STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ

JOINT LEGISLATIVE BUDGET COMMITTEE Thursday, August 14, 2003 9:30 a.m. House Hearing Room 4

AGENDA

- Call to Order
- Approval of Minutes of June 5, 2003 and June 10, 2003.
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION
 - A. Arizona Department of Administration, Risk Management Services Consideration of Proposed Settlements under Rule 14.
 - B. Arizona Department of Administration Risk Management Annual Report.
 - C. Update on Crane Litigation Department of Education
- 1. ARIZONA DEPARTMENT OF ADMINISTRATION
 - A. Review of Risk Management Deductible.
 - B. Review of Emergency Telecommunication Services Revolving Fund Expenditure Plan.
- 2. OFFICE OF THE ATTORNEY GENERAL
 - A. Review of Allocation of Settlement Monies.
 - B. Review of Uncollectible Debts.
- 3. ARIZONA COMMISSION ON THE ARTS Review of the Arizona Arts Endowment Fund and Private Contributions.
- 4. DEPARTMENT OF HEALTH SERVICES
 - A. Review of Behavioral Health Capitation Rate Changes.
 - B. Review of Children's Rehabilitative Services Capitation Rate Changes.
- 5. ARIZONA CRIMINAL JUSTICE COMMISSION Review of Victim Compensation and Victim Assistance Receipts.
- 6. ARIZONA STATE RETIREMENT SYSTEM Review of Information Technology Expenditure Plan.

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 542-5491.

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS

STATE SENATE STATE OF ARIZONA

Joint Legislative Budget Committee

STATE SENATE

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS 1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

REPRESENTATIVES

HOUSE OF

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

June 5, 2003

The Chairman called the meeting to order at 8:35 a.m., Thursday, June 5, 2003, in House Hearing Room 1. The following were present:

Members:	Senator Burns, Vice-Chairman Senator Anderson Senator Arzberger Senator Bee Senator Cannell Senator Harper Senator Martin Senator Rios	Representative Pearce, Chairman Representative Biggs Representative Burton Cahill Representative Farnsworth Representative Gray Representative Huffman Representative Lopez
Absent:	Senator Klos	Representative Huppenthal
Staff:	Richard Stavneak, Director Beth Kohler Paul Shannon	Cheryl Kestner, Secretary Steve Schimpp Stefan Shepherd
Others:	Cynthia Odom Steve LaMar Betsey Bayless Susan Strickler Steven Schramm	Attorney General's Office Attorney General's Office Director, Department of Administration Benefits Manager, Department of Administration Mercer Consulting

APPROVAL OF MINUTES

Senator Burns moved that the Committee approve the minutes of April 2, 2003. The motion carried.

EXECUTIVE SESSION

Senator Burns moved that the Committee go into Executive Session. The motion carried.

At 8:40 a.m. the Joint Legislative Budget Committee went into Executive Session.

At 9:25 a.m. the Committee reconvened into open session.

<u>Senator Burns moved that the Committee approve the recommended settlement proposal by the Attorney General's Office in the case of Burton, et. al. v. State.</u> The motion carried.

Representative Pearce indicated that the Committee did not need to take a vote at this time and there were many questions to be addressed.

Due the time constraints Representative Pearce said the remaining items on the agenda would be heard at the next meeting to be scheduled next week.

Without objection the Committee adjourned at 9:35 a.m.

Respectfully submitted:

Cheryl Kestner, Secretary

Richard Stavneak, Director

Representative Russell Pearce, Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 West Adams.

STATE OF ARIZONA

Joint Legislative Budget Committee

STATE SENATE

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS 1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

REPRESENTATIVES

HOUSE OF

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

June 10, 2003

The Chairman called the meeting to order at 8:35 a.m., Tuesday, June 10, 2003, in House Hearing Room 4. The following were present:

Members:	Senator Burns, Vice-Chairman Senator Anderson Senator Arzberger Senator Cannell Senator Harper Senator Rios	Representative Pearce, Chairman Representative Biggs Representative Burton Cahill Representative Gray Representative Lopez
Absent:	Senator Bee Senator Martin	Representative Farnsworth Representative Huffman Representative Huppenthal
Staff:	Richard Stavneak, Director Jake Corey Beth Kohler	Cheryl Kestner, Secretary Steve Schimpp Stefan Shepherd

Representative Pearce stated that Executive Session and approval of minutes were done at the previous meeting.

DEPARTMENT OF EDUCATION (ADE) – Review Change to State Aid Based on Change in Assessed Valuation.

Mr. Steve Schimpp, JLBC Staff, said ADE is requesting a favorable review of its plan to provide \$163,700 in corrected state aid funding in the current year to the Fredonia-Moccasin Unified School District. This adjustment is due to changes in the district's assessed property value.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Department of Education's plan to provide \$163,700 to the Fredonia-Moccasin Unified School District in corrected state aid funding. The motion carried.

DEPARTMENT OF HEALTH SERVICES (DHS) – Review of Behavioral Health Capitation Rate Changes.

Ms. Beth Kohler, JLBC Staff, said that this item related to the DHS's Behavioral Health capitation rate. A footnote in the General Appropriation Act requires DHS to report on any changes in their capitation rates for Title XIX. DHS is requesting an 8.7% change in the Developmental Disabilities Behavioral Health rate. The changes are retroactive to October 1, 2002 and the federal government requires capitation rates be actuarially sound, and the JLBC Staff received the actuarial report for these rates. The JLBC Staff recommends that the Committee give a favorable review of this request. Increases will cost

about \$282,800 from the General Fund in 2004. Funding for this capitation increase is not included in the House Engrossed version of the FY 2004 General Appropriation Act, but they are included in the Senate Engrossed version.

Representative Pearce asked what would happen if the Committee did not give a favorable review and left the capitation rates as they are now.

Mr. Richard Stavneak, Director, JLBC Staff, said since this is a review and not an approval item, the department would have the ultimate ability to increase the capitation rate. He said the department would have to absorb the cost of an increase in their budget.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Department of Health Services' request for an adjustment of 8.7% to the Developmental Disabilities Title XIX Behavioral Health Rates. The motion carried.

DEPARTMENT OF ECONOMIC SECURITY – Review of Long Term Care Capitation Rate Changes.

Mr. Stefan Shepherd, JLBC Staff, stated that this item is a review of the capitation rates for the developmentally-disabled (DD) portion of the Long Term Care program in DES. DES has a similar footnote as the DHS footnote. DES is requesting review of a capitation rate increase of about 5% in the DD program retroactive to October 1, 2002 as well as a 4% increase retroactive to July 1, 2002. The Staff is recommending a favorable review of the request. The capitation rate increase is in line with the FY 2003 budget.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Department of *Economic Security's request to the capitation rate increase.* The motion carried.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) – Review of Capitation Rates.

Mr. Tim Sweeney, JLBC Staff, said this item is a review of a capitation rate increase in AHCCCS for the Comprehensive Medical and Dental Program (CMDP). This capitation rate increase is retroactive to October 1, 2002. This will result in additional costs of about \$634,000. There are surpluses elsewhere in the AHCCCS budget in FY 2003 so there should be no actual cost. The JLBC Staff recommends a favorable for this request.

Representative Gray asked why at 23% this increase is so high.

Mr. Sweeney said that at least half of this in terms of the 23% is due to improper billing of costs essentially to the state on the side of CMDP which is housed in DES rather than to the portion of CMDP that get Medicaid reimbursements. Most of the increase is moving those costs to the side that receives the federal reimbursement.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Arizona Health Care Cost Containment System's request for a capitation rate change of 23.8% in the Comprehensive Medical and Dental Program. The motion carried.

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING – Review of Changes to the Disproportionate Share Hospital Program.

Ms. Beth Kohler, JLBC Staff, said this item relates to the Disproportionate Share Hospital Program (DSH). The General Appropriation Act requires any changes to the distribution of DSH spending, as determined by the Governor, to be subject to review of the Committee. OSPB has requested that the Committee review a revised plan to reduce FY 2003 DSH spending by \$(23,062,400) in AHCCCS. The original FY 2003 plan assumed changes could be made to the way they calculate DSH payments. However, because the federal government has not yet approved those changes they are returning to the current method of calculating distributions. These changes are necessary to keep the state's DSH program consistent with federal policy. In total, the changes result in a reduction in expenditures of \$(8.5) million General Fund, and about \$(23) million Total Funds. In addition, because we recoup a portion of the distributions to counties because of sales tax withholdings, those numbers are also changing. Including both the reduced General Fund expenditures and the reduced withholdings, the net impact to the General Fund is \$(14,588,000).

We have already reported on this lost General Fund revenue in our *Monthly Fiscal Highlights* and it is taken into account in the estimated revenue forecast for FY 2003. Since the memo, the Executive has revised the distribution and plans to change the distributions to Maricopa and Kino, although there would be no net changes to the numbers reported in the memo. The changes are related to the proposed Upper Payment Limit (UPL) legislation, and at this point we would suggest that if the UPL legislation goes through that we would add language to the legislation to incorporate the Executive's new changes.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Governor's Office of Strategic Planning and Budgeting's request to modify the distribution of AHCCCS payments for the Disproportionate Share Hospital Program. The motion carried.

ARIZONA COMMUNITY COLLEGES - Review of Workforce Development Plan Activities and Expenditures

Mr. Jake Corey, JLBC Staff, presented the Community Colleges' annual report on their previous year's workforce development plan activities and expenditures to the Committee for review. The JLBC Staff recommends that the Committee give a favorable review of the reports. Due to the number of reports received, JLBC Staff plans to work in the future with the Arizona Community College Association to develop a standardized reporting format. Total expenditures in FY 2002 were \$6.8 million.

Senator Anderson asked where the money comes from for this.

Mr. Stavneak said it comes from Proposition 301 sales tax.

Representative Gray noted that Community Colleges and the Universities received money from Proposition 301. The Universities are receiving \$46 million, and because they can use up to 20% of those monies on capital projects, they would be able to fund research facilities with that.

<u>Senator Burns moved</u> that the Committee give a favorable review as recommended by JLBC Staff to the Community Colleges' reports on their previous year's workforce development plan activities and expenditures. The motion carried.

Without objection the Committee adjourned at 8:50 a.m.

Respectfully submitted:

Cheryl Kestner, Secretary

Richard Stavneak, Director

Representative Russell Pearce, Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 West Adams.

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007 CHAIRMAN 2004 PHONE (602) 542-5491 FAX (602) 542-1616 http://www.azleg.state.az.us/jlbc.htm DATE: August 5, 2003 ΤO Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee THRU: Richard Stavneak, Director FROM: Paul Shannon, Senior Fiscal Analyst SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION – REVIEW OF RISK MANAGEMENT DEDUCTIBLE

Request

A.R.S. § 41-621(E) requires the Arizona Department of Administration (ADOA) to submit for annual review the deductible amounts charged to agencies for risk management losses. ADOA requests that the Committee approve the current deductible amounts, with no changes from the previous year.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request.

Analysis

Laws 1997, Chapter 85 provided that the Director of ADOA may impose on state agencies deductibles of up to \$10,000 per risk management loss. Deductible amounts established by the director shall be subject to annual review by JLBC. ADOA maintains the right to waive any deductible for just cause or in the best interest of the state. To date, ADOA has not assessed any deductibles.

The deductible program has 3 components, as described below:

Rule 14 Settlements and Judgments 1)

> The deductible program states that ADOA shall charge a \$10,000 deductible for each claim of \$250,000 or more (i.e., those claims approved by JLBC under Rule 14) unless the agency implements an approved plan to eliminate or limit similar future losses. ADOA helps agencies develop plans and reports universal compliance with the requirement.

ROBERT "BOB" BURNS MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W HARPER DEAN MARTIN PETE RIOS

STATE SENATE HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILI EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL JOHN LOREDO

(Continued)

2) <u>Workers' Compensation Early Notification</u>

ADOA requires state agencies to report workers' compensation claims within 10 days of the employee's notification to his supervisor of the incident. Risk Management will waive the deductible on all of the agency's workers' compensation claims reported after the 10-day period if the agency reports 75% of all occurrences of industrial injury or illness within 2 days of being reported by an employee to the employee's supervisor.

3) Opportunistic Loss Prevention

The deductible plan states that ADOA and each agency shall agree on the agency's most significant opportunity for loss prevention. ADOA will assess a \$10,000 deductible for each loss of this type unless the agency implements an approved loss prevention plan. All state agencies have submitted loss prevention plans. ADOA continues to work with agencies to update and improve those plans.

The JLBC Staff believes that the deductible program provides a good incentive for state agencies to avoid risk management losses. This is an important counter-balance to the possible adverse effect of ADOA bearing the cost for another agency's bad decision that results in a loss.

RS/PS:jb

JANET NAPOLITANO GOVERNOR



BETSEY BAYLESS DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION

RISK MANAGEMENT SECTION

100 North 15th Ave., Suite 301 PHOENIX, ARIZONA 85007-2635 (602) 542-2180 FAX (602) 542-1943

June 30, 2003

The Honorable Robert Burns Arizona State Senate 1700 West Washington Phoenix, AZ 85007



The Honorable Russell K. Pearce Arizona House of Representatives 1700 West Washington Phoenix, AZ 85007

Dear Senator Burns and Representative Pearce:

Pursuant to ARS 41-621E, the Director of the Department of Administration (ADOA) may impose on state agencies deductibles of up to \$10,000 per Risk Management covered loss. Deductible amounts established by the Director shall be subject to annual review by the Joint Legislative Budget Committee. The Risk Management Section of the Department of Administration maintains the right to waive any deductible for just cause or in the best interest of the state.

The deductible program has three components, as described below:

1. Rule 14 Settlements and Judgments

The Risk Management Section shall charge a \$10,000 deductible for each claim of \$250,000 or more (i.e., those claims approved by the JLBC under Rule 14) unless the agency implements an approved plan to eliminate or limit similar future losses.

The Risk Management Section helps agencies develop these plans.

2. Workers' Compensation Early Notification

The Risk Management Section shall charge each agency a deductible on each workers' compensation claim the agency fails to report to RM within 10 days after an employee notifies the employee's supervisor or other agency representative of an injury. The deductible amount of the claim shall be equal to 20% of the total claim, not to exceed \$10,000.

The Risk Management Section shall waive the deductible on all of the agency's workers' compensation claims reported after the 10-day period, if the agency reports 75% of all occurrences of industrial injury or illness within 2 days of being reported by an employee to the employee's supervisor, or other agency representative. To make this computation RM shall use

a rolling 12-month average, and apply the deductible to claims filed during the individual months of 2001 and all years forward.

The Risk Management Section has provided agencies with extensive training and informational materials for use in educating their employees of the need for early reporting of workplace injuries.

3. Opportunistic Loss Prevention Program

The Risk Management Section and each agency shall agree on the agency's most significant opportunity for loss prevention. The Risk Management Section will assess a \$10,000 deductible for each loss of this type unless the agency implements an approved loss prevention plan. All state agencies have submitted loss prevention plans. The Risk Management Section continues to work with agencies to update and improve those plans.

During fiscal year 2003, no agency has been assessed a deductible.

We believe that the deductible program provides a good incentive for state agencies to avoid losses covered by Risk Management. This is an important counter-balance to the possible adverse effect of The Risk Management Section bearing the cost for another agency's decision that may result in a loss.

Sincerely,

Frank Hinds State Risk Manager

 Members, Joint Legislative Budget Committee Betsey Bayless - ADOA, Director Lee Baron - ADOA, Assistant Director Charlotte Hosseini, ADOA Budget Manager
 Paul Shannon – JLBC, Budget Analyst
 Theresa Garcia, OSPB, Budget Analyst STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS

PHOENIX, ARIZONA 85007 RUSSELL K. PEARCE CHAIRMAN 2003 CHAIRMAN 2004 PHONE (602) 542-5491 ANDY BIGGS MEG BURTON CAHILI FAX (602) 542-1616 EDDIE FARNSWORTH http://www.azleg.state.az.us/jlbc.htm LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ DATE: August 7, 2003 ΤO Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee THRU: Richard Stavneak, Director FROM: Paul Shannon, Senior Fiscal Analyst SUBJECT: REVIEW OF EMERGENCY TELECOMMUNICATION SERVICES REVOLVING FUND EXPENDITURE PLAN.

