$163,700 for medical insurance and \$8,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Details for the Special Line Items are included on the individual program pages.

^{2/} Appropriated from the General Fund to the Nuclear Emergency Management Fund by Laws 1992, Chapter 138 (H.B. 2006). The appropriation is reflected in FY 1992 due to enactment with an emergency clause.

**DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS -
EMERGENCY SERVICES**

A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUND AND NUCLEAR EMERGENCY MANAGEMENT FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	15.0	15.0	15.0
Personal Services	405,600	414,700	421,500
Employee Related Exp.	77,200	95,000	99,300
Prof. & Outside Services	15,300	20,000	20,000
Travel - In State	5,800	9,800	9,700
Travel - Out of State	9,000	7,100	6,200
Other Operating Exp.	95,000	96,000	96,000
Equipment	5,100	5,100	-0-
All Other Operating Exp.	130,200	138,000	131,900
Lump Sum Reduction	-0-	-0-	(23,700)
OPERATING SUBTOTAL	613,000	647,700	629,000
Nuclear Emergency Management	363,900	-0-	-0-
Civil Air Patrol	78,100	78,100	78,100
Emergency Response Commission	14,500	19,000	19,800
TOTAL	1,069,500	744,800	726,900
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Nuclear Emergency Mgt., Ch. 138	--	443,600 ^{1/}	--
TOTAL APPROPRIATIONS	1,069,500	1,188,400 ^{2/}	726,900 ^{3/4}
Fund Summary			
General Fund	705,600	744,800	726,900
Nuclear Emergency Mgt. Fund	363,900	443,600	-0-
TOTAL APPROPRIATIONS	1,069,500	1,188,400	726,900

^{1/} Appropriated from the General Fund to the Nuclear Emergency Management Fund by Laws 1992, Chapter 138 (H.B. 2006). The appropriation is reflected in FY 1992 due to enactment with an emergency clause.

^{2/} The expenditure detail for FY 1992 includes a \$800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{3/} Of this amount, \$78,100 is to be used for the Civil Air Patrol and \$19,800 for the Emergency Response Commission. Any funds not used for these purposes shall revert to the General Fund. (General Appropriation Act footnote)

^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - EMERGENCY SERVICES (Cont'd)
GENERAL FUND AND NUCLEAR EMERGENCY MANAGEMENT FUND

Personal Services - The approved amount includes \$3,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$39,200 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount provides \$20,000 for instructor fees for the hazardous materials training program.

Other Operating Expenditures - The approved amount contains \$1,700 for risk management. The approved amount also includes \$19,500 for telecommunications, \$18,700 for rent, \$12,200 for utilities, and \$43,900 for other operating expenses.

Civil Air Patrol - The approved amount partially offsets required maintenance and operating costs of aircraft used by volunteers to aid in search and rescue and other emergency missions.

Emergency Response Commission - The appropriation provides funding for the Emergency Response Commission which plans and coordinates with local agencies to provide adequate response to possible emergency situations in Arizona.

ADDITIONAL APPROPRIATIONS

Nuclear Emergency Appropriation and Assessment - Chapter 138 (H.B. 2006) - Appropriates \$843,000 from the State General Fund to the Nuclear Emergency Management Fund, pursuant to A.R.S. § 26-306.1, for administering and enforcing the state plan for off-site response to an emergency caused by an accident at a commercial nuclear generating station. Of that amount, \$443,550 is appropriated to the Department of Emergency and Military Affairs, of which \$153,188 is disbursed to departments and agencies of Maricopa County. Of the \$843,000, \$399,450 is appropriated to the Radiation Regulatory Agency. Monies appropriated to the Nuclear Emergency Management Fund are exempt from A.R.S. § 35-190, regarding lapsing of appropriations. An amount of \$843,000, plus interest at the rate of 10% per year, is assessed against each consortium constructing or operating a commercial nuclear generating station in this state. The assessment shall be deposited into the General Fund. In this way, the industry reimburses the state for all costs associated with planning and response for commercial nuclear generating site emergencies.

Specifically, the following amounts are appropriated:

1. Division of Emergency Services, Department of Emergency and Military Affairs:	<u>\$290,432</u>
2. For disbursement by the Division of Emergency Services, Department of Emergency and Military Affairs, to departments and agencies of Maricopa County that are assigned responsibilities under the state off-site nuclear emergency response plan:	<u>\$153,118</u>
SUBTOTAL - Emergency Services	<u>\$443,550</u>
3. Radiation Regulatory Agency:	<u>\$399,450</u>
TOTAL	<u>\$843,000</u>

**DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS -
MILITARY AFFAIRS**

A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	48.5	47.5	47.5
Personal Services	1,022,300	1,080,500	1,105,000
Employee Related Exp.	255,200	294,600	309,200
Prof. & Outside Services	3,000	3,500	3,500
Travel - In State	26,400	29,600	29,600
Travel - Out of State	1,600	2,000	2,000
Other Operating Exp.	922,200	925,400	975,400
Equipment	51,500	2,000	-0-
All Other Operating Exp.	1,004,700	962,500	1,010,500
Lump Sum Reduction	-0-	-0-	(85,700)
OPERATING SUBTOTAL	2,282,200	2,337,600	2,339,000
Service Contracts	819,400	819,400	852,300
Education Reimbursement	40,600	63,000	63,000
Guardsmen - State Active Duty	6,900	5,300	5,300
Uniform Allowance	29,200	3,000	3,000
Unit Allowance	10,000	25,000	25,000
Reimbursable State Active Duty	40,000	40,000	40,000
TOTAL APPROPRIATIONS	3,228,300	3,293,300 ^{1/}	3,327,600 ^{2/3/4/}

Personal Services - The approved amount includes \$11,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$11,100.

(Continued)

- 1/ The expenditure detail for FY 1992 includes a \$34,800 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 2/ Of this amount, \$852,300 is intended for Service Contracts and is exempt from A.R.S. § 35-190 relating to lapsing of appropriations, except that all monies remaining unexpended and unencumbered on October 31, 1993 shall revert to the state General Fund. (General Appropriation Act footnote)
- 3/ All expenditures for reimbursable state active duty shall be reimbursed to the General Fund by the Department of Emergency and Military Affairs, in accordance with A.R.S. § 35-142.01. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - MILITARY AFFAIRS (Cont'd)
GENERAL FUND

Professional and Outsider Services - The approved amount includes \$3,400 for land surveys, and \$100 for engineering and technical inspection fees.

Employee Related Expenditures - The approved amount includes \$1,800 for the general salary adjustment effective April 1, 1993. The approved amount contains \$124,500 for medical insurance and \$6,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$16,500 for risk management. The approved amount also includes \$213,000 for repair and maintenance, \$491,200 for utilities, \$35,500 for telecommunications, \$169,200 for other operating expenses, and an increase of \$50,000 for maintenance of space previously occupied by federal employees.

Service Contracts - These funds are used to provide the state matching share for federal contracts. The matching share varies from 0% to 25% of costs. The estimate of federal expenditures for FY 1993 is \$12,588,100 for these contracts. Under terms of these contracts it is estimated that 295.5 FTE positions will be employed. These contracts fund activities such as the operations, maintenance and security agreements for the Air National Guard, the Army Training Sites, and the Navajo Army Depot.

Education Reimbursements - The approved amount is for reimbursement of a portion of education costs of guardmembers.

Guardsmen - State Active Duty - These funds are for payment of guardmembers called to active duty by the state government.

Uniform Allowance - The appropriation provides a subsidy for the purchase of required uniforms and safety equipment by eligible guardmembers.

Unit Allowance - These funds provide for awards and other morale building unit activities.

Reimbursable State Active Duty - The approved amount is to provide payment to guardmembers who work in firefighting, search and rescue, and similar missions. These funds are then to be reimbursed through charges to the agencies that were provided these services.

BOARD OF PARDONS AND PAROLES

A.R.S. § 31-401

Robert L. Tucker, Chairman

JLBC Analyst: Martinez

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	43.0	43.0	43.0
Personal Services	1,145,700	1,104,700	1,160,700
Employee Related Exp.	248,100	248,500	265,400
Prof. & Outside Services	67,800	69,700	69,700
Travel - In State	30,300	37,000	39,500
Travel - Out of State	700	500	500
Other Operating Exp.	333,300	457,700	549,800
Equipment	22,300	3,800	3,800
All Other Operating Exp.	454,400	568,700	663,300
TOTAL APPROPRIATIONS	1,848,200	1,921,900 ^{1/}	2,089,400 ^{2/}

Personal Services - The approved amount includes \$10,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$11,700.

Employee Related Expenditures - The approved amount includes \$1,400 for the general salary adjustment effective April 1, 1993. The approved amount contains \$110,500 for medical insurance and \$5,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$357,500 for risk management, and \$85,800 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

^{1/} The expenditure detail for FY 1992 includes a \$74,100 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - SUMMARY

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Criminal Investigation	11,742,800	11,569,500	11,817,600
Highway Patrol	32,846,100	31,932,700	33,072,600
Administration	18,781,000	18,195,200	17,891,300
Criminal Justice Support	9,443,400	9,259,900	9,290,900
Telecommunications	13,786,200	15,413,000	15,962,100
Governor's Line Item Veto Restoration	-0-	5,513,500	-0-
General Fund Lump Sum Reduction	-0-	-0-	(1,120,200)
TOTAL APPROPRIATIONS	86,599,500	91,883,800	86,914,300

Expenditure Detail

FTE Positions	1,629.0	1,617.0	1,617.0
Personal Services	56,171,700	55,916,500	54,447,400
Employee Related Exp.	10,829,600	10,125,200	10,770,600
Prof. & Outside Services	365,000	224,700	310,800
Travel - In State	453,700	514,000	567,700
Travel - Out of State	175,000	178,000	163,400
Other Operating Exp.	14,145,000	14,324,700	13,676,900
Equipment	4,160,700	2,634,900	2,860,500
All Other Operating Exp.	19,299,400	17,876,300	17,579,300
Governor's Line Item Veto Restoration	-0-	5,513,500	-0-
General Fund Lump Sum Reduction	-0-	-0-	(1,120,200)
OPERATING SUBTOTAL	86,300,700	89,431,500	81,677,100
Special Line Items ^{1/}	298,800	2,452,300	5,237,200
TOTAL APPROPRIATIONS	86,599,500	91,883,800	86,914,300

2/3/4/
5/6/7/

Fund Summary

General Fund	62,920,600	46,123,500 ^{2/}	38,235,300
Arizona Highway Patrol Fund	497,100	3,600,000	3,600,000
State Highway Fund	23,181,800	29,254,700	18,260,200 ^{3/}
Criminal Justice Enhancement Fund	-0-	452,300	1,452,300
Highway User Revenue Fund	-0-	12,453,300	24,928,000 ^{4/}
RICO Fund	-0-	-0-	238,500
Crime Lab Assessment Fund	-0-	-0-	200,000
TOTAL APPROPRIATIONS	86,599,500	91,883,800	86,914,300

(See Footnotes on Following Page)

DEPARTMENT OF PUBLIC SAFETY - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$375,800 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$829,100.

Employee Related Expenditures - The approved amount includes \$40,900 in Employee Related Expenditures for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$1,888,200 for medical insurance and \$99,200 for dental insurance. The approved other appropriated funds amount contains \$1,912,900 for medical insurance and \$98,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Highway User Revenue Fund (HURF)/Highway Fund - Article 9 § 14 of the Constitution states in part: "No monies derived . . . shall be expended for other than . . . expenses of state enforcement of traffic laws and state administration of traffic safety programs . . .". This constitutional provision has been interpreted to include both direct and indirect expenses associated with the Highway Patrol Bureau. In FY 1993 the Legislature has appropriated a total of \$43,188,200 from the HURF and Highway Fund (the major recipient of HURF) compared to \$43,318,700 of projected direct and indirect Highway Patrol expenses.

Governor's Line Item Veto Restoration - This represents the net effect of the Governor's line item veto after the Supreme Court special action, which upheld the line item veto but did not allow the Governor to direct a reversion of the Department of Public Safety appropriation. Nonetheless, the department did return \$5.5 million of surplus funds to the General Fund at year's end.

Lump Sum Reduction - The approved amount is a 3.2% lump sum reduction to the agency's General Fund operating budget.

ADDITIONAL LEGISLATION

Automated Fingerprint System Fund (AFIS) - Chapter 312 (S.B. 1365) - Reverts the \$2,000,000 balance to the General Fund effective July 1, 1992.

- 1/ Details for the Special Line Items are included on the individual program pages.
- 2/ Of the lump sum appropriation, \$2,034,200 is exempt from the provision of A.R.S. § 35-190, relating to lapsing of appropriations, provided that purchase orders covering replacement of highway patrol enforcement vehicles have been placed prior to June 30, 1993. (General Appropriation Act footnote)
- 3/ It is the intent of the Legislature that the department use a portion of the lump sum appropriation to provide on-site air rescue services to Northeastern Arizona during peak traffic periods. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The program and line item detail are shown for information only.
- 5/ The Arizona Highway Patrol Fund contains miscellaneous department revenues and fund transfers pursuant to A.R.S. § 28-1891.
- 6/ In addition to the \$86,914,300 lump sum appropriation, any balance and receipts received under A.R.S. § 28-891, are appropriated to the Department of Public Safety. (General Appropriation Act footnote)
- 7/ Any monies remaining in the Department of Public Safety Joint Account on June 30, 1993 shall revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated. (General Appropriation Act footnote)
- 8/ Laws 1991, Chapter 2, 1st Special Session delayed the \$2,000,000 appropriation in Laws 1990, Chapter 304 for the Automated Fingerprint Identification System from FY 1991 to FY 1992. Laws 1992, Chapter 312 subsequently required the reversion of these monies to the General Fund on July 1, 1992.
- 9/ Transfer of these funds will be done on a monthly or quarterly basis as mutually agreed upon by the Director of the Department of Public Safety and the Director of the Arizona Department of Transportation.

DEPARTMENT OF PUBLIC SAFETY - CRIMINAL INVESTIGATION

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	253.0	251.0	251.0
Personal Services	9,672,100	9,659,700	9,696,500
Employee Related Exp.	1,678,500	1,637,100	1,769,000
Prof. & Outside Services	5,400	2,100	2,300
Travel - In State	86,100	89,100	126,400
Travel - Out of State	40,300	20,900	36,700
Other Operating Exp.	170,400	136,100	186,700
Equipment	90,000	24,500	-0-
All Other Operating Exp.	392,200	272,700	352,100
TOTAL APPROPRIATIONS	11,742,800	11,569,500	11,817,600 ^{1/}
Fund Summary			
General Fund	11,742,800	10,095,200	10,343,300
Highway Patrol Fund	-0-	1,474,300	1,474,300
TOTAL APPROPRIATIONS	11,742,800	11,569,500	11,817,600

Personal Services - The approved amount includes \$61,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$147,600.

Employee Related Expenditures - The approved amount includes \$6,500 for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$647,400 for medical insurance and \$32,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$38,900 for replacement equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - HIGHWAY PATROL

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	721.0	719.0	719.0
Personal Services	24,773,100	24,781,800	25,142,500
Employee Related Exp.	4,993,200	4,510,700	5,091,500
Prof. & Outside Services	37,000	23,600	23,700
Travel - In State	193,600	221,400	227,400
Travel - Out of State	49,200	22,200	22,200
Other Operating Exp.	271,100	302,900	295,200
Equipment	2,528,900	2,070,100	2,270,100
All Other Operating Exp.	3,079,800	2,640,200	2,838,600
TOTAL APPROPRIATIONS	32,846,100	31,932,700	33,072,600 ^{1/}
<u>Fund Summary</u>			
General Fund	9,676,900	-0-	-0-
Highway Patrol Fund	497,100	300,000	300,000
Highway Fund	22,672,100	29,254,700	18,260,200
Highway User Revenue Fund	-0-	2,378,000	14,512,400
TOTAL APPROPRIATIONS	32,846,100	31,932,700	33,072,600

Personal Services - The approved amount includes \$176,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$382,900.

Employee Related Expenditures - The approved amount includes \$18,600 for the general salary adjustment effective April 1, 1993. The approved Other Appropriated Funds amount contains \$1,853,000 for medical insurance and \$94,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$2,332,100 funding for replacement equipment of which \$2,034,200 is for replacement vehicles and \$2,000 for commercial rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - ADMINISTRATION

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	213.0	209.0	209.0
Personal Services	7,054,800	7,041,800	7,069,100
Employee Related Exp.	1,372,400	1,209,200	1,413,000
Prof. & Outside Services	133,000	98,900	111,200
Travel - In State	68,900	73,900	82,600
Travel - Out of State	47,900	56,800	41,300
Other Operating Exp.	9,885,700	9,678,300	9,174,100
Equipment	154,800	36,300	-0-
All Other Operating Exp.	10,290,300	9,944,200	9,409,200
OPERATING SUBTOTAL	18,717,500	18,195,200	17,891,300
Blood/Alcohol Program	63,500	-0-	-0-
TOTAL APPROPRIATIONS	18,781,000	18,195,200	17,891,300 ^{1/}
<u>Fund Summary</u>			
General Fund	18,438,200	12,974,200	12,426,900
Highway User Revenue Fund	-0-	4,308,200	4,551,600
Highway Patrol Fund	342,800	912,800	912,800
RICO Fund	-0-	-0-	-0-
TOTAL APPROPRIATIONS	18,781,000	18,195,200	17,891,300

Personal Services - The approved General Fund amount includes \$51,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$108,500.

Employee Related Expenditures - The approved General Fund amount includes \$5,800 for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$538,500 for medical insurance and \$27,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount contains \$2,058,500 of General Fund and \$1,362,500 of Other Appropriated Funds for risk management, \$238,100 for rent and \$27,800 for replacement equipment.

Blood/Alcohol Program - Transferred to the Department of Health Services.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - CRIMINAL JUSTICE SUPPORT

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	158.0	156.0	156.0
Personal Services	6,295,900	6,126,300	6,140,800
Employee Related Exp.	1,158,100	1,078,100	1,156,200
Prof. & Outside Services	36,200	61,600	42,500
Travel - In State	31,900	40,300	42,000
Travel - Out of State	21,400	61,300	46,400
Other Operating Exp.	1,696,600	1,769,600	1,786,400
Equipment	203,300	122,700	76,600
All Other Operating Exp.	1,989,400	2,055,500	1,993,900
TOTAL APPROPRIATIONS	9,443,400	9,259,900	9,290,900 ^{1/}
Fund Summary			
General Fund	9,276,500	7,496,500	7,289,000
Highway User Revenue Fund	-0-	850,500	850,500
Highway Patrol Fund	166,900	912,900	912,900
RICO Fund	-0-	-0-	238,500
TOTAL APPROPRIATIONS	9,443,400	9,259,900	9,290,900

Personal Services - The approved amount includes \$31,400 from the General Fund and \$6,900 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$93,500.

Employee Related Expenditures - The approved amount includes \$3,500 from the General Fund and \$800 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$344,400 for medical insurance and \$20,400 for dental insurance. The approved Other Appropriated Funds amount contains \$54,400 for medical insurance and \$3,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$111,600 for replacement equipment and \$86,200 for commercial rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - TELECOMMUNICATIONS

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	284.0	282.0	282.0 ^{1/}
Personal Services	8,375,800	8,306,900	6,398,500
Employee Related Exp.	1,627,400	1,690,100	1,340,900
Prof. & Outside Services	153,400	38,500	131,100
Travel - In State	73,200	89,300	89,300
Travel - Out of State	16,200	16,800	16,800
Other Operating Exp.	2,121,200	2,437,800	2,234,500
Equipment	1,183,700	381,300	513,800
All Other Operating Exp.	3,547,700	2,963,700	2,985,500
OPERATING SUBTOTAL	13,550,900	12,960,700	10,724,900
ACJIS	235,300	452,300	452,300
AFIS	-0-	2,000,000	2,000,000
Flagstaff Dispatch Center	-0-	-0-	833,000 ^{2/}
Phoenix Dispatch Center	-0-	-0-	1,199,800 ^{3/}
Tucson Dispatch Center	-0-	-0-	752,100 ^{4/}
TOTAL APPROPRIATIONS	13,786,200	15,413,000	15,962,100 ^{5/}
Fund Summary			
General Fund	13,786,200	10,044,100	9,296,300
Criminal Justice Enhancement Fund	-0-	452,300	1,452,300
Highway User Revenue Fund	-0-	4,916,600	5,013,500
Crime Lab Assessment Fund	-0-	-0-	200,000
TOTAL APPROPRIATIONS	13,786,200	15,413,000	15,962,100

(Continued)

- ^{1/} Includes 26 FTE positions in Flagstaff Dispatch Center, 35 FTE positions in Phoenix Dispatch Center and 24 FTE positions in the Tucson Dispatch Center.
- ^{2/} Of the amount appropriated to Flagstaff Dispatch, no funds shall be utilized to support any function or facility other than the dispatch centers at Flagstaff. It is the intent of the Legislature that the Department of Public Safety continue to operate the Flagstaff Dispatch Center throughout the fiscal year and maintaining staffing and services at a level consistent with prior fiscal years. (General Appropriations Act footnote)
- ^{3/} Of the amount appropriated to Phoenix Dispatch, no funds shall be utilized to support any function or facility other than the dispatch centers at Phoenix. It is the intent of the Legislature that the Department of Public Safety continue to operate the Phoenix Dispatch Center throughout the fiscal year and maintaining staffing and services at a level consistent with prior fiscal years. (General Appropriations Act footnote)

(Footnotes Continued on Following Page)

DEPARTMENT OF PUBLIC SAFETY - TELECOMMUNICATIONS (Cont'd)
DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT

Personal Services - The approved amount includes \$45,400 from the General Fund and \$2,900 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$128,700.

Employee Related Expenditures - The approved amount includes \$5,400 from the General Fund and \$300 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$357,900 for medical insurance and \$18,600 for dental insurance. The approved Other Appropriated Funds amount contains \$5,500 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$652,300 for replacement equipment and \$80,600 for commercial rent.

Flagstaff Dispatch - The approved amount includes \$7,200 (Personal Services, \$6,400; Employee Related Expenditures, \$800) for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$10,500. The approved amount contains \$60,000 for medical insurance and \$3,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Phoenix Dispatch - The approved amount includes \$9,600 (Personal Services, \$8,600; Employee Related Expenditures, \$1,000) for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$12,900. The approved amount contains \$73,700 for medical insurance and \$3,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Tucson Dispatch - The approved amount includes \$6,600 (Personal Services, \$5,900; Employee Related Expenditures, \$700) for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$8,700. The approved amount contains \$49,700 for medical insurance and \$2,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Footnotes Continued From Previous Page)

- 4/ Of the amount appropriated to Tucson Dispatch, no funds shall be utilized to support any function or facility other than the dispatch centers at Tucson. It is the intent of the Legislature that the Department of Public Safety continue to operate the Tucson Dispatch Center throughout the fiscal year and maintaining staffing and services at a level consistent with prior fiscal years. (General Appropriations Act footnote)
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line item detail within the "Operating Subtotal" is shown for information only.

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - SUMMARY

A.R.S. § 41-2802

John Arredondo, Director

JLBC Analyst: Bradley

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
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Program Summary

Administration	6,103,400	2,495,700	3,434,200
Secure Care	18,493,700	19,513,400	15,971,300
Community Care	6,500,000	6,949,200	10,016,200
Education	1,923,100	2,604,200	2,108,600

TOTAL APPROPRIATIONS	33,020,200	31,562,500	31,530,300
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FTE Positions ^{1/}	785.10	653.10	651.10
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Personal Services	17,374,800	15,448,600	15,332,600
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Employee Related Exp.	5,236,700	4,317,500	4,323,300
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Prof. & Outside Services	1,314,000	864,600	469,800
Travel - In State	375,100	526,400	415,900
Travel - Out of State	18,500	15,000	11,200
Other Operating Exp.	3,677,900	4,121,900	4,009,200
Equipment	186,100	528,300	41,100

All Other Operating Exp.	5,571,600	6,056,200	4,947,200
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OPERATING SUBTOTAL	28,183,100	25,822,300	24,603,100
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Special Line Items ^{2/}	4,837,100	5,740,200	6,927,200
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TOTAL APPROPRIATIONS	33,020,200	31,562,500 ^{3/}	31,530,300 ^{4/5/6/}
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Fund Summary

General Fund	33,020,200	28,658,300	28,521,700
Juvenile Education Fund	-0-	2,604,200	2,108,600
Land Endowment Funds	-0-	300,000	500,000
Criminal Justice Enhancement Fund	-0-	-0-	300,000
Parental Assess. & Rest. Fund	-0-	-0-	100,000

TOTAL APPROPRIATIONS	33,020,200	31,562,500	31,530,300
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Personal Services - The approved amount includes \$144,700 from the General Fund and \$13,700 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.2% was applied which reduces the General Fund Personal Services by \$345,300.

(Continued)

^{1/} The FTE Positions total includes 2 FTE positions funded in special line items in FY 1991 through FY 1993.
^{2/} Details for the Special Line Items are included on the individual program pages.

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - SUMMARY (Cont'd)
GENERAL FUND & OTHER APPROPRIATED FUNDS

Employee Related Expenditures - The approved amount includes \$23,700 from the General Fund and \$2,100 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$1,571,400 for medical insurance and \$80,500 for dental insurance. The approved Other Appropriated Funds amount contains \$177,000 for medical insurance and \$9,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Agency Restructuring and Reorganization - The Department of Youth Treatment and Rehabilitation (YTR) is undergoing a reorganization due to a new director and the impact of resolving the federal Johnson vs. Upchurch lawsuit. YTR's new organization will be based upon the concepts of Total Quality Management (TQM) and will be more decentralized with greater emphasis on treatment level staff. This reorganization will cause considerable changes in the division of resources between programs and the allocation of staff. The numbers shown for FY 1993 are therefore estimates of the eventual distribution of resources.

As part of YTR's restructuring, the Alamo Juvenile Institution (AJI) and the Ironwood Release Facility have both been closed. AJI, located on the Arizona State Hospital grounds, formerly housed up to 40 mentally ill male juvenile offenders. Ironwood was a 12-bed half-way house facility. In addition, Black Canyon Juvenile Institution (BCJI) which was formerly operated at 50% of capacity with up to 60 female juvenile offenders, will be operated at 100% of capacity. However, in order to operate BCJI at a capacity of 120, it must be converted to house male offenders since there are only around 50 female offenders in the system on average. Therefore, the female juveniles formerly at BCJI will be placed in community treatment, as will those juveniles formerly placed at Ironwood. The juveniles formerly placed at Alamo will be placed in one-half of BCJI, while the other half will be used as a centralized intake facility. The intake facility will free up space at both the Adobe Mountain Juvenile Institution (AMJI) and the Catalina Mountain Juvenile Institution (CMJI) that is currently being used as diagnostic space.

YTR has agreed to adequately report all changes and restructuring to both the Executive and Legislative branches for review and consultation in order to insure that the department's appropriation is not exceeded.

Population - The FY 1991 appropriation is based upon funding for an estimated average daily population (ADP) of 580 youth offenders committed to state operated institutions, 105 ADP for community residential treatment, and 581 ADP for non-residential community treatment. There will also be an estimated 534 ADP on conditional liberty without specific contract services.

The design capacity, and funded capacity for FY 1992 and FY 1993 for each state operated facility is shown below:

	<u>ORIGINAL DESIGN CAPACITY</u>	<u>FY 1992 FUNDED CAPACITY</u>	<u>FY 1993 FUNDED CAPACITY</u>
Adobe Mountain Juvenile Institution	376	376	376
Catalina Mountain Juvenile Institution	168	168	168
Black Canyon Juvenile Institution	120	60	120
Alamo Juvenile Institution	40	40	-0-
Ironwood	<u>12</u>	<u>12</u>	<u>-0-</u>
TOTAL	<u>716</u>	<u>656</u>	<u>664</u>

(Continued)

(Footnotes Continued From Previous Page)

- 3/ The expenditure detail for FY 1992 includes a \$289,500 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4, (H.B. 2002), 7th Special Session.
- 4/ The expenditure detail for FY 1993 reflects the distribution of a \$480,300 lump sum General Fund reduction.
- 5/ Twenty-five percent of land earnings and interest from the state charitable, penal and reformatory land fund shall be distributed to the Department of Youth Treatment and Rehabilitation in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state juvenile institutions and reformatorys. (General Appropriation Act footnote).
- 6/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - SUMMARY (Cont'd)
GENERAL FUND & OTHER APPROPRIATED FUNDS

State Charitable, Penal and Reformatories Land Endowment Fund - The Department of Youth Treatment and Rehabilitation is to receive 25% of the land earnings and interest from the State Charitable, Penal and Reformatories Land Endowment Earnings Fund.

CAPITAL OUTLAY

Corrections Fund - Chapter 2 (H.B. 2002) 8th Special Session - Appropriates \$500,000 from the Corrections Fund to the Department of Administration in FY 1993, for the Department of Youth Treatment and Rehabilitation to correct life-safety conditions at the Adobe Mountain Juvenile Institution and the Catalina Mountain Juvenile Institution.

**DEPARTMENT OF YOUTH TREATMENT & REHABILITATION -
ADMINISTRATION**

A.R.S. § 41-2802

John Arredondo, Director

JLBC Analyst: Bradley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions ^{1/}	68.0	60.0	74.0
Personal Services	1,578,300	1,578,100	2,169,900
Employee Related Exp.	2,636,200	443,000	612,100
Prof. & Outside Services	226,000	82,000	38,700
Travel - In State	306,300	13,800	37,100
Travel - Out of State	18,500	15,000	11,200
Other Operating Exp.	1,182,700	248,400	411,900
Equipment	155,400	1,000	41,100
All Other Operating Exp.	1,888,900	360,200	540,000
OPERATING TOTAL	6,103,400	2,381,300	3,322,000
Governor's Task Force	-0-	114,400	112,200
TOTAL APPROPRIATIONS	6,103,400	2,495,700	3,434,200 ^{2/}

Personal Services - The approved amount includes \$17,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$33,100.

Employee Related Expenditures - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$285,500 for medical insurance and \$14,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$58,300 for risk management, and \$206,500 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Governor's Task Force on Juvenile Corrections - The \$112,200 appropriation provides funding for 2 FTE positions, professional consultants, and other operating expenditures for the Governor's Task Force on Juvenile Corrections.

The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$10,200 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} The FTE Positions total includes 2 FTE positions funded in the Governor's Task Force on Juvenile Corrections special line item for FY 1992 and FY 1993.

^{2/} Represents General Appropriations Act funds. Appropriated as a lump sum for the agency with special line items. The line items within "Operating Subtotal" are shown for information only.

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - SECURE CARE

A.R.S. § 41-2802

John Arredondo, Director

JLBC Analyst: Bradley

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	607.1	502.1	433.1
Personal Services	12,945,000	11,481,000	9,311,300
Employee Related Exp.	2,179,800	3,222,700	2,624,900
Professional/Outside Svcs.	582,300	627,600	381,000
Travel - In State	34,900	349,000	227,400
Other Operating Exp.	2,114,600	3,228,200	3,074,000
Equipment	6,900	299,900	-0-
All Other Operating Exp.	2,738,700	4,504,700	3,682,400
OPERATING SUBTOTAL	17,863,500	19,208,400	15,618,600
Food	521,000	269,100	291,900
Work Incentive Pay Plan	109,200	35,900	60,800
TOTAL APPROPRIATIONS	18,493,700	19,513,400	15,971,300 ^{1/}
<u>Fund Summary</u>			
General Fund	18,493,700	19,213,400	15,371,300
Land Endowment Funds	-0-	300,000	500,000
Parental Assessment & Restitution Fund	-0-	-0-	100,000
TOTAL APPROPRIATIONS	18,493,700	19,513,400	15,971,300

Personal Services - The approved amount includes \$104,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$287,900.

