

**Joint Legislative Budget Committee
Staff Memorandum**

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DATE: March 27, 2003

TO: Representative Russell Pearce
Senator Bob Burns

FROM: Richard Stavneak, Director

SUBJECT: FY 2003 BUDGET - 1st SPECIAL SESSION LEGISLATION

Attached you will find a summary of the provisions of the 1st Special Session legislation to balance the FY 2003 budget. Please let us know if you have any questions.

This summary includes the following information:

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Proposal to Resolve FY 2003 General Fund Shortfall

	Proposal	Components of Proposal		
		Fund Transfers	Revenues	Expenditures
Consensus Revenue Shortfall Estimate	300,000,000			
<i>Supplementals</i>				
DHS Title 19 Supplemental	12,668,000			12,668,000
DES Title 19 Supplemental	3,062,400			3,062,400
Treasurer Supplemental	200,000			200,000
<i>Total Shortfall (Revenue plus Supplementals)</i>	<u>315,930,400</u>	<u>0</u>	<u>0</u>	<u>15,930,400</u>
<i>Solutions to Shortfall</i>				
Deficiency Correction Transfer to FY 05	100,000,000	100,000,000		
Proposition 303 Proceeds/AHCCCS Offset	19,200,000			19,200,000
HELP Fund Transfer	20,000,000	20,000,000		
ADOT Operating Cuts/Fund Transfers	12,000,000	12,000,000		
Ladewig Set Aside - Reduce from \$75m to \$15m	60,000,000		60,000,000	
Fund Transfers/Shifts - see attachment	56,991,500	46,991,500		10,000,000
Revert Non-lapsing Approps - see attachment	5,965,500			5,965,500
Game & Fish Heritage to Offset Parks and Land Budgets	10,135,900			10,135,900
DOR Revenue Generating Plan	2,562,200		5,838,000	(3,275,800)
Asset Sale to State Compensation Fund	50,000,000	50,000,000		
Black Canyon Building Sale	900,000	900,000		
Capital Fund Shift - Use Land Fund for Health Lab	900,000			900,000
<i>Total Solutions</i>	<u>338,655,100</u>	<u>229,891,500</u>	<u>65,838,000</u>	<u>42,925,600</u>
<i>Total Ending Balance (Solutions less Shortfall)</i>	22,724,700	229,891,500	65,838,000	(26,995,200)
<i>Other Fund Supplementals</i>				
AHCCCS - Technical Adjustment; Caseload supplemental funded from non-appropriated funds	(25,337,600)			(25,337,600)
DES Federal Child Care	5,000,000			5,000,000
Department of Gaming	283,200			283,200
DHS Medically Needy Account	5,000,000			5,000,000
Land Department - Heritage Shift	4,000,000			4,000,000
Parks Board - Heritage Shift	6,135,900			6,135,900
Dept. of Public Safety - HURF Shift	10,000,000			10,000,000
ADOT Operating Budget	(12,000,000)			(12,000,000)
ADOT Aviation Fund Lawsuit Settlement	1,500,000			1,500,000
ADOT Judicial Fee Programming	250,000			250,000

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES

	FY 2003	FY 2003
	<u>Current Shortfall</u>	<u>Final</u>
REVENUES		
<hr/>		
Balance Forward	\$1,000,000	\$1,000,000
Base Revenues	6,070,228,800	6,070,228,800
<i>Urban Revenue Sharing</i>	(430,564,900)	(430,564,900)
<i>Ladewig/Other Set-aside</i>	(75,000,000)	(15,000,000)
<i>Proposed Revenue Adjustments</i>	0	5,838,000
Revised Base Revenues	<hr/> 5,564,663,900	<hr/> 5,630,501,900
Total Revenues	\$5,565,663,900	\$5,631,501,900
EXPENDITURES		
<hr/>		
Operating Budget	6,030,742,700	6,030,742,700
Proposed Reductions from Fund Shifts	0	(39,335,900)
Proposed Supplementals		19,206,200
Capital Outlay	2,642,900	1,742,900
Administrative Adjustments	53,000,000	53,000,000
Revertments	<hr/> (51,169,300)	<hr/> (57,134,800)
Total Spending	\$6,035,216,300	\$6,008,221,100
Fund Transfers In	169,552,400	169,552,400
Proposed Additional Transfers	0	178,991,500
Proposed Asset Sales	0	50,900,000
ENDING BALANCE	(\$300,000,000)	\$22,724,700