Request

Laws 1998, 4th Special Session, Chapter 6, Section 5 requires the Arizona Department of Administration (ADOA) to report its expenditure plan for monies expended to comply with the Federal Communications Commission requirement that 911 systems be able to identify the location of cell phone users.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the expenditure plan. There will be more of these reviews in the future as additional counties begin to implement their 911 cell phone locator technology. We would like to enhance our ability to review the technical aspects of these proposals. The Government Information Technology Agency (GITA) does not review these plans. JLBC Staff is currently in discussions with GITA staff to determine if they could assist us.

Analysis

ADOA provides an expenditure report that details the funds used to implement a system that identifies the location of a cell phone user calling 911. This system is implemented in 2 phases. In Phase I, carriers are to provide the telephone number and address of the person calling the 911 point of contact. Phase II provides the ability to identify the physical location of a wireless device contacting the 911 system.

In FY 2004, ADOA expects to distribute \$2.1 million to Pinal, Santa Cruz, and Graham counties for Phase I implementation, and to Pima County for maintenance of their fully implemented Phase I system. ADOA also expects to distribute \$12.3 million to Pima County for Phase II implementation and for preliminary data development for all other counties.

(Continued)

HOUSE OF

REPRESENTATIVES

ROBERT "BOB" BURNS MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W HARPER DEAN MARTIN PETE RIOS

STATE SENATE Funds are distributed by ADOA when project plans submitted by the counties and/or communities are approved and invoices are received for equipment necessary for the implementation of the plan.

In FY 2004, the Emergency Telecommunications Services Revolving Fund will receive an estimated \$26.1 million in revenues from the Emergency Telecommunications Services tax, which for FY 2001 through FY 2006 is \$0.37 per activated wire and wireless service per month. Interest income provides another \$900,000, for total revenues for the fund of \$27.0 million. Expenditures for county and city operational expenditures outside of Phase I and Phase II implementation are expected to total \$15.7 million. ADOA also expends \$540,000 for administrative overhead within the department.

RS:PS:jb

Arizona Department of Administration State 9-1-1 Office Wireless Program Report

An Arizona Phase I Wireless Implementation Plan has been developed depicting the deployment schedule and costs for all sites. A copy of the plan is enclosed. Additionally, a Statewide System Project plan covering each 9-1-1 System for the period FY 2003 through FY 2010 has been completed and is also attached.

The wireless program criteria established for rollout stipulates that Enhanced 9-1-1(voice, telephone number and address) has been completed in the county and that each deployment will be countywide. The counties must also complete a Wireless 9-1-1 Service Plan utilizing the format specified in the State guidelines and appoint a single point of contact for each county. The State 9-1-1 Program has also determined that the roll-out must be a phased in process completing one 9-1-1 switching center before moving to the next.

Wireless Deployment

In 1999, the State 9-1-1 Program approved the Pima County request to deploy Wireless Phase 1 service under the Federal Communications Commission Report and Order §94-102. The total deployment of all eight carriers operating in Pima County was completed in March 2002.

Since Pima County is now fully Phase I compliant, processes are being put in place to establish a statewide program which includes standardized contracts and service plans. The development of standardized contracts will allow better liability protection for the 9-1-1 centers and the establishment of pricing agreements.

In accordance with the FCC Order of Adoption, wireless carriers must deploy Phase I service within six months of the submittal of a Request for Service letter. Pinal County is scheduled for deployment in April 2003, followed by Graham County in August 2003.

Maricopa County, initially the next area to be deployed, has notified the State 9-1-1 Office of their intent to evaluate an independent switch solution. Once a determination has been made, they will be inserted in the schedule.

Payment for Wireless Services

Although the carriers in Pima County had the service in place, they were unable to present invoices for the service to the County. During the past nine months, Pima County has worked with both the wireline and wireless service providers to obtain appropriate costs associated with wireless service and to encourage them to submit invoices. As of December 2003, payments are being rendered to all wireless carriers in Pima County in accordance with Arizona Revised Statutes.

Wireless Program Report January 27, 2003 Page 2

Qwest Communications has recently received approval from the Arizona Corporation Commission for a tariff modification for charges associated with 9-1-1 wireless service delivery in Arizona. To date, no Qwest invoices have been received. Therefore, the costs stipulated below are not the total costs for supplying the service.

The only other Enhanced 9-1-1 system that generates invoices for specific wireless trunks is the Mohave County 9-1-1 system. Those charges are not for Phase I deployment, but used for delivery of the wireless calls only throughout Mohave County.

The State of Arizona 9-1-1 Office anticipates a marked increase in expenditures for the 3rd and 4th Quarter of FY 2003 based on the new QWest 9-1-1 Wireless Tariff recently approved by the Arizona Corporation Commission.

Wireless Expenditure Summary

The following table summarizes, by fiscal year, expenditures from the Emergency Telecommunication Services Revolving Fund (9-1-1 Fund) specifically identified for wireless access.

Wireless Expenditures

\$109,714.04
\$343,930.31
\$374,963.36
\$318,254.91

Total*

\$1,146,862.62

* General Accounting is correcting coding errors in the AFIS Accounting System figures. Once completed the AFIS figures will match the amounts reported here.

9-1-1 PROJECT PLAN (OPTION A w/ \$15,000,000 Fund Transfers) Includes Capital Cost Recovery for Phase II

Assumes No Change in Tax Rates and 0% Growth in Wire/Wireless Service

Includes Wireless & Excise Taxes at a Flat Rate of \$.37 through FY 2006, a Flat Rate of \$.28 for FY 2007 and a Flat Rate of \$.20 for FY 2008-2010

		ANNUAL	: Tax; 0% Excise Tax					
	Projected FY03	Projected FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Projected FY09	Projected FY10
Administration	\$248,787	\$540,134	\$535,206	\$521,803	\$394,878	\$282,056	\$282,056	\$282,056
PSAP Network Management	\$260,902	\$270,067	\$267,603	\$260,902	\$197,439	\$141,028	\$141,028	\$141,027.86
Sub-Total	\$509,689	\$810,200	\$802,809	\$782,705	\$592,317	\$423,084	\$423,084	\$423,084
out rout.								
Operations	\$4,723,463	\$6,739,849	\$7,076,841	\$7,430,684	\$7,802,218	\$8,192,329	\$8,601,945	\$9,032,043
Equipment & Installation	\$5,335,831	\$6,321,288	\$6,637,352	\$6,969,220	\$7,317,681	\$7,683,565	\$8,067,743	\$8,471,131
Total Land Line System	\$10,059,294	\$13,061,137	\$13,714,194	\$14,399,904	\$15,119,899	\$15,875,894	\$16,669,688	\$17,503,174
Phase I Wireless Network Element - Capital/Operations	\$715,147	\$2,100,415	\$4,416,867	\$2,941,058	\$2,941,058	\$2,941,058	\$2,500,000	\$2,500,000
Estimated Phase II Wireless Element - Capital	\$0	\$12,305,102	\$10,104,782	\$3,000,000	\$3,000,000	\$2,000,000	\$2,000,000	\$0
Estimated Phase II Wireless Element - Operations	\$0	\$0	\$2,583,133	\$4,058,942	\$4,058,942	\$4,058,942	\$4,058,942	\$4,058,942
Management Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mapping & Address Support	\$238,850	\$2,300,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,000,000	\$1,000,000
TOTAL PROGRAM COSTS	\$11,522,980	\$30,576,854	\$33,121,784	\$26,682,608	\$27,212,216	\$26,798,977	\$26,651,714	\$25,485,199
			A 17 070 510	011 500 000	\$40.040.E70	\$3,448,262	\$0	\$0
FUNDS FROM PRIOR	\$21,332,790	\$24,440,693	\$17,870,519	\$11,509,032	\$10,916,578	\$3,440,202	φU	φU
	A40.000.405	040 000 4CE	\$10 906 16F	\$10,806,165	\$8,177,638	\$5,841,170	\$5,841,170	\$5,841,170
WIRELESS TAX	\$10,806,165	\$10,806,165 \$15,283,989	\$10,806,165 \$15,283,989	\$15,283,989	\$11,566,262	\$8,261,615	\$8,261,615	\$8,261,615
EXCISE TAX	\$15,283,989	\$15,263,969	\$670,144	\$15,265,969	\$11,300,202	\$0,201,010	\$0,201,010	\$0,201,010
INTEREST INCOME	\$540,730	\$916,526	\$26,760,298	\$26,090,154	\$19,743,900	\$14,102,786	\$14,102,786	\$14,102,786
Total Collections	\$26,630,883	\$27,000,000	\$20,700,290	\$20,030,134	\$15,745,500	\$14,102,700	\$14,102,100	¢11,102,100
TOTAL FUNDS	\$47,963,673	\$51,447,373	\$44,630,817	\$37,599,186	\$30,660,478	\$17,551,048	\$14,102,786	\$14,102,786
TOTAL FUNDS	\$47,500,075	\$51,447,575	\$44,000,017	\$01,000,100	400,000,000	+ , o , o		
PRIOR PERIOD ADJ OR PROJECT CARRY-FORWARD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFER TO GENERAL FUND	\$12,000,000	\$3,000,000						
EXPENDITURES	\$11,522,980	\$30,576,854	\$33,121,784	\$26,682,608	\$27,212,216	\$26,798,977	\$26,651,714	\$25,485,199
	¢,•==,••••							
FUNDS FORWARD	\$24,440,693	\$17,870,519	\$11,509,032	\$10,916,578	\$3,448,262	(\$9,247,929)	(\$12,548,929)	(\$11,382,414)
Wireless Tax Rate	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.28	\$ 0.20	\$ 0.20	\$ 0.20
Tax Required to Cover Deficits						\$ 0.62	\$ 0.70	\$ 0.68

* Verizon Wireless has proposed a \$7 charge to the State of Arizona through December of 2005 on newly issued handsets. This accounts for \$8,435,061 of this figure. The 9-1-1 Office does not believe that these costs are fair and reasonable and is presently negotiating with Verizon and ATT. The remainder is costs associated with other carriers for deployment of Phase II.

State 9-1-1 Program FY03 through FY 10 Project Plan

9-1-1 System	Basic	E/ANI	E9-1-1	Phase I	Mapped ALI	Phase II	Program Plan FY04	FY04 Capital	FY04 Operations	FY04 - 1% Network Mgt.
9-1-1 Administration							Add 2 positions (network/mapping/GIS)	\$ -	\$ 540,134	\$ -
Benson X		FY05	FY05	FY06-07	Data Base for Midvale/Phase I	\$ -	\$ 4,800	\$ -		
Camp Verde			X	FY05	FY05	FY07-08	Phase I Deployment	\$ -	\$ 14,280	\$ 1,500
Clifton	X		FY05	FY07	FY07	FY08-09	Service Plan Development \$ - \$		122	\$ 1,500
Cochise County	X		X	FY05	FY05	FY06-07	Upgrade E911/Phase I Deployment \$ 175,000 \$		\$ 68,000	\$ 6,000
Colorado City	~		X	FY05	FY04	FY07-08	Mapped ALI	\$ 75,000	\$ 11,925	\$ 1,500
Cottonwood			X	FY05	FY05	FY07-08	Phase I Deployment	s -	\$ 24,780	\$ 4,506
Douglas			X	FY05	FY05	FY06-07	Phase I Deployment	s -	\$ 7.875	\$ 1,500
Flagstaff/Coconino County			X	FY04	FY04	FY04-05	Phase I Deployment/Mapped ALI	\$ 300,000	\$ 203,700	\$ 5,000
Gila County		X	FY05	FY06	FY05	FY08-09	Addressing Program/Data Base Prep	\$ 200,000	\$ 25,830	\$ 1,500
Gila River Tribal Property		X	FY05	FY05	FY05	FY09-10	Service Plan Development	\$ -	\$ -	\$ 1,500
Graham County		X	X	FY04	FY05	FY06-07	Phase I Deployment	\$ -	\$ 25,389	\$ 1,500
Grand Canvon		X	FY04	FY05	FY06	FY07-08	Address Program	\$ 35,000	\$ 3,150	\$ 1,500
Greenlee County	X	~	FY05	FY05	FY06	FY09-10	Service Plan Development	\$ -	\$ 14,490	\$ 1,500
Hopi Reservation	X		1100	1100	1100	1 100-10	Service Plan Development	\$ -	\$ -	\$ -
Huachcua City	~		Х	FY05	FY05	FY06-07	Phase I	\$ \$	\$ 7.140	\$ -
La Paz County			×	FY05	FY05	FY06-07	Fiid3C I	\$ - \$	\$ 69,300	\$ 1,500
Maricopa County			×	FY04-05	FY04	FY05-06	Equipment Upgrades/Phase I	\$ 3,000,000	\$ 4,000,000	\$ 150,000
			×	FY05	FY04	FY07-08	Equipment Opgrades/Filase i	\$ 5,000,000	\$ 390,600	\$ 7,000
Mohave County	X		^	FTUS	F105	F107-00	Service Plan Development	\$ 	\$ 550,000	\$ 7,000 \$ -
Navajo Reservation	the second s		Х	FY05	FY05	FY07-08		\$ 200,000	\$ 207,900	\$ 4,500
Northeastern Ariz. Users Asso			×	FY05	FY05	FY07-08	Equipment Upgrades	\$ 200,000	\$ 15,750	\$ 1,500
Page				FY05	FY05	FY07-08	Phase I Deployment	\$ - \$ -	\$ 29,400	\$ 1,500
Payson X				FTU5	FTUS	FTU7-06	Phase I Deployment	\$ 2,100,415	\$ 29,400	\$ 1,000
Phase I Deployment/On-Going							Costs for All Phase I Deployments		\$ •	\$ -
Phase II Deployment/On-Goin	g Costs			V	EV/04		Costs for All Phase II Deployments		\$ 157,500	\$ 6,000
Pinal County			~	X	FY04	FY05-06	Mapped ALI		\$ 157,500	\$ 5,000
Prescott			X	FY05	FY05	FY07-08	Phase I Deployment	\$ -	\$ 1,050,000	\$ 45,000
Pima County			Х	Х	FY04	FY04-05	Mapped ALI	\$ 3,536,287	\$ 1,050,000	\$ 1,000
San Carlos Reservation			V	51/04	EVOE	51/05 00	Service Plan Development/Basic 9-1-1	\$ -		\$ 1,500
Santa Cruz Co			X	FY04	FY05	FY05-06	Phase I Deployment	\$ -	\$ 46,200	\$ 1,500
Sedona			X	FY05	FY04	FY07-08	Phase I Deployment	\$ 300,000	\$ 37,800	• •
Sierra Vista			Х	FY05	FY04	FY06-07	Phase I Deployment	\$ -	\$ 47,250	\$ 1,561
Supai Reservation	FY04						Service Plan Development/Basic 9-1-1	\$ -	\$ -	\$ -
Willcox			Х	FY05	FY05	FY06-07	Phase I Deployment	\$ -	\$ 10,500	\$ -
Williams	Х		FY04	FY05	FY05	FY07-08	Phase I Deployment	\$ -	\$ 4,725	\$ -
Winslow			X	FY05	FY05	FY07-08	Phase I Deployment	\$ -	\$ 14,700	\$ 1,500
Yavapai County		X	FY04	FY04	FY05	FY07-08	Upgrade to Enhanced 911/Phase I	\$ 200,000	\$ 18,900	\$ 3,000
Yuma County			Х	FY04	FY05	FY07-08	Phase I Deployment	\$ -	\$ 157,500	\$ 7,500
								\$ 23,026,804	\$ 7,279,983	\$ 270,067
Total Expenditures										\$ 30,576,854
Legend Basic 911 - Voice Only Enhanced w/ANI - Voice and telepho E911 - Voice, telephone number and Phase I - Wireless voice and telepho Phase II - Wireless voice, telephone Mapped ALI - Location appearing on Tribal Properties - Navajo, Hopi, Sup	address ne number number and le a map									

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPFENTHAL LINDA J. LOPEZ

DATE:	July 29, 2003
TO:	Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee
THRU:	Richard Stavneak, Director
FROM:	Kim Hohman, Fiscal Analyst
SUBJECT:	ATTORNEY GENERAL – REVIEW ALLOCATION OF SETTLEMENT MONIES

Request

Pursuant to a footnote in the General Appropriation Act, the Office of the Attorney General (AG) has notified the Committee of the allocation of monies to be received from a settlement agreement with Qwest Corporation.