Employee Related Expenditures - The approved amount includes \$17,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$1,001,100 for medical insurance and \$51,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$282,500 for outside medical service contracts for hospitalization, dental, nursing, and other necessary medical costs.

Other Operating Expenditures - The approved amount contains \$341,900 for risk management, and also includes \$838,600 for rental of permanent endowment lands at the Adobe Mountain Juvenile Institution (AMJI), and \$304,800 for rental of permanent endowment lands at the Catalina Mountain Juvenile Institution. These rental amounts are paid to the State Land Development and distributed to the beneficiary accounts. The beneficiary accounts are then used as an offset to those agencies' operating costs.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within "Operating Subtotal" are shown for information only.

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - SECURE CARE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Food - The approved amount of \$291,900 represents the General Fund portion of raw food costs for the secure care juvenile offender population. An additional \$400,000 is available from the federal National School Breakfast and Lunch Program for a total of \$691,900. This amount is based on \$1.09 per meal for 635,100 meals. (580 estimated population x 3 meals per day x 365 days per year.)

Work Incentive Pay Plan - The Work Incentive Pay Plan (WIPP) provides wages of 25 to 75 cents per hour to youth offenders assigned to various work details.

Closure of Alamo Juvenile Institution and Transfer of Parole - The reduction of staff and smaller appropriation for this program are a result of the closure of the Alamo Juvenile Institution and the transfer of the parole function to the Community Care Program. The majority of the FTE positions formerly assigned to the Alamo Juvenile Institution will be transferred to the Black Canyon Juvenile Institution to reopen the second cottage which had been closed in FY 1992.

**DEPARTMENT OF YOUTH TREATMENT & REHABILITATION -
COMMUNITY CARE**

A.R.S. § 41-2802

John Arredondo, Director

JLBC Analyst: Bradley

GENERAL FUND AND CRIMINAL JUSTICE ENHANCEMENT FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	58.0	36.0	89.0
Personal Services	1,372,400	821,000	2,409,500
Employee Related Exp.	214,300	230,500	679,700
Professional/Outside Svcs.	449,000	97,100	12,200
Travel - In State	19,400	144,200	144,200
Other Operating Exp.	235,700	203,200	308,300
Equipment	2,300	132,400	-0-
All Other Operating Exp.	706,400	576,900	464,700
OPERATING SUBTOTAL	2,293,100	1,628,400	3,553,900
Purchase of Care	4,206,900	5,307,900	6,462,300 ^{1/}
Food	-0-	12,900	-0-
TOTAL APPROPRIATIONS	6,500,000	6,949,200 ^{2/}	10,016,200 ^{3/}
<u>Fund Summary</u>			
General Fund	6,500,000	6,949,200	9,716,200
Other Funds	-0-	-0-	300,000
TOTAL APPROPRIATIONS	6,500,000	6,949,200	10,016,200

Personal Services - The approved amount includes \$21,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$24,300.

Employee Related Expenditures - The approved amount includes \$3,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$274,600 for medical insurance and \$14,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$70,100 for risk management.

Conditional Liberty (Parole) Function - The large increase in staff and expenses for this program is the result of parole officers being transferred from the Secure Care Program to the Community Care Program. Approximately 42 FTE positions were transferred to the case management section from parole. All case managers (Youth Program Officers) are now under the Community Care program.

(Continued)

^{1/} The \$6,462,300 appropriated for Purchase of Care is to be used for treatment programs for juvenile offenders under the jurisdiction of the Department of Youth Treatment & Rehabilitation and shall be provided by community contractors. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

DEPARTMENT OF YOUTH TREATMENT & REHABILITATION - COMMUNITY CARE (Cont'd)
GENERAL FUND AND CRIMINAL JUSTICE ENHANCEMENT FUND

Purchase of Care - The approved amount provides funding for outside contracts with community providers for treatment and supervision of youth offenders. The amount is based upon 105 average daily placements (ADP) for community residential treatment and 581 ADP for non-residential community treatment. Although funding for this program has been increased by \$1,154,400, or 21.7%, most of the increase was necessary due to very large increases in contract prices. These contract increases were due to the continued efforts to create a single Children's Behavioral Health System with a single price structure. Since the Department of Youth Treatment & Rehabilitation (YTR) has traditionally paid lower than average contract prices, as YTR move towards the average price they will continue to experience large percentage increases each year. Agencies which have traditionally paid higher than average prices should have their contract prices likewise reduced. After accounting for the increased cost of community services, YTR should have a slight increase in service levels over FY 1992. However, continued price increases may well lead to no change or even a decrease in services from FY 1992.

(Footnotes Continued From Previous Page)

- 2/ The expenditure detail for FY 1992 includes a \$289,500 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 3/ Represents General Appropriations Act funds. Appropriated as a lump sum for the agency with special line items. The line items within "Operating Subtotal" are shown for information only.

**DEPARTMENT OF YOUTH TREATMENT & REHABILITATION -
EDUCATION**

A.R.S. § 41-2802

John Arredondo, Director

JLBC Analyst: Bradley

GENERAL FUND AND JUVENILE EDUCATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	52.0	55.0	55.0
Personal Services	1,479,100	1,568,500	1,441,900
Employee Related Exp.	206,400	421,300	406,600
Prof. & Outside Services	56,700	57,900	37,900
Travel - In State	14,500	19,400	7,200
Other Operating Exp.	144,900	442,100	215,000
Equipment	21,500	95,000	-0-
All Other Operating Exp.	237,600	614,400	260,100
TOTAL APPROPRIATIONS	1,923,100	2,604,200	2,108,600 ^{1/2}
<u>Fund Summary</u>			
General Fund	1,923,100	-0-	-0-
Juvenile Education Fund	-0-	2,604,200	2,108,600
TOTAL APPROPRIATIONS	1,923,100	2,604,200	2,108,600

Personal Services - The approved amount includes \$13,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$2,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$177,000 for medical insurance and \$9,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$35,500 for risk management, and \$21,700 for the reinstatement of General Fund rent for state-owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Juvenile Education Fund - The actual amount of equalization assistance received by the department will vary based upon actual student counts. For this reason, while the agency is limited to the appropriation of \$2,108,600, the actual monies available may be somewhat less. The appropriation is therefore the maximum expenditure, subject to the availability of funds.

- ^{1/} Prior to FY 1992, the Juvenile Education program expenditures were shown in the Juvenile Services program and were funded through the General Fund. Beginning with FY 1992, this program received funding from equalization assistance deposited into the Juvenile Education Fund.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within this program are shown for information only.

TRANSPORTATION

DEPARTMENT OF TRANSPORTATION - SUMMARY

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Director's Staff	355,200	460,600	3,258,200
Transportation Planning Division	3,702,400	4,347,300	4,306,200
Administrative Services Division	32,648,000	34,109,100	37,671,100
Special Support Group	3,729,700	3,915,200	3,946,900
Motor Vehicle Division	29,404,900	32,930,400	32,507,100
Highways Division	108,408,200	111,824,300	112,554,100
Aeronautics Division	1,386,800	1,780,800	1,564,300
Public Transit Division	101,200	98,200	110,100
Lump Sum Reduction	-0-	-0-	(3,168,800)
TOTAL APPROPRIATIONS	179,736,400	189,465,900	192,749,200
<u>Expenditure Detail</u>			
FTE Positions ^{1/}	3,334.0	3,300.0	3,316.0
Personal Services	64,034,300	63,948,200	62,427,700
Employee Related Exp.	14,812,500	16,348,600	14,729,000
Prof. & Outside Services	2,738,200	1,778,000	1,782,000
Travel - In State	1,189,100	1,697,800	1,688,600
Travel - Out of State	130,300	143,200	143,200
Other Operating Exp.	22,663,100	25,030,100	24,252,500
Equipment	1,531,300	1,495,100	1,310,100
All Other Operating Exp.	28,252,000	30,144,200	29,176,400
Lump Sum Reduction	-0-	-0-	(3,168,800)
OPERATING SUBTOTAL	107,098,800	110,441,000	103,164,300
Special Line Items ^{2/}	72,637,600	79,024,900	89,534,900
Additional Appropriations ^{2/}	--	--	50,000
TOTAL APPROPRIATIONS	179,736,400	189,465,900	192,749,200
<u>Fund Summary</u>			
State Highway Fund	178,077,300	185,876,100	189,634,000
State Aviation Fund	1,386,800	1,780,800	1,519,800
General Fund	75,500	65,300	69,700
Air Quality Fund	54,200	63,100	70,000
Highway User Revenue Fund	142,600	1,372,900	1,219,100
Abandoned Vehicle Administration Fund	-0-	98,800	45,800
Dealer Enforcement Fund	-0-	208,900	190,800
TOTAL APPROPRIATIONS	179,736,400	189,465,900	192,749,200

(See Footnotes on Following Page)

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount includes \$500 from the General Fund and \$570,800 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. A vacancy factor of 2.78% was applied which reduces Personal Services by \$1,842,200.

Employee Related Expenditures - The approved amount includes \$100 from the General Fund and \$74,400 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$4,800 for medical insurance and \$200 for dental insurance. The approved Other Appropriated Funds amount contains \$6,094,900 for medical insurance and \$315,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - Because the lump sum reduction was assessed at the agency level, the fund sources shown at the program level will not equal the summary level fund source. The following is the distribution of the lump sum reduction by fund source.

<u>Fund</u>	<u>Reduction</u>
State Highway	\$3,116,600
State Aviation	44,500
General	500
Air Quality	1,300
Dealer Enforcement	5,900
Total	<u>\$3,168,800</u>

Highway User Revenue Fund (HURF) - The following chart summarizes HURF distributions:

HIGHWAY USER REVENUE FUND ANALYSIS
(Thousands)

	<u>FY 1991 ACTUAL</u>	<u>FY 1992 ESTIMATE</u>	<u>FY 1993 ESTIMATE</u>
Estimated Total HURF Collections	\$679,811	\$693,000	\$715,800
Less: Economic Strength Fund	500	1,000	1,000
Funding for DPS	-0-	12,453	24,928
Mandatory Insurance	235	1,372	1,052
Net State Highway Fund (Discretionary)	\$679,076	\$678,175	\$688,820
Less: Cities	208,708	207,315	210,534
Counties	123,746	122,599	124,500
Controlled Access, 15% Funds	52,300	52,163	52,986
DPS Transfer	23,303	25,253	18,203
Net State Highway Fund (Discretionary)	\$271,019	270,845	282,597
Less: Operating Budget	178,077	185,601	189,540
L B & I	8,904	4,344	6,333
Debt Service*	28,452	31,500	39,810
Plus: Interest Income (State Highway Fund)	9,063	8,000	7,000
Net HURF available for Statewide Highway Construction	<u>\$ 64,649</u>	<u>\$ 57,400</u>	<u>\$ 53,914</u>

* Includes Debt Service, Matching Federal Aid, Pavement Preservation and Bridge/TSM/Safety/Miscellaneous Categories. Detail available upon request.

(Continued)

1/ Includes the following FTE positions funded in Special Line Items. 850 in FY 1991, and 896 in FY 1992 and 954 in FY 1993.

2/ Details for the Special Line Items and Additional Appropriations are included on the individual program pages.

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - The Capital Outlay Bill appropriates \$168,887,600 to the Department of Transportation as follows:

Section 1D of the Capital Outlay Bill appropriates \$1,003,600 from the State Highway Fund to the Department of Transportation and Section 1I appropriates \$23,000 from the Aviation Fund to the Department of Transportation for the maintenance and repair of state buildings in accordance with the Building Renewal Formula established pursuant to Laws 1986, Chapter 85.

Section 2E appropriates \$6,333,200 from the State Highway Fund for:

• Prescott Relocation	\$1,214,000
• Southwest Valley Drivers License	1,445,000
• Modular Wall Systems	500,000
• Yuma M/C & MVD Fire	329,000
• Nogales M/C Relocation	310,000
• Wash Rack/Controlled Drainage	300,000
• Fuel Tank Upgrades	700,000
• Class "A" Fire Alarm	200,000
• Sand/Salt Storage Facility	192,000
• Bullhead City Service Center	1,143,200

In addition to the projects shown above, Section 2F of the Capital Outlay Bill appropriates \$147,185,800 from the State Highway Fund for highway planning and construction, and Section 2G appropriates \$14,342,000 from the Aviation Fund for airport projects.

DEPARTMENT OF TRANSPORTATION - DIRECTOR'S STAFF

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	6.0	6.0	6.0
Personal Services	290,800	352,900	365,900
Employee Related Exp.	36,600	52,700	53,700
Travel - In State	11,200	19,500	19,500
Travel - Out of State	4,500	9,600	9,600
Other Operating Exp.	12,100	25,900	24,900
All Other Operating Exp.	27,800	55,000	54,000
OPERATING SUBTOTAL	355,200	460,600	473,600 ^{1/}
Reorganization	-0-	-0-	2,784,600
TOTAL APPROPRIATIONS	355,200	460,600	3,258,200

Personal Services - The approved amount includes \$1,500 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$16,100 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Reorganization - This appropriation is provided to allow the director the maximum flexibility in taking management actions to streamline, privatize and reorganize the department to improve efficiency and effectiveness. In return for this flexibility, it is the intent of the Legislature that the director add no new FTE positions for FY 1993; and, furthermore, that the director make every effort to submit a FY 1994 budget request which reflects a reduction in total FTE positions and the cost of administration/operations of the department.

^{1/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

**DEPARTMENT OF TRANSPORTATION -
TRANSPORTATION PLANNING DIVISION**

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	89.0	99.0	99.0
Personal Services	2,522,700	3,014,200	2,974,300
Employee Related Exp.	555,600	628,100	636,800
Prof. & Outside Services	2,700	-0-	-0-
Travel - In State	78,100	113,300	113,300
Travel - Out of State	20,500	14,900	14,900
Other Operating Exp.	380,600	426,800	416,900
Equipment	142,200	150,000	150,000
All Other Operating Exp.	624,100	705,000	695,100
TOTAL APPROPRIATIONS	3,702,400	4,347,300	4,306,200 ^{1/}

Personal Services - The approved amount includes \$24,300 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$45,300.

Employee Related Expenditures - The approved amount includes \$3,000 for the general salary adjustment effective April 1, 1993. The approved contains \$251,400 for medical insurance and \$13,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$150,600 for replacement equipment and \$47,500 for commercial rent.

^{1/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

**DEPARTMENT OF TRANSPORTATION -
ADMINISTRATIVE SERVICES DIVISION**

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	335.0	325.0	325.0
Personal Services	8,874,600	8,845,700	8,900,500
Employee Related Exp.	1,944,100	1,929,100	2,013,400
Prof. & Outside Services	1,711,200	1,140,400	1,140,400
Travel - In State	16,600	28,400	28,400
Travel - Out of State	15,600	11,600	11,600
Other Operating Exp.	10,324,200	11,878,600	11,682,400
Equipment	630,800	257,400	257,400
All Other Operating Exp.	12,698,400	13,316,400	13,120,200
OPERATING SUBTOTAL	23,517,100	24,091,200	24,034,100
Risk Management Premium	9,130,900	10,017,900	12,930,500
Reg. Area Road Fund Rent	-0-	-0-	706,500
TOTAL APPROPRIATIONS	32,648,000	34,109,100	37,671,100 ^{1/}

Personal Services - The approved amount includes \$78,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$275,200.

Employee Related Expenditures - The approved amount includes \$9,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$840,700 for medical insurance and \$43,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$258,300 for replacement equipment, \$500,000 for Professional and Outside Services as the second of 3 phases to update and improve the TARGATS system, \$150,000 (\$75,000 for Professional and Outside Services and \$75,000 for Other Operating Expenditures) for developing an automated procurement system in conjunction with the Department of Administration, and \$11,000 for commercial rent.

Risk Management Premium - The approved amount contains an additional \$2,912,600 from Other Appropriated Funds for risk management.

Regional Area Road Fund Rent - The approved amount is provided to pay the Regional Area Road Fund (RARF) the fair market rental rate for space in a building owned by RARF being utilized by the Department of Transportation Personnel.

ADDITIONAL LEGISLATION

Vehicle License Tax (VLT), Chapter 289 (S.B. 1362) - Suspends for a second consecutive year the "Usdane Shift" which requires VLT receipts to be deposited into the Highway User Revenue Fund (HURF) rather than the General Fund if vehicle registrations increase by 7%.

^{1/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

DEPARTMENT OF TRANSPORTATION - SPECIAL SUPPORT GROUP

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	84.0	84.0	84.0
Personal Services	2,684,000	2,816,100	2,835,000
Employee Related Exp.	536,300	559,000	576,900
Prof. & Outside Services	129,700	200,800	200,800
Travel - In State	21,100	35,200	35,200
Travel - Out of State	12,800	19,300	19,300
Other Operating Exp.	266,500	244,900	239,800
Equipment	63,700	24,100	24,100
All Other Operating Exp.	493,800	524,300	519,200
OPERATING SUBTOTAL	3,714,100	3,899,400	3,931,100
Education and Training	15,600	15,800	15,800
TOTAL APPROPRIATIONS	3,729,700	3,915,200	3,946,900 ^{1/}

Personal Services - The approved amount includes \$20,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$43,200.

Employee Related Expenditures - The approved amount includes \$2,500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$217,800 for medical insurance and \$11,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$26,600 for replacement equipment and \$79,700 for commercial rent.

^{1/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	872.0	872.0	872.0 ^{1/}
Personal Services	17,923,100	17,828,600	17,724,800
Employee Related Exp.	4,645,500	4,365,000	4,719,600
Prof. & Outside Services	760,400	371,700	375,700
Travel - In State	236,000	328,200	351,500
Travel - Out of State	24,100	22,600	22,600
Other Operating Exp.	3,781,800	4,430,500	4,385,500
Equipment	220,600	50,000	50,000
All Other Operating Exp.	5,022,900	5,203,000	5,185,300
OPERATING SUBTOTAL	27,591,500	27,396,600	27,629,700
License Plates and Tabs	1,253,900	1,275,300	1,275,300
Medical Advisory Board	71,500	86,300	87,200
Drivers License/Title	345,400	2,200,000	2,200,000 ^{2/}
Mandatory Insurance Enforcement	142,600	1,372,900	1,219,100
Abandoned Vehicle Fund	-0-	98,800	45,800
Dealer Enforcement Fund	-0-	208,900	-0-
Special Hazardous Waste Fund	-0-	16,600	-0-
Cargo Tank Revolving Fund	-0-	275,000	-0-
TOTAL	29,404,900	32,930,400	32,457,100
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Traffic Ticket Enforcement Assistance, Ch. 271	--	--	50,000 ^{2/}
TOTAL APPROPRIATIONS	29,404,900	32,930,400	32,507,100
Fund Summary			
State Highway Fund	29,233,800	31,219,600	31,020,000
Highway User Revenue Fund	142,600	1,372,900	1,219,100
Air Quality Fund	28,500	30,200	31,400
Abandoned Vehicle Administration Fund	-0-	98,800	45,800
Dealer Enforcement Fund	-0-	208,900 ^{3/}	190,800
TOTAL APPROPRIATIONS	29,404,900	32,930,400	32,507,100 ^{4/}

(Continued)

^{1/} Includes 25 FTE positions funded in the Mandatory Insurance Enforcement special line item and 2 FTE positions funded in the Medical Advisory Board special line item.

(Footnotes Continued on Following Page)

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION (Cont'd)
STATE HIGHWAY FUND, HIGHWAY USER REVENUE FUND, AIR QUALITY FUND
AND ABANDONED VEHICLE FUND

Personal Services - The approved amount includes \$204,100 for the general salary adjustment effective April 1, 1993 (\$202,200 from the State Highway Fund; \$700 from the Air Quality Fund; and \$1,200 from the Dealer Enforcement Fund). A vacancy factor of 3% was applied which reduces Personal Services by \$544,900.

Employee Related Expenditures - The approved amount includes \$26,000 for the general salary adjustment effective April 1, 1993 (\$25,700 from the State Highway Fund; \$100 from the Air Quality Fund, and \$200 from the Dealer Enforcement Fund). The approved Other Appropriated Funds amount contains \$2,210,500 for medical insurance and \$113,900 for dental insurance. (From the State Highway Fund: medical \$2,194,600; dental \$113,100. From the Air Quality Fund: medical \$2,600; dental \$100. From the Dealer Enforcement Fund: medical \$13,200; dental \$700.) The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount provides \$85,900 for replacement equipment and \$195,000 for commercial rent.

Classified Drivers License/Title - The approved amount is the fourth increment of a four phase program designed to automate the License and Title functions.

Medical Advisory Board - The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$7,100 for medical insurance and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Mandatory Insurance Enforcement - The approved amount includes \$7,000 (Personal Services, \$6,200; Employee Related Expenditures, \$800) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$47,300 for medical insurance and \$2,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL APPROPRIATIONS

Traffic Ticket Enforcement Assistance, Chapter 271 (H.B. 2351) - Requires the Motor Vehicle Division (MVD) to establish procedures to assist courts and political subdivisions of this state to collect delinquent sanctions, fines and penalties imposed for civil and criminal traffic violations. Appropriates \$50,000 from the State Highway Fund for implementing the program and requires the courts and/or political subdivisions to repay the \$50,000 from fees collected pursuant to Section 28-331 of this act. Once MVD collects enough money after costs to reimburse the \$50,000, this sum shall be transmitted to the State Treasurer for deposit in the State Highway Fund. This appropriation is exempt from the provision of A.R.S. § 35-190, relating to lapsing of appropriations.

(Continued)

(Footnotes Continued From Previous Page)

- 2/ This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations (General Appropriation Act Footnote).
- 3/ Appropriated from the Dealer Enforcement Fund to the Department of Transportation through Laws 1991, Chapter 317, (H.B. 2406). The 5 FTE positions and funding is included in the operating budget for FY 1993.
- 4/ Represents General Appropriation Act funds. Appropriated as a agencywide modified lump sum. The line items are shown for information only.

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION (Cont'd)
STATE HIGHWAY FUND, HIGHWAY USER REVENUE FUND, AIR QUALITY FUND
AND ABANDONED VEHICLE FUND

ADDITIONAL LEGISLATION

Highway User Revenue Fund (HURF) - Chapter 289 (S.B. 1362) - Clarifies that the HURF is the funding source for the Motor Vehicle Liability Insurance Enforcement Fund for FY 1992 and FY 1993.

Motor Carrier Safety Revolving Fund - Chapter 233 (H.B. 2498) - Establishes a Motor Carrier Safety Revolving Fund to consist of monies appropriated to the fund by the Legislature, monies collected pursuant to this act, monies received from private grants, or donations and monies remaining in the Cargo Tank Revolving Fund. The fund is exempt from the provisions of Section 35-190, relating to lapsing of appropriations.

DEPARTMENT OF TRANSPORTATION - HIGHWAYS DIVISION

A.R.S. § 28-101

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	1,916.0 ^{1/}	1,878.0 ^{2/}	1,894.0 ^{3/}
Personal Services	31,075,300	30,237,100	28,779,100
Employee Related Exp.	6,930,100	8,616,500	6,516,500
Prof. & Outside Services	78,500	6,500	6,500
Travel - In State	800,600	1,142,400	1,109,900
Travel - Out of State	45,000	49,500	49,500
Other Operating Exp.	7,483,000	7,571,600	7,081,200
Equipment	371,900	828,600	828,600
All Other Operating Exp.	8,779,000	9,598,600	9,075,700
OPERATING SUBTOTAL	46,784,400	48,452,200	44,371,300
Highway Maintenance	61,209,100	62,955,000	67,765,700
Radio Communications	414,700	417,100	417,100
TOTAL APPROPRIATIONS	108,408,200	111,824,300	112,554,100 ^{4/}

Personal Services - The approved amount includes \$233,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 3% was applied which reduces Personal Services by \$925,700. The approved amount reflects the transfer out of 42 FTE positions: 41 to the Highway Maintenance line item and 1 to the Office of the Director for Lifecycle Administration. While the Highway Maintenance line item had a corresponding increase in FTE positions, there was not a similar adjustment in the Office of the Director for Lifecycle Administration.

Employee Related Expenditures - The approved amount includes \$31,700 for the general salary adjustment effective April 1, 1993. The approved amount contains \$2,471,300 for medical insurance and \$128,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$954,300 for replacement equipment and \$85,700 for commercial rent.

Highway Maintenance - The approved amount includes \$267,900 (Personal Services, \$230,800; Employee Related Expenditures, \$37,100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount includes funding for 17 new FTE positions for new features maintenance and the transfer in of 41 FTE positions from the Highways Division. The approved amount contains \$2,426,000 for medical insurance and \$123,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- ^{1/} The FTE Positions total includes 850 FTE positions funded in the Highway Maintenance special line item.
^{2/} The FTE Positions total includes 869 FTE positions funded in the Highway Maintenance special line item.
^{3/} The FTE Positions total includes 927 FTE positions funded in the Highway Maintenance special line item.
^{4/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

DEPARTMENT OF TRANSPORTATION - AERONAUTICS DIVISION**A.R.S. § 28-170**

Charles E. Cowan, Director

JLBC Analyst: Blanton

STATE AVIATION FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	29.0	33.0	33.0
Personal Services	607,600	789,700	777,000
Employee Related Exp.	144,900	183,000	194,200
Prof. & Outside Services	55,700	58,600	58,600
Travel - In State	23,700	29,900	29,900
Travel - Out of State	7,800	14,400	14,400
Other Operating Exp.	411,100	449,700	419,700
Equipment	102,100	185,000	-0-
All Other Operating Exp.	600,400	737,600	522,600
OPERATING SUBTOTAL	1,352,900	1,710,300	1,493,800
Reimbursement to Highway Fund	33,900	70,500	70,500
TOTAL APPROPRIATIONS	1,386,800	1,780,800	1,564,300 ^{1/}

Personal Services - The approved amount includes \$8,100 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$7,900.

Employee Related Expenditures - The approved amount includes \$1,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$83,300 for medical insurance and \$4,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The approved amount includes \$60,000 for commercial rent and \$32,700 for risk management insurance.

^{1/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

DEPARTMENT OF TRANSPORTATION - PUBLIC TRANSIT DIVISION**A.R.S. § 28-101**

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

GENERAL FUND AND AIR QUALITY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	56,200	63,900	71,100
Employee Related Exp.	19,400	15,200	17,900
Travel - In State	1,800	900	900
Travel - Out of State	-0-	1,300	1,300
Other Operating Exp.	3,800	2,100	2,100
All Other Operating Exp.	5,600	4,300	4,300
OPERATING SUBTOTAL	81,200	83,400	93,300
Other Transit Planning	20,000	14,800	16,800
TOTAL APPROPRIATIONS	101,200	98,200 ^{1/}	110,100 ^{2/}
<u>Fund Summary</u>			
General Fund	75,500	65,300	70,200
Air Quality Fund	25,700	32,900	39,900
TOTAL APPROPRIATIONS	101,200	98,200	110,100

Personal Services - The approved amount includes \$500 from the General Fund and \$300 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 from the General Fund for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$4,800 for medical insurance and \$200 for dental insurance. The approved Other Appropriated Funds amount contains \$3,800 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$500 from the General Fund for risk management.

^{1/} The expenditure detail for FY 1992 includes a \$2,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as an agencywide modified lump sum. The line items are shown for information only.

NATURAL RESOURCES

COMMISSION ON THE ARIZONA ENVIRONMENT

A.R.S. § 41-121

Charlene Ledet, Acting Director

JLBC Analyst: Bock

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	66,200	70,500	71,200
Employee Related Exp.	18,300	16,900	17,100
Prof. & Outside Services	900	1,200	1,200
Travel - In State	600	600	600
Travel - Out of State	300	-0-	-0-
Other Operating Exp.	19,600	11,300	17,800
Equipment	5,100	-0-	-0-
All Other Operating Exp.	26,500	13,100	19,600
Lump Sum Reduction	-0-	-0-	(1,100)
TOTAL APPROPRIATIONS	111,000	100,500	106,800 ^{1/}

Personal Services - The approved amount includes \$700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$14,600 for medical insurance and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$500 for risk management and \$12,100 for the reinstatement of General Fund rent for state-owned space, to be paid in to the Capital Outlay Stabilization Fund. Other Operating Expenditures is also reduced by \$5,600. Conference fees in the Revolving Fund will offset this General Fund reduction.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

GAME AND FISH DEPARTMENT - SUMMARY

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administrative & Field Services	14,185,400	14,160,800	14,664,600
Watercraft Licensing	1,241,700	1,404,700	1,376,400
Game, Non-Game, Fish and Endangered Species	255,000	207,700	259,300
TOTAL APPROPRIATIONS	15,682,100	15,773,200	16,300,300
<u>Expenditure Detail</u>			
FTE Positions	277.0	272.0	271.5
Personal Services	6,820,200	6,734,000	6,897,700
Employee Related Exp.	2,112,400	2,056,300	2,285,900
Prof. & Outside Services	349,000	237,900	220,500
Travel - In State	268,400	245,700	259,000
Travel - Out of State	37,100	25,100	22,700
Other Operating Exp.	3,396,600	3,466,300	3,496,400
Equipment	543,700	778,500	753,600
All Other Operating Exp.	4,594,800	4,753,500	4,752,200
OPERATING SUBTOTAL	13,527,400	13,543,800	13,935,800
Special Line Items	2,154,700	2,229,400	2,364,500
TOTAL APPROPRIATIONS	15,682,100	15,773,200	16,300,300 ^{1/}
<u>Fund Summary</u>			
Game and Fish Fund	14,063,400	13,920,900	14,384,200
Watercraft Licensing Fund	1,241,700	1,404,700	1,376,400
Game, Non-Game, Fish and Endangered Species Fund	255,000	207,700	259,300
Waterfowl Conservation Fund	2,400	3,400	43,400
Capital Improvement Fund	119,600	236,500	237,000
TOTAL APPROPRIATIONS	15,682,100	15,773,200	16,300,300

Personal Services - The approved amount includes \$66,400 for the general salary adjustment effective April 1, 1993.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for certain programs and as a lump sum for other programs.

GAME AND FISH DEPARTMENT - SUMMARY (Cont'd)
GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS

Employee Related Expenditures - The approved amount includes \$14,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$698,300 for medical insurance and \$36,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 2 (H.B. 2002), 9th Special Session - Appropriates \$404,100 to the Game and Fish Department as follows:

- Section 1(G) appropriates \$99,100 from the Game and Fish Fund for the maintenance and repair of state buildings in accordance with the building renewal formula established pursuant to A.R.S. § 41-793.01
- Section 2(D)1 appropriates \$200,000 from the Capital Improvement Fund for hatchery renovations and improvements
- Section 2(D)2 appropriates \$5,000 from the Game and Fish Fund for shooting range development
- Section 2(D)3 appropriates \$100,000 from the Waterfowl Conservation Fund to acquire waterfowl habitat.

ADDITIONAL LEGISLATION

Game and Fish Department; Continuation - Chapter 111 (S.B. 1056) - Extends the termination date of the Game and Fish Department to July 1, 2002; broadens the list of items the agency must include as part of its Heritage Fund annual report.