**1st SPECIAL SESSION ADJUSTMENTS
GENERAL FUND - FY 2003**

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
<u>BUDGET UNITS</u>				
Administration, AZ Department of	\$23,319,300			\$23,319,300
Administrative Hearings, Office of	1,069,600			1,069,600
Agriculture, AZ Department of	10,304,300			10,304,300
AHCCCS	630,532,000	(19,200,000)		611,332,000
Arts, Arizona Commission on the	2,073,300			2,073,300
Attorney General - Department of Law	23,071,300			23,071,300
Banking Department, State	2,716,100			2,716,100
Boxing Commission, AZ State	0			0
Building and Fire Safety, Department of	3,128,800			3,128,800
Charter Schools, State Board for	498,100			498,100
Commerce, Department of	3,909,100			3,909,100
Community Colleges, Arizona	127,569,200			127,569,200
Corporation Commission	5,007,300			5,007,300
Corrections, State Department of	579,765,400			579,765,400
Criminal Justice Commission, Arizona	1,551,700			1,551,700
Deaf and the Blind, Schools for the	16,122,300			16,122,300
Economic Security, Department of	422,105,300	3,062,400		425,167,700
Education, Department of	2,611,845,100			2,611,845,100
Emergency & Military Affairs, Dept of	11,625,700			11,625,700
Environmental Quality, Department of	22,717,200			22,717,200
Equal Opportunity, Governor's Office of	213,700			213,700
Equalization, State Board of	543,400			543,400
Executive Clemency, Board of	915,700			915,700
Geological Survey, Arizona	774,900			774,900
Government Information Tech. Agency	0			0
Governor, Office of the	5,389,000			5,389,000
Gov's Ofc for Excellence in Government	1,350,400			1,350,400
Gov's Ofc of Strategic Planning & Budgeting	1,664,000			1,664,000
Health Services, Department of	289,346,900	12,668,000		302,014,900
Historical Society, Arizona	4,192,300			4,192,300
Historical Society, Prescott	669,900			669,900
Housing, Department of	0			0
Indian Affairs, AZ Commission of	200,300			200,300
Insurance, Department of	6,094,400			6,094,400
Judiciary				
Supreme Court	15,842,000			15,842,000
Court of Appeals	10,371,800			10,371,800
Superior Court	110,940,100			110,940,100
SUBTOTAL - Judiciary	<u>137,153,900</u>	<u>0</u>	<u>0</u>	<u>137,153,900</u>
Juvenile Corrections, Department of	63,743,700			63,743,700
Land Department, State	17,698,200	(1,000,000)	(3,000,000)	13,698,200
Law Enforcement Merit System Council	56,400			56,400
Legislature				
Auditor General	11,076,600			11,076,600
House of Representatives	11,149,300			11,149,300
Joint Legislative Budget Committee	2,106,100			2,106,100
Legislative Council	4,447,700			4,447,700
Library, Archives & Public Records, AZ State	6,805,700			6,805,700
Senate	6,105,000			6,105,000
SUBTOTAL - Legislature	<u>41,690,400</u>	<u>0</u>	<u>0</u>	<u>41,690,400</u>
Liquor Licenses & Control, Department of	2,207,900			2,207,900
Lottery Commission, AZ State	0			0
Medical Student Loans, Board of	283,400			283,400
Mine Inspector, State	1,033,600			1,033,600
Mines & Mineral Resources, Department of	647,600			647,600
Navigable Stream Adjudication Commission	157,700			157,700
Nursing, State Board of	130,900			130,900
Occupational Safety & Health Review Board	4,800			4,800
Parks Board, Arizona State	26,173,400	(6,135,900)		20,037,500
Personnel Board	334,000			334,000
Pioneers' Home, AZ	285,300			285,300

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Postsecondary Education, Commission for	1,391,300			1,391,300
Public Safety, Department of	42,291,900	(10,000,000)		32,291,900
Racing, Arizona Department of	2,404,100			2,404,100
Radiation Regulatory Agency	1,485,400			1,485,400
Rangers' Pensions, Arizona	12,000			12,000
Real Estate Department, State	3,105,000			3,105,000
Retirement System, Arizona State	0			0
Revenue, Department of	54,090,600	3,275,800		57,366,400
School Facilities Board	39,845,500			39,845,500
Secretary of State	5,538,500			5,538,500
Tax Appeals, State Board of	268,500			268,500
Tourism, Office of	9,001,100			9,001,100
Transportation, Department of	63,500			63,500
Treasurer, State	4,829,200	200,000		5,029,200
Uniform State Laws, Commission on	33,700			33,700
Universities				
Arizona State University - Main Campus	263,293,700			263,293,700
Arizona State University - East Campus	12,425,600			12,425,600
Arizona State University - West Campus	36,116,500			36,116,500
Northern Arizona University	110,980,300			110,980,300
Board of Regents	7,561,900			7,561,900
University of Arizona - Main Campus	263,687,900			263,687,900
University of Arizona - Health Sciences Center	52,858,400			52,858,400
SUBTOTAL - Universities	746,924,300	0	0	746,924,300
Veterans' Services, Department of	2,332,700			2,332,700
Water Resources, Department of	13,918,000			13,918,000
Weights and Measures, Department of	1,314,100			1,314,100
OPERATING BUDGET TOTAL	6,030,736,600	(17,129,700)	(3,000,000)	6,010,606,900
Unallocated Health Insurance - FY 03	6,100			6,100
GRAND TOTAL	6,030,742,700	(17,129,700)	(3,000,000)	6,010,613,000

**1st SPECIAL SESSION ADJUSTMENTS
OTHER FUND - FY 2003**

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
BUDGET UNITS				
Accountancy, State Board of				
Board of Accountancy Fund	\$2,114,500			\$2,114,500
Acupuncture Board of Examiners				
Acupuncture Board of Examiners Fund	60,500			60,500
Administration, AZ Department of				
Air Quality Fund	475,400			475,400
Capital Outlay Stabilization Fund	10,894,300			10,894,300
Certificates of Participation Fund	300,000			300,000
Corrections Fund	604,700			604,700
Motor Vehicle Pool Revolving Fund	12,646,500			12,646,500
Lease-Purchase Building Operating and Maintenance Fund	0			0
Technology and Telecommunications Fund	36,588,200			36,588,200
Risk Management Revolving Fund	84,175,000			84,175,000
Personnel Division Fund	14,417,900			14,417,900
Emergency Medical Services Operating Fund	50,000			50,000
Special Employee Health Insurance Trust Fund	4,902,400			4,902,400
State Surplus Materials Revolving Fund and Federal Surplus Materials Revolving Fund	4,350,000			4,350,000
Total - AZ Department of Administration	169,404,400	0	0	169,404,400
Administrative Hearings, Office of				
Office of Administrative Hearings Fund	0			0
AHCCCS Donations Fund	13,900			13,900
Total - Office of Administrative Hearings	13,900	0	0	13,900
Agriculture, AZ Department of				
Aquaculture Fund	9,200			9,200
Egg Inspection Fund	485,100			485,100
Citrus, Fruit and Vegetable Revolving Fund	995,700			995,700
Commercial Feed Fund	206,200			206,200
Fertilizer Materials Fund	259,900			259,900
Livestock Custody Fund	79,400			79,400
Pesticide Fund	241,000			241,000
Agricultural Consulting and Training Fund	64,900			64,900
Ratite Control Fund	0			0
Dangerous Plants, Pests and Diseases Fund	21,400			21,400
Organic Food Certification Fund	0			0
Arizona Protected Native Plant Fund	245,900			245,900
Seed Law Fund	52,500			52,500
Total - AZ Department of Agriculture	2,661,200	0	0	2,661,200
AHCCCS				
Children's Health Insurance Program Fund	137,323,600	(41,370,400)		95,953,200
Tobacco Tax and Health Care Fund				
Medically Needy Account	500,000			500,000
Tobacco Tax and Health Care Fund				
Medical Services Stabilization Fund	0			0
Tobacco Products Tax Fund				
Emergency Health Services Account	0	16,032,800		16,032,800
Donations Fund	1,717,700			1,717,700
Total - AHCCCS	139,541,300	(25,337,600)	0	114,203,700
Appraisal, State Board of				
Board of Appraisal Fund	462,500			462,500
Attorney General - Department of Law				
Collection Enforcement Revolving Fund	2,097,100			2,097,100
Antitrust Enforcement Revolving Fund	138,800			138,800
Victims' Rights Fund	3,168,300			3,168,300
Interagency Service Agreements Fund	17,179,400			17,179,400
Anti-Racketeering Fund	0			0
Consumer Fraud Revolving Fund	1,758,200			1,758,200
Total - Attorney General - Department of Law	24,341,800	0	0	24,341,800
Automobile Theft Authority				