Recommendation

The JLBC Staff recommends that the Committee give a <u>favorable review</u> of the allocation plan for the Qwest settlement.

Analysis

The FY 2004 General Appropriation Act contains a footnote that requires JLBC review of the allocation or expenditure plan for settlement monies over \$100,000 received by the Attorney General or any other person on behalf of the state of Arizona, and specifies that the Attorney General shall not allocate or expend these monies until the JLBC reviews the allocations or expenditures. Settlements that are deposited in the General Fund pursuant to statute do not require JLBC review.

The Office of the Attorney General recently settled a case that will result in the receipt of settlement monies over \$100,000. The case involved violations of the Arizona Consumer Fraud Act (A.R.S. § 44-1521) by Qwest Corporation, related to the company's alleged deceptive

STATE SENATE

ROBERT "BOB" BURNS

MARSHA ARZBERGER TIMOTHY S. BEE

ROBERT CANNELL, M.D.

MARK ANDERSON

JACK W. HARPER DEAN MARTIN

PETE RIOS

CHAIRMAN 2004

Analysis (Cont.)

practices in its sales and advertisements of residential telephone services. The court ordered Qwest to take corrective actions and to restitution or give credits to consumers who have previously filed complaints with the AG's Office or who file a complaint within 90 days of the consent judgement. The amount of the restitution cannot be determined at this time. Qwest is also required to pay the Arizona Attorney General \$1,750,0000 in attorney fees within the 30 days of the consent judgment, and an additional \$1 million on the 1st and 2nd anniversary of the original payment date. The AG's Office expects to receive the first payment from Qwest by August 6, 2003. Pursuant to A.R.S. § 44-1531.01, any court costs, attorney fees, or civil penalties recovered by the state as a result of violations of consumer protection laws are deposited in the Consumer Fraud Revolving Fund. Monies in this fund are used for consumer fraud education, investigations and enforcement operations.

RS/KH:ck



Office of the Attorney General State of Arizona

July 3, 2003



Robert A. Zumoff Chief Counsel

Consumer Protection & Advocacy Section

Fax: 602.542.4377

Telephone: 602.542.7701

The Honorable Ken Bennett President of the Senate State Senate 1700 West Washington Phoenix, Arizona 85007

The Honorable Jake Flake Speaker of the House House of Representatives 1700 West Washington Phoenix, Arizona 85007

The Honorable Russell Pearce Chair, Joint Legislative Budget Committee 1700 West Washington Phoenix, Arizona 85007

Re: Settlement with Qwest Corporation

Dear Gentlemen:

This Office will be filing a Consent Judgment between Qwest Corporation and the State of Arizona in settlement of a lawsuit filed in October 2001 under the Arizona Consumer Fraud Act. The lawsuit alleged that Qwest Corporation engaged in various deceptive practices in its sales and advertisements of residential telephone services. The Consent Judgment, a copy of which is enclosed with this letter, requires Qwest to take various corrective actions and to pay restitution or give credits to consumers who previously filed complaints with the Attorney General that have not yet been resolved or who file a complaint within 90 days of the entry of the Consent Judgment. The amount of restitution cannot be determined until the end of the process.

The Consent Judgment also requires Qwest to pay the Attorney General costs and attorneys fees of \$1,750,000 within 30 days of entry of the judgment and to make additional payments of \$1,000, 000 each on the first and second anniversary of the original payment date. These payments will be deposited pursuant to A.R.S. §44-1531.01 into the consumer fraud revolving fund for consumer fraud education, investigation and enforcement operations.

Terry Goddard Attorney General Settlement with Qwest Corporation. July 3, 2003 Page 2

Our notification to you of this settlement is made without prejudice to our Office's longstanding position that it is not under any legal obligation to provide notices of settlements to the Joint Legislative Budget Committee. We are providing this notification to you as a courtesy so that you will be aware of this important settlement.

Please call me at (602) 542-7701 if you have any questions regarding this matter.

Sincerely,

Rituta Sump

Robert A. Zumoff Chief Counsel Consumer Protection & Advocacy Section Telephone: (602) 542-7701 Fax: (602) 542-4377

Enclosure

cc: The Honorable Jack Brown The Honorable John Loredo The Honorable Robert Burns Mr. Richard Stavneak Ms. Kim Hohman Mr. Richard Travis Mr. John Stevens

797983

1275 West Washington, Phoenix, Arizona 85007-2926 • Phone 602.542.5025 • Fax 602.542.4085

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ

DATE:	August 4, 2003
TO:	Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee
THRU:	Richard Stavneak, Director
FROM:	Kim Hohman, Fiscal Analyst
SUBJECT:	ATTORNEY GENERAL - REVIEW OF UNCOLLECTIBLE DEBTS

Request

Pursuant to A.R.S. § 35-150(E), the Attorney General requests that the Joint Legislative Budget Committee review its FY 2002 listing of \$9.5 million in uncollectible debts referred to the Attorney General by state agencies for collection.

Recommendation

The JLBC Staff recommends that the Committee give a <u>favorable review</u> of the report. A favorable review by the Committee would allow the State Comptroller to remove debt, certified by the Attorney General as uncollectible, from the state accounting system. The report meets the requirements of A.R.S. § 35-150(E).

Analysis

The Attorney General's Collection Enforcement Unit functions as a collection service for past due debts owed to state agencies, boards and commissions. The unit returns 65% of collected monies to the client agencies and retains the remaining 35% for unit operational costs. While the Collection Enforcement Unit is able to collect monies from many individuals and businesses that owe monies to the state, for a variety of reasons, some debts are uncollectible. In the past, there has been no procedure to "write-off" uncollectible debt, so they continued to be carried in the state's accounting system. Laws 1999, Chapter 300 created a procedure for the State Comptroller to remove uncollectible debts from the state accounting system, after receiving annual notice of uncollectible debt from the Attorney General and review by the Joint Legislative Budget Committee.

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS

STATE SENATE

(Continued)

The Attorney General's Office reviewed the cases assigned to the Collection Enforcement Unit. Based on this review, the Attorney General advises that \$9.5 million owed to the state is uncollectible. Included as uncollectible are those monies that will not be recovered due to debtor bankruptcy, settlement, insufficient resources of the debtor, or the inability to locate the debtor. Of this amount, the AG lists \$5.9 million due to defunct corporations, \$1.8 million due to bankruptcy, and \$904,600 due to insufficient debtor resources. The remaining amount is listed as uncollectible due to settlement, an inability to locate the debtor, or because the cost of collection exceeds the amount of debt owed.

Of the \$9.5 million, approximately 90% are debts that were owed to four agencies, the Arizona Department of Revenue, the Registrar of Contractors, the Industrial Commission, and the Motor Vehicle Division within the Arizona Department of Transportation (ADOT). The remaining 10% are debts owed to 19 other agencies.

Uncollectible Debt Recommended for Write-Off by Client Agency							
Amount Recommended							
	for Write-Off	Percentage					
Arizona Department of Revenue	\$4,981,311	52%					
Registrar of Contractors	2,132,452	22%					
Industrial Commission	988,999	10%					
ADOT – Motor Vehicle Division	535,905	6%					
All Others	910,678	10%					
Total	\$9,549,345	100%					

In comparison, the state removed \$4.6 million in uncollectible debt from the accounting system last year. The report includes an explanation for each uncollectible debt, the date the debt was determined uncollectible, and the dollar amount of each debt.

RS/KH:ck

ARIZONA ATTORNEY GENERAL CIVIL DIVISION MEMORANDUM

TO:	Constance Kohl, Chief Director of Administrative Operations Division AG/ADM Richard Travis, Director of Communications and Legislative Affairs RECEIVED
	George Diaz, Legislative Policy Administrator JUN 3 2003 John Stevens, Director, Finance and Budget
COPY:	Terri Skladany, Chief Counsel, Civil Division
FROM:	Tracy S. Essig, Chief Counsel
RE:	Joint Legislative Budget Committee
DATE:	June 3, 2003

Attached is a copy of the report submitted to the Joint Legislative Budget Committee ("JLBC") for the fiscal year ending June 2002. The form has been modified per your request. The form now is sorted by reason for closing with the most given reason for closing listed first. These cases are listed in descending order with the smallest dollars listed first. The exact amount of the debt, the amount collected and the amount written off is also listed. The debtors' names are listed, with the exception of the Arizona Department of Revenue's, whose are prohibited by statute from listing.

Hopefully, this satisfies your request. To note, the JLBC has requested the same information from the Arizona Department of Revenue, in essence, the same information provided in this Memorandum. I do not know the rationale for it. (*)

If you have any questions or if I can be of further assistance, please call me at (602) 542-8382 or via cell at (602) 799-8177.

TSE/mtan Enclosure #395200 * JLBC Staff note there was a misunderstanding. We only Requested the information from the Attorney General.

.

For the Fiscal Year Ending June 30, 2002

Client				Amount of	Amount		
Agenc	<u>Defendant</u>	Close Date	Case Type	Debt	Collected	Amount Written Off	Reason
REV		16-Nov-01	COL	175.48	0.00	175.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11-Apr-02	COL	220.00	0.00	220.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Nov-01	COL	220.44	0.00	220.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Apr-02	COL	224.53	0.00	224.53	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		20-Jun-02	COL	249.92	0.00	249.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7-May-02	COL	252.59	0.00	252.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Dec-01	COL	256.03	0.00	256.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Jun-02	COL	261.99	0.00	261.99	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	TOMLINSON, DENNIS N.	17-Apr-02	COL	276.00	0.00	276.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		31-Oct-01	COL	295.45	0.00	295.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Dec-01	COL	326.00	0.00	326.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Sep-01	COL	334.60	0.00	334.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8-Nov-01	COL	335.69	0.00	335.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Oct-01	COL	336.28	0.00	336.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8-Mar-02	COL	337.14	0.00	337.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Oct-01	COL	338.66	0.00	338.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		16-Nov-01	COL	339.00	0.00	339.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Apr-02	COL	344.00	0.00	344.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Dec-01	COL	352.00	0.00	352.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Sep-01	COL	354.09	0.00	354.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		16-Oct-01	COL	355.00	0.00	355.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Oct-01	COL	362.12	0.00	362.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Sep-01	COL	371.90	0.00	371.90	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		18-Sep-01	COL	372.54	0.00	372.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1-Apr-02	COL	375.00	0.00	375.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3-Oct-01	COL	376.55	0.00	376.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9-Jan-02	COL	377.00	0.00	377.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Feb-02	COL	386.00	0.00	386.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Mar-02	COL	390.00	0.00	390.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Jun-02	COL	390.09	0.00	390.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		20-Sep-01	COL	393.54	0.00	393.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Sep-01	COL	399.00	0.00	399.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6-Nov-01	COL	399.00	0.00	399.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Oct-01	COL	402.32	0.00	402.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Nov-01	COL	404.00	0.00	404.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11-Jan-02	COL	407.00	0.00	407.00	
REV		3-Oct-01	COL	416.98	0.00	416.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BARNUM, TIMOTHY J. & LYNETTE	5-Sep-01	COL	429.30	0.00	429.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Jun-02	COL	433.00	0.00		NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		18-Oct-01	COL	440.00	0.00	433.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		27-Nov-01				440.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Jun-02	COL	444.21	0.00	444.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Jun-02 21-Jun-02	COL	446.00	0.00	446.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Oct-01		447.32	0.00	447.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-0ct-01 22-May-02	COL	451.00	0.00	451.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7-Jun-02	COL	455.00	0.00	455.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7-Jun-02 27-Mar-02	COL	471.81	0.00	471.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
	PETERSON, DONALD		COL	473.20	0.00	473.20	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IIAU		26-Sep-01	COL	484.09	0.00	484.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

		onconcetion		Year Ending June 3	30 2002		
ICA	BRIDGES, HAZEL	11-Oct-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BRIDGES, HAZEL	11-Oct-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	TOUCH TECHNIQUES, L. L. C.	2-Apr-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	WYMAN, JIM/JENNIFER	11-Jul-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BALLARD, DOUGLAS	11-Dec-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FLORES, ANDY	11-Jul-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA		11-Jul-01	COL			500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MOLINA, INOCENTE & CAROLINA ANDERSON, LARRY		COL	500.00 500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
		13-Aug-01					
ICA	MARTIN, KEVIN	5-Mar-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FITCH, TODD	5-Mar-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BARNELLA, KEN	30-May-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BARNELLA, KEN	30-May-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SERDUKE, GREGORY & MARY	11-Dec-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SERDUKE, GREGORY & MARY	11-Dec-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LMS	MELENDEZ, PETER	23-Jul-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GOLDMAN, BRUCE R.	20-Jun-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GOLDMAN, BRUCE R.	20-Jun-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MAKSYMOUSKI, RONALD PETER JR.	10-Jul-01	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FABIANSKI, RICHARD ANTHONY	11-Apr-02	COL	500.00	0.00	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Aug-01	COL	501.46	0.00	501.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-May-02	COL	504.07	0.00	504.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Oct-01	COL	507.00	0.00	507.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LEDAY, PATRICK	4-Apr-02	COL	1,069.84	561.68	508.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	KIMBRELL, JERRY MICHAEL	2-May-02	COL	511.83	0.00	511.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		15-Oct-01	COL	513.00	0.00	513.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-May-02	COL	515.59	0.00	515.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Nov-01	COL	555.10	0.00	555.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4-Dec-01	COL	561.08	0.00	561.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Aug-01	COL	588.78	0.00	588.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11-Jul-01	COL	591.00	0.00	591.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HALSTEAD, CAROL	16-Aug-01	COL	591.85	0.00	591.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Dec-01	COL	598.15	0.00	598.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		17-May-02	COL	600.37	0.00	600.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	CROFT, BRADLEY J.	2-Aug-01	COL	601.64	0.00	601.64	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		24-Aug-01	COL	606.25	0.00	606.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Jul-01	COL	609.88	0.00	609.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12-Jun-02	COL	615.46	0.00	615.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10-Sep-01	COL	627.83	0.00	627.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11-Apr-02	COL	647.84	0.00	647.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9-Jan-02	COL	668.40	0.00	668.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1-Aug-01	COL	669.59	0.00	669.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		17-May-02	COL	672.65	0.00	672.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		25-Jan-02	COL	681.79	0.00	681.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ROJO, SERGIO	27-Jun-02	COL	693.42	0.00	693.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	FEENSTRA, MATTHEW O.	10-May-02	COL	714.15	0.00	714.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		19-Apr-02	COL	727.70	0.00	727.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	YOUSIF, SAAD RAAD	28-Jun-02	COL	736.45	0.00	736.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ZIMMERMAN, ERIC CHARLES	26-Mar-02	COL	750.00	0.00	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	THOMAS, KEITH & LINDA	9-Nov-01	COL	756.10	0.00	756.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ROMERO, STEVEN PHILLIP	27-Jun-02	COL	800.00	0.00	800.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		25-Jan-02	COL	812.72	0.00	812.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
1.100							