OTHER ISSUES

Game and Fish Heritage Fund - Proposition 200, passed by Arizona voters in November 1990, directs \$10,000,000 annually from State Lottery revenues to the Game and Fish Department for the following purposes:

Acquisition and Management of Wildlife Habitat	\$6,000,000
Habitat Protection	1,500,000
Urban Wildlife Protection	1,500,000
Public Access Property Acquisition	500,000
Environmental Education	500,000
TOTAL	<u>\$10,000,000</u>

These funds are not subject to legislative appropriation; interest accrued by investing these funds will be used by the Game and Fish Department for administrative expenses.

**GAME AND FISH DEPARTMENT - ADMINISTRATIVE AND
FIELD SERVICES**

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	246.5	241.5	241.5
Personal Services	6,322,000	6,194,100	6,324,600
Employee Related Exp.	1,974,300	1,897,300	2,126,900
Prof. & Outside Services	273,700	173,300	160,000
Travel - State	251,300	225,700	231,700
Travel - Out of State	27,400	20,000	15,700
Other Operating Exp.	3,052,800	3,110,100	3,069,100
Equipment	446,200	670,400	741,100
All Other Operating Exp.	4,051,400	4,199,500	4,217,600
OPERATING SUBTOTAL	12,347,700	12,290,900	12,669,100
Commission Reserve	400	-0-	-0-
Cooperative Research Projects	30,000	30,000	30,000 ^{1/}
Pittman-Robertson Act	927,300	910,000	918,000 ^{1/}
Dingell-Johnson Act	758,000	690,000	767,100 ^{1/}
Regional Offices Lease-Purchase	119,600	236,500	237,000
Waterfowl Conservation	2,400	3,400	43,400
TOTAL APPROPRIATIONS	14,185,400	14,160,800	14,664,600 ^{2/}
Fund Summary			
Game and Fish Fund	14,063,400	13,920,900	14,384,200
Capital Improvement Fund	119,600	236,500	237,000
Waterfowl Conservation Fund	2,400	3,400	43,400
TOTAL APPROPRIATIONS	14,185,400	14,160,800	14,664,600

Personal Services - The approved amount includes \$58,900 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$128,100.

Employee Related Expenditures - The approved amount includes \$13,100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$620,100 for medical insurance and \$32,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Any part of this appropriation may be used for the purchase of matching federal and apportionment funds. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

GAME AND FISH DEPARTMENT - ADMINISTRATIVE AND FIELD SERVICES (Cont'd)
GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS

Other Operating Expenditures - The approved amount contains \$178,200 for risk management; \$450,000 for food for fish and other animals; \$197,000 for vehicle maintenance and repair; \$289,800 for vehicle fuel; \$250,000 for printing and photography supplies and services, primarily for Wildlife Views magazine; \$270,100 for telephone expenses and supplies, and \$193,800 for postage and delivery services.

Cooperative Research Projects - This appropriation provides funding for ongoing wildlife and conservation research projects conducted with the University of Arizona.

Pittman-Robertson Act - These funds provide the state's 25% match for federal wildlife restoration projects.

Dingell-Johnson Act - These funds provide the state's 25% match for federal fish restoration projects.

Regional Offices Lease-Purchase - This appropriation provides the Department's lease-purchase payment for regional field offices in Kingman, Yuma, and Flagstaff.

Waterfowl Conservation - This appropriation is used to facilitate purchases of waterfowl habitat with Waterfowl Conservation Fund monies. The approved amount also includes \$40,000 to permit the Game and Fish Department to contract with an artist to provide artwork for the annual duck stamp, and to market this artwork.

ADDITIONAL LEGISLATION

Lifetime Hunting and Fishing Licenses - Chapter 299 (H.B. 2207) - Makes the following changes:

- Directs the Game & Fish Department to issue lifetime hunting and fishing licenses
- Directs distribution of receipts from lifetime licenses among the Game & Fish Fund, the Conservation Development Fund, and the Wildlife Endowment Fund
- Creates the Wildlife Endowment Fund, made up of sales of lifetime licenses, gifts and grants, and interest, to be used for wildlife conservation and management subject to legislative appropriation
- Authorizes the Game & Fish Department to issue 4 month non-resident fishing licenses
- Requires applicants for a trapping license to complete a trapping education course.

GAME AND FISH DEPARTMENT - WATERCRAFT LICENSING

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

WATERCRAFT LICENSING FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	26.5	26.5	26.0
Personal Services	391,900	442,900	469,700
Employee Related Exp.	112,300	134,300	134,200
Prof. & Outside Services	48,700	45,000	44,600
Travel - In State	12,800	16,000	19,900
Travel - Out of State	4,600	2,500	4,500
Other Operating Exp.	261,600	297,500	332,000
Equipment	92,800	107,000	12,500
All Other Operating Exp.	420,500	468,000	413,500
OPERATING SUBTOTAL	924,700	1,045,200	1,017,400
Cost Transfer to Game and Fish Fund	317,000	359,500	359,000
TOTAL APPROPRIATIONS	1,241,700	1,404,700	1,376,400 ^{1/}

Personal Services - The approved amount includes \$6,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$1,000.

Employee Related Expenditures - The approved amount includes \$900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$68,100 for medical insurance and \$3,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenses - The approved amount contains \$67,100 for print and photography supplies and services, primarily for the boating education program, \$62,700 for telephone services, and \$51,600 for postage.

Cost Transfer - The approved amount is used to reimburse the Game & Fish Fund for functions performed by employees and equipment in the Administrative and Field Services cost center on behalf of the Watercraft Licensing Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

**GAME AND FISH DEPARTMENT - GAME, NON-GAME,
FISH AND ENDANGERED SPECIES**

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

GAME, NON-GAME, FISH AND ENDANGERED SPECIES FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	106,300	97,000	103,400
Employee Related Exp.	25,800	24,700	24,800
Prof. & Outside Services	26,600	19,600	15,900
Travel - In State	4,300	4,000	7,400
Travel - Out of State	5,100	2,600	2,500
Other Operating Exp.	82,200	58,700	95,300
Equipment	4,700	1,100	-0-
All Other Operating Exp.	122,900	86,000	121,100
OPERATING SUBTOTAL	255,000	207,700	249,300
Cost Transfer to Game & Fish Fund	-0-	-0-	10,000
TOTAL APPROPRIATIONS	255,000	207,700	259,300 ^{1/}

Personal Services - The approved amount includes \$1,000 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$100 for the general salary adjustment effective April 1, 1993. The approved amount contains \$10,100 for medical insurance and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$48,300 for print and photography supplies and services.

Cost Transfer - This appropriation is used to reimburse the Game and Fish Fund for functions performed by employees and equipment in the Administrative and Field Services cost center on behalf of the Game, Non-Game, Fish, and Endangered Species Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

ARIZONA GEOLOGICAL SURVEY

A.R.S. § 27-151

Larry D. Fellows, State Geologist

JLBC Analyst: Brainard

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	13.25	14.25	14.25
Personal Services	355,500	372,000	401,000
Employee Related Exp.	76,600	81,200	91,500
Travel - In State	5,600	11,000	10,900
Travel - Out of State	2,200	2,800	4,800
Other Operating Exp.	112,300	126,000	118,600
Equipment	12,100	16,000	3,400
All Other Operating Exp.	132,200	155,800	137,700
Lump Sum Reduction	-0-	-0-	(6,300)
TOTAL APPROPRIATIONS	564,300	609,000 ^{1/}	623,900 ^{2/}

Personal Services - The approved amount includes \$3,600 for the general salary adjustment effective April 1, 1993.

Employee Related Expenditures - The approved amount includes \$500 for the general salary adjustment effective April 1, 1993. The approved amount contains \$37,800 for medical insurance and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$4,300 for risk management and \$69,000 for office space.

Equipment - The approved amount is for the purchase of 1 computer.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Geological Survey: Continuation - Chapter 59 (S.B. 1055) - Extends the termination date of the Arizona Geological Survey to July 1, 2002, redirects proceeds from the sale of oil and gas maps and other publications from the Oil and Gas Conservation Commission Publication Revolving Fund to the Geological Survey Revolving Fund.

- ^{1/} The expenditure detail for FY 1992 includes a \$12,400 reduction reflecting the ex-appropriation authorized by Laws 1992, Chapter 4, 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE LAND DEPARTMENT
A.R.S. § 37-102
M. J. Hassell, Land Commissioner
JLBC Analyst: Brainard

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	166.0	164.0	165.0
Personal Services	4,352,800	4,468,000	4,535,500
Employee Related Exp.	986,100	976,200	1,021,300
Prof. & Outside Services	457,400	559,200	522,500
Travel - In State	171,700	188,200	206,300
Travel - Out of State	3,800	5,600	2,200
Other Operating Exp.	1,311,900	1,313,000	1,336,500
Equipment	192,200	180,000	71,500
All Other Operating Exp.	2,137,000	2,246,000	2,139,000
Lump Sum Reduction	-0-	-0-	(74,900)
OPERATING SUBTOTAL	7,475,900	7,690,200	7,620,900
Litigation Expenses	9,100	30,800	20,000
Legal Advertising	30,000	9,700	30,000
CAP User Fees	78,000	78,000	78,100
Water Rights Filing Fees	8,700	12,600	33,600
Water Litigation	55,700	36,200	52,100
Illegal Dump Supervision	18,300	15,100	15,000
Natural Resource Conservation Districts	155,200	127,000	128,000
Conservation Education	29,100	30,000	30,000
Board of Appeals	7,800	11,000	16,900
Arizona Geological Mapping	25,000	-0-	-0-
TOTAL	7,892,800	8,040,600 ^{1/}	8,024,600 ^{2/}
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Streambed Ownership, Ch. 297	--	--	200,000
TOTAL APPROPRIATIONS	7,892,800	8,040,600	8,224,600

Personal Services - The approved amount includes \$39,500 for the general salary adjustment effective April 1, 1993. A vacancy factor of 2% was applied which reduces Personal Services by \$92,600.

Employee Related Expenditures - The approved amount includes \$5,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$419,200 for medical insurance and \$21,600 for dental insurance. The

(Continued)

- ^{1/} The expenditure detail for FY 1992 includes a \$87,400 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE LAND DEPARTMENT (Cont'd)

GENERAL FUND

amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$90,000 to begin development of the next phase of the agency's automated database and data processing system; \$178,900 for appraisals; \$164,300 for planning of Urban Lands projects; \$51,000 for disposition and lease consulting services; and \$10,000 for engineering consulting services at Urban Lands projects.

Other Operating Expenditures - The approved amount includes \$351,700 for the agency's share of the lease-purchase payment for its office at 1616 West Adams; \$131,500 for lease payments for agency regional offices; \$171,600 for telephone expenses; \$208,200 for the final lease-purchase payment for a mainframe computer and related software and the initial lease-purchase payment of a new mainframe computer; \$48,500 for risk management; \$32,500 for zoning fees at Urban Lands projects, and \$2,200 for non-capitalized equipment.

Equipment - The approved amount includes funding for the following replacement equipment: 1 high speed line printer, 8 computers, 1 pickup truck for the Forestry Division, 2 printers, 1 fax machine and 1 map cabinet.

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

Litigation Expenses - This appropriation funds expenses related to Land Department litigation, including attorneys' fees, expert witnesses, and travel expenses.

Legal Advertising - The Land Department is required to advertise sales of long-term leases of Trust property; these advertising costs are paid by the successful bidder. This appropriation pays advertising expenses not recovered when a sale or lease fails to attract a successful bidder.

CAP User Fees - These monies provide Trust Lands' Central Arizona Project water user fees.

Water Rights Filing Fees - This appropriation funds 1 Water Resources Specialist position and provides water rights filing fees for Trust Lands. The approved amount includes \$300 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also contains \$2,000 for medical insurance and \$200 for dental insurance to be transferred to the Special Employee Health Insurance Trust Fund.

Water Litigation - This appropriation funds 2 Water Resources Specialist positions to research and file Trust Land water rights. The approved amount includes \$600 (Personal Services, \$500; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount also contains \$3,900 for medical insurance and \$200 for dental insurance to be transferred to the Special Employee Health Insurance Trust Fund.

Illegal Dump Supervision - The Land Department uses this appropriation to clear Trust Lands of unsightly or dangerous material.

Natural Resource Conservation Districts (NRCD's) - Thirty-two NRCD's serve as vehicles to provide technical assistance by the U.S. Soil Conservation Service primarily for farmers and ranchers. The approved amount provides \$4,000 for each district, to be used for clerical support and board per diem expenses.

Conservation Education - The approved amount provides \$6,000 to each of 5 Conservation Education Centers in Arizona for conservation instruction. This appropriation may be matched by school districts and other sources.

Board of Appeals - The 5 members of this Board, appointed by the Governor, approve land sales and long-term leases of Trust Lands, and hear appeals of appraisals. The approved amount provides Board per diem, travel expenses, and contract appraisals.

ADDITIONAL APPROPRIATIONS

Ownership of Streambeds - Chapter 297 (H.B. 2594) - Appropriates \$200,000 from the General Fund and establishes an administrative procedure to research and determine ownership of streambeds and watercourses in Arizona. This legislation is intended to resolve the issue of the rights and obligations of those who have claimed title to, leased, improved, and/or paid taxes on land in streambeds and watercourses that may have belonged to the State Trust in 1912.

DEPARTMENT OF MINES AND MINERAL RESOURCES

A.R.S. § 27-101

Leroy E. Kissinger, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	8.5	8.0	7.0
Personal Services	263,600	258,000	220,700
Employee Related Exp.	56,200	53,000	47,800
Travel - In State	3,400	8,400	7,100
Travel - Out of State	800	-0-	-0-
Other Operating Exp.	23,400	19,600	339,900
All Other Operating Exp.	27,600	28,000	347,000
Lump Sum Reduction	-0-	-0-	(6,100)
TOTAL APPROPRIATIONS	347,400	339,000	609,400 ^{1/}

FTE Positions - The approved amount reflects a decrease of 1 FTE position. One Mining Engineer position and \$48,800 was eliminated.

Personal Services - The approved amount includes \$1,700 for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The appropriation also reflects a \$39,000 reduction associated with the elimination of the Mining Engineer position.

Employee Related Expenditures - The approved amount includes \$200 for the general salary adjustment effective April 1, 1993. The approved amount contains \$17,600 for medical insurance and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation also reflects an \$8,500 reduction associated with the elimination of the Mining Engineer position.

Travel - In State - The appropriation reflects a \$1,300 reduction associated with the elimination of the Mining Engineer position.

Other Operating Expenditures - The approved amount contains \$4,700 for risk management and \$320,300 for the reinstatement of General Fund rent for state owned space, to be paid into the Capital Outlay Stabilization Fund (COSF).

Lump Sum Reduction - The approved amount is a 1% lump sum reduction to the operating budget.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

OIL AND GAS CONSERVATION COMMISSION

A.R.S. § 27-514

JLBC Analyst: Brainard

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	4.0	-0-	-0-
Personal Services	108,400	-0-	-0-
Employee Related Exp.	24,600	-0-	-0-
Travel - In State	6,700	-0-	-0-
Travel - Out of State	1,200	-0-	-0-
Other Operating Exp.	26,800	-0-	-0-
All Other Operating Exp.	34,700	-0-	-0-
OPERATING SUBTOTAL	167,700	-0-	-0-
IOCC	4,300 ^{1/}	-0-	-0-
TOTAL APPROPRIATIONS	172,000	-0-	-0-

The approved amount reflects the transfer of the agency's inspection and permit application review functions to the Geological Survey beginning in FY 1992. Funding is provided in the Geological Survey budget for 1 Oil & Gas Program Administrator and per diem expenses for the Oil & Gas Conservation Commission. This is the final year that a report for this agency's appropriation will be included in this publication.

^{1/} The approved amount represents dues and meeting attendance costs for the Interstate Oil Compact Commission.

STATE PARKS BOARD - SUMMARY

A.R.S. § 41-511

Ken Travous, Executive Director

JLBC Analyst: Brainard

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administrative and Support Services	6,425,600	6,908,600	7,847,300
Arizona Outdoor Recreation Coordinating Commission	4,205,100	600,000	-0-
TOTAL APPROPRIATIONS	10,630,700	7,508,600	7,847,300
<u>Expenditure Detail</u>			
FTE Positions	178.0	172.5	179.5
Personal Services	3,667,100	3,562,200	3,777,900
Employee Related Exp.	1,081,300	959,100	1,041,000
Prof. & Outside Services	34,400	11,700	5,000
Travel - In State	84,500	81,000	73,300
Travel - Out of State	7,700	4,100	4,100
Other Operating Exp.	1,444,800	1,277,700	1,759,300
Equipment	202,200	349,100	153,800
All Other Operating Exp.	1,773,600	1,723,600	1,995,500
OPERATING SUBTOTAL	6,522,000	6,244,900	6,814,400
Special Line Items	4,108,700	1,263,700	1,032,900
TOTAL APPROPRIATIONS	10,630,700	7,508,600	7,847,300 ^{1/}
<u>Fund Summary</u>			
General Fund	6,425,600	4,608,600	4,563,600
State Lake Improvement Fund	3,609,300	1,000,000	1,182,400
Law Enforcement and Boating Safety Fund	595,800	600,000	600,000
State Parks Enhancement Fund	-0-	1,300,000	1,501,300
TOTAL APPROPRIATIONS	10,630,700	7,508,600	7,847,300

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE PARKS BOARD - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

OTHER ISSUES

State Parks Heritage Fund - Proposition 200, passed by Arizona voters in November 1990, directs \$10,000,000 annually from State Lottery revenues to the State Parks Board and the Arizona Outdoor Recreation and Coordinating Commission (AORCC) for the following purposes:

Local and Regional Parks Acquisition and Development	\$3,500,000
State Park Acquisition and Development	1,700,000
Historic Preservation	1,700,000
Acquisition of Natural Areas	1,700,000
Management of Natural Areas	400,000
State Trails System Development	500,000
Environmental Education	500,000
TOTAL	<u>\$10,000,000</u>

These funds are not subject to legislative appropriation; interest earned by investing these funds accrues to the State Parks Board and will be used for administrative expenses.

STATE PARKS BOARD - ADMINISTRATIVE & SUPPORT SERVICES
A.R.S. § 41-511

Ken Travous, Executive Director

JLBC Analyst: Brainard

GENERAL FUND AND STATE PARKS ENHANCEMENT FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	168.0	172.5	179.5 ^{1/}
Personal Services	3,363,300	3,562,200	3,777,900
Employee Related Exp.	1,016,700	959,100	1,041,000
Prof. & Outside Service	15,000	11,700	5,000
Travel - In State	69,100	81,000	73,300
Travel - Out of State	5,300	4,100	4,100
Other Operating Exp.	1,360,800	1,277,700	1,759,300
Equipment	174,600	349,100	153,800
All Other Operating Exp.	1,624,800	1,723,600	1,995,500
OPERATING SUBTOTAL	6,004,800	6,244,900	6,814,400
State Trust Land Leases	123,400	148,700	156,800
Arizona Conservation Corps	297,400	275,000	276,100 ^{2/}
Fool Hollow State Park	-0-	190,000	-0-
Tonto Natural Bridge Revolving Fund	-0-	50,000	-0-
Law Enforcement and Boating Safety Projects	-0- ^{3/}	-0- ^{3/}	600,000 ^{4/}
TOTAL APPROPRIATIONS	6,425,600	6,908,600	7,847,300 ^{5/}
Fund Summary			
General Fund	6,425,600	4,608,600	4,563,600
State Parks Enhancement Fund	-0-	1,300,000	1,501,300
State Lake Improvement Fund	-0-	1,000,000	1,182,400
Law Enforcement and Boating Safety Fund	-0-	-0-	600,000
TOTAL APPROPRIATIONS	6,425,600	6,908,600 ^{4/}	7,847,300 ^{2/}

- 1/ The FTE positions total includes 4 FTE positions funded in the Arizona Conservation Corps special line item.
- 2/ Monies appropriated for the Arizona Conservation Corps (ACC) program shall be placed in the ACC Fund authorized by A.R.S. § 41-519.05. Expenditures from the ACC Fund may be reimbursed by federal, state, local, and other sources to accomplish the ACC program objectives stated in A.R.S. § 41-519. (General Appropriation Act footnote)
- 3/ Appropriations from this source prior to FY 1993 are shown in the AORCC cost center.
- 4/ The appropriation for Law Enforcement and Boating Safety Projects is an estimate only. All monies distributed to this fund during FY 1993 in excess of the appropriated amount are appropriated to the State Parks Board for the purposes established in A.R.S. § 5-383. (General Appropriation Act footnote)
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The items within "All Other Operating Exp." are shown for information only.

(Footnotes Continued on Following Page)

STATE PARKS BOARD - ADMINISTRATIVE & SUPPORT SERVICES (Cont'd)
GENERAL FUND AND STATE PARKS ENHANCEMENT FUND

Personal Services - The approved amount includes \$24,700 from the General Fund and \$18,100 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved amount also contains \$102,900 from the State Lake Improvement Fund for 7 additional field positions to assist the agency with the increased workload resulting from increased park visitation.

Employee Related Expenditures - The approved amount includes \$3,600 from the General Fund and \$2,600 from Other Appropriated Funds for the general salary adjustment effective April 1, 1993. The approved General Fund amount contains \$238,000 for medical insurance and \$12,300 for dental insurance. The approved Other Appropriated Funds contains \$162,500 for medical insurance and \$8,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$163,800 for risk management, including \$99,200 from the General Fund and \$64,600 from Other Appropriated Funds. The approved amount also contains a total of \$85,100 for rent, including \$71,300 from the General Fund. This allocation is based on 8 months' occupancy of 12,527 square feet in the Industrial Commission Building at \$13.50 per square foot, and 4 months' occupancy of 18,000 square feet at 1300 West Washington at \$11.00 per square foot. The approved amount also includes \$403,000 for utility expenses at state parks, \$100,800 for telephone services and supplies, \$350,000 for supplies, and \$30,600 for non-capitalized equipment.

State Trust Land Leases - This appropriation provides lease payments to the State Land Department for the following state parks located on State Trust Lands: Buckskin, Homolovi, Lyman Lake, Patagonia, and Picacho.

Arizona Conservation Corps - This program was established by Laws 1989, Chapter 287 to promote the employment and personal development of young adults through projects and activities involving natural conservation and community service. The approved amount provides funding for 4 FTE positions, administrative expenses, and wages for project leaders and crew members. The approved amount also includes \$1,100 (Personal Services, \$1,000; Employee Related Expenditures, \$100) for the general salary adjustment effective April 1, 1993. No vacancy factor was applied. The approved amount contains \$16,200 for medical insurance and \$4,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Equipment - The approved amount provides funding for the following replacement equipment: 6 pickup trucks, 1 tractor, 1 utility vehicle, 1 outboard engine, and various field equipment.

ADDITIONAL LEGISLATION

Lake Improvement; Aquifer Protection - Chapter 291 (H.B. 1366) - Revises statutes governing the State Lake Improvement Fund (SLIF) to direct up to one-fourth of SLIF receipts, following allocation for administration of SLIF capital projects, to the Parks Board for operating expenses at water-based state parks, subject to legislative appropriation. One-fourth of SLIF receipts would be limited to capital projects and acquisition of equipment at state parks where boats are permitted; this portion is not subject to legislative appropriation. The remaining one-half is for grants for operations, maintenance, equipment, and capital projects at state, county, and local parks where boats are permitted. The Arizona Outdoor Recreation Coordinating Commission (AORCC) distributes the grants. These changes are effective only for FY 1993 and FY 1994; statutory language governing the SLIF prior to FY 1993 is restored effective in FY 1995. Prior to FY 1993, following allocation for grants administration, all SLIF receipts were used for grants for capital projects, subject to review by AORCC.

(Footnotes Continued From Previous Page)

- 6/ The expenditure detail for FY 1992 includes a \$28,200 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session. This Legislation also appropriated \$1,000,000 from the State Lake Improvement Fund to offset a reduction of \$1,000,000 to the agency's General Fund appropriation.
- 7/ The appropriation from the State Parks Enhancement Fund is an estimate only. One-half of all receipts deposited into this fund during FY 1993 are appropriated to the State Parks Board for the purposes prescribed in A.R.S. § 41-511.11, Subsection B. (General Appropriation Act footnote)

**STATE PARKS BOARD - ARIZONA OUTDOOR RECREATION
COORDINATING COMMISSION**

A.R.S. § 41-511

Ken Travous, Director

JLBC Analyst: Brainard

LAW ENFORCEMENT AND BOATING SAFETY FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	10.0	0.0	0.0
Personal Services	303,800	-0-	-0-
Employee Related Exp.	64,600	-0-	-0-
Prof. & Outside Services	19,400	-0-	-0-
Travel - In State	15,400	-0-	-0-
Travel - Out of State	2,400	-0-	-0-
Other Operating Exp.	84,000	-0-	-0-
Equipment	27,600	-0-	-0-
All Other Operating Exp.	148,800	-0-	-0-
OPERATING SUBTOTAL	517,200	-0-	-0-
SLIF Projects	3,092,100	-0-	-0-
BLESF Projects	595,800	600,000	-0- ^{1/}
TOTAL APPROPRIATIONS	4,205,100	600,000	-0-
<u>Fund Summary</u>			
State Lake Improvement Fund	3,609,300	-0-	-0-
Law Enforcement and Boating Safety Fund	595,800	600,000	-0-
TOTAL APPROPRIATIONS	4,205,100	600,000	-0-

The Arizona Outdoor Recreation Coordinating Commission (AORCC) has responsibility for administering the Law Enforcement and Boating Safety Fund (BLESF) and a portion of the State Lake Improvement Fund. Laws 1990, Chapter 7, 3rd Special Session removed SLIF from the appropriations process effective July 1, 1991. Laws 1992, Chapter 291, returns a portion of SLIF to the appropriations process. This statutory revision is explained in the appropriations report for the State Parks Board Administrative and Support Services cost center.

^{1/} The appropriation for BLESF projects in FY 1993 is included in the Administrative and Support Services cost center.

DEPARTMENT OF WATER RESOURCES - SUMMARY

A.R.S. § 45-102

Betsy Rieke, Director

JLBC Analyst: Bock

GENERAL FUND AND FLOOD CONTROL ASSISTANCE FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
<u>Program Summary</u>			
Administration	3,739,900	3,808,800	3,884,400
Engineering	3,037,400	4,869,800	4,687,100
Water Management	4,692,600	3,497,900	3,121,200
Lump Sum Reduction	-0-	-0-	(78,900)
TOTAL APPROPRIATIONS	11,469,900	12,176,500	11,613,800
FTE Positions	234.3	214.7	214.7
Personal Services	6,898,500	6,216,800	6,386,300
Employee Related Exp.	1,487,100	1,392,800	1,426,900
Prof. & Outside Services	308,800	334,900	359,900
Travel - In State	231,600	261,500	261,300
Travel - Out of State	29,600	36,700	36,700
Other Operating Exp.	2,174,700	2,476,900	2,549,700
Equipment	15,400	9,000	9,000
All Other Operating Exp.	2,760,400	3,119,000	3,216,600
Lump Sum Reduction	-0-	-0-	(78,900)
OPERATING SUBTOTAL	11,146,000	10,728,600	10,950,900 ^{3/}
Special Line Items ^{1/}	323,900	1,447,900	412,900 ^{3/}
Additional Appropriations ^{2/}	--	--	250,000
TOTAL APPROPRIATIONS	11,469,900	12,176,500 ^{2/}	11,613,800
<u>Fund Summary</u>			
General Fund	11,469,900	11,641,500	11,613,800
Flood Control Assistance Fund	-0-	535,000	-0-
TOTAL APPROPRIATIONS	11,469,900	12,176,500	11,613,800

Personal Services - The approved amount includes \$52,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.4% was applied which reduces Personal Services by \$89,900.

(Continued)

- 1/ Details for the Special Line Items and Additional Appropriations are included on the individual program pages.
- 2/ The expenditure detail for FY 1992 includes a \$63,700 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF WATER RESOURCES - SUMMARY (Cont'd)
GENERAL FUNDS AND FLOOD CONTROL ASSISTANCE FUND

Employee Related Expenditures - The approved amount includes \$6,900 for the general salary adjustment effective April 1, 1993. The approved amount contains \$567,600 for medical insurance and \$29,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Lump Sum Reduction - The approved amount is a 0.7% lump sum reduction to the operating budget.

ADDITIONAL LEGISLATION

Omnibus Water Code Revision - Chapter 3 (S.B. 1102) - Among other provisions, this act clarifies the department's authority in collecting groundwater withdrawal fees. It also provides that interest earned on the Emergency Dam Repair Fund be credited to that fund.

Water Augmentation Districts - Chapter 282 (H.B. 2225) - This act requires demonstration project assets to be transferred from the department to the augmentation district by July 1, 1996; and it requires the interest on augmentation fees to be transferred to the district along with the principal. It provides authority to the Water District Board to propose and levy a property tax, and clarifies provisions on the governance of the district's bond fund.

DEPARTMENT OF WATER RESOURCES - ADMINISTRATION

A.R.S. § 45-102

Betsy Rieke, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	47.0	43.5	43.5
Personal Services	1,510,500	1,397,200	1,434,700
Employee Related Exp.	292,200	295,100	297,300
Prof. & Outside Services	38,700	44,000	44,000
Travel - In State	13,100	14,500	14,500
Travel - Out of State	12,000	12,000	12,000
Other Operating Exp.	1,861,900	2,046,000	2,081,900
Equipment	11,500	-0-	-0-
All Other Operating Exp.	1,937,200	2,116,500	2,152,400
TOTAL APPROPRIATIONS	3,739,900	3,808,800 ^{1/}	3,884,400 ^{2/}

Personal Services - The approved amount includes \$10,700 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1% was applied which reduces Personal Services by \$14,500.

Employee Related Expenditures - The approved amount includes \$1,300 for the general salary adjustment effective April 1, 1993. The approved amount contains \$115,000 for medical insurance and \$6,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount contains \$16,100 for risk management. Other major expenses include \$872,100 for the department's lease-purchase payment on 15 S. 15th Avenue, \$478,000 for data processing equipment lease-purchase, and \$252,300 for equipment maintenance contracts.

^{1/} The expenditure detail for FY 1992 includes a \$13,700 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF WATER RESOURCES - ENGINEERING

A.R.S. § 45-102

Betsy Rieke, Director

JLBC Analyst: Bock

GENERAL FUND AND FLOOD CONTROL ASSISTANCE FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	68.0	92.0	92.0
Personal Services	2,040,600	2,736,400	2,805,200
Employee Related Exp.	462,800	614,300	622,800
Prof. & Outside Services	3,600	163,000	163,000
Travel - In State	98,100	189,000	189,000
Travel - Out of State	10,200	17,000	17,000
Other Operating Exp.	96,500	193,200	218,200
Equipment	1,700	9,000	9,000
All Other Operating Exp.	210,100	571,200	596,200
OPERATING SUBTOTAL	2,713,500	3,921,900	4,024,200
USGS Cooperative Agreement	234,900	272,900	272,900
Early Flood Warning System	71,000	90,000	90,000
Flood Control Development	18,000	50,000	50,000
Clifton Flood Control	-0-	535,000	-0-
TOTAL	3,037,400	4,869,800	4,437,100 ^{2/}
Additional Appropriations - 40th Leg., 2nd Reg. Session			
Riparian Protection Program; Appropriation, Ch. 298	-	--	250,000
TOTAL APPROPRIATIONS	3,037,400	4,869,800 ^{1/}	4,687,100
Fund Summary			
General Fund	3,037,400	4,334,800	4,687,100
Flood Control Assistance Fund	-0-	535,000	-0-
TOTAL APPROPRIATIONS	3,037,400	4,869,800	4,687,100

Personal Services - The approved amount includes \$22,600 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$42,700.