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Auto Theft Authority Fund	3,914,000			3,914,000
Barbers, Board of				
Board of Barbers Fund	192,200			192,200
Behavioral Health Examiners, Board of				
Board of Behavioral Health Examiners Fund	717,000			717,000
Chiropractic Examiners, State Board of				
Board of Chiropractic Examiners Fund	345,700			345,700
Commerce, Department of				
Bond Fund	117,500			117,500
CEDC Fund	2,963,600			2,963,600
Housing Trust Fund	0			0
Lottery Fund	254,400			254,400
Oil Overcharge Fund	147,500			147,500
Total - Department of Commerce	3,483,000	0	0	3,483,000
Community Colleges, State Board of Directors for				
Community College Certification Fund	0			0
Contractors, Registrar of				
Registrar of Contractors Fund	9,128,400			9,128,400
Corporation Commission				
Arizona Arts Trust Fund	43,500			43,500
Utility Regulation Revolving Fund	10,814,700			10,814,700
Public Access Fund	1,789,700			1,789,700
Securities Regulatory and Enforcement Fund	3,381,100			3,381,100
Investment Management Regulatory and Enforcement Fund	761,200			761,200
Pipeline Safety Revolving Fund	0			0
Total - Corporation Commission	16,790,200	0	0	16,790,200
Corrections, State Department of				
Corrections Fund	29,978,100			29,978,100
Penitentiary Land Fund	1,375,000			1,375,000
State Charitable, Penal and Reformatory Institutions Land Fund	570,000			570,000
State Education Fund for Correctional Education	2,113,500			2,113,500
Alcohol Abuse Treatment Fund	449,300			449,300
Total - State Department of Corrections	34,485,900	0	0	34,485,900
Cosmetology, Board of				
Board of Cosmetology Fund	1,488,600			1,488,600
Criminal Justice Commission, Arizona				
Criminal Justice Enhancement Fund	464,200			464,200
Victim Compensation and Assistance Fund	2,900,000			2,900,000
State Aid to County Attorneys Fund	850,500			850,500
State Aid to Indigent Defense Fund	807,600			807,600
Total - Arizona Criminal Justice Commission	5,022,300	0	0	5,022,300
Deaf and the Blind, AZ Schools for the				
Arizona Schools for the Deaf and the Blind Fund	12,291,200			12,291,200
Deaf and the Hard of Hearing, Comm. for the				
Telecommunication Fund for the Deaf	5,434,200			5,434,200
Dental Examiners, State Board of				
Board of Dental Examiners Fund	774,700			774,700
Drug & Gang Prevention Resource Center				
Drug and Gang Prevention Resource Center Fund	259,800			259,800
Intergovernmental Agreements and Grants	4,883,100			4,883,100
Total - Drug & Gang Prevention Resource Center	5,142,900	0	0	5,142,900
Economic Security, Department of				
Federal Temporary Assistance for Needy Families Block Grant	284,465,800			284,465,800
Federal Child Care and Development Fund Block Grant	97,894,100	5,000,000		102,894,100
Special Administration Fund	2,126,900			2,126,900
Public Assistance Collections Fund	313,800			313,800
Long Term Care System Fund	18,030,500			18,030,500
Child Support Enforcement Administration Fund	12,046,000			12,046,000
Domestic Violence Shelter Fund	1,700,000			1,700,000