		Onconection		Year Ending June			
REV		22-Mar-02	COL	813.98		012.00	
ROC	HEARN, EZRA DENNIS	10-Jun-02	COL	850.00	0.00	813.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	STEPHENS, LEN D.				0.00	850.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BALLARD, DOUG	5-Apr-02	COL	1,153.27	300.00	853.27	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FLORES, ANDRES	11-Dec-01	COL	855.22	0.00	855.22	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	FLORES, ANDRES	11-Jul-01	COL	862.99	0.00	862.99	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Jan-02	COL	865.00	0.00	865.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
	CARCIA CR. JOCE	28-Feb-02	COL	894.98	0.00	894.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC HGD	GARCIA SR., JOSE	6-Aug-01	COL	900.00	0.00	900.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
	JONES, BRIAN	13-Aug-01	COL	911.15	0.00	911.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	TRANS-PLANT ENTERPRISES, INC.	16-Aug-01	COL	915.76	0.00	915.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MARTIN, KEVIN	11-Jul-01	COL	946.37	0.00	946.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-May-02	COL	991.00	0.00	991.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FITCH, TODD	5-Mar-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		26-Mar-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		11-Feb-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		30-Apr-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		25-Apr-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	REID, LARRY J.	30-May-02	COL	1,000.00	0.00	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1-May-02	COL	1,020.00	0.00	1,020.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	EARLEY, BEBE	12-Jul-01	COL	1,125.77	100.00	1,025.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DURAN, FRANCISCO & LUPE	13-Aug-01	COL	1,213.94	185.00	1,028.94	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GARCIA, ANDREA/VALENZUELA, EZE	30-May-02	COL	1,029.24	0.00	1,029.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		24-Jul-01	COL	1,038.47	0.00	1,038.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	ROSIER, JAMES H.	26-Mar-02	COL	1,039.42	0.00	1,039.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	YAZZIE, FELIX	23-Aug-01	COL	1,047.15	0.00	1,047.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HAFLEY, HAROLD & NANETTE	31-Jul-01	COL	1,058.80	0.00	1,058.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		20-Aug-01	COL	1,092.61	0.00	1,092.61	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Mar-02	COL	1,126.00	0.00	1,126.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	MURPHY, CAROL DBA SHELDON STREET SALOON	31-Jul-01	COL	1,128.00	0.00	1,128.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		23-Jul-01	COL	1,137.00	0.00	1,137.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SERDUKE, GREGORY & MARY	11-Dec-01	COL	1,394.39	245.00	1,149.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Jun-02	COL	1,162.99	0.00	1,162.99	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7-Nov-01	COL	1,331.00	166.00	1,165.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	HAWKINS, JON MICHAEL	27-Feb-02	COL	1,315.12	126.00	1,189.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BUSBEE, AARON	21-Mar-02	COL	1,198.29	0.00	1,198.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	NAVARRETTE JR, FELIPE SAROZA	16-Aug-01	COL	1,201.38	0.00	1,201.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	FARLEY, KELVIN	5-Mar-02	COL	1,235.42	0.00	1,235.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PERRY, JOSHUA STEVEN	31-Jan-02	COL	1,258.15	0.00	1,258.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		21-Sep-01	COL	1,270.68	0.00	1,270.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Jul-01	COL	1,272.10	0.00	1,272.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Jun-02	COL	1,299.46	0.00	1,299.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		28-Feb-02	COL	1,308.43	0.00	1,308.43	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	SHELTON, JULIE	25-Jan-02	COL	1,358.69	0.00	1,358.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	LEE, CHRISTOPHER J.	26-Mar-02	COL	1,361.60	0.00	1,361.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	OKATABA, ANDRZEJ & ANNA	26-Jun-02	COL	1,410.84	0.00	1,410.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7-Mar-02	COL	1,490.79	0.00	1,490.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	LULU, FADWA	23-Aug-01	COL	1,581.56	0.00	1,581.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	GUTIERREZ, LARA ANNE	1-Mar-02	COL	1,764.88	0.00	1,764.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	SLOAN, MELISSA MARIE	16-Nov-01	COL	1,799.00	0.00	1,799.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9-Aug-01	COL	1,830.99	0.00	1,830.99	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Mar-02	COL	1,849.65	0.00	1,849.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

		onconcern		cal Year Ending Jun		CLIN	
REV		12-Jun-02	COL	1,856.00	0.00	1,856.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	DAVIS, LESTER GENE JR.	18-Jun-02	COL				
REV	DAVIS, LESTER GENE SR.			1,892.69	0.00	1,892.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Aug-01	COL	1,898.96	0.00	1,898.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
		13-Jun-02	COL	1,921.34	0.00	1,921.34	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2-Apr-02	COL	1,960.31	0.00	1,960.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	GONZALES, JESUS RAIZOLA	23-Aug-01	COL	2,017.33	0.00	2,017.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		13-Mar-02	COL	2,024.96	0.00	2,024.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Aug-01	COL	2,039.68	0.00	2,039.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Aug-01	COL	2,049.75	0.00	2,049.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-May-02	COL	2,090.76	0.00	2,090.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11-Apr-02	COL	2,095.30	0.00	2,095.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	ROSE, DAWN & DINATALE, MELISSA	7-Sep-01	COL	2,153.12	49.00	2,104.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Jun-02	COL	2,170.00	0.00	2,170.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		20-Jun-02	COL	2,288.62	0.00	2,288.62	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	BEGAY, SANDRA	14-Aug-01	COL	2,448.14	143.00	2,305.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		22-Aug-01	COL	2,347.37	0.00	2,347.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		29-Jan-02	COL	2,383.26	0.00	- 2,383.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
DHS	ROMERO, CLYDELL	6-Mar-02	COL	2,400.00	0.00	2,400.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	Koneko, cerbele	22-May-02	COL	2,478.49	0.00	2,478.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SPLASH CUSTOM POOLS AND SPAS	24-Jul-01					
	FINN, RICHARD L.		COL	2,482.50	0.00	2,482.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		30-Apr-02	COL	2,500.00	0.00	2,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	GOODWIN, GERALD W.	11-Jul-01	COL	2,803.86	300.00	2,503.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	FULLOTT JOCUNA	20-Jun-02	COL	2,565.85	0.00	2,565.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	ELLIOTT, JOSHUA	26-Sep-01	COL	2,710.23	0.00	2,710.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-May-02	COL	2,741.78	0.00	2,741.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	CRUZ, KATHERINE M.	7-Dec-01	COL	4,963.40	2,184.62	2,778.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		16-Nov-01	COL	2,789.25	0.00	2,789.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	LULU, FADWA	23-Aug-01	COL	2,866.00	0.00	2,866.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	POUREETEZADI, JOAN E.	5-Feb-02	COL	3,291.38	0.00	3,291.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		20-Mar-02	COL	3,460.71	0.00	3,460.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	ROTH, ARNO	7-Jun-02	COL	3,484.47	0.00	3,484.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HURT, HERBERT A. DBA STATE PATIO CO.	20-Feb-02	COL	3,675.00	0.00	3,675.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		13-Aug-01	COL	3,870.37	0.00	3,870.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BUTCHER, WILLIAM F. & URSINI K	14-May-02	COL	3,930.65	0.00	3,930.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BRODY, ROBERT	31-Aug-01	COL	3,979.09	0.00	3,979.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		26-Jun-02	COL	4,034.00	0.00	4,034.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5-Mar-02	COL	4,125.64	0.00	4,125.64	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		24-Jul-01	COL	4,140.34	0.00	4,140.34	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	JESUS CORNEJO QUIJADA	5-Mar-02	COL	4,708.77	0.00	4,708.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8-May-02	COL	5,446.86	500.00	4,946.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	BLACK, ROSE MARIE	4-Apr-02	COL	5,000.00	0.00	5,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	DEACH, NOSE PIANE	10-Sep-01	COL		0.00	5,594.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV				5,594.54			
	FREI III LLOYD	7-Mar-02	COL	5,732.72	0.00	5,732.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	EBEL III, LLOYD	11-Apr-02	BNP	5,857.49	0.00	5,857.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	KEMPF, HERBERT A.	26-Mar-02	COL	6,000.00	0.00	6,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HORTON, ROBERT A.	5-Mar-02	COL	6,076.59	0.00	6,076.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4-Jan-02	COL	6,431.67	0.00	6,431.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	HOGUE, PATRICK ROBIN	3-May-02	COL	6,522.00	0.00	6,522.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		18-Jan-02	COL	7,009.03	0.00	7,009.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BALLARD, DOUGLAS	11-Dec-01	COL	7,081.04	0.00	7,081.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9-Aug-01	COL	7,372.37	0.00	7,372.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

		Uncollection		d to the State that w		LERF	
				al Year Ending June			
NAU	STEVENS, KYLE	21-Aug-01	COL	7,637.21	0.00	7,637.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		13-Aug-01	COL	7,929.73	0.00	7,929.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HAEN, GEORGE A. DBA LASTING LANDSCAPES	7-Jun-02	COL	8,959.45	0.00	8,959.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		19-Sep-01	COL	8,983.70	0.00	8,983.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	NORTON, JACKIE DBA PJ'S RESTAURANT	30-Jun-02	COL	9,703.35	0.00	9,703.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		22-May-02	COL	9,785.12	0.00	9,785.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		25-Mar-02	COL	9,894.69	0.00	9,894.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
PEC	PAYNE, CARRIE A.	5-Mar-02	COL	10,000.00	0.00	10,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	KALSTAD, DANNY P. DBA KALSTAD	17-May-02	COL	10,154.95	0.00	10,154.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	LIDMARK, CALVIN N.	25-Jan-02	COL	10,302.95	0.00	10,302.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	MCINTOSH, ROBERT WAYNE	27-Jun-02	COL	10,500.00	0.00	10,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC		25-Jun-02	COL	11,964.77	0.00	11,964.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MONTEZUMA DOORS, LTD.	3-May-02	COL	12,427.95	0.00	12,427.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	KUEHL, RENEE	31-Jan-02	COL	12,665.84	0.00	12,665.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	KOLIL, KLIEL	26-Mar-02	BNP		0.00	14,274.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV			COL	14,274.38		16,505.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		30-Apr-02		18,005.45	1,500.00		
		14-Feb-02	COL	17,185.82	0.00	17,185.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV	LAVAR DOUBLE A URBER TOY H	23-Jan-02	COL	18,440.08	0.00	18,440.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LAYNE, RONALD L. & WINN, JOY M.	23-Aug-01	COL	19,499.00	0.00	19,499.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SQUARE ONE DEVELOPMENT, L.L.C.	24-Jul-01	COL	20,000.00	0.00	20,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MIDDLETON, RAY T.	1-Oct-01	COL	21,124.55	0.00	21,124.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MC NEILL ERIC G. DBA I AMERICA	1-Nov-01	COL	22,017.81	0.00	22,017.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		28-Nov-01	COL	23,788.15	0.00	23,788.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12-Mar-02	COL	28,150.92	0.00	28,150.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		14-Dec-01	BNP	28,338.05	0.00	28,338.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CANTO, DAVID LOUIS	29-Aug-01	COL	38,196.89	0.00	38,196.89	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GRUBBS, WILLIAM & MARGE	14-Feb-02	COL	51,772.30	0.00	51,772.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GOINS, EDWARD LEE DBA GOIN'S ENTERPRISES	27-Nov-01	COL	68,902.24	0.00	68,902.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8-Aug-01	COL	89,378.53	0.00	89,378.53	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
						904,582.64	
DEQ	DIVERSIFIED CONTRACTORS, INC.	13-Dec-01	COL	202.48	0.00	202.48	DEFUNCT CORPORATION
ROC	HIGHLAND HEATING & COOLING, INC.	6-Jun-02	COL	238.57	0.00	238.57	DEFUNCT CORPORATION
DEQ	DIVERSIFIED CONTRACTORS, INC.	13-Dec-01	COL	293.34	0.00	293.34	DEFUNCT CORPORATION
DEQ	DIVERSIFIED CONTRACTORS, INC.	13-Dec-01	COL	329.63	0.00	329.63	DEFUNCT CORPORATION
DEQ	DIVERSIFIED CONTRACTORS, INC.	13-Dec-01	COL	431.94	0.00	431.94	DEFUNCT CORPORATION
DEQ	DIVERSIFIED CONTRACTORS, INC.	13-Dec-01	COL	466.48	0.00	466.48	DEFUNCT CORPORATION
ICA	KOKOPELLI INVESTMENT/DISTRIBUTOR	7-May-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	KOKOPELLI INVESTMENT/DISTRIBUTOR	7-May-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	VALLEY WIRELESS SOLUTION, INC.	28-Dec-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	CASTLE SPORTS CLUB, INC.	22-Oct-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	SOUTHWEST LETTERPRESS, INC.	19-Jun-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	SOUTHWEST LETTERPRESS, INC.	19-Jun-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	CORRELL PLASTERING, INC.	14-Feb-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	ECONOMY ENGINE EXCHANGE OF TUCSON	13-Jun-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	ECONOMY ENGINE EXCHANGE OF TUCSON	13-Jun-02	COL		0.00		
				500.00		500.00	DEFUNCT CORPORATION
ICA	PAYTON'S SPORTS GRILL, INC.	18-Dec-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	PAYTON'S SPORTS GRILL, INC.	18-Dec-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	MDS FIXTURES, INC.	30-May-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	MDS FIXTURES, INC.	30-May-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
ICA	PARKER STRIP W. C. RENTALS, INC.	25-Sep-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION

			For the Fis	cal Year Ending June	30, 2002		
IC	A PARKER STRIP W. C. RENTALS, INC.	25-Sep-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC	A PSU PARTNERS, INC.	23-Aug-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC	A PSU PARTNERS, INC.	23-Aug-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC	A THE STUFFED BUN, INC.	27-Sep-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		27-Sep-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		10-Jul-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		26-Feb-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		26-Feb-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		7-Jun-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		7-Jun-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		26-Mar-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		7-May-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		5-Mar-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		5-Mar-02	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		1-Oct-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
IC		1-Oct-01	COL	500.00	0.00	500.00	DEFUNCT CORPORATION
LO		8-Aug-01	COL	505.30	0.00	505.30	DEFUNCT CORPORATION
IC		6-Mar-02	COL	562.00	0.00	562.00	DEFUNCT CORPORATION
IC		26-Sep-01	COL	579.30	0.00	579.30	DEFUNCT CORPORATION
DE		13-Dec-01	COL	625.75	0.00	625.75	DEFUNCT CORPORATION
IC	•	15-Apr-02	COL	656.35	0.00	656.35	DEFUNCT CORPORATION
DE		29-May-02	COL	656.40	0.00	656.40	DEFUNCT CORPORATION
DE		13-Dec-01	COL	675.81	0.00	675.81	DEFUNCT CORPORATION
IC		5-Mar-02	COL	686.09	0.00	686.09	DEFUNCT CORPORATION
IC		13-Jun-02	COL	770.60	0.00	770.60	DEFUNCT CORPORATION
DE		11-Apr-02	COL	778.79	0.00	778.79	DEFUNCT CORPORATION
IC		25-Feb-02	COL	4,803.63	4,000.00	803.63	DEFUNCT CORPORATION
IC		27-Jun-02	COL	813.88	0.00	813.88	DEFUNCT CORPORATION
IC		3-Dec-01	BNP	854.75	0.00	854.75	DEFUNCT CORPORATION
IC		24-Oct-01	COL	895.00	0.00	895.00	DEFUNCT CORPORATION
IC		5-Mar-02	COL	900.00	0.00	900.00	DEFUNCT CORPORATION
IC		18-Jun-02	COL	927.95	0.00	927.95	DEFUNCT CORPORATION
IC		23-Aug-01	COL	939.83	0.00	939.83	DEFUNCT CORPORATION
IC		12-Jun-02	COL	1,000.00	0.00	1,000.00	DEFUNCT CORPORATION
BF	S AMERICAN MOBILE HOMES	11-Jul-01	COL	1,047.20	0.00	1,047.20	DEFUNCT CORPORATION
IC/	KYDDS SPORTSWEAR, INC.	7-Nov-01	COL	1,056.92	0.00	1,056.92	DEFUNCT CORPORATION
IC/		19-Apr-02	COL	1,099.82	0.00	1,099.82	DEFUNCT CORPORATION
RO	C TILE CONNECTION INC.	24-Aug-01	COL	1,221.00	0.00	1,221.00	DEFUNCT CORPORATION
RE	/	7-Jun-02	COL	1,296.88	0.00	1,296.88	DEFUNCT CORPORATION
RE	/	27-Feb-02	COL	1,483.71	0.00	1,483.71	DEFUNCT CORPORATION
ICA	THOMSEN & BACALLAO, INC.	6-Mar-02	COL	1,500.00	0.00	1,500.00	DEFUNCT CORPORATION
RO	C RIMLINE CONSTRUCTION, INC.	25-Jul-01	COL	1,600.00	0.00	1,600.00	DEFUNCT CORPORATION
DEC	DIVERSIFIED ENVIROMENTAL SERVICE	11-Apr-02	COL	1,661.28	0.00	1,661.28	DEFUNCT CORPORATION
ICA	G & M MANUFACTURING, INC.	26-Sep-01	COL	1,687.00	0.00	1,687.00	DEFUNCT CORPORATION
DEC		11-Apr-02	COL	1,794.18	0.00	1,794.18	DEFUNCT CORPORATION
BFS		20-Feb-02	COL	1,921.30	0.00	1,921.30	DEFUNCT CORPORATION
DEC		11-Apr-02	COL	1,937.75	0.00	1,937.75	DEFUNCT CORPORATION
LOT	•	9-Jul-01	COL	1,947.68	0.00	1,947.68	DEFUNCT CORPORATION
DEC		11-Apr-02	COL	1,960.57	0.00	1,960.57	DEFUNCT CORPORATION
ICA		28-Jun-02	COL	2,250.00	0.00	2,250.00	DEFUNCT CORPORATION

28-Jun-02

COL

ICA BILL COX PLASTERING, INC.