(Continued)

- ^{1/} The expenditure detail for FY 1992 includes a \$25,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF WATER RESOURCES - ENGINEERING (Cont'd)
GENERAL FUNDS AND FLOOD CONTROL ASSISTANCE FUND

Employee Related Expenditures - The approved amount includes \$3,000 for the general salary adjustment effective April 1, 1993. The approved amount contains \$242,800 for medical insurance and \$12,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL APPROPRIATIONS

Riparian Protection Program: Appropriation - Chapter 298 (S.B. 1030) - Among other provisions, this act directs the department to evaluate the effects that groundwater pumping and surface water diversions have on riparian areas. The Department of Water Resources must design and propose a regulatory program to protect riparian areas from groundwater withdrawals and surface diversions. The act appropriates \$250,000 to the Department of Water Resources for these purposes.

Appropriation: Clifton Flood Emergency - Chapter 163 (H.B. 2193) - This act designates the Department of Emergency and Military Affairs as the lead agency for this on-going Clifton Flood Control project. The act consolidates all continuing appropriations related to this project and appropriates these funds to the Department of Emergency and Military Affairs. The Department of Water Resources had been the lead agency during the planning phases of the project.

DEPARTMENT OF WATER RESOURCES - WATER MANAGEMENT

A.R.S. § 45-102

Betsy Rieke, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1991 Actual	FY 1992 Estimate	FY 1993 Approved
FTE Positions	119.3	79.2	79.2
Personal Services	3,347,400	2,083,200	2,146,400
Employee Related Exp.	732,100	483,400	506,800
Prof. & Outside Services	266,500	127,900	152,900
Travel - In State	120,400	58,000	57,800
Travel - Out of State	7,700	7,700	7,700
Other Operating Exp.	216,300	237,700	249,600
Equipment	2,200	-0-	-0-
All Other Operating Exp.	613,100	431,300	468,000
OPERATING SUBTOTAL	4,692,600	2,997,900	3,121,200
Groundwater Replenishment	-0-	500,000	-0-
TOTAL APPROPRIATIONS	4,692,600	3,497,900 ^{1/}	3,121,200 ^{2/}

Personal Services - The approved amount includes \$19,400 for the general salary adjustment effective April 1, 1993. A vacancy factor of 1.5% was applied which reduces Personal Services by \$32,700.

Employee Related Expenditures - The approved amount includes \$2,600 for the general salary adjustment effective April 1, 1993. The approved amount contains \$209,800 for medical insurance and \$10,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating - The amount approved for Travel - In State includes a \$200 reduction based on mileage estimates. For Other Operating Expenditures, the approved amount contains \$78,500 for the Tucson State Office Building, an increase of \$11,900 over the FY 1992 amount.

ADDITIONAL LEGISLATION

Statewide Water Efficient Plumbing Act - Chapter 352 (H.B. 2440) - This act establishes water-efficiency standards for water fixtures such as showerheads, faucets, and toilets. The department is given authority to enforce these standards.

Tucson Active Management Area Water Authority Revisions - Chapter 270 (S.B. 1380) - In addition to other changes, this act allows the water authority to retain Augmentation Fund monies that had been used to establish the authority. It establishes fees for groundwater storage and recovery projects.

In-Stream Storage and Recovery - Chapter 129 (H.B. 2475) - Among other changes, this act requires the Department of Water Resources to issue permits for in-stream storage and recovery projects. It establishes fees for those permits.

^{1/} The expenditure detail for FY 1992 includes a \$25,000 reduction reflecting an ex-appropriation authorized by Laws 1992, Chapter 4 (H.B. 2002), 7th Special Session.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.

**GENERAL FUND
APPROVED SALARY AND OTHER ADJUSTMENTS
FISCAL YEAR 1993**

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
GENERAL GOVERNMENT						
Administration, Department of						
Central Operations	\$34,600	\$4,300	\$38,900	\$377,400	\$19,300	\$396,700
AFIS II*	500	100	600	5,700	300	6,000
Finance	11,300	1,400	12,700	123,300	6,300	129,600
SLIAG*	1,500	200	1,700	15,600	800	16,400
GAAP*	4,200	500	4,700	46,500	2,400	48,900
Cost Recovery/Cash Management*	700	100	800	9,500	500	10,000
General Services	47,400	7,900	55,300	526,000	26,900	552,900
Total - Dept of Administration	\$100,200	\$14,500	\$114,700	\$1,104,000	\$56,500	\$1,160,500
Attorney General						
Administration	11,100	1,300	12,400	119,300	6,100	125,400
Civil	32,500	3,800	36,300	345,400	17,500	362,900
Tax Section - Property Tax Appeals*	700	100	800	8,700	400	9,100
Human Services	7,600	900	8,500	79,400	4,100	83,500
Criminal	33,600	4,200	37,800	361,600	18,500	380,100
Special & Hazardous Waste*	700	100	800	9,400	500	9,900
Total - Attorney General	\$86,200	\$10,400	\$96,600	\$923,800	\$47,100	\$970,900
Commerce, Department of	11,500	1,400	12,900	124,800	6,300	131,100
Motion Picture Office*	1,200	100	1,300	13,600	700	14,300
Total - Dept of Commerce	\$12,700	\$1,500	\$14,200	\$138,400	\$7,000	\$145,400
Courts						
Court of Appeals						
Division I	20,400	2,500	22,900	254,100	12,900	267,000
Division II	7,400	900	8,300	88,700	4,600	93,300
Commission on Judicial Conduct	500	100	600	5,200	300	5,500
Superior Court	0	0	0	245,900	11,900	257,800
Probation State Aid*	11,500	1,500	13,000	2,600	100	2,700
Probation Enhancement*	98,900	13,200	112,100	15,600	800	16,400
Adult Intensive Probation*	72,700	9,700	82,400	20,800	1,100	21,900
Juvenile Intensive Probation*	23,400	3,100	26,500	18,200	900	19,100
Juvenile Probation Services*	20,700	2,800	23,500	31,100	1,600	32,700
Community Punishment*	10,800	1,400	12,200	7,800	400	8,200
Child Support Enforcement*	500	100	600	5,200	300	5,500
Supreme Court	27,500	3,600	31,100	314,800	16,000	330,800
Law Library*	2,200	300	2,500	23,400	1,200	24,600
Foster Care Review Board	7,100	900	8,000	75,700	3,900	79,600
Total - Courts	\$303,600	\$40,100	\$343,700	\$1,109,100	\$56,000	\$1,165,100
Governor						
Office of the Governor	12,900	1,700	14,600	137,500	7,100	144,600
Project SLIM*	2,700	300	3,000	29,400	1,500	30,900
Total - Governor	\$15,600	\$2,000	\$17,600	\$166,900	\$8,600	\$175,500
Office of Affirmative Action	1,200	100	1,300	13,400	700	14,100
Office of Strategic Planning and Budgeting	5,400	600	6,000	58,200	3,000	61,200
GRRC*	300	0	300	2,000	100	2,100
Total - OSPB	\$5,700	\$600	\$6,300	\$60,200	\$3,100	\$63,300
Law Enforcement Merit System Council	300	0	300	1,800	200	2,000
Legislature						
Auditor General	36,500	4,300	40,800	378,900	19,500	398,400
House of Representatives	31,900	4,100	36,000	535,300	27,500	562,800
Joint Legislative Budget Committee	7,900	900	8,800	80,500	4,200	84,700
Legislative Council	8,500	1,000	9,500	96,300	5,000	101,300
Senate	30,700	3,900	34,600	419,100	21,600	440,700
Library, Archives & Public Records, Department of	25,900	3,200	29,100	278,700	14,400	293,100
Talking Book*	700	100	800	7,800	400	8,200
Total - Legislature	\$142,100	\$17,500	\$159,600	\$1,796,600	\$92,600	\$1,889,200
Personnel Board	700	100	800	8,000	400	8,400
Revenue, Department of						
Director's Office	2,000	200	2,200	20,800	1,000	21,800

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
Administrative Services	\$17,400	\$2,200	\$19,600	\$181,900	\$9,400	\$191,300
Property Valuation	18,800	2,500	21,300	236,200	12,100	248,300
Fiscal Services	20,100	2,500	22,600	213,900	10,900	224,800
Special Support	8,100	1,000	9,100	83,500	4,300	87,800
Tax Enforcement	139,300	17,600	156,900	1,552,200	80,100	1,632,300
Taxpayer Support	30,500	3,900	34,400	314,400	16,300	330,700
Data Management	59,100	7,200	66,300	656,400	33,700	690,100
Total - Dept of Revenue	\$295,300	\$37,100	\$332,400	\$3,259,300	\$167,800	\$3,427,100
Secretary of State	7,600	1,000	8,600	83,500	4,300	87,800
Proposition 200*	1,200	100	1,300	12,900	700	13,600
Total - Secretary of State	\$8,800	\$1,100	\$9,900	\$96,400	\$5,000	\$101,400
Tax Appeals, Board of	2,400	200	2,600	24,600	1,300	25,900
Tourism, Office of	4,200	500	4,700	49,300	2,500	51,800
Treasurer	7,200	900	8,100	85,700	4,400	90,100
TOTAL - GENERAL GOVERNMENT	\$986,200	\$126,600	\$1,112,800	\$8,837,500	\$453,200	\$9,290,700
HEALTH AND WELFARE						
AHCCCS						
Administration	114,200	14,200	128,400	1,202,100	61,800	1,263,900
Indian Advisory Council*	500	100	600	6,300	300	6,600
DES-AHCCCS	116,900	15,000	131,900	1,122,100	57,600	1,179,700
DES DDSA*	500	100	600	5,100	300	5,400
DES PASARR*	500	100	600	3,100	200	3,300
DES Program to Maximize Federal Funding*	4,000	500	4,500	36,300	1,900	38,200
DHS-AHCCCS	3,000	400	3,400	32,600	1,700	34,300
DHS PASARR*	100	0	100	2,200	100	2,300
Total - AHCCCS	\$239,700	\$30,400	\$270,100	\$2,409,800	\$123,900	\$2,533,700
Economic Security, Department of						
Administration	68,700	9,000	77,700	882,500	45,300	927,800
Medics*	2,100	300	2,400	18,600	1,000	19,600
Developmental Disabilities	120,500	18,000	138,500	1,266,400	65,000	1,331,400
Long Term Care	83,900	12,500	96,400	879,400	45,200	924,600
Family Support	188,900	24,300	213,200	1,980,800	102,100	2,082,900
Social Services	150,200	21,400	171,600	1,908,200	97,800	2,006,000
Video Taping*	700	100	800	7,800	400	8,200
LTC Ombudsman*	100	0	100	1,000	100	1,100
Child Support Enforcement	21,500	2,800	24,300	224,300	11,500	235,800
Employment and Rehabilitation Services	25,700	3,400	29,100	273,000	13,900	286,900
Navajo Employment*	2,000	300	2,300	22,500	1,200	23,700
Total - Dept of Economic Security	\$664,300	\$92,100	\$756,400	\$7,464,500	\$383,500	\$7,848,000
Environmental Quality, Department of						
Special Waste*	62,900	8,200	71,100	591,000	30,100	621,100
Aquifer Protection Permits*	3,500	500	4,000	34,600	1,800	36,400
Total - Dept of Environmental Quality	\$68,400	\$9,000	\$77,400	\$658,600	\$33,600	\$692,200
Health Services, Department of						
Office of the Director	48,800	6,600	55,400	523,500	27,100	550,600
EMS/Health Care Facilities	28,600	4,100	32,700	430,400	22,000	452,400
Disease Prevention	16,200	2,300	18,500	170,400	8,700	179,100
Health Effect-West	1,000	100	1,100	9,500	500	10,000
Chronic Disease Surveillance	1,500	200	1,700	14,500	700	15,200
Family Health	21,000	2,900	23,900	197,800	10,200	208,000
Behavioral Health	273,900	43,800	317,700	2,902,500	148,800	3,051,300
Transitional Living Unit	3,500	600	4,100	44,600	2,300	46,900
Laboratory Services	14,700	2,400	17,100	154,400	7,900	162,300
Total - Dept of Health Services	\$409,200	\$63,000	\$472,200	\$4,447,600	\$228,200	\$4,675,800
Hearing Impaired, Council for the	1,200	100	1,300	13,000	700	13,700
Indian Affairs, Commission on	1,000	100	1,100	9,100	500	9,600
Pioneer's Home	26,200	4,100	30,300	275,900	14,200	290,100
Veterans' Service Commission	5,200	700	5,900	53,300	2,700	56,000
TOTAL - HEALTH AND WELFARE	\$1,415,200	\$199,500	\$1,614,700	\$15,331,800	\$787,300	\$16,119,100
INSPECTION AND REGULATION						
Agricultural Employment Relations Board	0	0	0	9,500	500	10,000
Agriculture, Department of						

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
Director's Office	\$10,000	\$1,200	\$11,200	\$105,100	\$5,400	\$110,500
Animal Services	21,400	3,100	24,500	252,400	13,100	265,500
Plant Industries	21,800	3,000	24,800	335,800	17,400	353,200
Chemical/Environmental	2,500	300	2,800	25,200	1,300	26,500
Total - Dept of Agriculture	\$55,700	\$7,600	\$63,300	\$718,500	\$37,200	\$755,700
Banking Department	12,100	1,500	13,600	130,600	6,700	137,300
Receiverships*	1,200	100	1,300	10,100	500	10,600
Total - Banking Department	\$13,300	\$1,600	\$14,900	\$140,700	\$7,200	\$147,900
Building & Fire Safety, Department of	17,200	2,300	19,500	201,600	10,300	211,900
Contractors, Registrar of	25,000	3,200	28,200	263,300	13,600	276,900
Corporation Commission						
Administartion	7,500	1,000	8,500	91,300	4,700	96,000
Corporations	9,000	1,100	10,100	98,600	5,100	103,700
Securities	9,900	1,200	11,100	103,700	5,400	109,100
Railroad Safety	2,000	300	2,300	20,800	1,100	21,900
Total - Corporation Commission	\$28,400	\$3,600	\$32,000	\$314,400	\$16,300	\$330,700
Insurance, Department of	20,800	2,600	23,400	222,800	11,500	234,300
Liquor Licenses & Control, Department of	13,200	1,700	14,900	140,700	7,200	147,900
Mine Inspector	2,400	300	2,700	27,200	1,400	28,600
Racing, Department of						
Commercial Racing	12,100	1,600	13,700	127,800	6,600	134,400
Radiation Regulatory Agency						
Evaluation and Compliance	5,000	700	5,700	54,900	2,800	57,700
Real Estate Department	17,700	2,400	20,100	186,700	9,700	196,400
Weights and Measures, Department of	11,800	1,600	13,400	129,200	6,700	135,900
Boxing Commission	300	0	300	3,300	200	3,500
TOTAL - INSPECTION AND REGULATION	\$222,900	\$29,200	\$252,100	\$2,540,600	\$131,200	\$2,671,800
EDUCATION						
Arts, Commission on the	2,900	400	3,300	29,400	1,500	30,900
Community Colleges	2,700	300	3,000	29,000	1,500	30,500
Deaf and Blind, School for the						
Phoenix Day School	30,400	4,000	34,400	320,200	16,400	336,600
ADTEC	11,700	1,400	13,100	150,000	7,800	157,800
Tucson Campus	78,500	10,000	88,500	796,800	41,000	837,800
Total - School for the Deaf and Blind	\$120,600	\$15,400	\$136,000	** \$1,267,000	\$65,200	\$1,332,200
Education, Department of						
State Board	600	100	700	6,500	300	6,800
General Services Administration	37,300	4,900	42,200	388,000	20,000	408,000
Assistance to Schools						
Special Education Audit*	1,200	200	1,400	13,000	700	13,700
SLIAG Administration*	100	0	100	1,300	100	1,400
SLIAG Out*	100	0	100	600	0	600
Vocational Education*	6,500	900	7,400	68,800	3,500	72,300
Academic Decathlon*	300	0	300	2,600	100	2,700
Adult Education*	1,400	200	1,600	14,900	800	15,700
Teacher Evaluation*	1,200	200	1,400	13,000	700	13,700
Chemical Abuse*	1,600	200	1,800	17,100	900	18,000
Dropout Prevention*	400	100	500	3,900	200	4,100
Full-Day Kindergarten*	400	100	500	4,800	200	5,000
Gifted Support*	500	100	600	5,200	300	5,500
K-3 Support*	800	100	900	8,600	400	9,000
Preschool Pilot Program*	400	100	500	4,800	200	5,000
SLIAG Adult Education*	300	0	300	3,400	200	3,600
Vocational Education Support	2,500	300	2,800	26,000	1,300	27,300
Total - Department of Education	\$55,600	\$7,500	\$63,100	\$582,500	\$29,900	\$612,400
Historical Society, Arizona	12,000	1,500	13,500	128,500	6,600	135,100
Historical Society, Prescott	3,900	500	4,400	40,100	2,100	42,200
Universities/Board of Regents						
Board of Regents	7,000	800	7,800	72,300	3,700	76,000
ASU-Main Campus	1,172,100	153,700	1,325,800	9,955,200	573,700	10,528,900
ASU-West Campus	131,900	17,100	149,000	1,296,800	81,800	1,378,600
Northern Arizona University	484,700	65,600	550,300	5,871,900	444,800	6,316,700
University of Arizona	1,098,900	139,300	1,238,200	8,364,200	499,700	8,863,900

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
Agriculture	\$196,700	\$24,900	\$221,600	\$1,499,300	\$89,600	\$1,588,900
U of A College of Medicine	153,300	19,200	172,500	971,400	60,200	1,031,600
Total - Universities/Regents	\$3,244,600	\$420,600	\$3,665,200	\$28,031,100	\$1,753,500	\$29,784,600
TOTAL - EDUCATION	\$3,442,300	\$446,200	\$3,888,500	\$30,107,600	\$1,860,300	\$31,967,900
<u>PROTECTION AND SAFETY</u>						
Corrections, Department of						
Adult Institutions	1,218,300	211,000	1,429,300	13,040,300	672,700	13,713,000
Human Resources	127,200	19,700	146,900	1,339,100	68,000	1,407,100
Administration	47,100	6,500	53,600	500,900	25,600	526,500
Community Corrections	37,000	6,100	43,100	424,400	21,800	446,200
Total - Dept of Corrections	\$1,429,600	\$243,300	\$1,672,900	\$15,304,700	\$788,100	\$16,092,800
Emergency and Military Affairs, Department of						
Military Affairs	11,500	1,800	13,300	124,500	6,400	130,900
Emergency Services	3,700	500	4,200	39,200	2,000	41,200
Total - Dept of Emergency & Military Affairs	\$15,200	\$2,300	\$17,500	\$163,700	\$8,400	\$172,100
Pardons and Paroles, Board of	10,600	1,400	12,000	110,500	5,600	116,100
Public Safety, Department of						
Criminal Investigation Bureau	61,600	6,500	68,100	647,400	32,800	680,200
Administration Bureau	51,300	5,800	57,100	538,500	27,400	565,900
Criminal Justice Support Bureau	31,400	3,500	34,900	344,400	20,400	364,800
Telecommunications Bureau	45,400	5,400	50,800	357,900	18,600	376,500
Total - Dept of Public Safety	\$189,700	\$21,200	\$210,900	\$1,888,200	\$99,200	\$1,987,400
Youth Treatment & Rehabilitation, Department of						
Administration	17,700	2,500	20,200	285,500	14,800	300,300
Task Force	500	100	600	10,200	500	10,700
Community Care	21,900	3,500	25,400	274,600	14,000	288,600
Secure Care	104,600	17,600	122,200	1,001,100	51,200	1,052,300
Total - Dept of Youth Treatment & Rehab	\$144,700	\$23,700	\$168,400	\$1,571,400	\$80,500	\$1,651,900
TOTAL - PROTECTION AND SAFETY	\$1,789,800	\$291,900	\$2,081,700	\$19,038,500	\$981,800	\$20,020,300
<u>TRANSPORTATION</u>						
Transportation, Department of						
Public Transit Division	500	100	600	4,800	200	5,000
<u>NATURAL RESOURCES</u>						
Environment, Commission on the	700	100	800	14,600	800	15,400
Geological Survey	3,600	500	4,100	37,800	2,000	39,800
Land Department	39,500	5,000	44,500	419,200	21,600	440,800
Water Litigation*	500	100	600	3,900	200	4,100
Water Rights*	300	0	300	2,000	100	2,100
Total - Land Department	\$40,300	\$5,100	\$45,400	\$425,100	\$21,900	\$447,000
Mines and Mineral Resources, Department of	1,700	200	1,900	17,600	900	18,500
State Parks Board						
Administrative and Support Services	24,700	3,600	28,300	238,000	12,300	250,300
Arizona Conservation Corps*	1,000	100	1,100	16,200	800	17,000
Total - State Parks Board	\$25,700	\$3,700	\$29,400	\$254,200	\$13,100	\$267,300
Water Resources, Department of						
Administration	10,700	1,300	12,000	115,000	6,000	121,000
Engineering	22,600	3,000	25,600	242,800	12,500	255,300
Water Management	19,400	2,600	22,000	209,800	10,800	220,600
Total - Dept of Water Resources	\$52,700	\$6,900	\$59,600	\$567,600	\$29,300	\$596,900
TOTAL - NATURAL RESOURCES	\$124,700	\$16,500	\$141,200	\$1,316,900	\$68,000	\$1,384,900
ADJUSTMENTS - SUBTOTAL	\$7,981,600	\$1,110,000	\$9,091,600	\$77,177,700	\$4,282,000	\$81,459,700
Unallocated Salary Adjustments	8,400	0	8,400	0	0	0
Section 103 Health Insurance Adjustments	0	0	0	808,000	0	808,000
TOTAL ADJUSTMENTS	\$7,990,000	\$1,110,000	\$9,100,000	\$77,985,700	\$4,282,000	\$82,267,700

* Denotes special line item.

** Represents 2% inequity salary adjustment for FY 1993.

OTHER FUNDS
APPROVED SALARY AND OTHER ADJUSTMENTS
FISCAL YEAR 1993

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
GENERAL GOVERNMENT						
Administration, Department of						
Risk Management	\$13,700	\$1,700	\$15,400	\$150,100	\$7,700	\$157,800
Workers' Compensation	1,000	100	1,100	10,400	500	10,900
Personnel	28,800	3,600	32,400	299,600	15,200	314,800
Facilities Management	3,100	400	3,500	41,300	2,100	43,400
Total - Dept of Administration	\$46,600	\$5,800	\$52,400	\$501,400	\$25,500	\$526,900
Attorney General						
Civil						
Collection Enforcement*	2,500	300	2,800	34,200	1,700	35,900
Criminal						
Victims' Rights Implementation*	500	100	600	3,900	200	4,100
Total - Attorney General	\$3,000	\$400	\$3,400	\$38,100	\$1,900	\$40,000
Coliseum and Exposition Center	21,400	3,100	24,500	203,000	10,200	213,200
Commerce, Department of	2,900	400	3,300	32,900	1,700	34,600
Indian Economic Development*	300	0	300	2,100	100	2,200
Oil Overcharge*	500	100	600	7,000	400	7,400
Total - Dept of Commerce	\$3,700	\$500	\$4,200	\$42,000	\$2,200	\$44,200
Office of the Governor						
Project SLIM	1,500	200	1,700	14,700	800	15,500
Superior Court						
Court Appointed Special Advocate*	4,000	500	4,500	13,000	700	13,700
Lottery	32,300	4,100	36,400	340,000	17,400	357,400
Retirement System	21,500	2,700	24,200	225,800	11,700	237,500
TOTAL - GENERAL GOVERNMENT	\$134,000	\$17,300	\$151,300	\$1,378,000	\$70,400	\$1,448,400
HEALTH AND WELFARE						
Economic Security, Department of						
Public Assistance Collection Fund*	1,600	200	1,800	16,600	800	17,400
Children Protective Services Training*	1,700	200	1,900	18,100	900	19,000
Total - Dept of Economic Security	\$3,300	\$400	\$3,700	\$34,700	\$1,700	\$36,400
Environmental Quality, Department of						
Pollution Prevention*	3,700	500	4,200	40,500	2,100	42,600
Aquifer Protection Permits*	5,500	700	6,200	45,300	2,300	47,600
Air Permits Administration*	1,000	100	1,100	11,700	600	12,300
Air Quality*	700	100	800	7,900	400	8,300
Used Oil*	500	100	600	4,100	200	4,300
Total - Dept of Environmental Quality	\$11,400	\$1,500	\$12,900	\$109,500	\$5,600	\$115,100
Health Services, Department of						
EMS*	8,400	1,200	9,600	88,100	4,600	92,700
Veterans' Service Commission						
Veterans Conservatorship	3,500	500	4,000	36,400	1,900	38,300
TOTAL - HEALTH AND WELFARE	\$26,600	\$3,600	\$30,200	\$268,700	\$13,800	\$282,500
INSPECTION AND REGULATION						
Agriculture, Department of						
Animal Services						
Egg Inspections*	1,600	200	1,800	17,000	900	17,900
Aquaculture*	100	0	100	1,000	100	1,100
Plant Industries						
Standardization*	5,500	700	6,200	56,300	2,900	59,200
Chemical/Environmental	2,700	400	3,100	37,000	2,000	39,000
Agriculture Worker Safety*	2,500	300	2,800	5,600	300	5,900
Total - Dept of Agriculture	\$12,400	\$1,600	\$14,000	\$116,900	\$6,200	\$123,100
Corporation Commission						
Arts Trust Fund*	300	0	300	2,500	100	2,600
Utilities	21,000	2,700	23,700	227,000	11,700	238,700
Legal	4,100	500	4,600	42,800	2,200	45,000
Total - Corporation Commission	\$25,400	\$3,200	\$28,600	\$272,300	\$14,000	\$286,300

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
Industrial Commission						
Administration	\$10,700	\$1,300	\$12,000	\$114,500	\$5,900	\$120,400
Claims	20,700	2,600	23,300	217,100	11,200	228,300
Administrative Law Judge	13,400	1,800	15,200	144,500	7,400	151,900
Labor	3,500	500	4,000	36,000	1,900	37,900
Special Fund	3,700	500	4,200	38,800	2,000	40,800
OSHA	9,000	1,200	10,200	90,700	4,700	95,400
Legal	3,700	500	4,200	38,900	2,000	40,900
Total - Industrial Commission	\$64,700	\$8,400	\$73,100	\$680,500	\$35,100	\$715,600
Racing, Department of						
County Fair Racing	1,600	200	1,800	16,900	900	17,800
Radiation Regulatory Agency						
MRTBE	500	100	600	5,200	300	5,500
Residential Utility Consumer Office	3,000	400	3,400	31,200	1,600	32,800
Weights and Measures, Department of						
Air Quality	2,000	300	2,300	19,500	1,000	20,500
Used Oil	2,500	300	2,800	21,300	1,100	22,400
Total - Dept of Weights and Measures	\$4,500	\$600	\$5,100	\$40,800	\$2,100	\$42,900
Accountancy, Board of	2,200	300	2,500	23,400	1,200	24,600
Appraisal, Board of	1,000	100	1,100	11,600	600	12,200
Barber Examiners Board	1,000	100	1,100	7,700	400	8,100
Behavioral Health Examiners, Board of	1,000	100	1,100	11,100	600	11,700
Chiropractic Examiners Board	1,000	100	1,100	10,000	500	10,500
Cosmetology, Board of	3,900	500	4,400	40,200	2,100	42,300
Dental Examiners Board	2,200	300	2,500	23,700	1,200	24,900
Funeral Directors and Embalmers Board	700	100	800	7,800	400	8,200
State Boards Office Contribution	100	0	100	700	100	800
Total - Funeral Directors Board	\$800	\$100	\$900	\$8,500	\$500	\$9,000
Homeopathic Medical Examiners Board	100	0	100	0	0	0
State Boards Office Contribution	100	0	100	700	0	700
Total - Homeopathic Board	\$200	\$0	\$200	\$700	\$0	\$700
Medical Examiners, Board of	10,100	1,200	11,300	104,600	5,400	110,000
Naturopathic Physician Examiners Board	100	0	100	0	0	0
State Boards Office Contribution	100	0	100	700	0	700
Total - Naturopathic Board	\$200	\$0	\$200	\$700	\$0	\$700
Nursing Board	5,000	600	5,600	56,200	2,900	59,100
NARP*	400	100	500	4,000	200	4,200
Total - Nursing Board	\$5,400	\$700	\$6,100	\$60,200	\$3,100	\$63,300
Nursing Care Institution Administrators Board	200	0	200	1,800	100	1,900
State Boards Office Contribution	100	0	100	700	0	700
Total - Nursing Care Administrators Board	\$300	\$0	\$300	\$2,500	\$100	\$2,600
Occupational Therapy Examiners, Board of	300	0	300	3,300	200	3,500
Dispensing Opticians, Board of	200	0	200	2,500	100	2,600
State Boards Office Contribution	100	0	100	700	0	700
Total - Dispensing Opticians Board	\$300	\$0	\$300	\$3,200	\$100	\$3,300
Optometry, Board of	400	0	400	4,800	200	5,000
State Boards Office Contribution	100	0	100	700	0	700
Total - Optometry Board	\$500	\$0	\$500	\$5,500	\$200	\$5,700
Osteopathic Examiners Board	1,200	100	1,300	12,800	700	13,500
Pharmacy Board	2,700	300	3,000	28,300	1,500	29,800
Physical Therapy Examiners Board	300	0	300	2,800	100	2,900
State Boards Office Contribution	100	0	100	700	0	700
Total - Physical Therapy Board	\$400	\$0	\$400	\$3,500	\$100	\$3,600
Podiatry Examiners Board	300	0	300	2,600	100	2,700
State Boards Office Contribution	100	0	100	700	0	700
Total - Podiatry Board	\$400	\$0	\$400	\$3,300	\$100	\$3,400
Private Postsecondary Education, Board of	700	100	800	7,800	400	8,200
Psychologist Examiners Board	500	100	600	7,400	400	7,800
State Boards Office Contribution	100	0	100	2,200	200	2,400
Total - Psychologist Board	\$600	\$100	\$700	\$9,600	\$600	\$10,200
Respiratory Care Examiners, Board of	500	100	600	5,500	300	5,800
Structural Pest Control Commission	5,800	700	6,500	61,000	3,100	64,100
Technical Registration, Board of	3,700	500	4,200	38,400	2,000	40,400
Veterinary Medical Examining Board	700	100	800	7,300	400	7,700

	SALARY ADJUSTMENTS			INSURANCE AMOUNTS		
	Personal Services	Employee Related Expenditures	Total Change	Medical Insurance	Dental Insurance	Total Insurance
State Boards Office Contribution	\$100	\$0	\$100	\$700	\$100	\$800
Total - Veterinary Board	\$800	\$100	\$900	\$8,000	\$500	\$8,500
TOTAL - INSPECTION AND REGULATION	\$159,300	\$20,000	\$179,300	\$1,658,900	\$85,700	\$1,744,600
PROTECTION AND SAFETY						
Corrections, Department of						
Adult Institutions	95,100	16,500	111,600	998,900	51,500	1,050,400
Criminal Justice Commission	1,500	200	1,700	15,600	800	16,400
Public Safety, Department of						
Highway Patrol Bureau	176,300	18,600	194,900	1,853,000	94,900	1,947,900
Criminal Justice Support Bureau	6,900	800	7,700	54,400	3,200	57,600
Telecommunications Bureau	2,900	300	3,200	10,300	500	10,800
Flagstaff Dispatch*	6,400	800	7,200	60,000	3,100	63,100
Phoenix Dispatch*	8,600	1,000	9,600	73,700	3,800	77,500
Tucson Dispatch*	5,900	700	6,600	49,700	2,600	52,300
Total - Dept of Public Safety	\$207,000	\$22,200	\$229,200	\$2,101,100	\$108,100	\$2,209,200
Youth Treatment and Rehabilitation, Department of Education	13,700	2,100	15,800	177,000	9,100	186,100
TOTAL - PROTECTION AND SAFETY	\$317,300	\$41,000	\$358,300	\$3,292,600	\$169,500	\$3,462,100
TRANSPORTATION						
Transportation, Department of						
Director's Staff	1,500	200	1,700	16,100	800	16,900
Transportation Planning Division	24,300	3,000	27,300	251,400	13,000	264,400
Administrative Services Division	78,500	9,900	88,400	840,700	43,200	883,900
Special Support Group	20,600	2,500	23,100	217,800	11,300	229,100
Motor Vehicle Division	204,100	26,000	230,100	2,210,500	113,900	2,324,400
Medical Advisory Board*	500	100	600	7,100	400	7,500
Mandatory Insurance*	6,200	800	7,000	47,300	2,400	49,700
Highways Division	233,500	31,700	265,200	2,471,300	128,400	2,599,700
Highway Maintenance*	230,800	37,100	267,900	2,426,000	123,800	2,549,800
Aeronautics Division	8,100	1,100	9,200	83,300	4,300	87,600
Public Transit Division	300	0	300	3,800	200	4,000
TOTAL - TRANSPORTATION	\$808,400	\$112,400	\$920,800	\$8,575,300	\$441,700	\$9,017,000
NATURAL RESOURCES						
Game and Fish Department						
Administrative and Field Services	58,900	13,100	72,000	620,100	32,000	652,100
Watercraft Licensing	6,500	900	7,400	68,100	3,500	71,600
Game, Non-game, Fish, Endangered Species	1,000	100	1,100	10,100	500	10,600
Total - Game and Fish Department	\$66,400	\$14,100	\$80,500	\$698,300	\$36,000	\$734,300
State Parks Board						
Administrative and Support Services	18,100	2,600	20,700	162,500	8,400	170,900
TOTAL - NATURAL RESOURCES	\$84,500	\$16,700	\$101,200	\$860,800	\$44,400	\$905,200
ADJUSTMENTS - SUBTOTAL	\$1,530,100	\$211,000	\$1,741,100	\$16,034,300	\$825,500	\$16,859,800
Unallocated Salary Adjustments	158,900	0	158,900	0	0	0
Section 103 Health Insurance Adjustments	0	0	0	1,020,000	0	1,020,000 **
TOTAL ADJUSTMENTS	\$1,689,000	\$211,000	\$1,900,000	\$17,054,300	\$825,500	\$17,879,800

* Denotes special line item.