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Child Abuse Prevention Fund	1,064,800			1,064,800
Children and Family Services Training Program Fund	209,600			209,600
Spinal and Head Injuries Trust Fund	2,470,000			2,470,000
Workforce Investment Act Grant	47,977,500			47,977,500
Statewide Cost Allocation Plan Fund	1,000,000			1,000,000
Federal Reed Act Grant	0			0
Total - Department of Economic Security	469,299,000	5,000,000	0	474,299,000
Education, Department of				
Dedicated 6/	0			0
Proposition 301 Fund	6,675,200			6,675,200
Permanent State School Fund	70,263,000			70,263,000
Teacher Certification Fund	1,478,100			1,478,100
Total - Department of Education	78,416,300	0	0	78,416,300
Emergency & Military Affairs, Dept of				
Emergency Response Fund	132,700			132,700
Environmental Quality, Department of				
Solid Waste Fee Fund	1,267,600			1,267,600
Water Quality Fee Fund	3,610,600			3,610,600
Hazardous Waste Fund	768,100			768,100
Air Permits Administration Fund	5,294,000			5,294,000
Emissions Inspection Fund	35,653,700			35,653,700
Air Quality Fee Fund	8,026,600			8,026,600
Indirect Cost Recovery Fund	11,718,900			11,718,900
Used Oil Fund	129,800			129,800
Underground Storage Tank Fund	22,000			22,000
Recycling Fund	2,073,200			2,073,200
Total - Department of Environmental Quality	68,564,500	0	0	68,564,500
Exposition and State Fair Board, AZ				
Arizona Exposition and State Fair Fund	14,208,000			14,208,000
Funeral Directors and Embalmers, Board of				
Board of Funeral Directors & Embalmers Fund	263,400			263,400
Game and Fish Department, AZ				
Game and Fish Fund	21,091,000			21,091,000
Waterfowl Conservation Fund	43,500			43,500
Wildlife Endowment Fund	16,000			16,000
Watercraft Licensing Fund	2,549,700			2,549,700
Game, Nongame, Fish and Endangered Species Fund	294,200			294,200
Total - AZ Game and Fish Department	23,994,400	0	0	23,994,400
Gaming, Department of				
Tribal State Compact Fund	5,077,100	(1,111,100)		3,966,000
Arizona Benefits Fund	0	1,394,300		1,394,300
Total - Department of Gaming	5,077,100	283,200	0	5,360,300
Government Information Tech. Agency				
Information Technology Fund	2,502,300			2,502,300
Federal Temporary Assistance for Needy Families Block Grant	0			0
Total - Government Information Tech Agency	2,502,300	0	0	2,502,300
Gov's Ofc for Excellence in Government				
Office for Excellence in Government Fund	25,000			25,000
Health Services, Department of				
Nursing Care Institution Resident Protection Fund	38,000			38,000
Disease Control Research Fund	1,000,000			1,000,000
Tobacco Tax and Health Care Fund				
Health Research Account	0			0
Newborn Screening Program Fund	3,690,000			3,690,000
Indirect Cost Fund	6,590,800			6,590,800
Federal Child Care and Development Fund Block Grant	401,300			401,300
Tobacco Tax and Health Care Fund				
Medically Needy Account	12,817,000	5,000,000		17,817,000
Tobacco Tax and Health Care Fund				
Health Education Account	0			0
Emergency Medical Services Operating Fund	3,825,400			3,825,400
Poison Control Fund	1,850,000			1,850,000

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Environmental Laboratory Licensure Revolving Fund	790,400			790,400
Child Fatality Review Fund	100,000			100,000
Federal Temporary Assistance for Needy Families Block Grant	0			0
Substance Abuse Services Fund	3,350,000			3,350,000
Medical Services Stabilization Fund	2,000,000			2,000,000
Arizona State Hospital Fund	6,605,700			6,605,700
Spinal and Head Injuries Trust Fund	0			0
ASH Land Earnings Fund	650,000			650,000
Health Research Fund	5,500,000			5,500,000
Total - Department of Health Services	49,208,600	5,000,000	0	54,208,600
Homeopathic Medical Examiners, Board of Bd of Homeopathic Medical Examiners Fund	78,000			78,000
Housing, Department of Housing Trust Fund	438,800			438,800
Industrial Commission of AZ Industrial Commission Administrative Fund	15,983,500			15,983,500
Judiciary - Supreme Court Confidential Intermediary and Private Fiduciary Fund	396,500			396,500
Court Appointed Special Advocate Fund	2,439,400			2,439,400
Criminal Justice Enhancement Fund	3,013,900			3,013,900
Defensive Driving School Fund	5,216,800			5,216,800
Judicial Collection Enhancement Fund	12,633,800			12,633,800
State Aid to the Courts Fund	2,257,100			2,257,100
Total - Supreme Court	25,957,500	0	0	25,957,500
Judiciary - Superior Court Criminal Justice Enhancement Fund	6,891,500			6,891,500
SUBTOTAL - Judiciary	32,849,000	0	0	32,849,000
Juvenile Corrections, Department of State Charitable, Penal and Reformatory Institutions Land Fund	360,000			360,000
Criminal Justice Enhancement Fund	747,100			747,100
State Education Fund for Committed Youth	3,892,100			3,892,100
Total - Department of Juvenile Corrections	4,999,200	0	0	4,999,200
Land Department, State Environmental Special Plate Fund	776,000			776,000
Game and Fish Commission Heritage Fund	0	1,000,000	3,000,000	4,000,000
Cooperative Forestry Fund	0			0
Total - State Land Department	776,000	1,000,000	3,000,000	4,776,000
Legislature - Library, Archives & Public Records, AZ State Records Services Fund	310,300			310,300
Lottery Commission, AZ State State Lottery Fund	47,908,400			47,908,400
Medical Board, Arizona Board of Medical Examiners Fund	4,811,000			4,811,000
Medical Student Loans, Board of Medical Student Loan Fund	13,200			13,200
Naturopathic Physician Examiners Board Naturopathic Physicians Board of Medical Examiners	214,100			214,100
Nursing, State Board of Board of Nursing Fund	2,902,700			2,902,700
Nursing Care Institution Administrators Board Nursing Care Institution Administrators' Licensing & Assisted Living Facility Managers' Certification Fund	339,500			339,500
Occupational Therapy Examiners, Board of Occupational Therapy Fund	208,800			208,800
Opticians, State Board of Dispensing Board of Dispensing Opticians Fund	98,700			98,700
Optometry, State Board of Board of Optometry Fund	145,900			145,900
Osteopathic Examiners, AZ Board of Board of Osteopathic Examiners Fund	412,100			412,100