2,250.00

0.00

2,250.00 DEFUNCT CORPORATION

For the Fiscal Year Ending June 30, 2002

			For the Fisca	I Year Ending June 3	0, 2002		
MVD	HIDDEN VALLEY TRANSPORTATION	15-Feb-02	COL	2,324.90	0.00	2,324.90	DEFUNCT CORPORATION
ROC	BRANSON ROOFING, INC.	7-Jun-02	COL	2,406.35	0.00	2,406.35	DEFUNCT CORPORATION
EDD	BISHOP-LAVISH GENERAL PARTNERSHIP	7-Jan-02	COL	2,513.50	0.00	2,513.50	DEFUNCT CORPORATION
ICA	BACHMEIER CONSTRUCTION CO. INC.	15-Apr-02	COL	2,699.39	0.00	2,699.39	DEFUNCT CORPORATION
ROC	DAN MAR ROOFING INC.	7-May-02	COL	2,885.06	0.00	2,885.06	DEFUNCT CORPORATION
BFS	CAVE ENTERPRISES, INC.	13-Dec-01	COL	3,000.00	0.00	3,000.00	DEFUNCT CORPORATION
REV		26-Apr-02	BNP	3,026.54	0.00	3,026.54	DEFUNCT CORPORATION
MVD	CITRUS PROCESSORS, INC.	16-May-02	COL	3,070.56	0.00	3,070.56	DEFUNCT CORPORATION
ICA	NUMBER ONE NEW AND USED TIRES	12-Apr-02	COL	3,177.56	0.00	3,177.56	DEFUNCT CORPORATION
REV		7-May-02	BNP	3,629.40	223.08	3,406.32	DEFUNCT CORPORATION
REV		7-Jun-02	COL	3,503.43	0.00	3,503.43	DEFUNCT CORPORATION
ROC	I.C.C. INTERSTATE CONSTRUCTION	24-Aug-01	COL	3,766.20	0.00	3,766.20	DEFUNCT CORPORATION
DEQ	LA PAZ PRODUCTS	5-Mar-02	COL	3,796.96	0.00	3,796.96	DEFUNCT CORPORATION
ROC	ARTISTIC PLASTERING, INC.	7-May-02	COL	4,098.00	0.00	4,098.00	DEFUNCT CORPORATION
ROC	EDGEWATER AND ASSOCIATES, INC.	17-May-02	COL	4,160.65	0.00	4,160.65	DEFUNCT CORPORATION
ICA	MULESHOE BRAND, L.L.C.	3-Jan-02	COL	4,403.54	0.00	4,403.54	DEFUNCT CORPORATION
ICA	JRE, INC.	26-Jul-01	COL	4,500.00	0.00	4,500.00	DEFUNCT CORPORATION
ROC	T B I TRADEMARK BUILDERS, INC.	24-Aug-01	COL	4,665.12	0.00	4,665.12	DEFUNCT CORPORATION
HGD	WINFORD, DARTY	8-Aug-01	COL	4,846.49	0.00	4,846.49	DEFUNCT CORPORATION
ICA	CLUB 151, INC. AKA THE BARONS	11-Dec-01	COL	5,617.66	0.00	5,617.66	DEFUNCT CORPORATION
ROC	CASTLE CUSTOM HOMES, L. L. C.	19-Sep-01	COL	6,100.00	0.00	6,100.00	DEFUNCT CORPORATION
ROC	F H Q PLUMBING SERVICE, INC.	24-Jan-02	COL	6,223.68	0.00	6,223.68	DEFUNCT CORPORATION
EDD	FEEDING ARIZONA KIDS	5-Jul-01	COL	6,297.63	0.00	6,297.63	DEFUNCT CORPORATION
MVD	COLT TRUCKING CO.	26-Feb-02	COL	6,548.27	0.00	6,548.27	DEFUNCT CORPORATION
EDD	THE SCHOOL, INC.	20-Aug-01	COL	6,657.05	0.00	6,657.05	DEFUNCT CORPORATION
ROC	CLIMATE CONTROL MECHANICAL	24-Apr-02	COL	6,674.13	0.00	6,674.13	DEFUNCT CORPORATION
ROC	GREENER GRASS, INC.	16-Jul-01	COL	7,049.30	0.00	7,049.30	DEFUNCT CORPORATION
REV		24-Aug-01	COL	7,342.06	0.00	7,342.06	DEFUNCT CORPORATION
ROC	INNOVATIVE CONCRETE DESIGNS	4-Oct-01	COL	8,168.35	0.00	8,168.35	DEFUNCT CORPORATION
ICA	PACIFIC FURNITURE HANDLERS, INC.	3-Dec-01	BNP	8,244.31	0.00	8,244.31	DEFUNCT CORPORATION
ROC	AQUATIC COATINGS, INC.	24-Jan-02	COL	8,366.00	0.00	8,366.00	DEFUNCT CORPORATION
ROC	ECONOMY DESIGN HOMES, INC.	6-Mar-02	COL	8,480.31	0.00	8,480.31	DEFUNCT CORPORATION
ROC	A I W HOLDINGS, INC. DBA ARTISANS IN WOOD	31-May-02	COL	8,800.00	0.00	8,800.00	DEFUNCT CORPORATION
ROC	OLD BUZZARD & CUTE CHICK CRAFT	13-Feb-02	COL	9,130.12	0.00	9,130.12	DEFUNCT CORPORATION
LOT	SAYEGH, SAM	8-Aug-01	COL	9,458.22	0.00	9,458.22	DEFUNCT CORPORATION
ROC	AAA QUALITY CONSTRUCTION	7-May-02	COL	9,612.63	0.00	9,612.63	DEFUNCT CORPORATION
ROC	PAUL OVERMAN BUILDERS, INC.	6-Mar-02	COL	10,000.00	0.00	10,000.00	DEFUNCT CORPORATION
ROC	ALTERNATIVE DESIGNS, INC.	4-Dec-01	COL	10,045.20	0.00	10,045.20	DEFUNCT CORPORATION
BFS	SUNFLOWER HOME SALES, INC.	11-Jul-01	COL	10,226.27	0.00	10,226.27	DEFUNCT CORPORATION
ROC	K S D BUILDERS, INC.	12-Jun-02	COL	10,390.05	0.00	10,390.05	DEFUNCT CORPORATION
ICA	MENDOZA TEXTILE MANUFACTURING	11-Apr-02	COL	10,545.51	0.00	10,545.51	DEFUNCT CORPORATION
REV		30-May-02	COL	10,570.01	0.00	10,570.01	DEFUNCT CORPORATION
ROC	BLAZER ROOFING, INC.	21-Aug-01	COL	10,656.09	0.00	10,656.09	DEFUNCT CORPORATION
REV		31-Oct-01	BNP	10,796.50	0.00	10,796.50	DEFUNCT CORPORATION
REV		15-Aug-01	COL	11,424.18	0.00	11,424.18	DEFUNCT CORPORATION
ROC	BARNCRAFTER, INC.	10-Jul-01	BNP	11,749.00	0.00	11,749.00	DEFUNCT CORPORATION
ROC	DAN MAR ROOFING, INC.	15-May-02	COL	11,874.65	0.00	11,874.65	DEFUNCT CORPORATION
BFS	DAVIS, RONAL E. & VICKI J.	6-Jun-02	COL	12,017.45	0.00	12,017.45	DEFUNCT CORPORATION
MVD	P D F TRANSPORT, INC.	31-May-02	COL	12,068.84	0.00	12,068.84	DEFUNCT CORPORATION
BFS	SUN VALLEY DISCOUNT HOMES, INC.	1-Aug-01	COL	12,220.23	0.00	12,220.23	DEFUNCT CORPORATION
ROC	WOODS BY DESIGN, INC.	11-Jun-02	COL	12,500.00	0.00	12,500.00	DEFUNCT CORPORATION
				20			

				al Year Ending June	30 2002		
ROC	TALISMANS MARBLE INTERNATIONAL	24-Jul-01	COL	12,611.00	0.00	12,611.00	DEFUNCT CORPORATION
REV		30-Nov-01	COL	13,274.51	0.00	13,274.51	DEFUNCT CORPORATION
ICA	J & J TRUCKING, INC. & PAUL J.	18-Jun-02	COL	13,407.26	0.00	13,407.26	DEFUNCT CORPORATION
ROC	EXCELLENT CONSTRUCTION, INC.	1-Oct-01	COL	13,633.43	0.00	13,633.43	DEFUNCT CORPORATION
ROC	BUILDERS HARDWARE, INC.	8-Feb-02	COL	13,846.45	0.00	13,846.45	DEFUNCT CORPORATION
ICA	MONUMENT PIZZA & CAFE, L. L. C.	16-Nov-01	COL	13,961.44	0.00	13,961.44	DEFUNCT CORPORATION
ROC	DEAN FENCING SPECIALISTS, INC.	23-Apr-02	COL	14,092.25	0.00		
BFS	SUNSET MOBILE HOMES, INC.	11-Jul-01				14,092.25	DEFUNCT CORPORATION
ROC	SOUTHWESTERN IMAGES CONST. L. L. C.		COL	14,972.00	0.00	14,972.00	DEFUNCT CORPORATION
		17-May-02	COL	15,000.00	0.00	15,000.00	DEFUNCT CORPORATION
ROC	UNIQUELY YOURS FLOORS, INC.	22-Feb-02	COL	15,095.60	0.00	15,095.60	DEFUNCT CORPORATION
ICA	UTILITY CABINETS OF ARIZONA	11-Jun-02	COL	16,175.06	0.00	16,175.06	DEFUNCT CORPORATION
ROC	LINEAR MARKETING, INC.	5-Jun-02	COL	16,191.25	0.00	16,191.25	DEFUNCT CORPORATION
ROC	A OK REMODELING, INC.	10-May-02	COL	16,224.25	0.00	16,224.25	DEFUNCT CORPORATION
BFS	ELEGANT HOMES, INC.	12-Jul-01	COL	16,259.38	0.00	16,259.38	DEFUNCT CORPORATION
ROC	SHORKEY BUILDING AND REMODEL	17-May-02	COL	16,719.65	0.00	16,719.65	DEFUNCT CORPORATION
ROC	SUN WEST DEVELOPMENT CO., INC.	28-Jun-02	COL	16,850.00	0.00	16,850.00	DEFUNCT CORPORATION
REV		11-Jan-02	BNP	25,767.70	8,000.00	17,767.70	DEFUNCT CORPORATION
ROC	SUN WEST DEVELOPMENT CO., INC.	28-Jun-02	COL	17,850.00	0.00	17,850.00	DEFUNCT CORPORATION
ROC	BIG D ALDRETES CONSTRUCTION INC.	15-May-02	COL	18,135.44	0.00	18,135.44	DEFUNCT CORPORATION
ROC	PINE HOMEBUILDERS, INC.	20-Aug-01	COL	18,300.40	0.00	18,300.40	DEFUNCT CORPORATION
ROC	SOMERO SOUTHWEST CONCRETE, INC.	20-Feb-02	COL	19,000.00	0.00	19,000.00	DEFUNCT CORPORATION
ROC	DOUG PETERSON CO., INC.	30-May-02	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	BAGLEY'S, INC.	5-Apr-02	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	PERFECTION LANDSCAPE AND MAINTENANCE	22-May-02	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	TIMOTHY A. BUZZARD CONSTRUCTION	20-Nov-01	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	R AND S DEVELOPMENT, INC.	24-Aug-01	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	BALE M. BUILDERS	7-May-02	COL	20,000.00	0.00	20,000.00	DEFUNCT CORPORATION
ROC	APEX STRUCTURES, INC.	26-Mar-02	COL	20,125.00	0.00	20,125.00	DEFUNCT CORPORATION
ROC	A AND S QUALITY CONSTRUCTION	30-May-02	COL	20,644.74	0.00	20,644.74	DEFUNCT CORPORATION
ROC	K B KIVA CONSTRUCTION CO INC.	4-Jun-02	COL	20,650.00	0.00	20,650.00	DEFUNCT CORPORATION
ROC	AQUANAUT POOLS, INC.	4-Jun-02	COL	21,397.32	0.00	21,397.32	DEFUNCT CORPORATION
ROC	HOME SPECIALISTS, INC.	23-Apr-02	COL	22,525.99	0.00	22,525.99	DEFUNCT CORPORATION
ICA	TBI/TRADEMARK, INC.	30-Oct-01	COL	22,847.28	0.00	22,847.28	DEFUNCT CORPORATION
ROC	SUN CRAFT QUALITY BUILDERS, L. L. C.	11-Apr-02	COL	23,025.00	0.00	23,025.00	DEFUNCT CORPORATION
ROC	GARDNER HOMES I. L. L. C.	6-Aug-01	COL	23,085.00	0.00	23,085.00	DEFUNCT CORPORATION
ICA	CENTURY ELECTRIC, INC.	7-May-02	COL	24,160.49	0.00	24,160.49	DEFUNCT CORPORATION
ROC	WIMBERLY BENSON DEVELOPMENT	7-Jun-02	COL	25,200.00	0.00	25,200.00	DEFUNCT CORPORATION
ICA	BIG D ALDRETE'S CONSTRUCTION INC.	29-Jan-02	COL	26,573.89	0.00	26,573.89	DEFUNCT CORPORATION
ROC	MARATHON BUILDERS, INC.	7-Jun-02	COL	28,668.02	0.00	28,668.02	DEFUNCT CORPORATION
ROC	SCHOTTLER DESIGN AND DEVELOPMENT	21-Feb-02	COL	30,000.00	0.00	30,000.00	DEFUNCT CORPORATION
ICA	LA PAZ PRODUCTS INC.	11-Dec-01	COL	30,625.00	0.00	30,625.00	DEFUNCT CORPORATION
REV		11-Apr-02	COL	32,075.60	0.00	32,075.60	DEFUNCT CORPORATION
ROC	HOMES UNLIMITED, INC.	6-Feb-02	COL	32,249.78	0.00	32,249.78	DEFUNCT CORPORATION
ROC	UNITED BUILDERS, INC.	19-Jun-02	COL	35,500.00	0.00	35,500.00	DEFUNCT CORPORATION
ROC	CASCADE POOLS, INC.	3-May-02	COL	35,975.87	0.00	35,975.87	DEFUNCT CORPORATION
ROC	HISPANIC AIR CONDITIONING	13-Jun-02	COL	37,433.59	0.00	37,433.59	DEFUNCT CORPORATION
ROC	DAVE'S LATHING AND PLASTERING	9-Apr-02	COL	37,894.87	0.00	37,894.87	DEFUNCT CORPORATION
ICA	RENT-RITE, INC.	26-Sep-01	COL	38,781.19	0.00	38,781.19	DEFUNCT CORPORATION
ROC	RENASCENCE, INC.	24-Jul-01	COL	39,000.00	0.00	39,000.00	DEFUNCT CORPORATION
ROC	SUN WEST DEVELOPMENT CO., INC.	28-Jun-02	COL	40,000.00	0.00	40,000.00	DEFUNCT CORPORATION
MVD	WOLSEY TRUCKING, INC.	8-Jan-02	COL	40,300.38	0.00	40,300.38	DEFUNCT CORPORATION