** Represents appropriation from the State Highway Fund.

STATE OF ARIZONA
SALARY ADJUSTMENT FOR STATE EMPLOYEES SINCE FY 1984 1/
(Shown in Nominal Dollars)

Fiscal Year	Dollars Appropriated	Effective Date	Annualized Cost	% Salary Adjustment	% Performance Adjustment
FY 1984	\$18,861,300	Jan. 1	\$37,722,600	5.00%	0.00%
FY 1985	\$29,572,300	Jan. 1	\$59,144,600	5.00%	2.50%
FY 1986	\$24,952,000	Jan. 1	\$49,904,000	4.00%	1.25%
FY 1987	\$27,000,000	Jan. 1	\$54,000,000	3.00%	3.00%
FY 1988	\$15,200,000	July 1	\$15,200,000	1.50%	0.00%
FY 1989	\$30,556,600	July 1	\$30,556,600	3.50%	0.00%
FY 1990	\$12,600,000	July 1	\$12,600,000	0.00%	1.25%
FY 1991	\$45,550,000	July 1	\$45,550,000	4.50%	0.00%
FY 1992	\$0	NA	\$0	0.00%	0.00%
FY 1993	\$9,100,000	April 1	\$36,400,000	\$1,000/FTE pos.	0.00%

1/ Represent original General Fund appropriations.

STATE OF ARIZONA
ELECTED OFFICIAL SALARIES FOR FY 1993
(Shown in Nominal Dollars)

	<u>Salary</u>
Governor	\$75,000
Secretary of State	\$54,600
Treasurer	\$54,600
Attorney General	\$76,400
Superintendent of Public Instruction	\$54,600
Corporation Commissioners	\$54,600
Mine Inspector	\$38,200
Supreme Court Chief Justice	\$93,900
Other Supreme Court Justices	\$91,700
Appellate Judges	\$89,600
Superior Court Judges (50% share)	\$43,700
Legislators	\$15,000

THE U. S. ECONOMY

FY 1992 - Recovery

The state fiscal year ending June 30, 1992 will show four quarters of positive real growth for the national economy following a disappointing FY 1991. Real, inflation adjusted, Gross Domestic Product (GDP) should be up about 0.6% during this twelve month period compared to the 0.3% decline in the prior fiscal year. Real GDP has risen every quarter since the fiscal year began last July. Annualized quarterly growth rates have been 1.8%, 1.4%, and 0.4% in the first three quarters of FY 1992. The last quarter in FY 1992 is expected to show a 2.7% growth rate, although this may be optimistic. These are not rapid growth rates compared to the typical post WWII recovery, when growth rates of 3% to 6% were the norm, but they are the best growth rates in three years. However, it appears that this recovery is sustainable and that the economy may gather momentum over the next several quarters.

In fact, the April issue of the Blue Chip Economic Indicators, which reports the predictions and a consensus view of some of the most prominent corporate economists, showed a "green banner", which indicates that this group expects continued growth in the economy at a better than 3% "clip." *This is the first time the outlook has been this positive for three years.*

The 8 recessions since WWII have lasted 11 months on average. Starting from July 1990, the time the National Bureau of Economic Analysis (NBEA) dated the beginning of the recent recession, this would have put the end of the recession about May or June of 1991. In fact, the Bureau of Economic Analysis believes that May of 1991 marked the trough of the decline, not long before FY 1992 was about to begin. However, despite four quarters of growth, the NBEA has not yet officially dated the end of the latest recession. It should be remembered that the NBEA plays a largely statistical role, an important one, by looking at historical data to determine when the economy changes direction. In the meantime, the economy was clearly mending during FY 1992.

The consumer accounts for about 68% of spending in the economy, and consumer spending has been the source of the turnaround so far. Real consumer spending rose 5% in the first quarter of 1992. This was caused in large part by lower interest rates and mortgage refinancing that put more money into people's pockets. This was the largest increase by consumers in almost four years, accounting for about three-fourths of the increase in final sales in the economy.

Disposable incomes rose at an annual 3.4% rate in the first quarter of 1992. This was the highest growth in four years. A rapid growth in spending in the next two or three quarters, however, cannot outrun the increase in disposable income. The surge in consumer spending in the first quarter caused consumer savings to decline from 5.2% in the fourth quarter of 1991 to 4.7% in the first quarter of CY 1992, the lowest rate in over two years. There may be a reduction in the rate of consumer spending in the second quarter of 1992, but incomes should start to rise again later in the summer due to improvement in the employment picture.

Consumers spent more because they were beginning to feel more confident about the economy and their future. The Index of Consumer Confidence compiled by the Conference Board, a business group, rose in April to 64.8, the highest level in seven months and the second consecutive monthly increase. Increased consumer confidence is usually one of the leading indicators of an economic recovery.

The surge in consumer spending in the first quarter of 1992 caused a very sharp decline in business inventories throughout the economy. Inventories had been declining for two years as businesses anticipated slow sales during the recession. Many businesses must now reorder goods in order to maintain the levels of stocks. As confidence picks up, inventory orders should continue to increase and create replacement demand. This will lead to increased hiring, thus improving the employment picture in many sectors of the economy. *There are signs that the level of layoffs has diminished and that employment is starting to increase.*

Overall, FY 1992 was an improvement. Inflation remained low and falling. The rate of increase in the GDP deflator and consumer price index should show small increases of 2.8% and 3.1%, respectively. *Some interest rates to decline to the lowest levels in almost 30 years.*

The Outlook for FY 1993

FY 1993 should get off to a good start. Conditions are in place for a sustained recovery. The question is how strong will it be? As mentioned above, growth has so far been moderate by comparison to other recoveries.

The pace of growth has not been satisfactory to the Federal Reserve Board, which influences the direction of short term interest rates in the economy. It lowered the federal funds rate, the interest rate on short term funds loaned between banks, from 3.5% to 3% on July 2, after news that employment was still weak. This is the lowest level in almost 30 years. As long as economic growth remains slower than desired and the outlook for inflation remains low, there could be further easing of interest rates. Interest rates have already fallen by over 6% over the past 36 months. Short term interest rates are below the rate of inflation. *These negative "real" interest rates usually lead to growth in the future.*

Table 1 shows the sectors of the economy that are expected to contribute to growth. Table 2 at the end of this section shows the percentage increases expected for FY 1992 and FY 1993, as well as historical results starting with FY 1987.

Table 1

SOURCES OF REAL GROSS DOMESTIC PRODUCT GROWTH (Billions of 1987 \$)

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Consumption - Services	\$34.4	\$36.6	\$40.4	\$54.9
- Nondurables	8.7	(5.7)	(1.3)	23.1
- Durable Goods	11.2	(24.3)	1.5	29.1
Nonresidential Fixed Investment	5.9	(11.8)	(25.0)	19.2
Residential Fixed Investment	(14.6)	(27.7)	5.2	18.7
Change in Business Inventories	(14.1)	(37.2)	19.6	10.5
Federal Government Purchases	5.0	7.0	(17.5)	(23.4)
State/Local Government Purchases	21.0	14.8	2.5	11.8
Net Exports	<u>24.9</u>	<u>32.6</u>	<u>2.2</u>	<u>(15.2)</u>
Change in GDP (1987 \$)	<u>\$82.4</u>	<u>\$(15.7)</u>	<u>\$27.6</u>	<u>\$128.7</u>

There is a strong probability of continued gains in personal income, consumption and consumer confidence (see Charts 2-4). Consumer and business balance sheets have been improving steadily. There is a pent-up demand for housing and autos. The cost of debt has declined, improving cash flow in the economy. Consumers and business have been on a "debt diet" for the past year or more to make up for past excesses and to establish a better balance between debts and income.

Inflation is expected to stay in the 3% to 4% range despite the expected increase in demand. Income gains in excess of the inflation rate will add purchasing power to the economy. A stable inflation rate will promote growth in several ways. *First*, it makes planning easier in a more predictable environment compared to the greater uncertainty about prices in times of high inflation. If inflation is rising at a rapid rate, people don't know how to allocate resources. *Second*, low expected inflation may allow real interest rates (the difference between nominal interest rates and expected inflation) to decline. This lowers the real cost of capital for all borrowers. *Third*, low inflation can often improve business cash flow and allow business to take a longer planning horizon. During periods of high inflation and higher interest rates, businesses must invest in projects which bring a fast short term return, since these returns are compared to the cost of putting the same investments into deposits.

Lower interest rates reduce cash outflow for borrowing and increase the number of ventures which appear viable.

The outlook for strong growth in real GDP in the 4% to 6% range is in doubt, though; quarterly annualized rates between 2.5% and 3% appear more likely during FY 1993. An overall growth rate of 2.6% is predicted for the year. Low interest rates provide the necessary jump start for growth, but several obstacles seem to be in the way of a boom.

Many consumers will not take on debt at the same rate they did in the past. Businesses have been paying down debt, often replacing it with equity in the current high stock market; but capital expansion in fixed investment in the U.S. is not expected to be exceptionally strong. In addition, commercial construction is expected to continue to decline because of the over expansion still left from the 1980's.

Commercial banks are still not putting on new loans. Despite the encouragement by the Federal Reserve Board, bank credit is barely growing. Banks have been taking advantage of lower interest rates to earn a large spread between the cost of their funds and loan rates. These profits help them make up for past loan mistakes and also help restore their balance sheets and ratios to conform with what regulators want today in order to make them more competitive in the future. Many banks have issued new capital, which will enable them to make more loans in the future. The much discussed "bank credit crunch" for small and medium sized businesses may soon become a topic of the past. Many are about ready to start lending again. *Although banks are looking for customers again, their credit standards will be much higher than before.*

Employment will increase because of (1) the need to restock inventory, and (2) improved confidence. Incomes will improve in the economy, but manufacturing employment, typically one of the highest paying jobs, will remain weak or even negative. Many of these jobs will continue to move to Mexico and other foreign countries. In addition, most large U.S. corporations have reduced middle management severely; and it's often difficult for these employees, now perhaps numbering in the millions, to find comparable jobs. Although incomes in the aggregate will grow, there will be more caution among these people in spending for non-essential items.

Another impediment to growth is that government fiscal policy will continue to provide no boost to the economy. In fact, Congress made the unprecedented decision to raise taxes in late 1990 during the recession. Previous recessions were characterized by a smaller federal budget deficit that allowed some fiscal easing (tax cuts or spending increases) to help economic growth. The deficit in the federal fiscal year that began in October 1991 is expected to reach to \$330 billion and increase next year to \$354 billion, at a time it would normally fall, due to increased incomes and tax receipts. In real dollar terms, it will rise from 5.7% to 5.8% of GDP from FY 1992 to FY 1993. FY 1993 will also show an increase in state and local tax rates after the record increase for net state revenues taxes in FY 1992 of \$13.8 billion.

In fact, federal discretionary spending is declining (see Table 1). Part of this is because the end of the Cold War will cause defense spending in real dollars to decline from 26% of federal spending in 1991 to 22% in FY 1992, then 19% in FY 1993 and 17.5% in FY 1994. The decline will probably continue after that. However, Congress is interested in spending the savings from the "peace dividend" rather than shrinking the national debt, now estimated at \$3.8 trillion or 67% of current dollar GDP. It is widely known that the federal deficit has risen from about 9% of federal spending in 1980 to about 23% in FY 1992. What is not as widely discussed is that because of compound interest on past debt, the addition to the national debt is now annually larger each year than the deficit itself. It is expected to increase by \$504 billion in FY 1993 compared to a \$354 billion deficit on total federal spending of \$1.5 trillion. *The deficit will continue to grow to pay for higher interest costs on the national debt and increased transfer payments for entitlement programs.*

A middle income tax cut and a surcharge for the top 1% of incomes was discussed for months recently, but the subject has quietly been shelved in recent months. However, an economic recovery is already underway, yet the expected deficit continues to grow. There is not enough time for a tax cut to take effect before the election. Financial markets in the U.S.; and around the world would also not react favorably, since the U.S. federal deficit is now over \$330 billion annually. A tax cut would bring about an even higher deficit that would automatically increase borrowing by the Treasury and possibly increase the rates of interest on longer maturity Treasury bonds and other interest rates such as mortgages and car loans. This could result in harm to housing and auto sales. *State and local governments, which must balance budgets, are generally in no position to offer any tax cuts.*

Finally, weakness in Japan and Germany is expected to reduce the rate of growth of exports, while an improving U.S. economy will increase imports. The net trade balance will be slightly worse in FY 1993 after record improvement in recent years. *The export sector is expected to cause a small drag on growth in the U.S.*

Risks to the Forecast

Positive Alternative-Stronger Growth Than Anticipated

The higher growth alternative rests on a near boom, at least by comparison to recent years, in both housing and auto sales. This is not impossible if hiring improves and confidence continues to increase. There would be a sharp reduction in unemployment as employers see that the recovery is stronger than anticipated. Fixed business investments would be higher than anticipated, and manufacturing would also rebound faster than anticipated. Growth in Europe and Japan would resume after only a short respite, boosting U.S. exports again.

Negative Alternative-New Hiring Delayed and Continued Weak Growth

The burst in consumer spending is short lived and hiring does not improve substantially. This will keep aggregate income growth low and consumption growth lower than anticipated. Inventory restocking and business fixed investment will not take off as expected because of lower sales forecasts. Europe and Japan will have mild but longer recessions than anticipated, lowering U.S. exports and increasing trade deficit.

Table 2

KEY U.S. ECONOMIC INDICATORS

	Actual FY 1987	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Forecast FY 1992	Forecast FY 1993
Real Gross Domestic Product ^{1/}	2.3%	4.1%	3.3%	1.7%	(0.3)%	0.6%	2.6%
GDP Deflator ^{1/}	2.9	3.4	4.5	4.1	4.2	2.8	3.7
Consumer Price Index ^{1/}	2.2	4.1	4.6	4.7	5.5	3.1	4.0
Industrial Production ^{1/}	2.2	6.1	4.3	1.0	(0.7)	(0.0)	2.9
Three Month T-Bill ^{2/}	5.5	6.0	7.9	7.8	6.5	4.5	5.6
Aaa Corporate Bonds ^{2/}	8.8	9.8	9.7	9.1	9.1	8.5	9.3
Wage and Salary Employment ^{1/}	2.2	3.2	3.2	2.1	0.1	(0.4)	1.4
Manufacturing Employment ^{1/}	(1.0)	1.6	1.3	(0.7)	(3.1)	(2.1)	0.7
Unemployment Rate ^{2/}	6.7	5.8	5.3	5.3	6.2	7.0	7.0

^{1/} Annual Percent Change.

^{2/} Average Rate for Year.

GROSS DOMESTIC PRODUCT 1987 DOLLARS

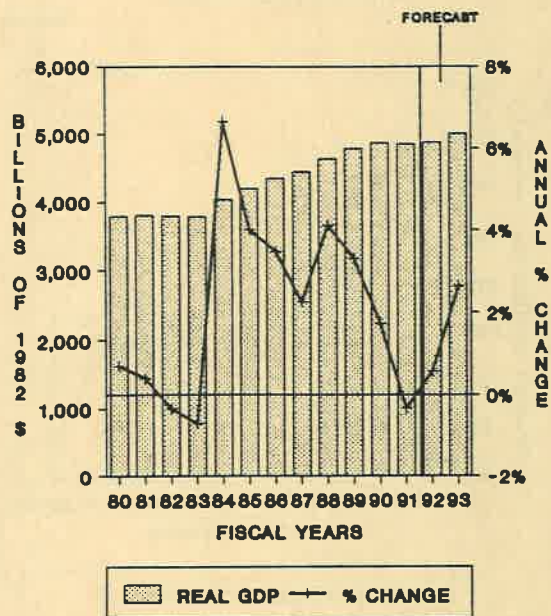


CHART 1

REAL PERSONAL INCOME 1987 DOLLARS

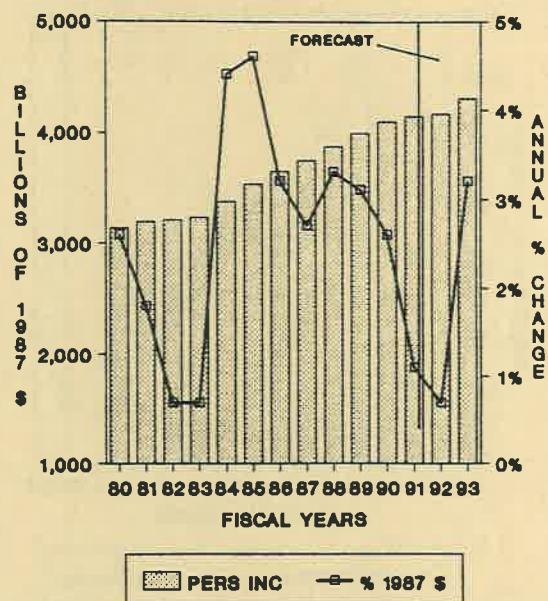


CHART 2

TOTAL CONSUMPTION 1987 DOLLARS

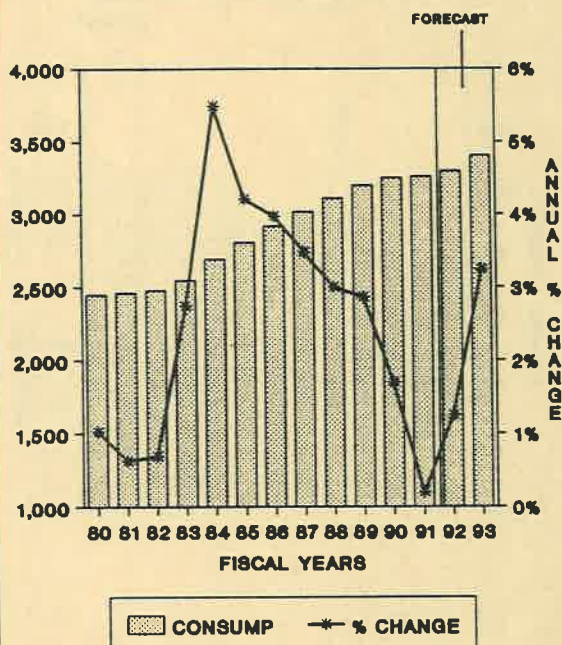


CHART 3

CONSUMER CONFIDENCE INDEX

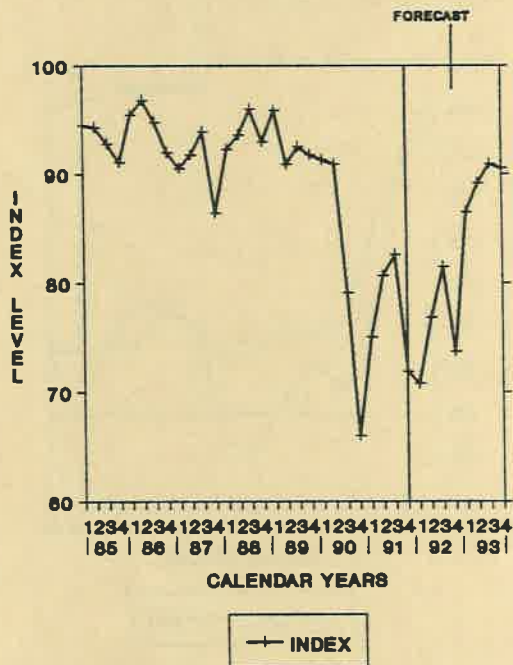


CHART 4

SOURCE: U. OF MICHIGAN

U.S. MONEY SUPPLY GROWTH

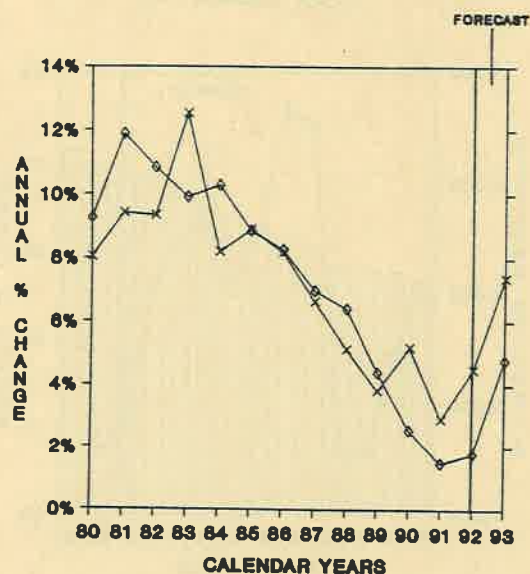


CHART 5

KEY INTEREST RATES

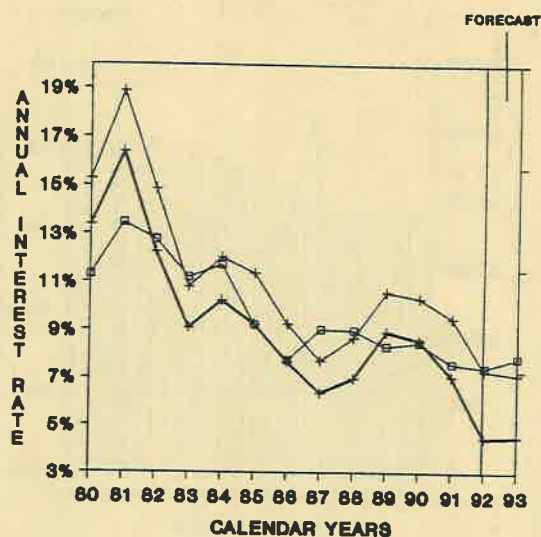


CHART 6

CONSUMER & PRODUCER PRICE INDEX CHANGES

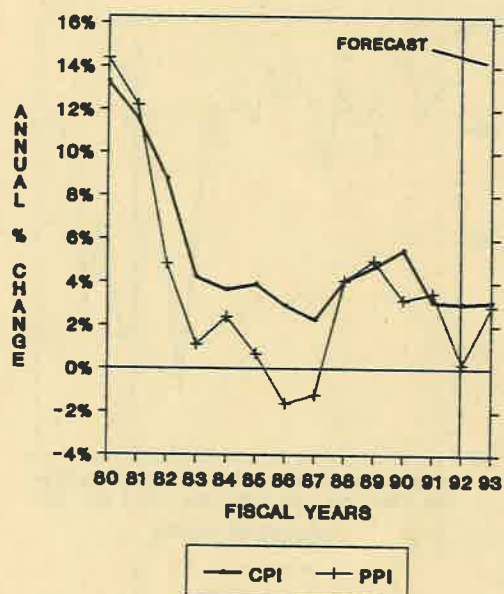


CHART 7

INDUSTRIAL PRODUCTION INDEX AND PERCENT CHANGE

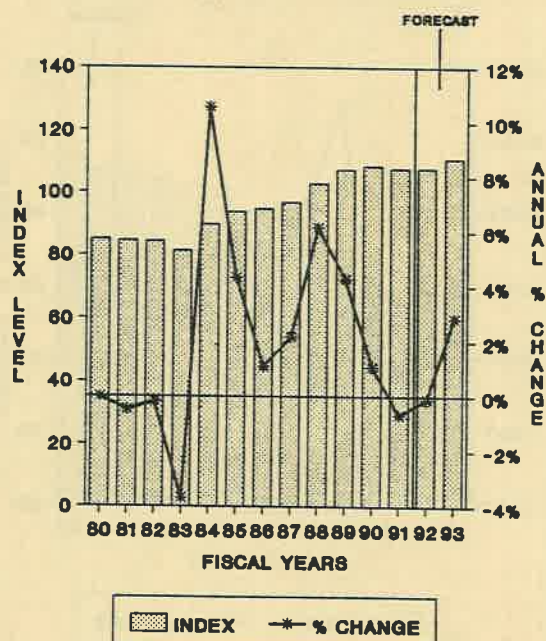
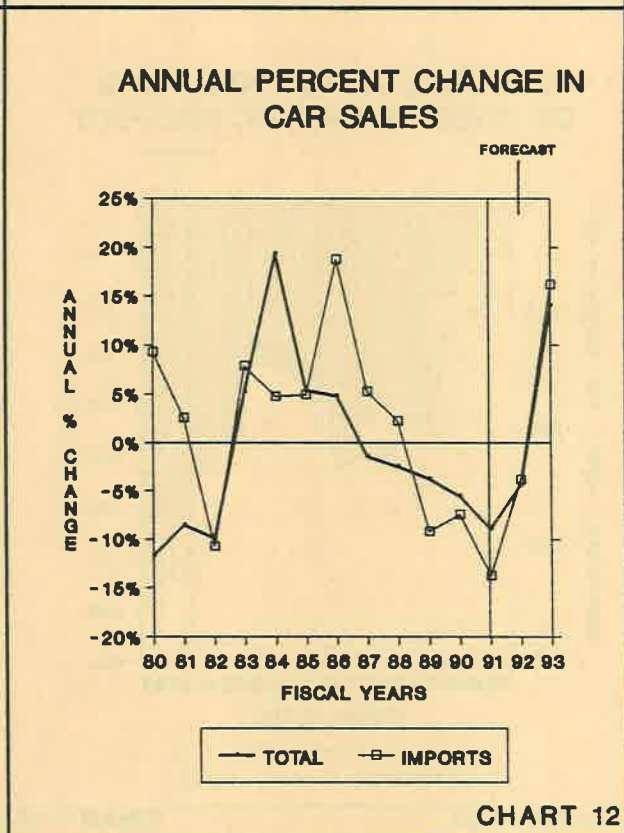
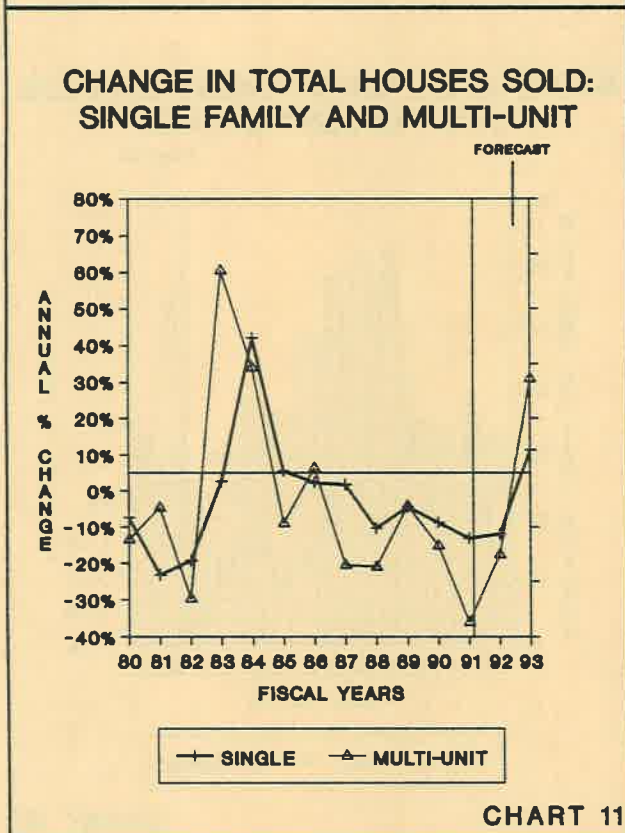
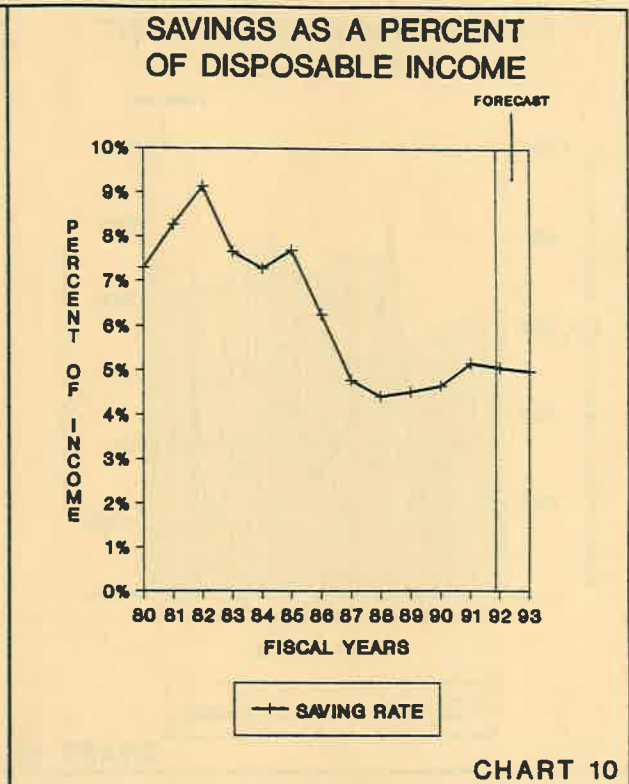
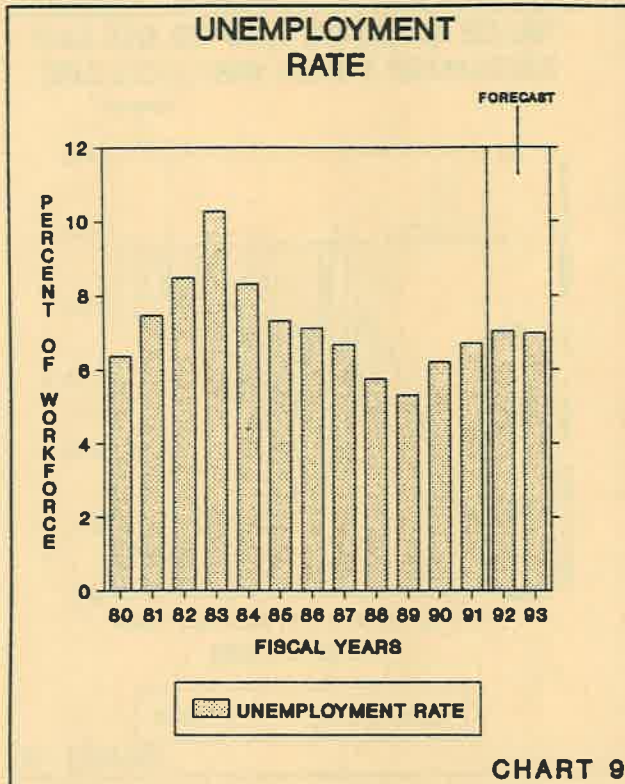