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Parks Board, Arizona State				
Game and Fish Commission Heritage Fund	0	6,135,900		6,135,900
State Parks Enhancement Fund	6,077,200			6,077,200
Law Enforcement Boating Safety Fund	1,092,700			1,092,700
Reservation Surcharge Revolving Fund	289,700			289,700
Total - Arizona State Parks Board	7,459,600	6,135,900	0	13,595,500
Pharmacy, AZ State Board of				
AZ State Board of Pharmacy Fund	1,227,600			1,227,600
Physical Therapy Examiners, Board of				
Board of Physical Therapy Fund	232,200			232,200
Pioneers' Home, AZ				
Miners' Hospital Fund	4,452,800			4,452,800
State Charitable Fund	714,900			714,900
Total - AZ Pioneers' Home	5,167,700	0	0	5,167,700
Podiatry Examiners, State Board of				
Podiatry Fund	102,400			102,400
Postsecondary Education, Commission for				
Postsecondary Education Fund	2,782,400			2,782,400
Private Postsecondary Education, Board for				
Board for Private Postsecondary Education Fund	254,600			254,600
Psychologist Examiners, State Board of				
Board of Psychologist Examiners Fund	327,100			327,100
Public Safety, Department of				
Highway User Revenue Fund	44,416,200	10,000,000		54,416,200
State Highway Fund	28,266,600			28,266,600
Arizona Highway Patrol Fund	13,454,000			13,454,000
Criminal Justice Enhancement Fund	2,197,000			2,197,000
Safety Enforcement and Transportation Infrastructure Fund	1,128,700			1,128,700
Crime Laboratory Assessment Fund	3,732,300			3,732,300
Arizona Deoxyribonucleic Acid Identification Fund	2,429,100			2,429,100
Automated Fingerprint Identification Fund	2,121,500			2,121,500
Fingerprint Clearance Card Fund	33,300			33,300
Board of Fingerprinting Fund	263,700			263,700
Motorcycle Safety Fund	80,000			80,000
Total - Department of Public Safety	98,122,400	10,000,000	0	108,122,400
Racing, Arizona Department of				
County Fair Racing Fund	339,600			339,600
Racing Administration Fund	67,300			67,300
Total - Arizona Department of Racing	406,900	0	0	406,900
Radiation Regulatory Agency				
State Radiologic Technologist Certification Fund	222,600			222,600
Residential Utility Consumer Office				
Residential Utility Consumer Office Revolving Fund	1,101,400			1,101,400
Respiratory Care Examiners, Board of				
Board of Respiratory Care Examiners' Fund	177,400			177,400
Retirement System, Arizona State				
State Retirement System Administration Account	21,609,700			21,609,700
Long-Term Disability Administration Account	2,423,900			2,423,900
Total - Arizona State Retirement System	24,033,600	0	0	24,033,600
Revenue, Department of				
Tobacco Tax and Health Care Fund	414,800			414,800
Estate and Unclaimed Property Fund	1,511,600			1,511,600
Liability Setoff Fund	390,500			390,500
Total - Department of Revenue	2,316,900	0	0	2,316,900
State Boards' Office				
Special Services Revolving Fund	275,200			275,200
Structural Pest Control Commission				
Structural Pest Control Commission Fund	1,851,100			1,851,100
Technical Registration, State Board of				
Technical Registration Fund	1,238,200			1,238,200
Tourism, Office of				

	Revised FY 2003 6th SS Total	GAA 1st S.S. Adjustments	Other 1st S.S. Adjustments	Revised FY 2003 1st SS Total
Tourism Fund	2,000,000			2,000,000
Transportation, Department of				
State Highway Fund	277,041,000	(9,750,000)		267,291,000
Highway User Revenue Fund	648,200			648,200
Air Quality Fund	51,100			51,100
Transportation Department Equipment Fund	33,648,300	(2,000,000)		31,648,300
State Aviation Fund	1,898,000	1,500,000		3,398,000
Safety Enforcement and Transportation Infrastructure Fund	2,336,000			2,336,000
Motor Vehicle Liability Insurance Enforcement Fund	1,030,200			1,030,200
Vehicle Inspection & Title Enforcement Fund	1,044,400			1,044,400
Total - Department of Transportation	317,697,200	(10,250,000)	0	307,447,200
Universities				
Arizona State University - Main Campus				
University Collections Fund	128,276,500			128,276,500
Arizona State University - East Campus				
University Collections Fund	6,977,500			6,977,500
Technology and Research Initiatives Fund	2,000,000			2,000,000
Total - Arizona State University - East Campus	8,977,500	0	0	8,977,500
Arizona State University - West Campus				
University Collections Fund	6,431,300			6,431,300
Technology and Research Initiatives Fund	1,600,000			1,600,000
Total - Arizona State University - West Campus	8,031,300	0	0	8,031,300
Northern Arizona University				
University Collections Fund	25,691,100			25,691,100
Federal Temporary Assistance for Needy Families Block Grant	0			0
Total - Northern Arizona University	25,691,100	0	0	25,691,100
Board of Regents	0	0	0	0
University of Arizona - Main Campus				
University Collections Fund	93,973,400			93,973,400
University of Arizona - Health Sciences Center				
University Collections Fund	7,880,600			7,880,600
Tobacco Tax and Health Care Fund Medically Needy Account	0			0
Poison Control Fund	92,000			92,000
Total - Univ. of Arizona - Health Sciences Center	7,972,600	0	0	7,972,600
SUBTOTAL - Universities	272,922,400	0	0	272,922,400
Veterans' Services, Department of				
State Veterans' Conservatorship Fund	541,000			541,000
State Veterans' Cemetery Fund	214,200			214,200
State Home for Veterans' Trust Fund	10,422,600			10,422,600
Total - Department of Veterans' Services	11,177,800	0	0	11,177,800
Veterinary Medical Examining Board				
Veterinary Medical Examining Board Fund	384,900			384,900
Weights and Measures, Department of	0			
Air Quality Fund	1,172,300			1,172,300
OPERATING BUDGET TOTAL	\$2,014,644,800	(\$8,168,500)	\$3,000,000	\$2,009,476,300
Unallocated Health Insurance - FY 03	2,465,500			2,465,500
Unallocated Lease & Rental Adjustments	279,500			279,500
GRAND TOTAL	\$2,017,389,800	(\$8,168,500)	\$3,000,000	\$2,012,221,300