		Unconectio		ed to the State that		-KF	
POC	R C T BUILDERS, INC.	16 May 02		cal Year Ending June		47 655 24	DEFLINCT CORPORATION
ROC ROC	SHAPIRO BUILDERS, INC.	16-May-02 15-Feb-02	COL	42,655.34 47,828.56	0.00	42,655.34 47,828.56	DEFUNCT CORPORATION
BFS	AMERICA WEST MOBILE HOME SALES	11-Jul-01	COL		0.00		DEFUNCT CORPORATION DEFUNCT CORPORATION
REV	AMERICA WEST MOBILE HOME SALES			49,461.84	0.00	49,461.84	
	CANYON STATE DEV CON INC	21-Feb-02	COL	56,432.09	0.00	56,432.09	DEFUNCT CORPORATION
ROC	CANYON STATE DEV-CON, INC.	8-Feb-02	COL	67,156.54	0.00	67,156.54	DEFUNCT CORPORATION
REV	NOUNTING OVETTING THE	16-Nov-01	COL	89,378.96	0.00	89,378.96	DEFUNCT CORPORATION
ICA	MOUNTING SYSTEMS, INC.	12-Sep-01	COL	96,000.00	0.00	96,000.00	DEFUNCT CORPORATION
ROC	PREMIER POOLS AND SPAS, L.L.C.	13-Aug-01	COL	100,000.00	0.00	100,000.00	DEFUNCT CORPORATION
MVD	VECTA TRANSPORTATION SYSTEMS	26-Apr-02	BNP	100,320.40	0.00	100,320.40	DEFUNCT CORPORATION
BFS	FRONTIER HOMES, INC.	11-Jul-01	COL	113,357.78	0.00	113,357.78	DEFUNCT CORPORATION
MVD	THOROBRED CONTRACTING, INC.	19-Mar-02	COL	144,957.91	0.00	144,957.91	DEFUNCT CORPORATION
ACC	EARLY DETECTION CENTERS, INC.	19-Apr-02	COL	180,000.00	0.00	180,000.00	DEFUNCT CORPORATION
MVD	BILLY CURTIS HAULING, INC.	5-Feb-02	COL	216,810.00	0.00	216,810.00	DEFUNCT CORPORATION
REV		26-Mar-02	BNP	250,000.00	0.00	250,000.00	DEFUNCT CORPORATION
REV		6-Feb-02	COL	299,396.96	0.00	299,396.96	DEFUNCT CORPORATION
REV		13-Jul-01	COL	1,181,817.08	0.00	1,181,817.08	DEFUNCT CORPORATION
REV		6-Feb-02	COL	1,279,216.92	0.00	1,279,216.92	DEFUNCT CORPORATION
						5,893,309.89	
REV		28-Feb-02	BNP	408.20	362.00	46.20	DISCHARGED IN BANKRUPTCY
REV		23-Nov-01	BNP	479.06	423.56	55.50	DISCHARGED IN BANKRUPTCY
REV		28-Feb-02	BNP	479.08	389.58	89.50	DISCHARGED IN BANKRUPTCY
REV		9-May-02	BNP	100.00	0.00	100.00	DISCHARGED IN BANKRUPTCY
REV		18-Jan-02	BNP	10,143.00	10,000.00	143.00	DISCHARGED IN BANKRUPTCY
REV		26-Mar-02	BNP	143.11	0.00	143.11	DISCHARGED IN BANKRUPTCY
REV		5-Sep-01	BNP	915.00	765.00	150.00	DISCHARGED IN BANKRUPTCY
REV		19-Oct-01	COL	169.64	0.00	169.64	DISCHARGED IN BANKRUPTCY
REV		12-Mar-02	BNP	200.00	0.00	200.00	DISCHARGED IN BANKRUPTCY
REV		23-May-02	BNP	214.72	0.00	214.72	DISCHARGED IN BANKRUPTCY
LOT	THE PHARMACY IN THE V.O.C.	2-May-02	COL	294.64	0.00	294.64	DISCHARGED IN BANKRUPTCY
REV		31-Aug-01	BNP	381.04	0.00	381.04	DISCHARGED IN BANKRUPTCY
ROC	LAGUNA FALLS, INC.	13-Jun-02	COL	500.00	0.00	500.00	DISCHARGED IN BANKRUPTCY
REV	choolin melo, me.	2-Jan-02	BNP	548.00	0.00	548.00	DISCHARGED IN BANKRUPTCY
REV		26-Mar-02	BNP	3,255.76	2,583.67	672.09	DISCHARGED IN BANKRUPTCY
REV		13-Jul-01	BNP	1,406.00	657.47	748.53	DISCHARGED IN BANKRUPTCY
ICA	RZOK, NAJAH	8-Jan-02	COL	795.96	0.00	795.96	DISCHARGED IN BANKRUPTCY
DEQ	ERLY INDUSTRIES, INC., ET AL	1-Nov-01	BNP	826.00	0.00	826.00	DISCHARGED IN BANKRUPTCY
REV	cher moos hies, me., er he	24-Sep-01	BNP	831.00	0.00	831.00	DISCHARGED IN BANKRUPTCY
DOT	D & J TRANSFER COMPANY	19-Sep-01	BNP	987.29	0.00	987.29	DISCHARGED IN BANKRUPTCY
ROC	PERKINS, DAVID S. DBA DESERT CLASSIC	31-Jan-02	COL	1,010.00	0.00	1,010.00	DISCHARGED IN BANKRUPTCY
REV	PERRINS, DAVID S. DDA DESERT CLASSIC	26-Mar-02	BNP	3,480.61	2,197.96	1,282.65	DISCHARGED IN BANKRUPTCY
ROC	LUSSIER, JAMES M. DBA MARC'S	13-Aug-01	COL	1,326.00	0.00	1,326.00	DISCHARGED IN BANKRUPTCY
		2			0.00		DISCHARGED IN BANKRUPTCY
NAU	GROVER, ADRIA TERESA	26-Sep-01	COL	1,502.86		1,502.86	
HGD	JARAMILLO, RAMON SAUCEDO	11-Jun-02	COL	1,674.71	123.00	1,551.71	DISCHARGED IN BANKRUPTCY
REV		6-Jul-01	BNP	1,844.08	0.00	1,844.08	DISCHARGED IN BANKRUPTCY
ICA	MCCOLLAM, JOHN J.	25-Jan-02	COL	1,859.75	0.00	1,859.75	DISCHARGED IN BANKRUPTCY
ROC	PHILLIPS, NOEL W.	27-Jun-02	COL	1,950.43	0.00	1,950.43	DISCHARGED IN BANKRUPTCY
BFS	HOLDSWORTH, DAVID WILLIAM	11-Jul-01	COL	2,000.00	0.00	2,000.00	DISCHARGED IN BANKRUPTCY
ROC	DAVIDSON JR., DARYL GENE	10-Jan-02	COL	2,000.00	0.00	2,000.00	DISCHARGED IN BANKRUPTCY
REV		8-Jan-02	BNP	2,018.00	0.00	2,018.00	DISCHARGED IN BANKRUPTCY
ROC	GRIFFIN, LEAH MICHELLE	13-Jun-02	COL	2,034.73	0.00	2,034.73	DISCHARGED IN BANKRUPTCY

		Uncollectio			were referred to CER	5	
				al Year Ending June		32, 190	
GAF	CARRILLO, ROBERT DANIEL JR.	11-Dec-01	COL	2,380.50	0.00	2,380.50	DISCHARGED IN BANKRUPTCY
ROC	SCOTT, JEFFREY ALAN	11-Jul-01	COL	7,918.62	5,450.44	2,468.18	DISCHARGED IN BANKRUPTCY
MVD	BRYANT UNIVERSAL ROOFING, INC.	6-Jul-01	BNP	2,475.46	0.00	2,475.46	DISCHARGED IN BANKRUPTCY
REV		29-Mar-02	COL	2,540.00	0.00	2,540.00	DISCHARGED IN BANKRUPTCY
ROC	GUERRERO, IGNACIO BANDIN	16-Aug-01	COL	3,813.40	1,000.00	2,813.40	DISCHARGED IN BANKRUPTCY
REV		13-May-02	BNP	3,679.56	0.00	3,679.56	DISCHARGED IN BANKRUPTCY
REV		26-Mar-02	BNP	4,886.73	675.00	4,211.73	DISCHARGED IN BANKRUPTCY
ROC	JONES, MICHAEL R. DBA ECONOMY	25-Mar-02	COL	4,350.00	0.00	4,350.00	DISCHARGED IN BANKRUPTCY
REV		3-Jan-02	BNP	4,500.00	0.00	4,500.00	DISCHARGED IN BANKRUPTCY
REV		31-Aug-01	BNP	4,640.95	0.00	4,640.95	DISCHARGED IN BANKRUPTCY
REV		6-Jul-01	BNP	5,301.36	0.00	5,301.36	DISCHARGED IN BANKRUPTCY
ROC	SANCHEZ, ROLANDO & NERY A.	7-Jun-02	BNP	5,311.51	0.00	5,311.51	DISCHARGED IN BANKRUPTCY
ROC	BUFTON, ALAN RAY	11-Jul-01	COL	9,588.77	4,200.00	5,388.77	DISCHARGED IN BANKRUPTCY
REV	BOLLON, ADALLAN	13-Dec-01	BNP	14,101.62	8,673.78	5,427.84	DISCHARGED IN BANKRUPTCY
RET	STEELE, CLIFFORD R. & SUSAN J.	7-May-02	BNP	5,615.30	0.00	5,615.30	DISCHARGED IN BANKRUPTCY
		11-Apr-02	COL	6,286.77	669.16	5,617.61	DISCHARGED IN BANKRUPTCY
RSK	WAGNER, TRETTA & GERALD	14-Dec-01	BNP	5,652.00	0.00	5,652.00	DISCHARGED IN BANKRUPTCY
REV					0.00	5,750.00	DISCHARGED IN BANKRUPTCY
ROC	STOUT, JEFFREY ALAN	27-Sep-01	COL	5,750.00			DISCHARGED IN BANKRUPTCY
GAF	HUMPHREY, ANDREW D.	13-Aug-01	COL	5,871.87	20.00	5,851.87	DISCHARGED IN BANKRUPTCY
ROC	REAS, CHRISTOPHER J. DBA CONCRETE REPAIR TECHNOLOGY	4-Feb-02	COL	7,032.69	0.00	7,032.69	
REV		5-Feb-02	COL	7,539.84	0.00	7,539.84	DISCHARGED IN BANKRUPTCY
ROC	VAN KIRK, EDMOND E. DBA V. K. CONSTRUCTION	11-Jun-02	COL	7,851.10	0.00	7,851.10	DISCHARGED IN BANKRUPTCY
REV		24-Sep-01	BNP	8,092.00	0.00	8,092.00	DISCHARGED IN BANKRUPTCY
ROC	NILSON, KEN	23-Apr-02	COL	8,580.00	0.00	8,580.00	DISCHARGED IN BANKRUPTCY
ROC	CARRASCO, LENNY JAY	20-Aug-01	COL	9,424.97	233.70	9,191.27	DISCHARGED IN BANKRUPTCY
NAU	HICKMAN, RICHARD GRANT	15-Mar-02	BNP	14,187.05	4,381.36	9,805.69	DISCHARGED IN BANKRUPTCY
ROC	BUSKIRK, CHRISTOPHER L.	1-Apr-02	COL	9,811.00	0.00	9,811.00	DISCHARGED IN BANKRUPTCY
ROC	HOWSDEN, MICHAEL & SUSAN	5-Dec-01	BNP	10,690.87	550.00	10,140.87	DISCHARGED IN BANKRUPTCY
ROC	THOMSEN, STEPHEN J. DBA HACIENDAS DE THOMSEN	22-Apr-02	COL	10,959.50	0.00	10,959.50	DISCHARGED IN BANKRUPTCY
REV		2-Jan-02	BNP	12,983.82	0.00	12,983.82	DISCHARGED IN BANKRUPTCY
REV		24-Sep-01	BNP	14,118.80	0.00	14,118.80	DISCHARGED IN BANKRUPTCY
ICA	D.A.V. CONTRACTING INC.	3-Jan-02	BNP	14,276.00	0.00	14,276.00	DISCHARGED IN BANKRUPTCY
ROC	GRIFFITH, VERNON LEE	5-Sep-01	BNP	14,422.55	0.00	14,422.55	DISCHARGED IN BANKRUPTCY
ROC	THOMAS, JERRY LEON DBA CITY WIDE ENTERPRISES	13-Aug-01	COL	14,479.25	0.00	14,479.25	DISCHARGED IN BANKRUPTCY
ROC	LIGHT, KENNETH D DBA KEN LIGHT	2-Feb-02	COL	15,000.00	0.00	15,000.00	DISCHARGED IN BANKRUPTCY
REV		9-May-02	BNP	15,319.60	0.00	15,319.60	DISCHARGED IN BANKRUPTCY
REV		31-Jan-02	COL	15,663.00	0.00	15,663.00	DISCHARGED IN BANKRUPTCY
DOT	J D TRUCKING INC.	11-Jul-01	BNP	15,826.50	0.00	15,826.50	DISCHARGED IN BANKRUPTCY
ROC	MARTINEZ, PETER ANDREW	4-Oct-01	COL	19,788.23	0.00	19,788.23	DISCHARGED IN BANKRUPTCY
ROC	POOLE, HAROLD E. & VICTORIA M.	18-Mar-02	BNP	20,000.00	0.00	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	AIRLOOM SOUTHWEST ENTERPRISES	16-Aug-01	BNP	20,000.00	0.00	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	MARTIN, KATHY LYNN	17-Aug-01	COL	20,000.00	0.00	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	MARCO CONTRACTING, INC.	4-Oct-01	COL	20,000.00	0.00	20,000.00	DISCHARGED IN BANKRUPTCY
ICA	LOCKEN, RANDY	25-Jun-02	COL	20,358.58	0.00	20,358.58	DISCHARGED IN BANKRUPTCY
	LOCKEN, RANDT	8-Jan-02	BNP	24,000.00	0.00	24,000.00	DISCHARGED IN BANKRUPTCY
REV	CODDECTED JAMES & DETTY				0.00	24,200.86	DISCHARGED IN BANKRUPTCY
ICA	FORRESTER, JAMES & BETTY	25-Jan-02	COL	24,200.86		25,941.61	DISCHARGED IN BANKRUPTCY
ROC	GUERRERO, IGNACIO BANDIN	16-Aug-01	COL	27,161.98	1,220.37		DISCHARGED IN BANKRUPTCY
REV		17-Sep-01	BNP	28,928.11	0.00	28,928.11	DISCHARGED IN BANKRUPTCY
ICA	WHITNEY, ALLEN RICHARD & KELLY	11-Apr-02	COL	32,586.56	750.00	31,836.56	DISCHARGED IN BANKRUPTCY
ROC	PERKINS, DAVID SCOTT	31-Jan-02	COL	37,120.00	0.00	37,120.00	
REV		2-Jan-02	BNP	39,539.67	1,720.20	37,819.47	DISCHARGED IN BANKRUPTCY