CHART 8



GROSS PRIVATE INVESTMENT 1987 DOLLARS

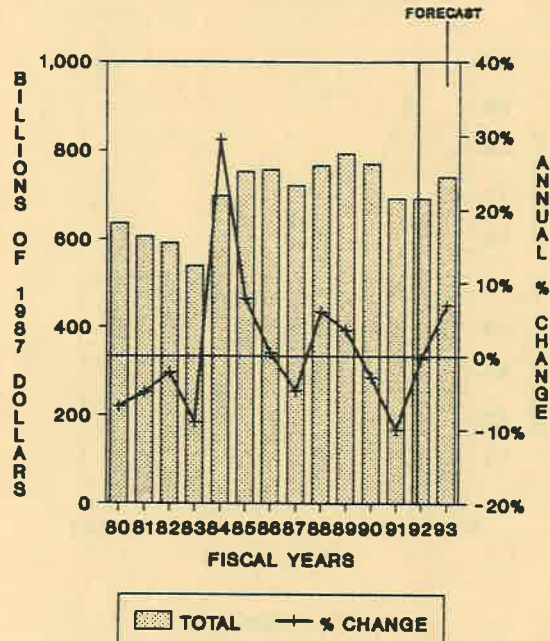


CHART 13

TRADE BALANCE AND US DOLLAR EXCHANGE INDEX-1987 DOLLARS

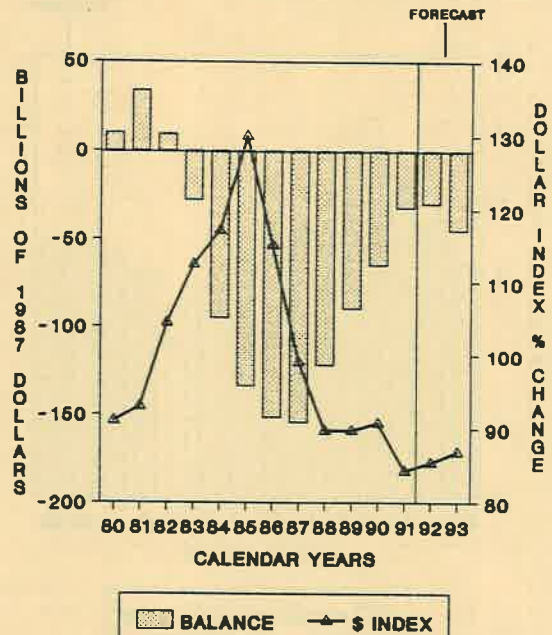
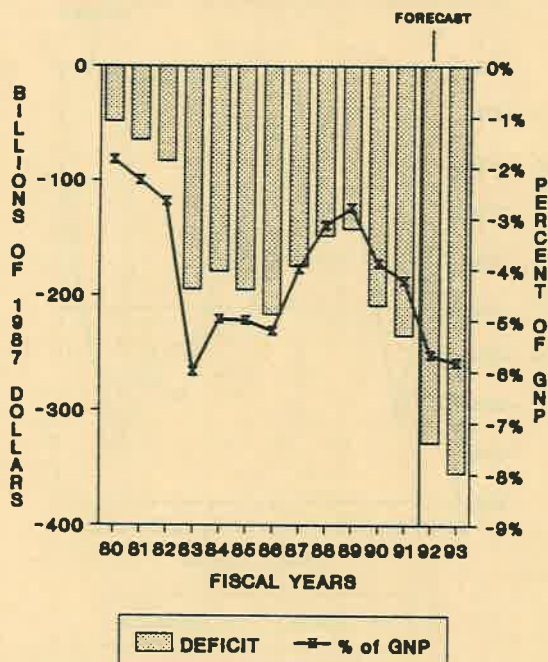


CHART 14

FEDERAL DEFICIT AND ITS % OF GROSS DOMESTIC PRODUCT



UNIFIED BUDGET BASIS

CHART 15

STATE/LOCAL GOVERNMENT SURPLUS AND PERCENT CHANGE

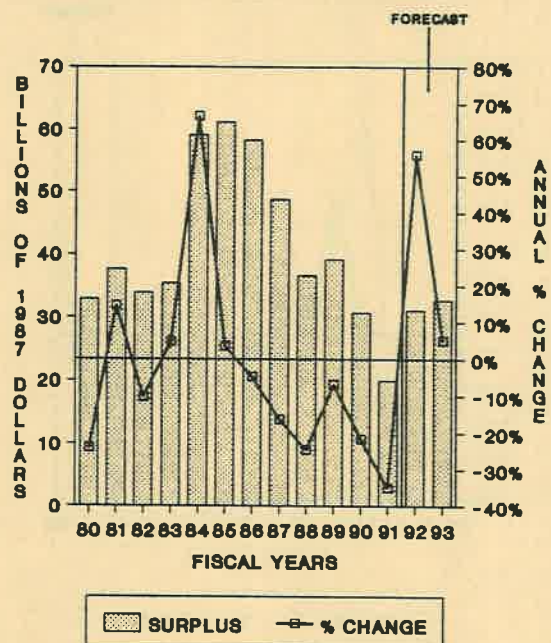


CHART 16

THE ARIZONA ECONOMY

Finance Advisory Committee

An important asset established and utilized by JLBC is the Finance Advisory Committee. This is a group of approximately twenty knowledgeable economists from government, the private sector, and the universities. The Committee meets three or four times each year, before and during the legislative session, to discuss the state of the world, national and Arizona economies, with emphasis on the Arizona revenue implications. This group has been a tremendous help, and much of the economic information provided in this report was obtained through these meetings.

FY 1992 - Recovery

The good news for FY 1992 is that we do have an economic recovery underway in Arizona, which is being led by single family home building and by consumer spending. The following quotation from the June 2, 1992 release of the Purchasing Management Associations of Arizona provides an indication:

The new year has started off on a decidedly-positive note. Growth is evident on all economic indicators, while inflation does not pose any immediate threat to a continuation of the expansion. The rate of growth is under that normally experienced in the early stages of a recovery, yet it appears to be solid and sustainable. Further moderate improvement can be expected during summer and fall.

For the period December through May, Retail Sales Tax Collections by the Department of Revenue have averaged a 6.4% increase over the same period one year earlier. This compares with an increase of 2.6% for both the first five months in FY 1992 and for the entire twelve months of FY 1991. It appears that the sales of big ticket items such as automobiles and home furnishings are an important factor in this increased growth. Obviously, Arizona consumer confidence is trending upwards.

While the upturn started too late to rescue FY 1992, it does bode well for the future. It should be noted, however, that this upturn will not provide the explosive growth of earlier upturns, which were led by manufacturing and construction. During our forecast period, the only sector of construction which will enjoy a normal recovery is single family homes. The next sector to recover will be multi-family dwellings, but this probably will not occur until FY 1994. Manufacturing is being buffeted from various sides including:

- (1) cutbacks in defense spending
- (2) the recessions in the U.S. computer and electronics industries
- (3) growing world-wide competition

Table 3, ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR, RECENT HISTORY, shows employment growth from FY 1985 through FY 1991.

Table 4, ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR, FORECAST shows our current expectations for FY 1992, as well as our forecast for FY 1993.

Table 3

ARIZONA WAGE AND SALARY EMPLOYMENT
PERCENT GROWTH OVER PRIOR YEAR
RECENT HISTORY

(Based on Average Employment)

	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>Goods Producing</u>							
Manufacturing	9.2%	2.1%	2.2%	1.0%	(0.1)%	(0.7)%	(3.1)%
Mining	(11.5)	(7.9)	(2.7)	5.9	3.1	1.5	4.6
Construction	19.0	8.9	(5.9)	(9.1)	(8.6)	(6.7)	(5.0)
Total Goods Producing	11.3	4.1	(1.0)	(2.4)	(2.7)	(2.5)	(3.3)
<u>Service Producing</u>							
Transportation/Communication and Public Utilities	4.5	4.6	7.3	6.7	2.4	6.0	2.2
Trade	9.7	6.0	4.7	3.8	3.7	2.1	0.9
Finance/Insurance/Real Estate	10.5	12.4	7.5	3.7	(2.7)	0.9	(0.1)
Services	10.2	9.8	6.1	7.3	5.9	4.8	4.1
Government	3.8	4.1	3.0	3.1	2.7	4.0	4.0
Total Services Producing	8.2	7.2	5.2	4.9	3.6	3.6	2.8
<u>Total Wage/Salary Employment</u>	<u>8.9%</u>	<u>6.4%</u>	<u>3.7%</u>	<u>3.3%</u>	<u>2.2%</u>	<u>2.3%</u>	<u>1.6%</u>

Table 4

ARIZONA WAGE AND SALARY EMPLOYMENT
PERCENT GROWTH OVER PRIOR YEAR
FORECAST

(Based on Average Employment)

	<u>FY 1991</u>	<u>Forecast</u>	
		<u>FY 1992</u>	<u>FY 1993</u>
<u>Goods Producing</u>			
Manufacturing	(3.1)%	(2.8)%	0.5%
Mining	4.6	5.4	4.0
Construction	(5.0)	(1.7)	3.5
Total Goods Producing	(3.3)	(2.1)	1.5
<u>Service Producing</u>			
Transportation, Communication and Public Utilities	2.2	0.2	2.4
Trade	0.9	1.9	3.5
Finance, Insurance, Real Estate	(0.1)	0.2	3.5
Services	4.1	4.2	5.0
Government	4.0	2.9	2.5
Total Services Producing	2.8	2.7	3.7
<u>Total Wage and Salary Employment</u>	<u>1.6%</u>	<u>1.8%</u>	<u>3.3%</u>

The Outlook for FY 1993

The outlook for FY 1993 is for a continuation and strengthening of the upturn which started in the latter part of FY 1992. Arizona's economic well-being is strongly influenced by the state of the U.S. economy. The U.S. economy has also begun an upturn which is expected to continue and strengthen during FY 1993.

FY 1993 should see the resurgence of the Goods Producing sectors. Manufacturing, a sector which should be the bedrock of a stable, growing Arizona, has been a source of weakness in recent years, with FY 1986 through FY 1988 showing very slow growth in employment and FY 1989 through FY 1991 showing declining employment. Unfortunately, FY 1992 will also show a decline in employment of 2.8%. For FY 1993, we expect slightly positive growth of 0.5% despite the fact that Arizona's defense related employment will be under siege by Washington.

The Mining sector should show a significant percentage of growth, with employment for FY 1992 up 5.4% and FY 1993 up 4.0%. However this industry will employ just 14,000 people in FY 1993, down from peak employment of over 27,000.

The Construction sector will not show a total return to health during our forecast period, but employment will bottom out in FY 1992 and show positive growth in FY 1993 of 3.5%

In FY 1985, the Service Producing sectors accounted for 75.9% of the employment in Arizona. Today, despite a generally declining growth rate, the Service Producing sectors account for over 82% of the employment in Arizona. Weakness in the Goods Producing sectors accounts for the increased share of the Service Providing sectors. Over time, the share will probably move below an 80% share, but not during our forecast period.

Our forecast is for the Service Providing sector to account for over 82% of Arizona employment in FY 1993. The relative weakness in the Goods Producing sector may be partially to blame for our poor revenue picture in recent years. On average, the Service sector pays lower wages than the Goods Producing sector and generates more jobs (i.e., is more labor intensive).

Table 4, ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR, shows anticipated employment growth for the forecast years of FY 1992 and FY 1993, together with actual growth in FY 1991.

Table 5, KEY ARIZONA ECONOMIC INDICATORS, shows the JLBC Staff forecast for nine Arizona variables. We expect growth in Arizona Personal Income to be at 5.0% for FY 1992 and 7.2% for FY 1993 in current dollar terms, with growth in constant dollar terms at 2.1% in FY 1992 and 4.4% in FY 1993. Per Capital Arizona Personal Income in current dollar terms is expected to be (0.2)% in FY 1992 and 2.0% in FY 1993.

Chart 17 is a bar chart which compares growth rates for Current and Constant Dollar Arizona Personal Income for FY 1980 through FY 1993.

Chart 18 is a bar chart which compares growth rates for U.S. and Arizona Current Dollar Personal Income for FY 1980 through FY 1993.

Chart 19 is a bar chart which compares U.S. and Arizona growth rates for Constant Dollar (inflation-adjusted) Per Capita Personal Income. In recent years, Arizona growth has shown a substantial slowing relative to the U.S. and our forecast indicates that this will continue. In general, this chart shows that the Arizona economy is dependent upon population growth. Actually, much of Arizona's publicized strong growth is illusory, in that it reflects our strong population growth. The three calendar years ending with 1991, however, have dropped to an average of 14% below the U.S. Historically, per capita income in Arizona has been some 10% below the U.S. average. The three calendar years ending with 1991, however, have dropped to an average of 14% below the U.S.

Chart 20 is a line chart showing employment for FY 1980 through FY 1993 for the Service Providing and Goods Producing sectors together with Total Wage and Salary Employment. Of particular note is the declining number of jobs in the Goods Producing sector since FY 1986.

Chart 21 is a line chart showing, for the period FY 1986 through FY 1993, the percent change each year over the preceding year for:

Arizona Personal Income - Current Dollars

Arizona Personal Income - Constant Dollars (Inflation Adjusted)

Per Capita Arizona Personal Income - Constant Dollars

Table 5

KEY ARIZONA ECONOMIC INDICATORS

	Actual FY 1987	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Forecast FY 1992	Forecast FY 1993
Personal Income - Current Dollars ^{1/}	8.9%	8.1%	7.3%	5.5%	5.9%	5.0%	7.2%
- Constant Dollars ^{1/}	5.9	4.6	2.7	1.3	1.6	2.1	4.4
- Per Capita Constant Dollars ^{1/}	1.2	0.9	0.5	(0.7)	(0.4)	(0.2)	2.0
Retail Sales ^{1/2/}	3.9	4.8	5.7	4.2	2.6	5.1	6.4
Population ^{1/}	4.6	3.7	2.2	2.0	2.1	2.3	2.4
Wage and Salary Employment ^{1/}	3.7	3.3	2.2	2.3	1.6	1.8	3.3
Manufacturing Employment ^{1/}	2.2	1.0	(0.1)	(0.7)	(3.1)	(2.8)	(0.5)
Construction Employment ^{1/}	(5.9)	(9.1)	(8.6)	(6.7)	(5.0)	(1.7)	3.5
Unemployment Rate ^{3/}	6.9	5.9	5.9	5.2	5.1	7.0	6.7

^{1/} Annual Percent Change.

^{2/} Based on DOR definition of Retail Sales.

^{3/} Average Rate for Year.

ARIZONA PERSONAL INCOME CURRENT AND CONSTANT DOLLARS

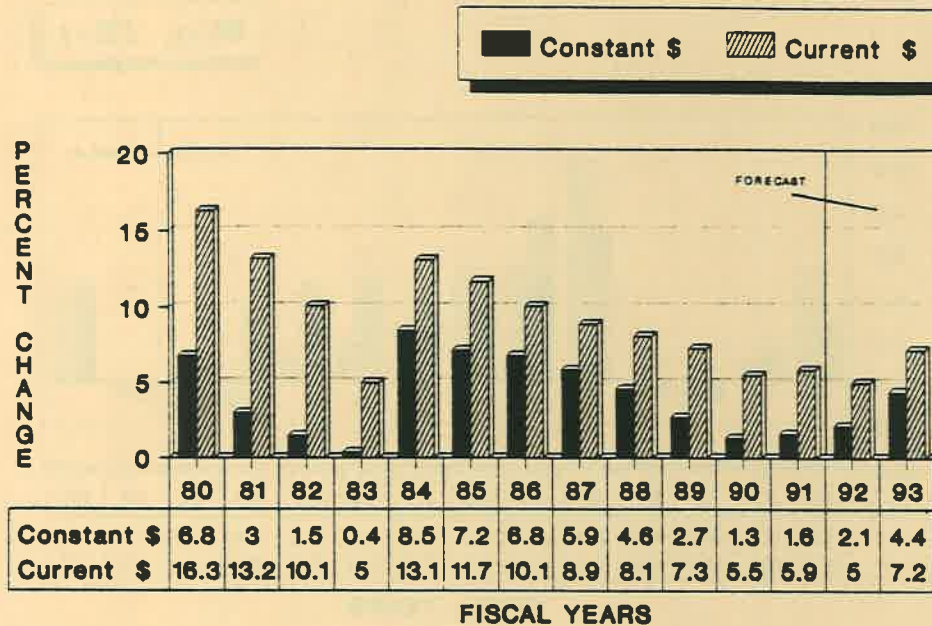


CHART 17

U.S. and ARIZONA CURRENT DOLLAR PERSONAL INCOME

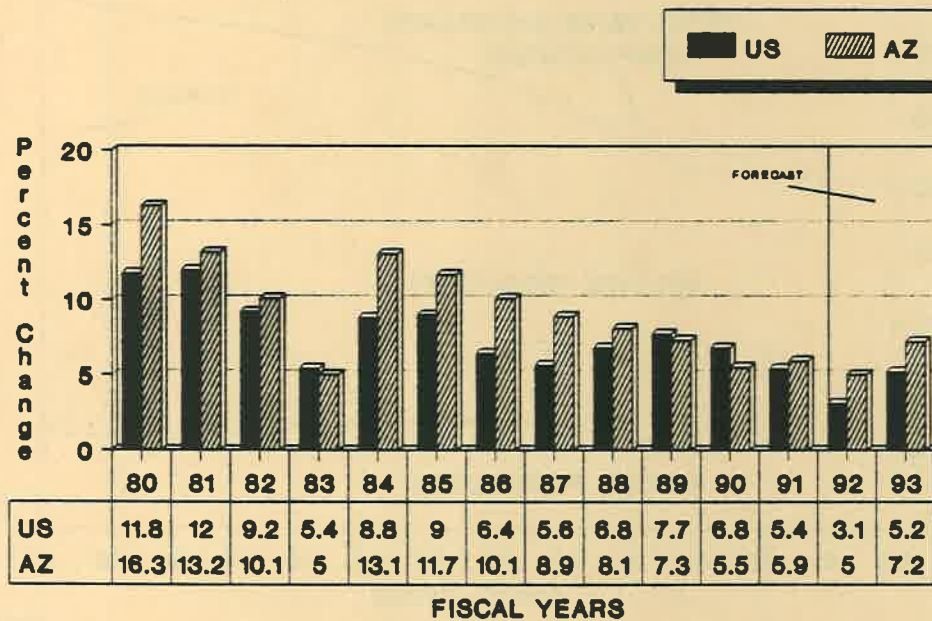


CHART 18

U.S. and ARIZONA REAL PER CAPITA INCOME

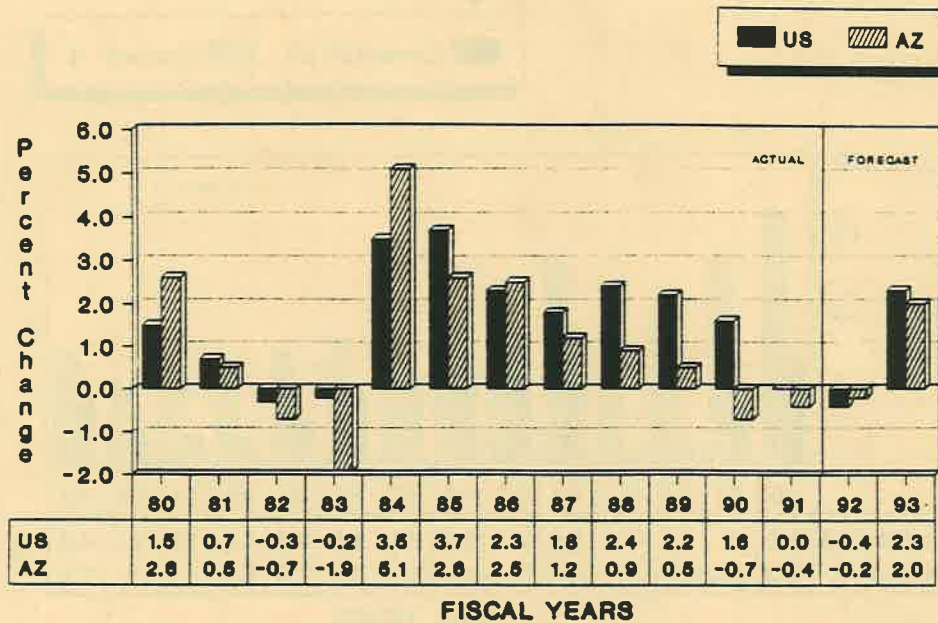


CHART 19

MAJOR SECTORS OF ARIZONA EMPLOYMENT

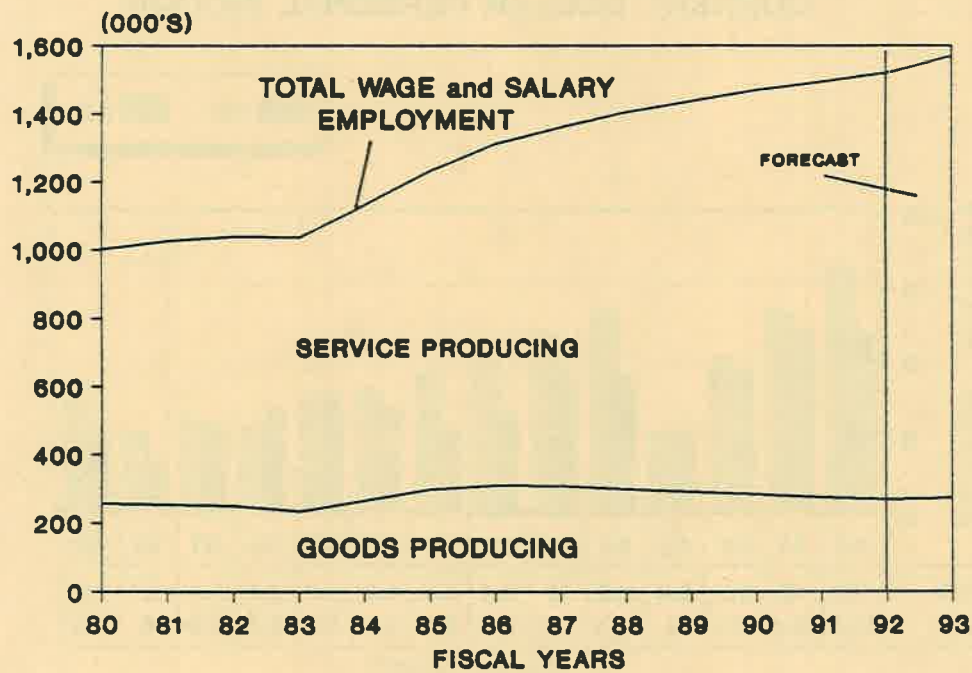


CHART 20

ARIZONA PERSONAL INCOME FY 1986 TO FY 1993

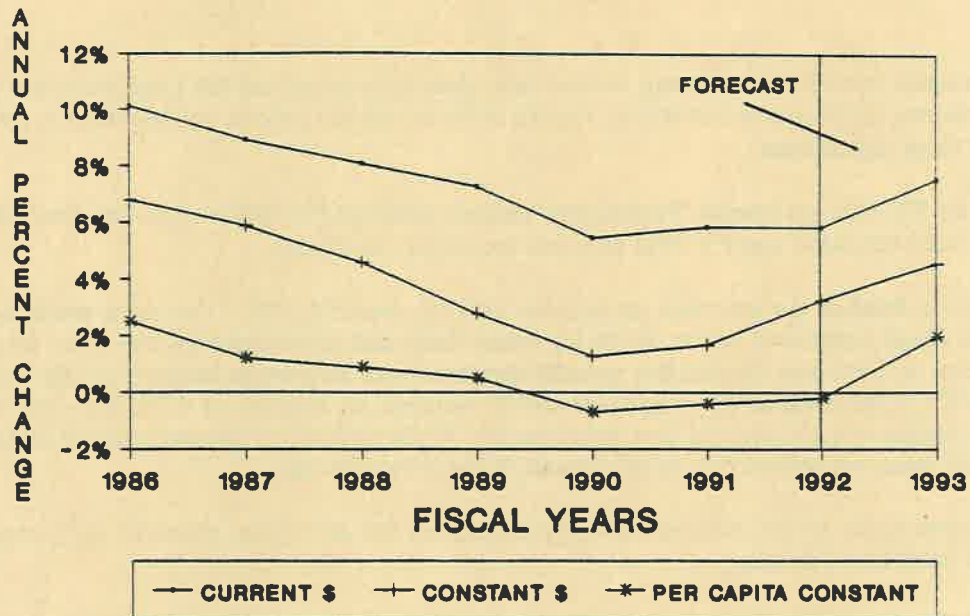


CHART 21

GENERAL FUND REVENUE

The current JLBC forecast is shown on Table 6 and is followed by Tables 7 and 8 which detail the revenue impact of legislation passed during the recent session.

FY 1992

Although an economic recovery is underway, it came later than anticipated and the Legislature was again faced with the necessity of making a mid-course correction. Details of the correction process are described in the section entitled *FY 1992 General Fund Adjustments*.

Revenue results for FY 1992 are labeled "Preliminary" because although FY 1992 is now behind us time-wise, the final results have not been tabulated and FY 1992 amounts are subject to change.

Sales Tax collections finished the year with an increase of 4.0% over FY 1991. Two areas which bode well for the future are (1) the *Retail* component which, led by big ticket items such as automobiles and home furnishings, showed an average increase of 7.6% over the last five months compared with an average increase of only 3.2% over the first seven months and (2) the *Contracting* component which averaged an increase of 6.7% over the last four months compared with a decline of 6.6% over the first eight months. While all facets of the construction industry will not turn around for several years, we believe that in the overall, it has bottomed out.

The following charts relate to the Arizona economy in general, but are shown primarily to illustrate activity (and problems) in the Sales/Use Tax area.

Chart 22 relates the changes in Consumer Confidence and Arizona Retail Sales and shows an apparently strong correlation between the two.

Chart 23 shows the improvement in Retail Sales (as defined by the Department of Revenue) in the last two quarters. For FY 1992, Retail Sales were only 5% ahead of the same period last year.

Chart 24 shows Restaurants and Bars Sales growth (as defined collected by the Department of Revenue). Relative to Retail, Restaurants and Bars Sales have done better with a 6.5% increase for FY 1992.

Chart 25 shows Hotel/Motel Sales based on collections by the Department of Revenue. For FY 1991, Hotel/Motel Sales were up only 0.8%. For FY 1992, we are up 4.5%, still not a real barn-burner.

Chart 26 shows the depressed level of Contracting Sales based on collections by the Department of Revenue in recent years. For FY 1992, Contracting is below the same period last year by 2.5%.

Chart 27 shows employment growth for Total Wage and Salary, Contracting, and Manufacturing. The flat but slightly positive growth for total Wage and Salary and the declines in Manufacturing and Construction are evidence that our improved economy is not yet being reflected in increased employment.

The *Individual Income Tax* declined by 0.5% in FY 1992 primarily due to (1) a weaker than expected economy in CY 1991 and (2) an extraordinarily high level of refunds. For FY 1992, refunds aggregated \$241.0 million, up 47.0% over FY 1991. Because our withholding tax is tied to federal withholding, reduced federal and increased state withholding rates confused the collections picture.

The *Corporation Income Tax* performed somewhat better than expected, with an increase of 10.3%.

We raised concerns about certain problems with the *Arizona Lottery* and lottery revenues nearly two years ago. Subsequently, we expressed doubt when the administration proposed a new weekly game last spring and estimated that

(Continued)

the new game would generate \$7.5 million in additional revenue. While we stated that the "Fantasy 5" game would be hugely successful in terms of ticket sales, we estimated that it would be at the expense of existing "pick" and "instant" game sales. This has been the case since the new game started.

The JLBC also warned that player interest in the lottery had been waning for nearly two years, if underlying trends were properly examined and identified. Our pessimism was reported to the legislature in September, 1991, and our forecast was reduced. As it turned out, collections to the General Fund for FY 1992 were approximately \$35.0 million, down 18.2% from FY 1991.

FY 1993

We expect FY 1993 to be year in which the *economic upturn*, which began in FY 1992, is continued and strengthened. The *economic growth is expected to be modest by historic standards*, and our forecast reflects this. Adjusted Total Base Revenue is expected to increase by 4.7%, up from the 4.3% increase in FY 1992. Total General Fund Revenue (Total Adjusted Base Revenue plus Beginning Balance) is expected to increase by only \$130.1 million. One significant difference, apart from the improvement in the U.S. and Arizona economies, is the beginning balance of \$45 million for FY 1992 versus our \$9.7 million beginning balance for FY 1993, a difference of \$35.3 million. Details of the current JLBC revenue forecast are shown in Tables 6 and 7.

The *Sales and Use Tax* category (after net negative enhancements) has been forecast to *increase by 6.9%* in FY 1993 and, in general, is the result of improved economic conditions. Another factor is the return to positive growth of tax collections in the Contracting category. While Contracting will not return to normalcy in our forecast period, we will be moving in a positive direction.

Individual Income Tax collections, too, are influenced by improved economic conditions, as well as the interaction of reduced federal and increased state withholding. After net negative enhancements, we expect an *increase of 7.5%*.

For the *Property Tax*, we are forecasting an *increase of 6.9%*. This increase is primarily due to a rate increase for certain school districts from 75% to 85% of the Qualifying Tax Rate. We are forecasting 1.0% growth in assessed valuation.

During the special session, which dealt with the *insurance premium tax* problem, it was believed that the problem was only in the Life and Health Insurance side. It was later discovered that problems also existed in the Property and Casualty Insurance side. Some corrective action was taken by the legislature and with this enhancement, we are showing a *decrease of 10.7%*.

Chart 28 shows, for the 15 years, dollars of General Fund revenue as a bar chart and percent change as a line graph. In terms of percent change, Arizona has had very strong years and also some years which exhibited much lower growth. It should be noted that FY 1979 through FY 1982 were years when the Consumer Price Index was near or at double digit inflation. Also shown are "underlying growth rates" (after elimination of enhancements) for FY 1989 through FY 1993.