**FUND BALANCE TRANSFERS AND SHIFTS
For Fiscal Year 2003**

<u>AGENCY/FUND</u>	<u>Proposal</u>
Fund Transfers	
Department of Administration	
Air Quality Fund (ADA2226)	(500,000)
Retiree Accumulated Sick Leave Fund (YYA3200)	(400,000)
Technology & Telecommunications Fund (ADA4201)	(2,000,000)
DOA 911 Emergency Telecom Services Revolving Fund (ADA2176)	(7,000,000)
Risk Management Fund (ADA4216)	(2,000,000)
Lease-Purchase Building Operating & Maintenance (1025)	(46,700)
State Employee Ride Share (2261)	(200,000)
State Suggestion Program Award Fund (3190)	(20,000)
Admin - AFIS II Collections (4203)	(159,000)
Eliminate Prior Transfer from State Surplus Materials Revolving Fund 1/	850,000
Department of Agriculture	
Commercial Feed Fund (AHA2012)	(450,000)
Pesticide Fund (AHA2051)	(400,000)
Fertilizer Materials Fund (AHA2081)	(150,000)
Ratite Control Fund (2098)	(1,800)
Attorney General	
Prosecuting Attorneys Fund (AGA2057)	(200,000)
Banking Department	
Receivership Fund (BDA3023)	(150,000)
Department of Commerce	
Greater AZ Development Authority Revolving (EPA2311)	(2,500,000)
Arizona Job Training Fund (EPA1237)	(5,000,000)
Arizona Community Colleges	
Community College Certification Fund (2009)	(88,700)
Department of Corrections	
ACI Enterprises Revolving Fund (DCA4002)	(1,000,000)
AZ Commission for the Deaf & the Hard of Hearing	
Telecommunication Fund for the Deaf (DFA2047)	(1,000,000)
Drug and Gang Prevention Resource Center	
Resource Center Fund (2280)	(200,000)
Department of Economic Security	
Public Assistance Collections Fund (DEA2217)	(400,000)
Department of Education	
Charter School Stimulus Fund (1007)	(80,300)
Research Based Systematic Phonics Instruction (2413)	(18,300)
Education Commodity (4210)	(100,000)
Department of Environmental Quality	
UST Assurance - Maricopa County Account (EVA2271)	(2,400,000)
UST Assurance - Non-Maricopa County Account (EVA2271)	(3,600,000)
Clean Air Fund (EVA1238)	(1,000,000)
Recycling Fund (EVA2289)	(500,000)
Game and Fish Department	
Watercraft Licensing Fund (GFA2079)	(1,500,000)
Department of Health Services	
Medical Services Stabilization Fund (Mental Hlth Inst. Funding) (HSA3037)	(500,000)
Emergency Medical Operating Services (2171)	(600,000)
IGA and ISA Fund (2500)	(25,400)

<u>AGENCY/FUND</u>	<u>Proposal</u>
State Land Department Federal Reclamation Trust Fund (2024)	(250,000)
State Parks Board Off-Highway Vehicle Recreation Fund (PRA2253)	(4,000,000)
Commission for Postsecondary Education Teacher Loan Forgiveness (2249)	(1,300)
State Board for Private Postsecondary Education Private Postsecondary Education (2056)	(100,000)
Department of Public Safety Crime Laboratory Assessment (2282) Auto Fingerprint Identification (2286)	(200,000) (400,000)
Department of Revenue DOR Unclaimed Property Fund (RVA1520)	(4,200,000)
Department of Transportation State Aviation Fund (DTA2005) Subtotal - Fund Transfers	(4,500,000) <u>\$ (46,991,500)</u>
Fund Shift DPS Highway Patrol Fund/HURF/General Fund	(10,000,000)
TOTAL - FUND TRANSFERS & SHIFTS	\$ (56,991,500)
Other Shortfall Reduction Items in Fund Transfer Section SFB Deficiencies Correction Fund ADOT Highway Expansion & Extention Loan (HELP) Program Fund ADOT Equipment Fund	(100,000,000) (20,000,000) (2,000,000)

1/ The FY 03 supplemental adjustment bill strikes a prior transfer of \$1 million from this fund, however, an existing session law provision will generate \$150,000 from this fund for the General Fund. Therefore, the net impact of striking the \$1 million transfer is \$850,000, as shown above.

Continuing Appropriation Reversions

Agency/Purpose	Reversion Amount	Originating Statute
General Fund		
Department of Administration		
Military Airport Preservation Committee	\$107,500	L95, ch 62, sec 9, sub D
Performance Based Incentives	106,325	L97, 1SS, ch 1, sec 2
Department Relocation	168,410	L99, 1SS, ch 1, sec 4; L01, ch 236, sec 4
State Hospital Study and Design	31,870	L95, 1SS, ch 2, sec 2, sub B, par 1
ASPC-Perryville Security Improvements	6,682	L97, ch 212, sec 22, sub A, par 2
DOC Prison Lock Replacement	27,480	L98, 4SS, ch 1, sec 59
Capital Mall Maintenance Compound	8,169	L98, 4SS, ch 7, sec 2, sub B, par 2
Sexually Violent Persons Facility	103,218	L99, 1SS, ch 2, sec 3, par 2
Building Renewal - FY 95	3,396	L94, 8SS, ch 2, sec 2, sub B, par 1
Building Renewal - FY 95	10,978	L94, 8SS, ch 2, sec 1, sub C
Building Renewal - FY 97	30	L96, 5SS, ch 2, sec 1, sub C
Building Renewal - FY 97	1,325	L96, 5SS, ch 2, sec 1, sub C
Building Renewal - FY 98	1,113	L97, 1SS, ch 2, sec 1, sub C
Building Renewal - FY 99	31	L98, 4SS, ch 7, sec 1, sub C
Building Renewal - FY 99	1,396	L98, 4SS, ch 7, sec 1, sub C
Building Renewal - FY 99	13,995	L99, 1SS, ch 5, sec 18, sub A, par 1
Building Renewal - FY 01	364	L99, 1SS, ch 2, sec 1, sub C
Capital maintenance and repair	11,655	L96, 5SS, ch 2, sec 1, sub A
Capitol Center Expansion	35	L95, 1SS, ch 2, sec 2, sub B, par 1
Americans with Disabilities compliance	986	L94, 8SS, ch 2, sec 2, sub B, par 1
AHCCCS		
Mental Health - Adults	42,763	L91, ch 265, sec 26
Apache and Navajo County Claims for Tribal Members	184,364	L97, 1SS, ch 7, sec 18
Corporation Commission		
Railroad Warning Systems	302,509	L99, 1SS, ch 1, sec 22
Arizona State School for the Deaf and the Blind		
Master plan	5,000	L95, 1SS, ch 2, sec 2, sub B, par 2
Renovation of athletic facilities at Tucson campus	15,116	L98, 4SS, ch 7, sec 2, sub C
Department of Economic Security		
Building renewal - 1995	3,537	L94, 8SS, ch 2, sec 1, sub C
Building renewal - 1997	1,769	L95, 1SS, ch 2, sec 1, sub C
Domestic violence shelter	105,203	L99, ch 182, sec 1, sub A
Family Builders	30,842	L99, 1SS, ch 1, sec 29
Project intervention	22,828	L99, 1SS, ch 1, sec 29
Department of Education		
English Learner Monitoring	130,847	L01, 2SS, ch 9, sec 14, sub A
ADTEC remodel	357	L91, ch 289, sec 2, sub B, par 2
Telecommunications Cabling	1,624	L91, ch 289, sec 2, sub B, par 2
Temporary facilities	281	L90, 3SS, ch 8, sec 2, sub B, par 3
Building Renewal	394	L93, 2SS, ch 2, sec 1, sub C
Security Fencing	2,563	L95, 1SS, ch 2, sec 2, sub B, par 2
Department of Emergency and Military Affairs		
Marana Tactical Equipment Park	18,753	L90, 3SS, ch 8, sec 2, sub B, par 6
Project Challenge	12,163	L97, ch 293, sec 2, sub A & B; L99, 1SS, ch 5, sec 18, sub A, par 2
STARC Armory	16	L91, ch 289, sec 2, sub B, par 4
Flooded residences	5	L93, ch 122, sec 1, sub D
Department of Environmental Quality		
Greenfields Pilot Program	37	L97, ch 296, sec 10, sub C