		Uncollectio			were referred to C	EKF	
DEV				al Year Ending Jun		20.000.07	DISCURDED IN DAMADURTON
REV		11-Dec-01	BNP	39,569.97	500.00	39,069.97	DISCHARGED IN BANKRUPTCY
ICA	DURAN, VALENTINO & MARLENE	11-Apr-02	COL	39,704.69	0.00	39,704.69	DISCHARGED IN BANKRUPTCY
ROC	SCHROEDER, JAMES R. DBA OASIS POOL & SPA SUPPLY	4-Jun-02	COL	43,461.39	0.00	43,461.39	DISCHARGED IN BANKRUPTCY
ICA	GERVAIS, DAVID	3-Jan-02	BNP	51,238.08	0.00	51,238.08	DISCHARGED IN BANKRUPTCY
REV		8-May-02	BNP	51,380.31	0.00	51,380.31	DISCHARGED IN BANKRUPTCY
ICA	MAHURIN, JAMES & CAROL	24-Dec-01	COL	54,240.50	665.24	53,575.26	DISCHARGED IN BANKRUPTCY
ICA	SIMMONS, BRUCE	3-Jan-02	COL	71,871.03	749.98	71,121.05	DISCHARGED IN BANKRUPTCY
BFS	BURDETT, JAMES C. & SUSAN R.	11-Dec-01	COL	84,441.79	0.00	84,441.79	DISCHARGED IN BANKRUPTCY
REV		9-Jul-01	BNP	89,791.71	0.00	89,791.71	DISCHARGED IN BANKRUPTCY
ROC	JURASSIC POOLS, INC.	16-Nov-01	COL	100,000.00	0.00	100,000.00	DISCHARGED IN BANKRUPTCY
ICA	RODRIGUEZ, ARTHUR ISMAEL	3-Jan-02	BNP	117,365.33	0.00	117,365.33	DISCHARGED IN BANKRUPTCY
REV		14-Jan-02	BNP	430,222.00	304,222.00	126,000.00	DISCHARGED IN BANKRUPTCY
REV		26-Oct-01	BNP	228,376.00	0.00	228,376.00	DISCHARGED IN BANKRUPTCY
TYLE F		20 000 01	Ditt	220,570.00	0.00	1,758,864.95	
						1,750,004.55	
REV		25-Feb-02	COL	1,778.24	1,775.24	3.00	SETTLEMENT
GAF	CARRILLO ROBERT DANIEL CR					62.87	
	CARRILLO, ROBERT DANIEL SR.	24-Jul-01	COL	5,756.54	5,693.67		SETTLEMENT
ICA	RIVERA, GREG DBA RIVERA HAY	25-Sep-01	COL	4,376.34	4,123.76	252.58	SETTLEMENT
ICA	DOLENDI, DAVID	17-Jan-02	COL	607.32	316.01	291.31	SETTLEMENT
ICA	DOLENDI, DAVID	17-Jan-02	COL	607.32	316.00	291.32	SETTLEMENT
REV		24-May-02	COL	2,928.88	2,498.00	430.88	SETTLEMENT
ICA	VIBERG, JAMES DBA J.E.V. ROOFING	9-Oct-01	COL	1,248.05	805.42	442.63	SETTLEMENT
DEQ	COX ROCK PRODUCTS, INC.	11-Dec-01	COL	3,570.00	3,100.00	470.00	SETTLEMENT
ICA	MARKS, ERIC	16-Jan-02	COL	10,491.50	10,000.00	491.50	SETTLEMENT
REV		12-Mar-02	COL	1,996.07	1,497.50	498.57	SETTLEMENT
RED	BROWN, LEON A., JR.	5-Dec-01	COL	2,517.63	2,000.00	517.63	SETTLEMENT
LOT	DICHIERA ENTERPRISES	7-Nov-01	COL	4,487.43	3,969.21	518.22	SETTLEMENT
NAU	WECKBACK, MARY HELEN	4-Mar-02	COL	5,529.74	4,900.00	629.74	SETTLEMENT
HGD	FOGG, TIMOTHY AND JOHNSON	18-Jul-01	COL	1,965.81	1,228.63	737.18	SETTLEMENT
BFS	NORWALK, JUDITH MARIE	7-Dec-01	COL	1,531.38	784.00	747.38	SETTLEMENT
REV		11-Apr-02	COL	4,819.25	4,000.00	819.25	SETTLEMENT
NAU	JOHNSON, MATTHEW J.	9-Jul-01	COL	4,125.11	3,200.00	925.11	SETTLEMENT
REV		11-Apr-02	COL	7,325.44	6,379.70	945.74	SETTLEMENT
ROC	BOLOCK, KEITH ALAN	19-Mar-02	COL	20,970.32	20,000.00	970.32	SETTLEMENT
REV		17-Jul-01	COL	2,359.67	1,368.56	991.11	SETTLEMENT
REV		24-Sep-01	COL	1,452.10	400.00	1,052.10	SETTLEMENT
REV		12-Mar-02	COL	3,032.06	1,658.23	1,373.83	SETTLEMENT
REV		17-Jan-02	COL	2,186.49	750.00	1,436.49	SETTLEMENT
ROC	BAUER, JAY ALLEN	17-Oct-01	COL	4,528.74	3,022.00	1,506.74	SETTLEMENT
REV	DAUCK, JAT ALLEN	26-Sep-01	COL	6,088.02	4,500.00	1,588.02	SETTLEMENT
		25-Feb-02			1,704.03	1,671.16	
REV			COL	3,375.19			SETTLEMENT
REV		28-Nov-01	BNP	13,997.90	12,297.90	1,700.00	SETTLEMENT
BNK	PROCOLLECT INCORPORATED	18-Dec-01	COL	6,816.32	5,000.00	1,816.32	SETTLEMENT
REV		3-Jul-01	COL	3,469.42	800.00	2,669.42	SETTLEMENT
REV		28-Feb-02	BNP	8,656.59	5,924.17	2,732.42	SETTLEMENT
MVD	VERA, SANTOS G. JR.	24-May-02	COL	5,942.05	3,000.00	2,942.05	SETTLEMENT
REV		1-Nov-01	BNP	7,049.32	3,979.80	3,069.52	SETTLEMENT
REV		5-Jun-02	BNP	28,321.27	24,441.86	3,879.41	SETTLEMENT
ROC	SAWYER, KIRK ALEXANDER	21-Sep-01	COL	9,603.22	5,717.71	3,885.51	SETTLEMENT
REV		7-Mar-02	COL	6,771.21	2,100.00	4,671.21	SETTLEMENT
REV		25-Sep-01	COL	6,772.06	2,019.40	4,752.66	SETTLEMENT

		Uncollectio		ed to the State that		LEKF	
		42.44		cal Year Ending Jun		C 175 44	SETTLEMENT
SPC	MELENDEZ, JAMES R.	13-Mar-02	COL	13,972.25	7,796.81	6,175.44	SETTLEMENT
BFS	DYER, LAWRENCE EDWARD	28-Mar-02	COL	14,499.81	7,178.49	7,321.32	SETTLEMENT
REV		11-Apr-02	COL	10,670.08	2,650.00	8,020.08	
REV		12-Mar-02	COL	9,665.59	1,000.00	8,665.59	SETTLEMENT
REV		12-Jul-01	COL	22,630.60	13,000.00	9,630.60	SETTLEMENT
CDO	COMMERCIAL WATER SPORTS	12-Feb-02	COL	15,351.36	3,070.28	12,281.08	SETTLEMENT
BFS	PURSE, DON	18-Jan-02	COL	65,000.00	51,900.00	13,100.00	SETTLEMENT
REV		29-Jan-02	COL	19,812.70	5,356.62	14,456.08	SETTLEMENT
REV		25-Oct-01	COL	72,357.06	55,267.79	17,089.27	SETTLEMENT
REV		24-Jul-01	COL	23,707.60	5,000.00	18,707.60	SETTLEMENT
ACC	BECKMAN, MARVIN	29-Oct-01	COL	61,366.65	33,000.00	28,366.65	SETTLEMENT
ICA	MCGALE, JOSEPH M.	28-Jan-02	COL	60,600.68	20,000.00	40,600.68	SETTLEMENT
REV		8-Jan-02	BNP	55,567.00	12,000.00	43,567.00	SETTLEMENT
REV		26-Jun-02	COL	58,876.44	10,000.00	48,876.44	SETTLEMENT
REV		25-Jul-01	COL	76,973.22	9,054.22	67,919.00	SETTLEMENT
ROC	BONAFIDE IMPROVEMENT COMPANY	12-Mar-02	COL	99,161.00	8,000.00	91,161.00	SETTLEMENT
REV		24-Aug-01	BNP	125,959.14	15,322.47	110,636.67	SETTLEMENT
						598,357.70	
DEV		7-Nov-01	COL	229.35	0.00	229.35	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	241.74	0.00	241.74	STATUTE OF LIMITATIONS EXPIRED
REV		26-Sep-01	COL	246.56	0.00	246.56	STATUTE OF LIMITATIONS EXPIRED
REV		26-Sep-01	COL	262.80	0.00	262.80	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	305.74	0.00	305.74	STATUTE OF LIMITATIONS EXPIRED
REV REV		26-Dec-01	COL	314.66	0.00	314.66	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	316.15	0.00	316.15	STATUTE OF LIMITATIONS EXPIRED
REV		24-Jul-01	COL	326.06	0.00	326.06	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	396.76	0.00	396.76	STATUTE OF LIMITATIONS EXPIRED
REV		1-Oct-01	COL	850.16	450.00	400.16	STATUTE OF LIMITATIONS EXPIRED
REV		10-Sep-01	COL	411.10	0.00	411.10	STATUTE OF LIMITATIONS EXPIRED
REV		25-Sep-01	COL	449.86	0.00	449.86	STATUTE OF LIMITATIONS EXPIRED
REV		1-Mar-02	COL	534.09	0.00	534.09	STATUTE OF LIMITATIONS EXPIRED
REV		19-Apr-02	COL	543.24	0.00	543.24	STATUTE OF LIMITATIONS EXPIRED
REV		7-Dec-01	COL	635.49	0.00	635.49	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	643.00	0.00	643.00	STATUTE OF LIMITATIONS EXPIRED
REV		25-Sep-01	COL	740.00	0.00	740.00	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	749.26	0.00	749.26	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	792.28	0.00	792.28	STATUTE OF LIMITATIONS EXPIRED
REV		5-Mar-02	COL	851.32	0.00	851.32	STATUTE OF LIMITATIONS EXPIRED
REV		26-Sep-01	COL	862.26	0.00	862.26	STATUTE OF LIMITATIONS EXPIRED
REV		20-Sep-01	COL	1,038.63	0.00	1,038.63	STATUTE OF LIMITATIONS EXPIRED
REV		10-Apr-02	COL	1,080.60	0.00	1,080.60	STATUTE OF LIMITATIONS EXPIRED
REV		27-Feb-02	COL	1,119.72	0.00	1,119.72	STATUTE OF LIMITATIONS EXPIRED
REV		16-Nov-01	COL	1,348.72	0.00	1,348.72	STATUTE OF LIMITATIONS EXPIRED
REV		28-Aug-01	COL	1,368.42	0.00	1,368.42	STATUTE OF LIMITATIONS EXPIRED
REV		28-Jun-02	COL	1,492.34	0.00	1,492.34	STATUTE OF LIMITATIONS EXPIRED
REV		16-Nov-01	COL	1,674.76	0.00	1,674.76	STATUTE OF LIMITATIONS EXPIRED
REV		8-Jan-02	COL	1,697.12	0.00	1,697.12	STATUTE OF LIMITATIONS EXPIRED
REV		2-Oct-01	COL	2,306.80	0.00	2,306.80	STATUTE OF LIMITATIONS EXPIRED
REV		26-Sep-01	COL	2,897.00	0.00	2,897.00	STATUTE OF LIMITATIONS EXPIRED
REV		26-Jul-01	COL	3,623.85	600.00	3,023.85	STATUTE OF LIMITATIONS EXPIRED

		Unconection		al Voar Ending June			
REV		E Con 01	COL	al Year Ending June		2 072 50	CTATINE OF LIMITATIONS EXPIDED
		5-Sep-01		3,072.50	0.00	3,072.50	STATUTE OF LIMITATIONS EXPIRED
REV		6-Nov-01	BNP	5,415.18	0.00	5,415.18	STATUTE OF LIMITATIONS EXPIRED
REV		24-Jul-01	COL	10,463.05	2,790.94	7,672.11	STATUTE OF LIMITATIONS EXPIRED
REV		5-Sep-01	COL	36,897.58	0.00	36,897.58	STATUTE OF LIMITATIONS EXPIRED
						82,357.21	
ICA	ANDERSON, JOSEPH & ELEANOR R.	5-Mar-02	COL	500.00	0.00	500.00	UNABLE TO LOCATE DEBTOR
ICA	CHAVEZ, MANNY & EDITH	5-Oct-01	COL	500.00	0.00	500.00	UNABLE TO LOCATE DEBTOR
ICA	CHAVEZ, MANNY & EDITH	5-Oct-01	COL	500.00	0.00	500.00	UNABLE TO LOCATE DEBTOR
ICA	GLENN, DAVID	4-Jan-02	COL	500.00	0.00	500.00	UNABLE TO LOCATE DEBTOR
ROC	HAUSMANN, ROBERTH JOHN	16-Aug-01	COL	500.00	0.00	500.00	UNABLE TO LOCATE DEBTOR
DEQ	ENVIROMENTAL EXCAVATORS, L.L.C.	7-Jun-02	COL	524.09	0.00	524.09	UNABLE TO LOCATE DEBTOR
REV		19-Dec-01	COL	558.00	0.00	558.00	UNABLE TO LOCATE DEBTOR
DEQ	ENVIROMENTAL EXCAVATORS, L.L.C.	7-Jun-02	COL	570.66	0.00	570.66	UNABLE TO LOCATE DEBTOR
ICA	ANDERSON, JOSEPH & ELEANOR	5-Mar-02	COL	676.66	0.00	676.66	UNABLE TO LOCATE DEBTOR
REV	사건가 21. Con 24 24 11 Con 20 Con 24 E - 10 Con 24 C	12-Oct-01	COL	736.81	0.00	736.81	UNABLE TO LOCATE DEBTOR
RSK	CASTRO, NOE & DOMINGUEZ-VILLEL	3-Jan-02	COL	951.79	0.00	951.79	UNABLE TO LOCATE DEBTOR
ICA	GLENN, DAVID	4-Jan-02	COL	1,000.00	0.00	1,000.00	UNABLE TO LOCATE DEBTOR
ROC	SINGER, EDWIN H.	17-Apr-02	COL	1,000.00	0.00	1,000.00	UNABLE TO LOCATE DEBTOR
HGD	VIGIL, YOLANDA/ORTEGA, ROBERT	5-Mar-02	COL	1,040.31	0.00	1,040.31	UNABLE TO LOCATE DEBTOR
REV		12-Jun-02	COL	1,102.76	0.00	1,102.76	UNABLE TO LOCATE DEBTOR
HGD	MUZZY, DONALD E.	17-Apr-02	COL	1,337.96	0.00	1,337.96	UNABLE TO LOCATE DEBTOR
DEQ	ENVIROMENTAL EXCAVATORS, L.L.C.	7-Jun-02	COL	1,347.61	0.00	1,347.61	UNABLE TO LOCATE DEBTOR
NAU	BEGAY, MILTON	19-Apr-02	COL	1,583.31	0.00	1,583.31	UNABLE TO LOCATE DEBTOR
REV		13-Dec-01	COL	1,677.00	0.00	1,677.00	UNABLE TO LOCATE DEBTOR
ROC	ISAIA, DOUGLAS B.	12-Mar-02	COL	2,331.34	0.00	2,331.34	UNABLE TO LOCATE DEBTOR
REV		28-Nov-01	COL	2,591.06	0.00	2,591.06	UNABLE TO LOCATE DEBTOR
REV		27-Feb-02	COL	2,683.85	0.00	2,683.85	UNABLE TO LOCATE DEBTOR
DEQ	ENVIROMENTAL EXCAVATORS, L.L.C.	7-Jun-02	COL	3,163.49	0.00	3,163.49	UNABLE TO LOCATE DEBTOR
REV		11-Apr-02	COL	3,439.53	0.00	3,439.53	UNABLE TO LOCATE DEBTOR
ROC	AMETHYST AIR CONDITIONING L. L. C.	27-Nov-01	COL	4,172.90	0.00	4,172.90	UNABLE TO LOCATE DEBTOR
NAU	MURPHY-JAMES, REGINA F.	17-Jan-02	COL	4,497.13	0.00	4,497.13	UNABLE TO LOCATE DEBTOR
ACC	RANGEN, STEPHEN THORLEIF	5-Mar-02	COL	5,000.00	0.00	5,000.00	UNABLE TO LOCATE DEBTOR
RSK	CASTRO, NOE	3-Jan-02	COL	5,334.00	0.00	5,334.00	UNABLE TO LOCATE DEBTOR
ROC	K C ELECTRIC, L. L. C.	23-Jan-02	COL	9,359.00	0.00	9,359.00	UNABLE TO LOCATE DEBTOR
ROC	MILLER, STEVE GALE	9-Jan-02	COL	9,439.85	0.00	9,439.85	UNABLE TO LOCATE DEBTOR
REV	Theen, shere once	11-Oct-01	COL	10,513.77	0.00	10,513.77	UNABLE TO LOCATE DEBTOR
RED	HURLEY, PAUL J.	26-Jun-02	COL	12,000.00	0.00	12,000.00	UNABLE TO LOCATE DEBTOR
ACC	NEKOS, ANTHONY	20-Feb-02	COL	20,000.00	0.00	20,000.00	UNABLE TO LOCATE DEBTOR
ICA	BP DECKING, INC.	17-Jan-02	COL	25,051.60	0.00	25,051.60	UNABLE TO LOCATE DEBTOR
ICA	or Deckino, Inc.	17 561 02	COL	25,051.00	0.00 -	136,184.48	UNABLE TO ECCATE DEDTOR
DEV		0. Ман. 02	DND	10.57	0.00	10 57	CONTREVENED IN STATE DEBT UNDER AFOR
REV	DECAN DUDY T A DITCHTE	8-May-02	BNP	19.57	0.00	19.57	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	BEGAY, RUBY T. & RITCHIE	15-Nov-01	COL	583.09	549.40	33.69	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		9-May-02	BNP	50.00	0.00	50.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	VALLARTAS MEXICAN & SEAFOOD	6-Mar-02	COL	552.88	500.00	52.88	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		31-Aug-01	BNP	73.06	0.00	73.06	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		8-May-02	BNP	97.00	0.00	97.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		8-May-02	BNP	103.00	0.00	103.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
DEQ	BORREGO, IGNACIO & NEREIDA	28-Nov-01	COL	119.28	0.00	119.28	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	FERGUSON, DONNA RAE	7-Sep-01	COL	459.41	337.00	122.41	COSTS EXCEED IN-STATE DEBT UNDER \$500

OFFICE OF THE ATTORNEY GENERAL CIVIL DIVISION, BANKRUPTCY & COLLECTION ENFORCEMENT SECTION Uncollectible Debts Owed to the State that were referred to CERF

.