Chart 29 shows as a line chart, General Fund Base Revenue collections for major tax sources for period FY 1971 through FY 1993.

Chart 30 shows, for FY 1993, major categories of General Fund revenue as a percent of total General Fund revenue.

Chart 31 shows, in graphic form, the percent and dollar growth in FY 1993 over FY 1992 for significant categories of General Fund revenue based on JLBC Staff estimates.

Chart 32 shows major General Fund tax sources as a percent of total General Fund base revenue.

Table 6

**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED TOTAL REVENUE
FORECAST
(Thousands)**

	Actual FY 1991		Preliminary FY 1992		Forecast FY 1993	
	Amount	%Change	Amount	%Change	Amount	%Change
Beginning Balance	\$ 34,396.8	--	\$ 45,009.0	30.9%	\$ 9,703.7	(78.4)%
Taxes						
Sales and Use	1,445,914.9	0.4%	1,503,124.5	4.0	1,607,800.0	7.0
Income - Individual	1,243,227.4	24.8	1,237,047.5	(0.5)	1,335,000.0	7.9
- Corporation	191,672.3	7.6	211,445.5	10.3	205,000.0	(3.0)
- Urban Revenue Sharing	(166,863.3)	10.8	(176,087.1)	5.5	(183,700.0)	4.3
Property	169,251.6	30.0	179,858.2	6.3	192,250.0	6.9
Luxury	70,403.5	7.2	72,258.5	2.6	69,950.0	(3.2)
Insurance Premium	92,533.4	(20.7)	100,543.6	8.7	85,800.0	(14.7)
Motor Vehicle License - Regular	105,199.9	2.4	99,836.4	(5.1)	106,300.0	6.5
- HURF Transfer	(16,631.4)	9.4	0.0	--	0.0	--
Pari-Mutuel	4,844.0	(14.2)	4,932.0	1.8	5,200.0	5.4
Estate	29,001.2	21.3	25,652.6	(11.5)	27,000.0	5.3
Other Taxes	1,676.2	11.7	1,786.2	6.6	1,800.0	0.8
Subtotal - Taxes	3,170,229.7	9.5	3,260,397.9	2.8	3,452,400.0	5.9
Other Non-Tax Revenues						
Lottery	42,784.0	(45.9)	35,000.0	(18.2)	37,110.0	6.0
License, Fees and Permits	34,922.4	6.8	36,359.1	4.1	37,950.0	4.4
Interest	23,830.8	8.4	15,447.8	(35.2)	16,350.0	5.8
Sales and Services	4,263.1	4.4	3,940.5	(7.6)	5,600.0	42.1
Other Miscellaneous	44,999.3	112.1	41,849.3	(7.0)	32,400.0	(22.6)
Transfers and Reimbursement	25,103.4	(33.8)	45,227.0	80.2	18,750.0	(58.5)
Disproportionate Share Revenue	--		41,129.1	--	--	
Health Insurance Trust Fund	--		10,000.0	--	--	
Subtotal - Other Non-Tax Revenues	175,903.0	(10.7)	228,952.8	30.2	148,160.0	35.3
TOTAL BASE REVENUE	3,346,132.7	8.2	3,489,350.7	4.3	3,600,560.0	3.2
Enhancements - FY 1993	--	--	--	--	54,237.0	--
ADJUSTED TOTAL BASE REVENUE	3,346,132.7	8.2	3,489,350.7	4.3	3,654,797.0	4.7
TOTAL GENERAL FUND REVENUE	\$3,380,529.5	9.3%	\$3,534,359.7	4.6%	\$3,664,500.7	3.7%

Table 7

**FORTIETH LEGISLATURE
SECOND REGULAR SESSION
BILLS HAVING A SIGNIFICANT FY 1993 GENERAL FUND REVENUE IMPACT**
(Amounts in Thousands)
[Effective Dates]

	<u>Property</u>	<u>Sales & Use</u>	<u>Individual Income</u>	<u>Corporate Income</u>	<u>Vehicle License</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>
<u>OMNIBUS RECONCILIATION BILLS</u>								
Ch. 290 (S.B. 1364) Taxation [9/30/92]								
A. Individual Income Tax; Increased Personal Exemption			(10,100.0)					(10,100.0)
B. Individual Income Tax; Increased Elderly Exemption			(1,900.0)					(1,900.0)
C. Individual Income Tax; Lower Estimated Payment Threshold			7,800.0					7,800.0
D. Premium Tax Offset; Property & Casualty Insurers						4,000.0		4,000.0
Ch. 291 (S.B. 1366) Aquifer Permit Fees into WQARF [9/30/92]							(83.0)	(83.0)
Ch. 292 (S.B. 1122) Disproportionate Share [6/30/92] ^{1/}								
A. Sales Tax Distribution Withheld							51,594.6	51,594.6
B. FY 92 Holding Fund							10,465.5	10,465.5
C. Property Tax Relief; See Ch. 6 (S.B. 1006), 4th Special Session							(10,000.0)	(10,000.0)
Ch. 312 (S.B. 1365) Public Finance [7/1/92]								
A. Treasurer's Management Fee							2,800.0	2,800.0
B. Lottery; CAF Distribution Reduction							182.0	182.0
SUBTOTAL -- ORBS	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$4,200.0)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$4,000.0</u>	<u>\$54,959.1</u>	<u>\$54,759.1</u>

(Continued)

^{1/} The FY 93 Disproportionate Share state appropriation is \$25,700,700, so that the net gain to General Fund is \$26.4 million.

BILLS HAVING A SIGNIFICANT FY 1993 GENERAL FUND REVENUE IMPACT (cont.)

(Amounts in Thousands)
[Effective Dates]

	<u>Property</u>	<u>Sales & Use</u>	<u>Individual Income</u>	<u>Corporate Income</u>	<u>Vehicle License</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>
OTHER BILLS								
Ch. 5 (S.B. 1001) Widow/Widower Tax Exemption [9/30/92]	(50.0)							(50.0)
Ch. 16 (S.B. 1156) Electronic Tax Payments [1/1/93]		3,000.0						3,000.0
Ch. 29 (H.B. 2197) Church Leases; Sales Tax Exemption [7/1/92]		(50.0)						(50.0)
Ch. 32 (H.B. 2558) Restaurant Food; Use Tax Exemption [9/30/92]		(100.0)						(100.0)
Ch. 41 (S.B. 1204) Local Telecommunication Property [4/22/92]	(70.0)							(70.0)
Ch. 51 (S.B. 1133) Pipeline Property Valuation [1/1/92]	(50.0)							(50.0)
Ch. 55 (S.B. 1405) Cigarette Luxury Stamps [9/30/92]							(100.0)	(100.0)
Ch. 96 (H.B. 2258) Motion Picture; Sales Tax Refund [7/1/92]		(67.1)						(67.1)
Ch. 135 (S.B. 1442) Semi-trailers; Bowl Games; Sales Tax Exemption [6/2/92]		(600.0)						(600.0)
Ch. 162 (H.B. 2180) Feed & Seed; Sales Tax Exemption [9/30/92]		(1,600.0)						(1,600.0)
Ch. 215 (S.B. 1168) Lessor Utility; Sales Tax [9/30/92]		(1,921.0)						(1,921.0)
Ch. 217 (S.B. 1428) Manufactured Bldg. Dealers [9/30/92]		(100.0)						(100.0)
Ch. 219 (H.B. 2052) Vehicle License; Rental Car Surcharge [9/30/92]					600.0			600.0
Ch. 220 (H.B. 2208) Withholding Penalties Forgiveness [9/30/92]			(1,500.0)					(1,500.0)
Ch. 221 (H.B. 2211) Jet Fuel Tax Reduction [7/1/92]							(1,028.0)	(1,028.0)
Ch. 222 (H.B. 2297) Aircraft; Sales Tax Exemption [9/30/92]		(300.0)						(300.0)
Ch. 237 (H.B. 2559) Microwave Systems; Sales Tax Exclusion [9/30/92]		(84.0)						(84.0)
Ch. 238 (H.B. 2560) R&D Equipment; Sales Tax Exemption [1/1/92]		(250.0)						(250.0)
Ch. 309 (S.B. 1260) 5% Retirement COLA Increase [11/1/92]		1,500.0	1,000.0					2,500.0
Ch. 337 (H.B. 2218) Boxing Fund [9/30/92]							21.0	21.0
Ch. 339 (H.B. 2242) Retirement Benefits; Impact Included in Ch. 309 [9/30/92]		Sec Ch. 309	Sec Ch. 309					0.0
Ch. 347 (H.B. 2367) Sewer & Wastewater Property; Centrally Valued [7/13/92]	27.0							27.0
Attorney General Petroleum Price Fixing Settlement							1,200.0	1,200.0
SUBTOTAL -- OTHER BILLS	<u>(\$143.0)</u>	<u>(\$572.1)</u>	<u>(\$500.0)</u>	<u>\$ -0-</u>	<u>\$600.0</u>	<u>\$ -0-</u>	<u>\$ 93.0</u>	<u>(\$522.1)</u>
SUMMARY -- FY 1993 IMPACTS								
Omnibus Reconciliation Bills	\$ -0-	\$ -0-	(\$4,200.0)	\$ -0-	\$ -0-	\$4,000.0	\$54,959.1	\$54,759.1
Other Bills	<u>(\$143.0)</u>	<u>(\$572.1)</u>	<u>(\$500.0)</u>	<u>\$ -0-</u>	<u>\$600.0</u>	<u>\$ -0-</u>	<u>\$ 93.0</u>	<u>(\$522.1)</u>
TOTAL	<u>(\$143.0)</u>	<u>(\$572.1)</u>	<u>(\$4,700.0)</u>	<u>\$ -0-</u>	<u>\$600.0</u>	<u>\$4,000.0</u>	<u>\$55,052.1</u>	<u>\$54,237.0</u>

Table 8

FORTIETH LEGISLATURE
SECOND REGULAR AND FOURTH SPECIAL SESSIONS
BILLS WITH AN ORIGINAL FY 1994 GENERAL FUND REVENUE IMPACT

(Amounts in Thousands)
[Effective Dates]

	<u>Property</u>	<u>Sales & Use</u>	<u>Individual Income</u>	<u>Corporate Income</u>	<u>Vehicle License</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>
Ch. 7 (S.B. 1007) 4th Sp. Session; Lower Income Tax Medical Deduction Floor from 6% to 5% [1/1/93] ^{1/}			(2,400.0)					(2,400.0)
Ch. 221 (H.B. 2211) Jet Fuel Tax; Rate Decreases 1 Cent Per Gallon in FY 94 [7/1/93] ^{2/}							(100.0)	(100.0)
Ch. 232 (H.B. 2490) Enterprise Zone Income Tax Credit; Dislocated Worker [9/30/92] ^{3/}				See footnote				0.0
Ch. 290 (S.B. 1364) Property & Casualty Insurance; Premium Tax Offset from 13% to 11% [1/1/93] ^{4/}						730.0		730.0
Ch. 295 (H.B. 2201) Defense Restructuring [7/1/93] ^{5/}	(470.0)	(1,000.0)		(6,244.8)				(7,714.8)
Ch. 296 (H.B. 2437) R&D Tax Credit [1/1/94] ^{6/}				(340.0)				(340.0)
Ch. 300 (H.B. 2060) Shift Interest Earnings to WQARF [7/2/93]							(125.0)	(125.0)
Ch. 311 (S.B. 1340) Adoption Expenses; Income Tax Subtraction [1/1/93]			(255.0)					(255.0)
Ch. 333 (H.B. 2174) Annual Estimated Sales Tax Payments [7/1/93]		(2,700.0)						(2,700.0)
Ch. 350 (H.B. 2402) Historic Property Classification [9/30/92]	(20.0)							(20.0)
TOTAL - FY 1994 IMPACTS	<u>(\$490.0)</u>	<u>(\$3,700.0)</u>	<u>(\$2,655.0)</u>	<u>(\$6,584.8)</u>	<u>\$ -0-</u>	<u>\$730.0</u>	<u>(\$255.0)</u>	<u>\$(12,924.8)</u>

1/ For 1994, medical expenses exceeding 4% of Federal Adjusted Gross Income can be deducted. The floor drops to 3% for 1995 and to zero for 1996 and thereafter.

2/ The rate reduction applies to jet fuel over 10 million gallons. Beginning in 7/1/94, there will be no tax on jet fuel over 10 million gallons.

3/ There will be a significant negative impact but no estimate was available.

4/ For 1994, the offset is 13% but reverts to 20% in 1995 and thereafter.

5/ The first full year impact is in FY 1995 at a loss of \$19.7 million in property, sales, and income taxes.

6/ For each year in which the taxpayer claims the credit, the maximum credit amount increases as follows: 1st year - \$25,000, 2nd year - \$50,000, 3rd year - \$75,000, 4th year - \$150,000, 5th year and thereafter - \$250,000. The FY 1994 and FY 1996 General Fund loss is estimated at \$2 million and \$3.75 million, respectively.

QUARTERLY CHANGE IN RETAIL SALES AND CONSUMER CONFIDENCE 1983-Q1 TO 1992-Q2

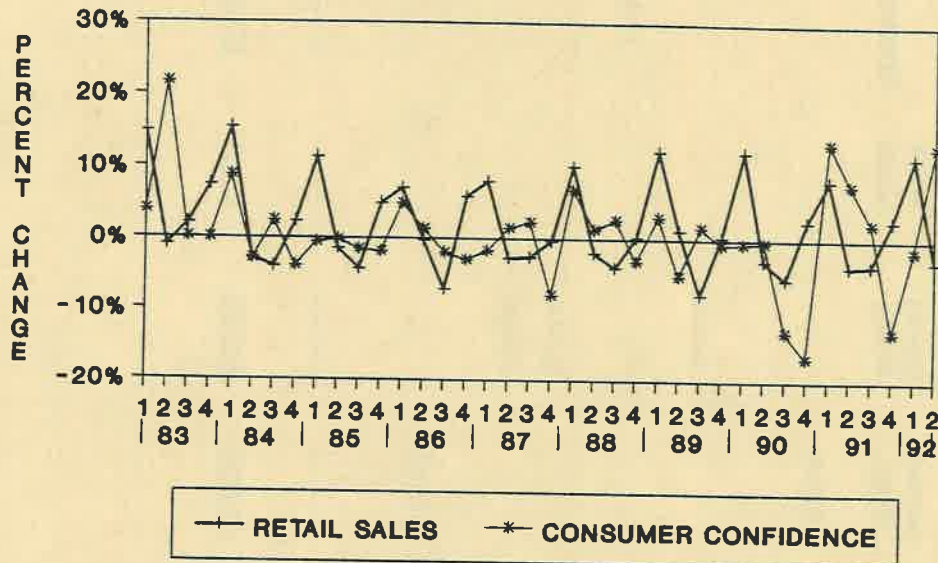


CHART 22

RETAIL SALES: 1983Q1 TO 1992Q2 QUARTER VS. SAME QUARTER-PRIOR YEAR

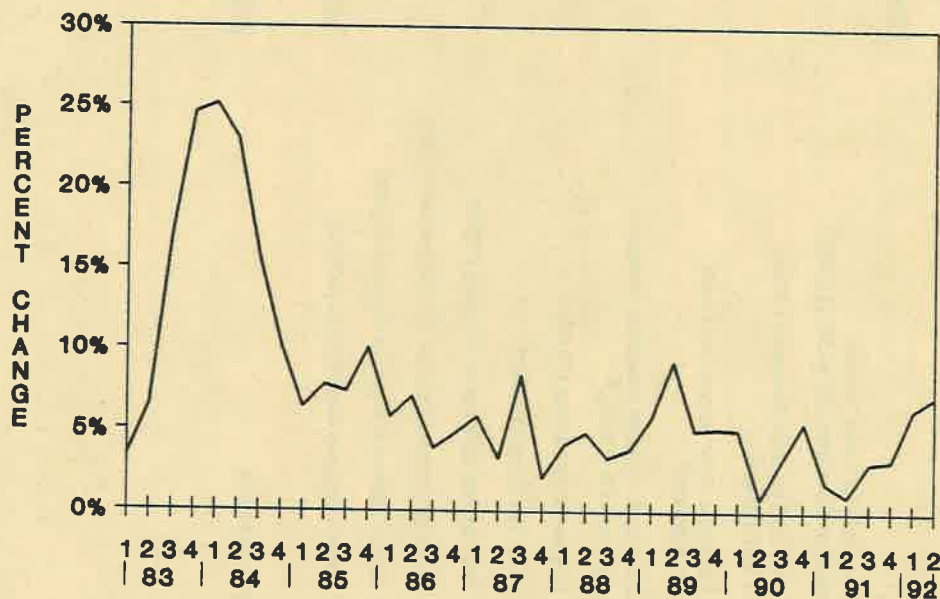
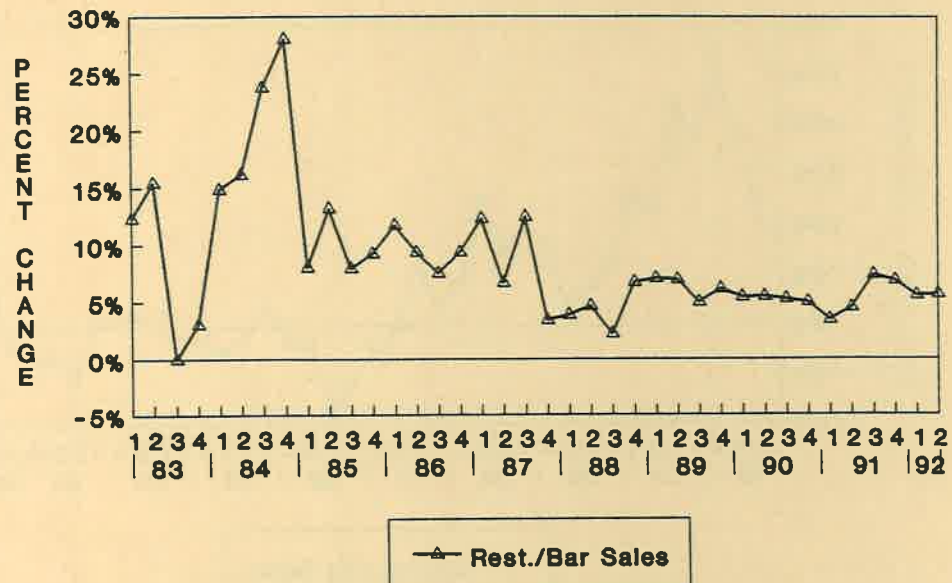


CHART 23

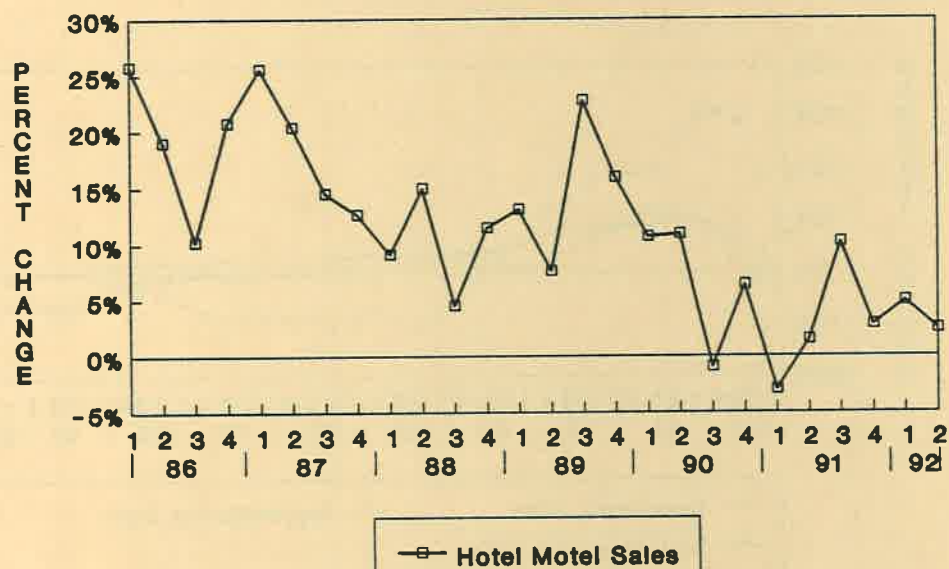
RESTAURANTS AND BARS SALES GROWTH 1983-Q1 TO 1992-Q2



QUARTER VS. QUARTER IN THE PREVIOUS YEAR

CHART 24

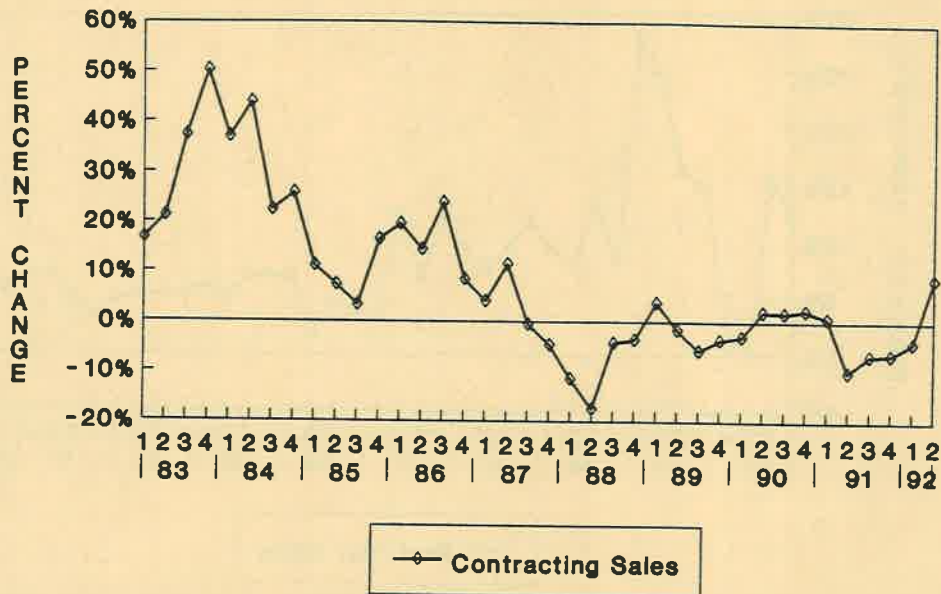
HOTEL AND MOTEL SALES GROWTH 1986-Q1 TO 1992-Q2



QUARTER VS. QUARTER IN THE PREVIOUS YEAR

CHART 25

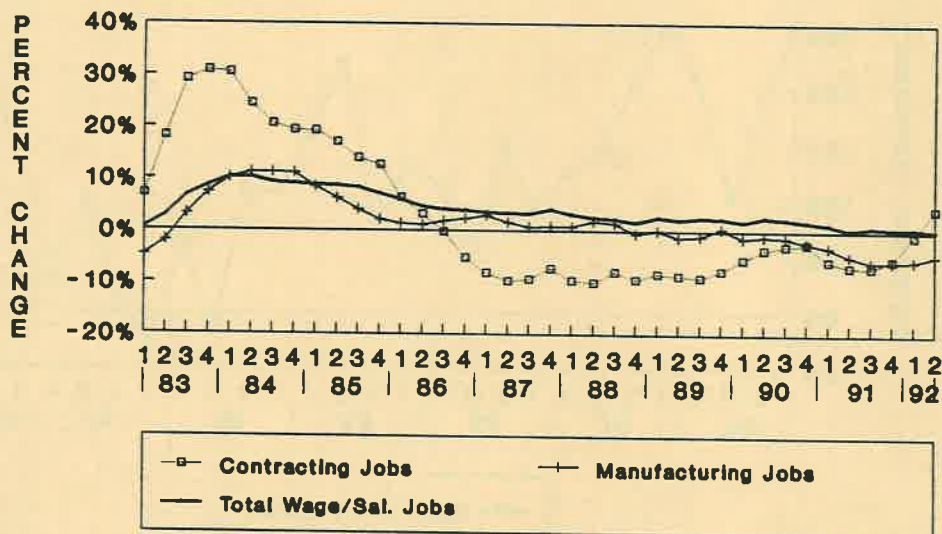
CONTRACTING INDUSTRY SALES GROWTH 1983-Q1 TO 1992-Q2