<u>Agency/Purpose</u>	<u>Reversion Amount</u>	<u>Originating Statute</u>
Department of Health Services		
JACHO accreditation at ASH; related costs	8,794	L99, 1SS, ch 5, sec 18, sub A, par 1
Male RTC program at ASH	39,348	L99, ch 1, sec 1, sub A, par 1
Primary care provider loan repayment	10,747	L94, ch 348, sec 5, sub B
Self-care unit at ASH	15,731	L99, ch 1, sec 1, sub A, par 4
Vital Records	153,283	L99, ch 176, sec 23, sub A
Building Renewal to ASH	5,217	L95, 1SS, ch 2, sec 1, sub C
Maintenance of windows at ASH	76	L99, 1SS, ch 5, sec 18, sub A, par 1
Environmental Assessment	2,369	L89, ch 311, sub 25
Obstetrics Malpractice	2,900	L91, ch 287, sec 26
Health Start	0.14	L99, ch 241, sec 5
Arizona Historical Society		
Tucson museum renovation	5,000	L94, 8SS, ch 2, sec 2, sub B, par 4
Indian Affairs		
Indian Town Hall	99	L96, 5SS, ch 1, sec 23
Department of Insurance		
Health care plans oversight	161,945	L00, ch 355, sec 25, sub A
Managed health care appeals	9,591	L97, ch 100, sec 20, sub A & B
Judiciary		
Elder Law Hotline	794	L98, ch 207, sec 1, sub A
Department of Public Safety		
Internet sex offender web site	61,495	L98, ch 291, sec 9
Sex offender profile notifications	6,287	L98, ch179, sec 1
Arizona State Retirement System		
Burke vs. ASRS, Settlement Costs	3,480,819	L99, ch 266, sec 7, sub A, par 3
Department of Revenue		
Property class realignment	6,646	L99, ch 344, sec 60, sub A
Department of Water Resources		
Cochise-Wilcox County Flood Control	400,000	L85, ch 332, sec 3, sub 1, subd (a)
Rural water studies	107,000	L00, ch 244, sec 1, sub A
Riparian areas	191	L92, ch 298, sec 4
Hydrology Study	7	L95, ch 86, sec 1
Major Maintenance and Repair	1,200	L99, 1SS, ch 5, sec 18, sub A, par 1
Total - General Fund	\$5,965,468	
<u>Corrections Fund</u>		
Department of Corrections		
Lock Replacement	\$472,005	L01, 2SS, ch 3, sec 5, as amended by L02, ch 321, sec 9
Lewis: Planning and Site Acquisition	197,939	L95, 1SS, ch 2
Yuma: 800 L4 Beds and Complex Buildings	197,419	L95, 1SS, ch2
Yuma: 800 L4 Beds and Complex Buildings	83,383	L95, 1SS, ch2
Tucson II Prison Planning and Siting	2,342,392	L98, 4SS, ch 7
Tucson II Prison Design and Construction	2,349,669	L99, 1SS, ch 2
Globe: Design and Construction of 100 Beds	351,579	L94, 8SS, ch 2, sec 2, sub C
Douglas Wastewater	153,141	L98, 4SS, ch 7
Department of Juvenile Corrections		
Build-Out New Secure Care Complex	330,832	L98, 4SS, ch 7
Medical Unit	141,851	L01, 2SS, ch 3, sec 5
HVAC	27,511	L01, 2SS, ch 3, sec 5
Total - Corrections Fund	\$6,647,721	