QUARTER VS. QUARTER IN THE PREVIOUS YEAR

CHART 26

TOTAL MANUFACTURING, CONTRACTING AND WAGE AND SALARY JOB GROWTH 1983-Q1 TO 1992-Q2



QUARTER VS. QUARTER IN THE PREVIOUS YEAR

CHART 27

GENERAL FUND BASE REVENUE COLLECTIONS

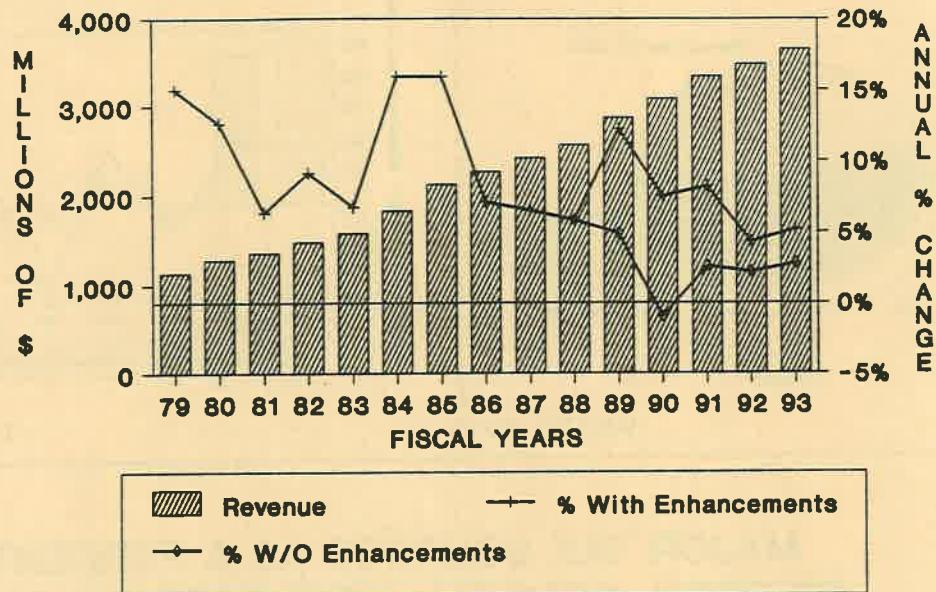


CHART 28

MAJOR GENERAL FUND TAX SOURCES COLLECTIONS

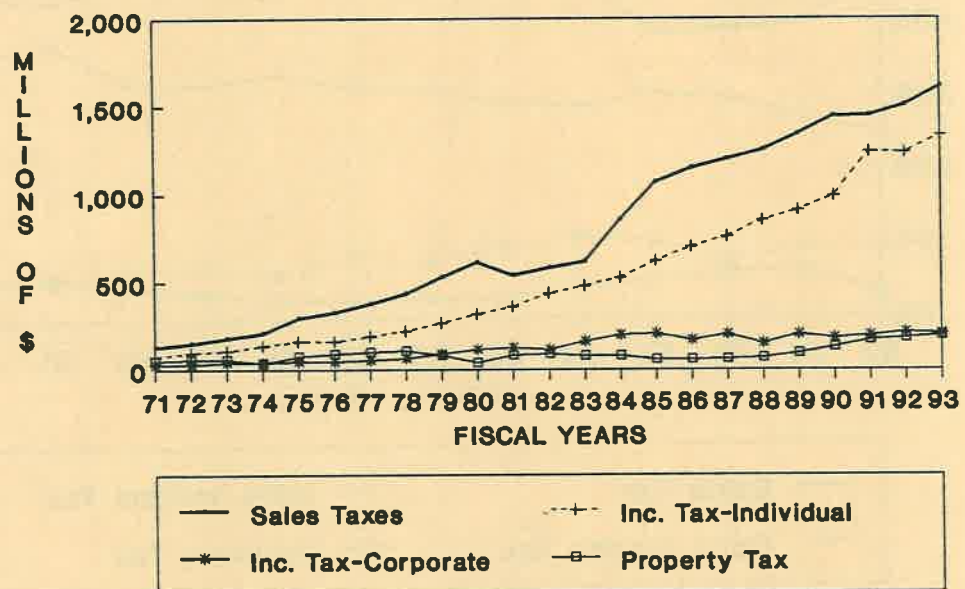


CHART 29

**GENERAL FUND REVENUE SOURCES
AS A PERCENT OF TOTAL BASE REVENUE**

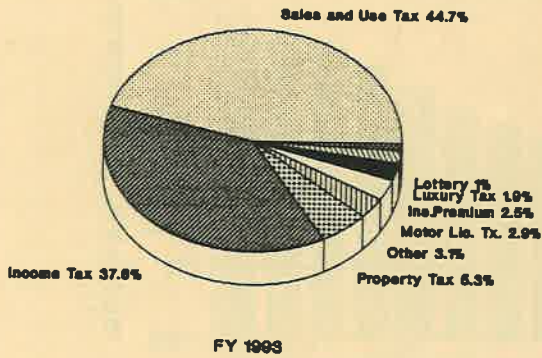


CHART 30

**FY 1993 MAJOR REVENUE SOURCES
DOLLAR AND PERCENT CHANGE FROM FY 1992**

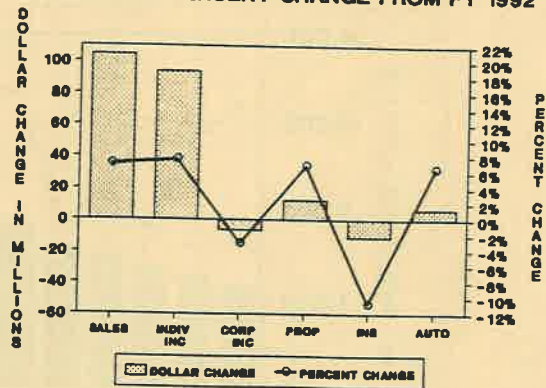


CHART 31

**MAJOR TAX SOURCES AS A PERCENT
OF TOTAL GENERAL FUND BASE REVENUE**

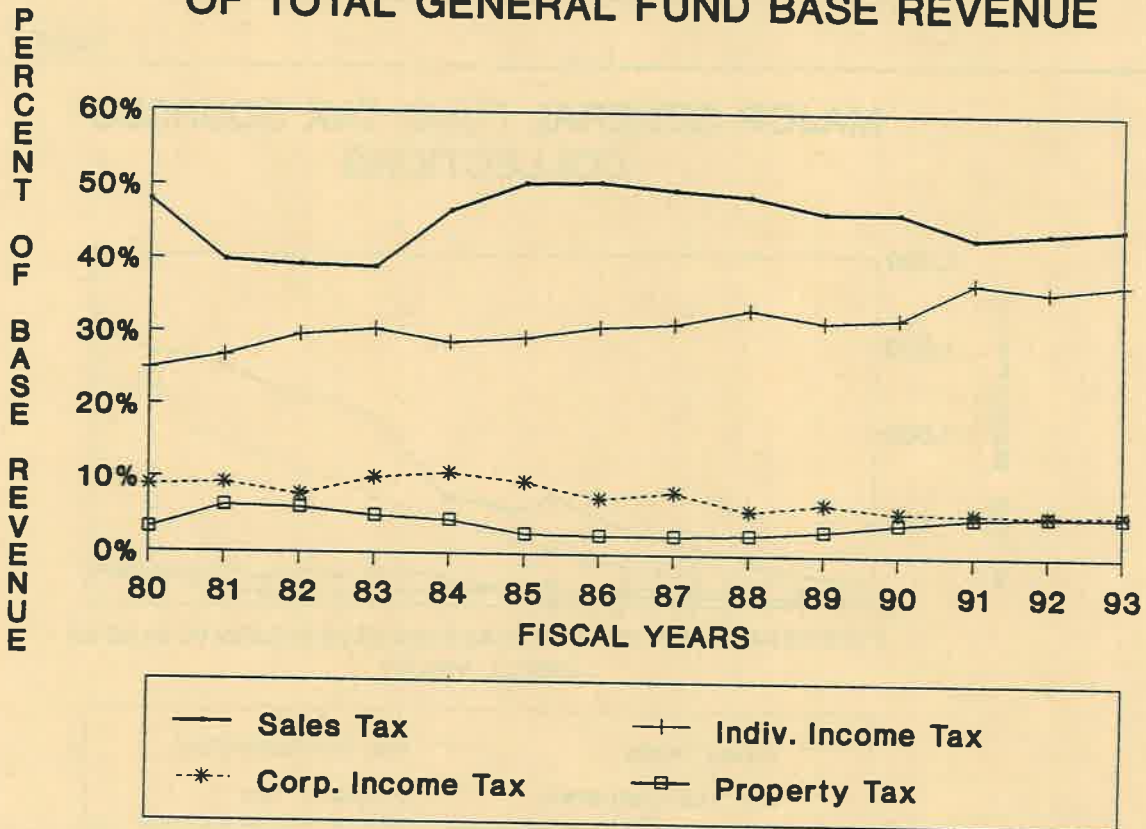


CHART 32

**FY 1992
GENERAL FUND ADJUSTMENTS**

**GENERAL FUND
BUDGETARY ADJUSTMENTS
FY 1992
(Thousands)**

	Original Budget	Revenue and Expenditure Shortfalls	Deficit before Special Session Action	Corrective Action 2nd and 4th Special Sessions	Corrective Action Seventh Special Session	Situation at End of 7th Special Session	Governor and Supreme Court	Other Adjustments	Preliminary Year-End
Revenue Forecast									
Beginning Balance	\$37,187.9	\$7,821.1	\$45,009.0	\$0.0	\$0.0	\$45,009.0	\$0.0	\$0.0	\$45,009.0
Base Revenue	3,517,509.8	(66,924.8)	3,450,585.0		(2,700.0)	3,447,885.0		(21,717.6)	3,426,167.4
Insurance Premium Tax		(37,500.0)	(37,500.0)	37,500.0					0.0
Disproportionate Share Revenue				26,554.1	5,000.0	31,554.1		9,575.0	41,129.1
Transfers from Non-appropriated Funds					12,541.2	12,541.2	(487.0)		12,054.2
Health Insurance Trust Fund								10,000.0	10,000.0
State Compensation Fund In-Lieu Tax	0.0	0.0	0.0	0.0	1,500.0	1,500.0	0.0	(1,500.0)	0.0
Total Revenue General Fund Revenue	\$3,554,697.7	(\$96,603.7)	\$3,458,094.0	\$64,054.1	\$16,341.2	\$3,538,489.3	(\$487.0)	(\$3,642.6)	\$3,534,359.7
Expenditures									
Appropriations-Operating									
Regular	3,514,007.6	0.0	3,514,007.6		(33,086.9)	3,480,920.7	9,321.2	9.1	3,490,251.0
AHCCCS Shortfall 1/		26,455.1	26,455.1			26,455.1		(52.8)	26,402.3
K-12 Shortfall 1/		19,190.7	19,190.7			19,190.7			19,190.7
Courts Shortfall 1/		1,424.2	1,424.2			1,424.2			1,424.2
AFDC Payments				2,995.0		2,995.0			2,995.0
Disproportionate Share				21,554.1	(5,000.0)	16,554.1		11,530.3	28,084.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,139.3	1,139.3
Total Operating Appropriations	3,514,007.6	47,070.0	3,561,077.6	24,549.1	(38,086.9)	3,547,539.8	9,321.2	12,625.9	3,569,486.9
Appropriations-Capital Outlay	5,250.0	(1,307.3)	3,942.7	0.0	0.0	3,942.7	0.0	0.0	3,942.7
Total Appropriations	3,519,257.6	45,762.7	3,565,020.3	24,549.1	(38,086.9)	3,551,482.5	9,321.2	12,625.9	3,573,429.6
Administrative Adjustments and Emergencies	20,500.0	900.0	21,400.0			21,400.0		(5,359.6)	16,040.4
Reversions - Regular	(36,170.0)	3,012.3	(33,157.7)		(819.1)	(33,976.8)		(33,228.1)	(67,204.9)
- Continuing Appropriations	0.0	(782.5)	(782.5)			(782.5)		3,182.5	2,400.0
- Ordered 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenditures	\$3,503,587.6	\$48,892.5	\$3,552,480.1	\$24,549.1	(\$38,906.0)	\$3,538,123.2	\$9,321.2	(\$22,779.3)	\$3,524,665.1
Ending Balance	\$51,110.1	(\$145,496.2)	(\$94,386.1)	\$39,505.0	\$55,247.2	\$366.1	(\$9,808.2)	\$19,136.7	\$9,694.6

1/ As part of the 7th Special Session, the Legislature approved funding to eliminate these particular shortfalls.

2/ The Governor ordered reverts of \$9,064,000. However, the Arizona Supreme Court overturned these reverts in Rios v. Symington.

**GENERAL FUND
BUDGETARY ADJUSTMENTS
FY 1992**

Revenue and Expenditure Shortfalls

The FY 1992 General Fund Budget was predicated upon 3.5% base revenue growth, representing a slight increase from FY 1991 according to estimates made in May of 1991. Unfortunately, the cautious optimism that followed the successful conclusion of the Gulf War was unwarranted. Consumer and business confidence renewed their slide and the economy continued in recession throughout the balance of calendar year 1991.

For Arizona, the continuing national economic recession was accompanied by revenue shortfalls and increased expenditure requirements for education and social services. Overall, the FY 1992 budget of \$3.6 billion experienced net revenue and expenditure shortfalls of \$145.5 million. When combined with the original budget's projected \$51.1 million surplus, these shortfalls of \$145.5 million resulted in a projected deficit of \$94.4 million. There were three primary reasons for these shortfalls:

- Base revenues were \$66.9 million short of projection, primarily as the result of lower than expected sales tax and lottery collections.
- The failure of several insurance companies caused insurance premium taxes to fall \$37.5 million below the budgeted forecast. The reason for this development is that solvent insurance companies are allowed to take a 20% per year credit for 5 years to recapture the cost of assessments that are levied to cover the cost of claims and refunds related to the insolvent companies.
- Three agencies, AHCCCS, the Department of Education and the Superior Court required \$47.1 million in supplemental appropriations.

Corrective Action - 2nd, 4th and 7th Special Sessions

The Legislature took action in 3 special sessions which had the net effect of producing a surplus of \$366,100.

2nd Special Session - The Legislature approved additional spending of \$3.0 million in this special session. Aid to Families with Dependent Children benefits had been scheduled to decline in October 1991 from \$334 for a family of three to \$317. The Legislature approved funding to retain the \$334 benefit level.

4th Special Session - The Legislature resolved the insurance premium tax shortfall and established a federal Title XIX Disproportionate Share program. With regard to the insurance premium tax, the Legislature approved a plan to recoup the reduced collections by lowering the annual credits in the first years and extending the period in the which credits are taken. These new credits are: 7% of assessments in 1991, 9% in 1992, 11% in 1993, 13% in 1994, and 20% each year from 1995 to 1997.

The Legislature also approved a new federal Disproportionate Share program, which provides supplemental payments to hospitals that serve a larger than average, or disproportionate, number of Medicaid or low-income patients. As originally designed, the program would have generated net new revenue of \$92.9 million, of which \$5 million would have been applied toward the FY 1992 ending balance. (The \$5 million is a net figure consisting of \$26.6 million in new revenue and \$21.6 million in new expenditures.) The remaining \$87.9 million would have been deposited in a holding fund for use in FY 1993.

Subsequently, two changes were made in the proposal. First, the Legislature as part of the 7th Special Session decided to retain another \$10 million of disproportionate share funding for FY 1992. These monies offset the loss of state income tax revenues resulting from reduced federal income tax withholding rates. Second, the federal government approved a smaller program than envisioned by the 4th Special Session legislation. Total

net funding equals \$41.4 million, of which \$15 million is retained for FY 1992 and \$26.4 million is held for use in FY 1993. (See Other Adjustments column)

7th Special Session - Besides appropriating monies for the AHCCCS, Department of Education and Superior Court supplementals, the Legislature generated savings of \$55.2 million to eliminate the budget shortfall. Of this amount, \$33.1 million represented reductions in agency operating budgets and \$12.5 million represented transfers from non-appropriated funds. The individual agency detail of the reductions and transfers follows this page.

Governor and Supreme Court

The Governor subsequently line item vetoed \$9.3 million of the operating budget reductions and \$487,200 of the non-appropriated fund transfers. To offset these reductions, the Governor also attempted to order the reversion of \$9.1 million from a number of agency budgets. These actions were contested before the Arizona Supreme Court in *Rios v. Symington*. The Supreme Court upheld the ability of the Governor to line item veto the reductions as well as the transfers, but held that the Governor could not order the reversion of funds.

Other Adjustments

These adjustments reflect other actions which produced a final FY 1992 ending balance of \$9.7 million.

FY 1992 OPERATING BUDGET
REVISIONS TO AGENCY SPENDING AUTHORITY 1/

	General Fund			Other Funds		
	Original Appropriation	Revision	Final Appropriation	Original Appropriation	Revision	Final Appropriation
GENERAL GOVERNMENT						
Administration, Department of	\$26,975,600	\$63,400	\$27,039,000	\$5,064,000	\$0	\$5,064,000
Attorney General	17,711,300	(177,100)	17,534,200	0	349,100	349,100
Coliseum and Exposition Center 2/	0	0	0	13,808,800	0	13,808,800
Commerce, Department of	3,746,600	(237,500)	3,509,100	1,499,000	0	1,499,000
Compensation Fund	0	0	0	0	0	0
Courts						
Court of Appeals	7,934,000	(107,500)	7,826,500	0	0	0
Comm on Appellate and Trial Court Appts	3,500	0	3,500	0	0	0
Commission on Judicial Conduct	138,600	(2,800)	135,800	0	0	0
Superior Court 3/	53,911,000	835,300	54,746,300	0	1,400,000	1,400,000
Supreme Court	10,645,800	(88,000)	10,557,800	0	0	0
SUBTOTAL - Courts	\$72,632,900	\$637,000	\$73,269,900	\$0	\$1,400,000	\$1,400,000
Office of Affirmative Action	224,700	0	224,700	0	0	0
Office of the Governor	3,369,200	(108,100)	3,261,100	800,000	0	800,000
Office of Strategic Planning and Budgeting	2,431,400	(48,600)	2,382,800	0	0	0
Law Enforcement Merit System Council	41,800	0	41,800	0	0	0
Legislature						
Auditor General	7,250,700	(150,000)	7,100,700	0	0	0
House of Representatives	7,360,300	(90,500)	7,269,800	200,000	0	200,000
Joint Legislative Budget Committee	1,673,300	(42,000)	1,631,300	0	0	0
Legislative Council	2,640,800	(107,400)	2,533,400	0	0	0
Library, Archives, and Public Records, Dept of	4,725,100	(94,500)	4,630,600	0	0	0
Senate	6,270,900	(94,000)	6,176,900	200,000	0	200,000
SUBTOTAL - Legislature	\$29,921,100	(\$578,400)	\$29,342,700	\$400,000	\$0	\$400,000
Lottery Commission 4/	0	0	0	41,243,000	0	41,243,000
Personnel Board	216,200	0	216,200	0	0	0
Redistricting Commission	0	0	0	0	0	0
Retirement System	0	0	0	4,933,800	0	4,933,800
Revenue, Department of	50,902,200	(1,100,000)	49,802,200	0	0	0
Secretary of State	2,649,100	(65,100)	2,584,000	0	0	0
Tax Appeals, Board of	696,400	0	696,400	0	0	0
Tourism, Office of 5/	5,674,500	(132,300)	5,542,200	0	0	0
Treasurer	6,763,600	(62,700)	6,700,900	0	0	0
Uniform State Laws, Commission on	22,900	0	22,900	0	0	0
TOTAL - GENERAL GOVERNMENT	\$223,979,500	(\$1,809,400)	\$222,170,100	\$67,748,600	\$1,749,100	\$69,497,700
HEALTH AND WELFARE						
AHCCCS Administration 6/	370,645,900	26,205,100	396,851,000	0	0	0
Economic Security, Department of 7/	359,125,500	(376,600)	358,748,900	627,300	0	627,300
Environmental Quality, Department of 8/	11,602,900	(667,800)	10,935,100	104,800	0	104,800
Health Services, Department of	198,802,400	(3,357,500)	195,444,900	2,947,500	0	2,947,500
Hearing Impaired, Council for the	203,000	0	203,000	0	0	0
Indian Affairs, Commission on	159,800	0	159,800	0	0	0
Pioneers' Home	2,653,400	(21,800)	2,631,600	0	0	0
Arizona Ranger's Pension	9,200	0	9,200	0	0	0
Veteran's Services Commission	751,800	(12,000)	739,800	386,200	0	386,200
TOTAL - HEALTH AND WELFARE	\$943,953,900	\$21,769,400	\$965,723,300	\$4,065,800	\$0	\$4,065,800
INSPECTION AND REGULATION						
Agricultural Employment Relations Board	175,600	0	175,600	0	0	0
Agriculture, Department of	9,944,800	(130,400)	9,814,400	1,786,300	0	1,786,300
Banking Department	3,599,200	(133,600)	3,465,600	0	0	0
Building & Fire Safety, Dept of	2,800,300	(105,200)	2,695,100	0	0	0
Contractors, Registrar of	3,847,900	(104,300)	3,743,600	0	0	0
Corporation Commission	4,861,800	(105,300)	4,756,500	5,673,300	0	5,673,300
Industrial Commission	0	0	0	12,197,700	0	12,197,700
Insurance, Department of	3,082,700	(11,000)	3,071,700	0	0	0

	General Fund			Other Funds		
	Original Appropriation	Revision	Final Appropriation	Original Appropriation	Revision	Final Appropriation
Liquor Licenses & Control, Dept of	\$1,992,000	(\$59,800)	\$1,932,200	\$0	\$0	\$0
Mine Inspector	569,500	(9,600)	559,900	0	0	0
Occupational Safety and Health Review Board	9,100	0	9,100	0	0	0
Racing, Department of	2,392,500	(74,600)	2,317,900	358,900	0	358,900
Radiation Regulatory Agency	937,800	(9,400)	928,400	90,300	0	90,300
Real Estate Department	2,868,600	(93,100)	2,775,500	0	0	0
Residential Utility Consumer Office	0	0	0	1,018,100	0	1,018,100
Dept of Weights and Measures	2,167,200	(29,400)	2,137,800	247,600	0	247,600
Ninety-Ten Agencies						
Accountancy, Board of	0	0	0	733,200	0	733,200
Appraisal, Board of	0	0	0	219,800	0	219,800
Barber Examiners Board	0	0	0	134,700	0	134,700
Behavioral Health Examiners, Board of	0	0	0	178,900	33,600	212,500
Boxing Commission	27,300	0	27,300	28,800	0	28,800
Chiropractic Examiners Board	0	0	0	218,000	5,100	223,100
Cosmetology, Board of	0	0	0	563,500	0	563,500
Dental Examiners Board	0	0	0	436,200	0	436,200
Funeral Directors and Embalmers Board	0	0	0	178,500	0	178,500
Homeopathic Medical Examiners Board	0	0	0	18,400	0	18,400
Medical Examiners, Board of	0	0	0	2,276,900	0	2,276,900
Naturopathic Physician Examiners Board	0	0	0	26,000	0	26,000
Nursing Board	0	0	0	1,049,700	0	1,049,700
Nursing Care Institution Administrators Board	0	0	0	66,400	0	66,400
Occupational Therapy Examiners, Board of	0	0	0	35,100	0	35,100
Opticians, Board of Dispensing	0	0	0	62,100	0	62,100
Optometry, Board of	0	0	0	99,400	0	99,400
Osteopathic Examiners Board	0	0	0	258,400	0	258,400
Pharmacy Board	0	0	0	625,300	0	625,300
Physical Therapy Examiners Board	0	0	0	66,500	0	66,500
Podiatry Examiners Board	0	0	0	42,900	0	42,900
Private Postsecondary Education, Board for	0	0	0	144,200	0	144,200
Psychologist Examiners Board	0	0	0	123,600	0	123,600
Respiratory Care Examiners, Board of	50,000	0	50,000	74,800	2,000	76,800
Structural Pest Control Commission	0	0	0	1,021,600	0	1,021,600
Technical Registration, Board of	0	0	0	782,300	0	782,300
Veterinary Medical Examining Board	0	0	0	152,500	0	152,500
Subtotal - Ninety-Ten Agencies	\$77,300	\$0	\$77,300	\$9,617,700	\$40,700	\$9,658,400
TOTAL - INSPECTION AND REGULATION	\$39,326,300	(\$865,700)	\$38,460,600	\$30,989,900	\$40,700	\$31,030,600
EDUCATION						
Arts, Commission on the	1,359,500	(13,600)	1,345,900	0	0	0
Community Colleges	85,888,200	(1,714,800)	84,173,400	0	0	0
Deaf and Blind, School for	13,320,500	(109,800)	13,210,700	0	0	0
Education, Department of 9/	1,305,539,800	18,433,400	1,323,973,200	0	0	0
Historical Society, Arizona	3,219,000	(20,400)	3,198,600	0	0	0
Historical Society, Prescott	517,500	0	517,500	0	0	0
Medical Student Loans Board	1,000	0	1,000	0	0	0
Universities/Board of Regents			0			0
Board of Regents	6,757,000	(178,100)	6,578,900	0	0	0
Arizona State University - Main	181,714,100	(3,634,300)	178,079,800	0	0	0
Arizona State University - West	27,496,500	(549,900)	26,946,600	0	0	0
Northern Arizona University	71,941,900	(1,438,800)	70,503,100	0	0	0
University of Arizona - Main	200,608,700	(4,012,200)	196,596,500	0	0	0
University of Arizona - College of Medicine	45,470,500	(909,400)	44,561,100	0	0	0
SUBTOTAL - Universities/Board of Regents	\$533,988,700	(\$10,722,700)	\$523,266,000	\$0	\$0	\$0
TOTAL - EDUCATION	\$1,943,834,200	\$5,852,100	\$1,949,686,300	\$0	\$0	\$0
PROTECTION AND SAFETY						
Corrections, Department of	255,025,400	0	255,025,400	936,400	0	936,400
Criminal Justice Commission	2,500,000	0	2,500,000	505,300	0	505,300
Emergency and Military Affairs, Dept of	4,073,700	(84,800)	3,988,900	0	0	0

	General Fund			Other Funds		
	Original Appropriation	Revision	Final Appropriation	Original Appropriation	Revision	Final Appropriation
Pardons and Paroles, Board of	\$1,996,000	(\$74,100)	\$1,921,900	\$0	\$0	\$0
Public Safety, Department of	46,123,500	0	46,123,500	41,770,500	0	41,770,500
Youth Treatment and Rehabilitation, Dept of	28,947,800	(289,500)	28,658,300	2,904,200	0	2,904,200
TOTAL - PROTECTION AND SAFETY	\$338,666,400	(\$448,400)	\$338,218,000	\$46,116,400	\$0	\$46,116,400
TRANSPORTATION						
Transportation, Department of	\$67,300	(\$2,000)	\$65,300	\$189,191,700	\$208,900	\$189,400,600
NATURAL RESOURCES						
Environment, Commission on the	100,500	0	100,500	0	0	0
Game and Fish Department	0	0	0	15,959,500	0	15,959,500
Geological Survey	621,400	(12,400)	609,000	0	0	0
Land Department	8,149,300	(87,400)	8,061,900	0	0	0
Mines and Mineral Resources, Dept of	339,000	0	339,000	0	0	0
State Parks Board	5,636,800	(1,028,200)	4,608,600	1,900,000	0	1,900,000
Water Resources, Department of	11,705,200	(63,700)	11,641,500	535,000	0	535,000
TOTAL - NATURAL RESOURCES	\$26,552,200	(\$1,191,700)	\$25,360,500	\$18,394,500	\$0	\$18,394,500
Unallocated Health Insurance	570,000	0	570,000	0	0	0
GRAND TOTAL 10/ 11/	\$3,516,949,800	\$23,304,300	\$3,540,254,100	\$356,506,900	\$1,998,700	\$358,505,600

1/ The estimates generally include revisions from Laws 1992, Chapter 4, 7th Special Session, but do not include carry-forward balances, revertments required by the original FY 1992 General Appropriation Act, nor any supplemental appropriations beyond those approved in the 7th Special Session.

2/ The Other Funds Original Appropriation amount reflects an increase in projected expenditures of \$1,948,800. This amount represents an estimate only since the Coliseum and Exposition Center is appropriated 100% of its receipts and not a specified amount.

3/ The General Fund Revision reflects a supplemental appropriation of \$1,424,200 and a reduction of \$588,900.

4/ The General Fund Original Appropriation amount reflects a reduction of \$2,400 from projected expenditures. The Lottery Commission is appropriated for some functions a percentage of lottery receipts instead of a fixed amount.

5/ The General Fund Original Appropriation amount reflects a reduction of \$52,800 from projected expenditures. This reduction represents a revision in the amount of bed tax revenues available to the Tourism Fund.

6/ The General Fund Original Appropriation amount includes a \$700,000 supplemental appropriation in Laws 1991, Chapter 1, 2nd Special Session. The General Fund Revision reflects a \$26,455,100 supplemental appropriation and a \$250,000 reduction.

7/ The General Fund Original Appropriation includes a \$2,295,000 supplemental appropriation in Laws 1991, Chapter 1, 2nd Special Session.

8/ The General Fund Revision reflects a General Appropriation Act reduction of \$585,400 and a reduction of \$82,400 enacted in Laws 1992, Chapter 262, 2nd Regular Session, in which a portion of a General Appropriation Act reduction was reallocated to an additional appropriation made in Laws 1991, Chapter 315, 1st Regular Session.

9/ The General Fund Revision reflects a \$19,190,700 supplemental appropriation and a \$757,300 reduction.

10/ The Total General Fund Revision reflects supplemental appropriations of \$47,070,000 and reductions of \$23,765,700.

11/ Laws 1992, Chapter 4, 7th Special Session included the following (reductions)/additions that were vetoed by the Governor and are not reflected above:

	General Fund	Other Funds	Total
Department of Health Services	(717,200)	0	(717,200)
AHCCCS	(391,700)	0	(391,700)
Department of Corrections	(1,527,800)	509,500	(1,018,300)
Department of Public Safety	(6,684,500)	1,371,000	(5,313,500)
Total Vetoed Items	(9,321,200)	1,880,500	(7,440,700)

The vetoed AHCCCS General Fund amount of \$391,700 was part of an overall lump sum reduction of \$805,400 to spending authority which was also vetoed.

SUMMARY OF FY 1992 TRANSFERS FROM NONAPPROPRIATED FUNDS TO GENERAL FUND
Laws 1992, Chapter 3, Seventh Special Session (H.B. 2001) 1/

	Transfer To General Fund From:		
	Operating Budget 2/	Balance Forward	Total
<u>GENERAL GOVERNMENT</u>			
Department of Administration			
Telecommunications Revolving	\$0	\$422,100	\$422,100
Risk Management Revolving	52,900	0	52,900
Workers' Compensation Fund	10,200	0	10,200
Special Services Revolving	57,700	0	57,700
Surplus Property - State	11,400	200,000	211,400
Motor Vehicle Pool Revolving Fund	0	1,040,400	1,040,400
Department of Administration - Subtotal	\$132,200	\$1,662,500	\$1,794,700
Attorney General - Department of Law			
Antitrust Enforcement Revolving Fund	7,100	0	7,100
Collections Enforcement Fund	5,500	0	5,500
Consumer Protection-Consumer Fraud Revolving Fund	3,900	0	3,900
Attorney General-Department of Law-Subtotal	\$16,500	\$0	\$16,500
Arizona Coliseum & Exposition Center Board			
Coliseum & Exposition Center Enterprise Fund	0	2,000,000	2,000,000
Department of Commerce			
Community Development Workshop	4,800	0	4,800
Housing Finance Review	6,500	0	6,500
Department of Commerce - Subtotal	\$11,300	\$0	\$11,300
Supreme Court			
Case Processing Assistance Fund	10,000	0	10,000
Defensive Driving School Fund	0	565,600	565,600
Juvenile Crime Reduction Fund	8,800	0	8,800
Supreme Court - Subtotal	\$18,800	\$565,600	\$575,600
Department of Revenue			
Liability Set-Off Fund	0	100,000	100,000
Secretary of State - Department of State			
UCC Data Processing Upgrade Fund	0	65,000	65,000
GENERAL GOVERNMENT - TOTAL	\$178,800	\$4,393,100	\$4,571,900
<u>HEALTH AND WELFARE</u>			
Department of Environmental Quality			
Air Quality Fee Fund	0	175,000	175,000
Waste Tire Grant Fund	0	900,000	900,000
Solid Waste Recycling Fund	0	280,000	280,000
Underground Storage Tank Revolving Fund	0	3,027,500	3,027,500
Department of Environmental Quality - Subtotal	0	4,382,500	4,382,500
HEALTH AND WELFARE - TOTAL	\$0	\$4,382,500	\$4,382,500
<u>INSPECTION AND REGULATION</u>			
Department of Agriculture			
Native Plant Law	5,800	0	5,800
State Banking Department			
Banking Department Revolving Fund	2,400	0	2,400
Department of Building and Fire Safety			
Manufactured Housing Consumer Recovery	4,800	0	4,800

Transfer To General Fund From:			
	Operating Budget 2/	Balance Forward	Total
Mobile Home Relocation	\$5,800	\$0	\$5,800
Department of Building and Fire Safety - Subtotal	\$10,600	\$0	\$10,600
Corporation Commission			
Securities Regulatory and Enforcement Fund	\$20,700	\$0	\$20,700
Department of Insurance			
Joint Underwriting Fund	3,700	0	3,700
Receivership Liquidation Fund	3,100	0	3,100
Department of Insurance - Subtotal	\$6,800	\$0	\$6,800
Department of Racing			
Arizona Breeders Award Fund	19,100	0	19,100
County Fair Racing Betterment Fund	14,200	0	14,200
Department of Racing - Subtotal	\$33,300	\$0	\$33,300
INSPECTION AND REGULATION - TOTAL	\$79,600	\$0	\$79,600
<u>EDUCATION</u>			
Arizona Arts Commission			
Arts Trust Fund	2,100	0	2,100
Department of Education			
Printing Revolving Fund	0	143,900	143,900
EDUCATION - TOTAL	\$2,100	\$143,900	\$146,000
<u>PROTECTION AND SAFETY</u>			
Department of Public Safety			
Crime Laboratory Assessment Fund	0	76,900	76,900
Criminal Justice Enhancement Fund	3,800	0	3,800
Highway Patrol Fund	2,100	0	2,100
Department of Public Safety - Subtotal	\$5,900	\$76,900	\$82,800
Department of Youth Treatment and Rehabilitation			
Criminal Justice Enhancement Fund	8,900	0	8,900
PROTECTION AND SAFETY - TOTAL	\$14,800	\$76,900	\$91,700
<u>TRANSPORTATION</u>			
Department of Transportation			
Equipment Revolving Fund	0	930,300	930,300
Cargo Tank Administration Revolving Fund	4,800	0	4,800
Criminal Background Investigations	2,900	0	2,900
Dealer Enforcement Fund	0	96,000	96,000
Driver's Licence Fund	0	116,000	116,000
Mobile Home Administration Revolving Fund	2,300	0	2,300
Underground Storage Tank	3,100	0	3,100
Department of Transportation - Subtotal	\$13,100	\$1,142,300	\$1,155,400
TRANSPORTATION - TOTAL	\$13,100	\$1,142,300	\$1,155,400
<u>NATURAL RESOURCES</u>			
Arizona Game & Fish Department			
Game & Fish Donations Fund	2,200	0	2,200
Publications Revolving Fund	2,500	0	2,500
Arizona Game & Fish Department - Subtotal	\$4,700	\$0	\$4,700
State Land Department			

		Transfer To General Fund From:	
	Operating Budget 2/	Balance Forward	Total
Timber Suspense Fund	\$3,500	\$0	\$3,500
Arizona State Parks Board			
Arizona Conservation Corps	16,500	0	16,500
Off-Highway Vehicle Fund	0	522,400	522,400
Arizona State Parks Board - Subtotal	\$16,500	\$522,400	\$538,900
Department of Water Resources			
Nonemergency Dam Repair	0	200,000	200,000
Emergency Dam Repair Fund	0	450,000	450,000
Flood Control Loan Fund	0	80,000	80,000
Department of Water Resources - Subtotal	\$0	\$730,000	\$730,000
NATURAL RESOURCES - TOTAL	\$24,700	\$1,252,400	\$1,277,100
GRAND TOTAL	\$313,100	\$11,391,100	\$11,704,200

1/ Prior to signing H.B. 2001, the Governor vetoed the following fund transfers passed by the Legislature:

Operating Budget 2/	Balance Forward	Total
DES - Capital Investment Fund	70,000	70,000
Building & Fire Safety - Mobile Home Relocation	392,300	392,300
AHCCCS - Donations Fund	6,200	6,200
Dept. of Insurance - Computer System Fund	16,300	16,300
State Parks Board - Land & Water Conservation Surcharge Fund	2,200	2,200
TOTAL VETOED TRANSFERS	\$462,300	\$487,000

These vetoes were subsequently upheld by the Arizona Supreme Court in *Rios v. Symington* (CV-92-0129-SA).

2/ Represents a 2% reduction in operating budget total (above the line).

RECENT JOINT LEGISLATIVE BUDGET COMMITTEE STAFF REPORTS

- **DPS Officer Pay - An Evaluation of Selected Areas and In-State & Out-of-State Comparisons, January 1987**
- **Legislative Appropriation of Federal Funds: Analysis and Recommendation, February 1987**
- **Status of Lawsuits Involving the State of Arizona, May 1987**
- **Arizona Correctional Enterprises - An Economic Analysis of Selected Enterprises, June 1987**
- **A Review of Prepaid Tuition Plans for Higher Education, November 1987**
- **Automated Fingerprint Identification Systems, February 1988**
- **A Report on the Organization and Staffing of the Arizona Department of Corrections, prepared for the House Subcommittee on Prison Staffing, April 1990**
- **State of Arizona Agency Print Shops, April 1990**
- **State of Arizona Light Duty Vehicles, June 1990**
- **1991 FISCAL FACTS, November 1990**
- **State of Arizona Drug Enforcement, Treatment and Education FY 1989, March 1991**
- **A Preliminary Evaluation of the Community Punishment Program in Arizona, June 1991**
- **Final Evaluation of Arizona's Community Punishment Program, December 1991**
- **Funding Review on Clinical Teaching Support for the College of Medicine of the University of Arizona, January 1992**
- **Higher Education Enrollment Growth in Arizona, June 1992**

Annual Reports

- **Annual Budget, Analysis and Recommendations, January**
- **Joint Appropriations Committee Book, April**
- **Appropriations Report, July**
- **Tax Handbook and Annual Updates, October**

Periodic Reports

- **Budget Status Report**

Monthly/Bi-Monthly Reports

- **Economic Review**
- **Monthly Revenue Highlights**