FY 2003 OMNIBUS RECONCILIATION BILL

HB 2002

	<u>Section #</u>
AHCCCS	
<i>Tobacco Tax Medically Needy Account</i>	
<ul style="list-style-type: none"> • As session law, amends prior session law (Laws 2002, Chapter 329, Section 30) to increase the FY 2003 allocation from the Tobacco Tax Medically Needy Account for state matching monies for the AHCCCS Acute Care Program from \$31,445,300 to \$43,543,900, which reflects the increase approved in 6th Special Session. Also reduces the allocation to the Children's Health Insurance Program Fund from \$32,025,000 to \$15,492,400 to reflect lower caseload estimates and the expenditure of prior year appropriations, and adds \$24,932,800 for state matching monies for the Proposition 204 program. 	8
Asset Sales	
<i>State Compensation Fund Asset Acquisitions</i>	
<ul style="list-style-type: none"> • As session law, transfers \$50,000,000 from the State Compensation Fund to the General Fund and directs ADOA and the State Compensation Fund to enter into an agreement to transfer ownership of \$50,000,000 worth of state assets to the State Compensation Fund and establish rates (comparable to rental rates for state-owned space) for agencies to continue to use the assets. Requires JCCR review and mutual consent between ADOA and the State Compensation Fund before disposition of assets after transfer of ownership. ADOA retains the option to reacquire the assets. 	21
<i>North Black Canyon Building</i>	
<ul style="list-style-type: none"> • As session law, directs ADOA to sell the property at 3815 N. Black Canyon by July 1, 2003 and deposit sale proceeds into the General Fund. 	20
Community Colleges	
<i>State Aid Specified in General Appropriation Act</i>	
<ul style="list-style-type: none"> • As session law, suspend the funding formulas in A.R.S. § 15-1464, 15-1466, and 15-1468 and instead fund FY 2003 Capital Outlay State Aid, Operating State Aid, and Equalization Aid at levels set in the General Appropriation Act and any amendments to the General Appropriation Act. 	11
Commission for the Deaf and Hard of Hearing	
<i>Technical Correction</i>	
<ul style="list-style-type: none"> • As permanent law, corrects technical reference in A.R.S. § 36-1947 relating to the deposit of a portion of the telecommunications excise tax into the Telecommunication Fund for the Deaf. 	3
Department of Economic Security	
<i>TANF Reversion</i>	
<ul style="list-style-type: none"> • As session law, extend the reversion date for Temporary Assistance for Needy Families Block Grant monies from the Joint Substance Abuse Treatment Fund from June 30, 2002 to June 30, 2003. 	5
<i>Child Care</i>	
<ul style="list-style-type: none"> • Beginning March 12, 2003 requires rather than permits the establishment of waiting lists under certain circumstances. Prohibits persons on waiting list from receiving assistance in FY 2003. Child care monies shall not be used for any other purpose without approval of JLBC. 	4, 25
Department of Environmental Quality	
<i>Reappropriation of Non-lapsing Appropriations</i>	
<ul style="list-style-type: none"> • As session law, reappropriates approximately \$492,800 from non-lapsing appropriations related to environmental health reserves, catalytic converter replacement program, and emissions banking and trading study for operating expenses in FY 2003. 	26

Department of Health Services

Tobacco Tax Medically Needy Account

- As session law, amends prior session law (Laws 2002, Chapter 329, Section 30) to add \$5,000,000 for state matching monies for behavioral health services for Title XIX eligible individuals. 8
- As session law, require DHS to revert unexpended Medically Needy monies as of March 7, 2003 that were allocated in FY 2002 and prior years to the AHCCCS Medically Needy account. 17

ASH Forensic Renovation

- As session law, prohibit the use of unexpended or unencumbered monies in the ASH Capital Construction Fund for renovation of forensic facilities. 12

Judiciary

Adult Probation Ratios

- As session law, suspend statutory adult probation ratios in FY 2003. 15

State Land Department

Game and Fish Heritage Fund

- As session law, allows the use of monies from the acquisition portion of the Game and Fish Commission Heritage Fund to be used to fund statutory authorizations of \$2 million for fire suppression and \$1 million for repositioning of fire fighting resources in FY 2003. 18
- As session law, allows the use of monies from the acquisition portion of the Game and Fish Commission Heritage Fund to be used to fund operating expenses of the State Land Department in FY 2003. 19

State Parks

Off Highway Vehicle Recreation Fund

- As session law, allow the agency to spend up to \$692,100 from the Off Highway Vehicle Recreation Fund to fund State Parks operating expenses in FY 2003. 13

Game and Fish Heritage Fund

- As session law, allows the use of monies from the acquisition portion of the Game and Fish Commission Heritage Fund to be used to fund State Parks operating expenses in FY 2003. 19

Department of Public Safety

Firearm Clearance Center

- As permanent law, re-establish A.R.S. § 13-3114 requiring DPS to conduct firearms background checks. 1, 7

State Highway Fund Reimbursement

- As session law, reimburse the General Fund from the State Highway Fund for DPS Highway Patrol expenditures of \$10,000,000 in FY 2001. 16

Department of Revenue

Ladewig v. State

- As session law, amend Laws 2002, Chapter 321, Section 18 to reduce the FY 2003 allocation for the Ladewig v. State of Arizona case from \$75,000,000 to \$15,000,000. 6
- As session law, hold in reserve for future payments related to the Ladewig case, any unused amount from the \$15,000,000 allocated to the Department of Revenue in FY 2003. 6

DOR Estate and Unclaimed Property Fund

- As session law, deposit \$5,000,000 from the DOR Estate and Unclaimed Property Fund to the General Fund, before making the specified percentage distributions to the Housing Trust Fund and Racing Fund in FY 2003. 10

School Facilities Board

Deficiencies Correction Dates

- As permanent law, delay from June 30, 2003 to June 30, 2004 the date by which all existing statewide school deficiencies shall be corrected. 2
- As session law, allow Mesa Unified, Glendale Union, and Tucson Unified school districts to complete deficiencies by June 30, 2005. 22
- As session law, allow SFB to reimburse school district local funds for upfront expenditures on deficiencies projects approved by SFB. Law is repealed after June 30, 2005. 23, 24
- As permanent law, delay repeal of the Deficiencies Correction Fund from June 30, 2004 to June 30, 2005. 9

Deficiencies Correction Advance Appropriation

- As session law, appropriate \$100 million from the General Fund to the Deficiencies Correction Fund in FY 2005 (would reappropriate a FY 2003 \$100 million transfer from the Deficiencies Correction Fund to the General Fund). 27

Department of Water Resources

Arizona Water Banking Fund Offset

- As session law, allows the use of monies from the Arizona Water Quality Fund and \$1,115,900 from the Arizona Water Banking Fund for DWR FY 2003 operating expenses. 14

Other

Emergency Clause

28

**EXCESS UTILITY COSTS
HB 2003**

Section #

Department of Education

Cap Excess Utilities Funding

- As session law, changes the effective date of the cap on school district excess utilities spending for FY 2004 from May 15, 2002 to January 1, 2002. 1