For the Fiscal Year Ending June 30, 2002

			For the Fisc	al Year Ending June	30, 2002		
REV		22-Feb-02	COL	184.83	0.00	184.83	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		7-May-02	BNP	223.00	0.00	223.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
SPC	CRAWFORD, DENNIS K.	9-Aug-01	COL	240.00	0.00	240.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		27-Dec-01	COL	261.00	0.00	261.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
BFS	COX, FRANCIS CLAYTON	24-Jul-01	COL	2,508.45	2,241.87	266.58	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	GREGERSEN, JONI E	23-Apr-02	COL	285.82	0.00	285.82	COSTS EXCEED IN-STATE DEBT UNDER \$500
LOT	MUSTANG CORNERS	21-Jun-02	COL	293.85	0.00	293.85	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		13-Dec-01	COL	293.96	0.00	293.96	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		26-Apr-02	BNP	345.00	0.00	345.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		19-Dec-01	COL	347.00	0.00	347.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		22-May-02	COL	375.94	0.00	375.94	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		11-Apr-02	COL	383.28	0.00	383.28	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		24-Sep-01	BNP	387.52	0.00	387.52	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		21-Jun-02	COL	416.06	0.00	416.06	COSTS EXCEED IN-STATE DEBT UNDER \$500
	ALTERNATIVE LANDSCAPING, L. L. C.	25-Jun-02	COL	420.56	0.00	420.56	COSTS EXCEED IN-STATE DEBT UNDER \$500
ROC		29-May-02	COL	422.00	0.00	422.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
LOT	FLIPS FOOD MART & DELI	31-Aug-01	BNP	469.00	0.00	469.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12-Jun-02	COL	480.95	0.00	480.95	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12-Jun-02	COL	400.95	0.00	6,767.24	COSTS EXCEED IN STATE DEST BROEK \$500
						0,707.24	
		0.1.1.01	BNP	4.82	0.00	4.82	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		9-Jul-01		54.53	0.00	54.53	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		26-Apr-02	BNP			315.67	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
RET	NYE, IRENE	15-Mar-02	COL	1,914.65	1,598.98	354.59	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
NAU	FISHINGER, STEPHEN M.	16-Oct-01	COL	354.59	0.00	370.99	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		13-Dec-01	COL	370.99	0.00		COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		18-Mar-02	COL	485.41	107.77	377.64	
HGD	MOLINAR, ARMANDO	12-Mar-02	COL	931.53	549.00	382.53	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		11-Dec-01	COL	1,054.89	638.96	415.93	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		6-Jun-02	COL	417.11	0.00	417.11	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		30-Apr-02	COL	420.15	0.00	420.15	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		18-Sep-01	COL	448.37	0.00	448.37	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		12-Jun-02	COL	487.00	0.00	487.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
DEQ	MORGAN MINING, L.T.D.	31-May-02	COL	527.29	0.00	527.29	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
EDD	TEMPE CHILDREN'S CENTER	10-Jul-01	COL	531.94	0.00	531.94	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		15-Oct-01	COL	658.28	0.00	658.28	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
ROC	MITCHELL, DENNY L.	5-Dec-01	COL	2,500.00	1,750.00	750.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
BFS	TRENT, ALTA BERNIECE	22-Aug-01	COL	800.00	0.00	800.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		24-Sep-01	BNP	825.34	0.00	825.34	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
HGD	DAVIS, DEBORAH A. AND MORENO S.	22-Feb-02	COL	896.70	0.00	896.70	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
ICA	HANSEN, DAVID & BECKY	27-Jun-02	COL	991.00	0.00	991.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
101						10,029.88	
REV		10-Oct-01	COL	2,243.72	2,231.73	11.99	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
PEC	TEDESCHI, STACEY L.	7-Feb-02	COL	770.39	750.00	20.39	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ICA	CARO, ISIDRO & VICTORIA	25-Feb-02	COL	576.92	500.00	76.92	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ICA	CARO, ISIDRO & VICTORIA	25-Feb-02	COL	585.52	500.00	85.52	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		4-Apr-02	COL	442.42	0.00	442.42	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		14-Aug-01	COL	548.59	0.00	548.59	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
		13-Jun-02	COL	630.95	0.00	630.95	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV	CREEN ALICIA	5-Mar-02	COL	650.00	0.00	650.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
DHS	GREEN, ALICIA	2-Jan-02	COL	687.94	0.00	687.94	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ROC	BOEMER, THOMAS G. DBA G S I CO.	2-190-05	COL	D07.97	0.00	007101	CONT OF COLLEGITOR FOR STORE STORE

OFFICE OF THE ATTORNEY GENERAL CIVIL DIVISION, BANKRUPTCY & COLLECTION ENFORCEMENT SECTION Uncollectible Debts Owed to the State that were referred to CERF

		Unconection	e Debts Owe	ed to the State that	were referred to	CERF	
			For the Fisc	al Year Ending June	30, 2002		
REV		14-Aug-01	COL	689.44	0.00	689.44	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		2-Jan-02	BNP	834.00	0.00	834.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		26-Mar-02	BNP	3,356.16	0.00	3,356.16	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		5-Mar-02	COL	21,807.82	18,397.41	3,410.41	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		7-Feb-02	COL	11,992.68	6,830.56	5,162.12	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
RSK	WAUSAU INSURANCE, CO.	8-Nov-01	COL	17,670.69	0.00	17,670.69	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
						34,277.54	
REV		24-Jul-01	COL	186.38	0.00	186.38	DEBTOR IS DECEASED
REV		1-May-02	COL	202.16	0.00	202.16	DEBTOR IS DECEASED
REV		19-Apr-02	COL	204.07	0.00	204.07	DEBTOR IS DECEASED
REV		4-Jun-02	COL	321.00	0.00	321.00	DEBTOR IS DECEASED
ROC	HAMILTON, JOHN DOUGLAS	4-Oct-01	COL	1,000.00	0.00	1,000.00	DEBTOR IS DECEASED
ROC	HAMILTON, JOHN D.	4-Oct-01	COL	1,500.00	0.00	1,500.00	DEBTOR IS DECEASED
REV		24-Oct-01	COL	3,281.00	0.00	3,281.00	DEBTOR IS DECEASED
ROC	THATCHER, JOHN EDWARD	18-Oct-01	COL	17,036.88	13,728.70	3,308.18	DEBTOR IS DECEASED
ROC	KNEZ, BRUNO DBA BRUNO CONSTRUCTION	7-May-02	COL	4,900.00	0.00	4,900.00	DEBTOR IS DECEASED
ROC	CRUMLY, ROBERT CASPER	16-Apr-02	COL	11,178.83	0.00	11,178.83	DEBTOR IS DECEASED
ROC	GARFINKEL, RICK DBA SUPREME E.	19-Nov-01	COL	17,832.82	0.00	17,832.82	DEBTOR IS DECEASED
REV		16-Apr-02	COL	19,784.96	1,150.00	18,634.96	DEBTOR IS DECEASED
ROC	KNEZ, BRANKO/DBA: BRUNO CONSTRUCTION	7-May-02	COL	22,379.38	3,150.00	19,229.38	DEBTOR IS DECEASED
						81,778.78	
REV		28-Jun-02	COL	1,572.34	200.00	1,372.34	ABATED BY AGENCY
REV		11-Dec-01	COL	9,919.52	0.00	9,919.52	ABATED BY AGENCY
						11,291.86	
NAU	BOOKER, MARSHALL	10-Apr-02	COL	2,878.02	0.00	2,878.02	COURT RECORDS DESTROYED - JUDGMENT TOO OLD
						2,878.02	
REV		18-Jan-02	COL	645.44	200.00	445.44	DEBT NON-DISCHARGEABLE - RETURN TO AGENCY
						445.44	
ICA	SEGAL, THEODORE J. P.C.	30-May-02	COL	28,219.82	0.00	28,219.82	DEBTOR IS INCARCERATED
						28,219.82	
				TOTAL		\$ 9,549,345.45	

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPFENTHAL JOHN LOREDO

DATE:	August 5, 2003
TO:	Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee
THRU:	Richard Stavneak, Director
FROM:	Steve Grunig, Fiscal Analyst
SUBJECT:	ARIZONA COMMISSION ON THE ARTS – REVIEW OF THE ARIZONA ARTS ENDOWMENT FUND AND PRIVATE CONTRIBUTIONS

Request

The Arizona Commission on the Arts requests the Committee review the report on private monies that are donated for use in conjunction with public monies from the Arizona Arts Endowment Fund.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request.

Analysis

Pursuant to A.R.S. § 41-986(F), the Committee shall annually review the Arizona Commission on the Arts' records regarding private monies that are donated for use in conjunction with public monies from the Arizona Arts Endowment Fund. The legislation created the Arizona Arts Endowment Fund and was intended to encourage the establishment of arts endowments supported by public and private funds. The public component of the legislation began in FY 1998 and consists of an annual appropriation of up to \$2,000,000 to the Arizona Arts Endowment Fund from the General Fund. These monies are then invested by the State Treasurer, who distributes the <u>interest</u> income to the Arts Commission to fund arts programs across the state. Laws 2002, Chapter 1, 3rd Special Session suspended the FY 2002 and FY 2003 deposit to the Arts Endowment Fund and extended the final deposit to FY 2009 when the fund will have accrued \$19,000,000. Since FY 1998, the fund has earned approximately \$1,156,951 in interest, \$1,043,915 of which has been expended or committed in the form of grants and contracts.

Public deposits to the Arizona Arts Endowment Fund totaled \$8,000,000 through FY 2001. In November 2002, \$1,000,000 of the principal was transferred to the General Fund reducing the endowment principal to \$7,000,000. The General Appropriation Act (Chapter 262) would have transferred the remaining \$7,000,000 from the Arts Endowment Fund to the General Fund in FY 2004. This provision was vetoed by the Governor. The Public Finances Omnibus Reconciliation Bill (Chapter 263) suspended the

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS

STATE SENATE

(Continued)

\$2,000,000 FY 2004 General Fund deposit to the Arts Endowment Fund. This provision was also vetoed by the Governor. As a result, the Arts Endowment Fund will have a principal balance of \$9,000,000 in FY 2004.

The private component of the legislation allows the Arts Commission to partner with non-profits such that the non-profit may receive, invest and manage private donations 1) to its own endowment, 2) to the endowment of other arts organizations or 3) to the non-designated portion of the Arizona Arts Endowment Fund. Donors who wish to support endowments of a specific arts organization, such as the Phoenix Symphony, may do so. Such donations are administered by the individual arts organization, but must conform to the rules adopted by the Arts Commission to qualify as a contribution to the Arizona Arts Endowment Fund. Several smaller arts organizations have arranged for the Arizona Community Foundation to administer endowments on their behalf. The Arizona Community Foundation is a tax-exempt charitable organization, which manages more than 700 funds with 11 affiliate organizations across the state. Donors who wish to endow the arts generally, without designating a particular arts organization, may do so by giving to the private non-designated portion of the Arizona Arts Endowment Fund. The Arts Commission receives the interest income from these non-designated donations and distributes the earnings according to its policy.

The table below summarizes private contributions that have been collected since the establishment of the Arizona Arts Endowment Fund. Private contributions were less in 2001 and 2002 than in previous years due to the slowing economy. There is no statutory requirement that private donations match public appropriations for the Arizona Arts Endowment Fund.

	Private Donations to the Arizona Arts Endowment Fund, by Calendar Year								
	<u>1996</u> 1/	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	2002		
Designated	\$1,682,685	\$2,973,245	\$5,799,633	\$3,887,349	\$6,559,045	\$2,044,004	\$2,728,474		
Non-Designated	0	76,481	545,336	475,921	69,266	<u>(24,446)</u> ^{2/}	<u>(44,518)</u> ^{2/}		
Total	\$1,682,685	\$3,049,726	\$6,344,969	\$4,363,270	\$6,628,311	\$2,019,558	\$2,683,956		
1/ 1996 reporting period is from April 15, when the legislation was passed, to December 31. 2/ Represents investment losses.									

RS/SG:jb



Arizona Commission on the Arts 417 W. Roosevelt Phoenix, AZ 85003-1326 p 602-255-5882 f 602-256-0282 general@ArizonaArts.org www.ArizonaArts.org



June 20, 2003

Representative Russell Pearce House of Representatives 1700 West Washington Phoenix, AZ 85007

Dear Representative Pearce:

This letter is to report to the Joint Legislative Budget Committee regarding funds raised for arts endowments in compliance with the requirements that established the Arizona arts endowment fund in April 1996, A.R.S. Number 41-986(F).

We request that this report be included on the agenda of the JLBC when it is convenient.

Sincerely,

Jully Cal Shelley M. Colin

Executive Director

Senate President Ken Bennett Speaker of the House Jake Flake Senator Robert Burns Richard Stavneak Steve Grunig

Bob Chapko

ARIZONA ARTSHARE

Summary of Endowment Contributions by Calendar Year

Arts Organization	1996*	1997	1998	1999	2000	2001	2002	Total
Arizona Opera	11,642	7,207	25,350	5,070	69,376	231,870	0	350,515
Ballet Arizona	50,000	50,000					0	100,000
Flagstaff Symphony			16,085				200	16,285
Heard Museum	329,591	1,880	817	2,742	35,845	6,309	0	377,184
Museum of Northern Arizona		15,000			1,165,645		0	1,180,645
Orpheus Male Chorus of Phx						33,674	39,806	73,480
Phippen Museum					420,000		0	420,000
Phoenix Art Museum	549,000	1,116,635	718,230	559,912	122,244	416,000	35,000	3,517,021
Phoenix Boys Choir			818,673		143,057	184,067	86,094	1,231,891
Phoenix Symphony	30,000		3,125,000	1,311,680	3,363,968	418,890	2,413,395	10,662,933
Scottsdale Cultural Council	275,651	375,390	1,008,277	1,661,490	1,111,585	3,005	0	4,435,398
Sierra Vista Symphony Assc.						9,817		9,817
Tucson Museum of Art	5,500	33,131	42,109	27,910	32,298	19,139	34,684	194,771
Tucson Symphony	23,455	316,380	41,500	223,500	95,027	228,282	90,296	1,018,440
Subtotal:	1,274,839	1,915,623	5,796,041	3,792,304	6,559,045	1,551,053	2,699,474	23,588,379
Community Foundations	1996*	1997	1998*	1999*	2000	2001*	2002	Total
Arizona Community Foundation	407,846	957,622	3,592	95,045		492,951		1,957,056
Community Foundation for								
Southern Arizona		100,000					29,000	129,000
Subtotal:	407,846	1,057,622	3,592	95,045	0	492,951		2,086,056
Arizona ArtShare								
(non-designated)		76,481	545,336	475,921	69,266	(24,446)	(44,518) **	1,098,040
TOTALS:	1,682,685	3,049,726	6,344,969	4,363,270	6,628,311	2,019,558	2,683,956	26,772,475

*1996 reporting period is from April 15 to December 31; Orpheum Theatre, Cross Culture Dance Resources, Bead Musuem, Pickard Arts & Culture Fund

*1998 Atlatl

*1999 Sun Cities Art Museum, Sun Cities Chamber Music, Sun Cities Symphony

*2001 Grand Canyon Music Festival, Herberger Christmas House Funds, Orpheus Sound Investments, Scottsdale Artists School, Sonoran Arts League

**Investment losses

Through December 31, 2002

06/20/03

STATE OF ARIZONA

Joint Legislative Budget Committee

HOUSE OF

REPRESENTATIVES

1716 WEST ADAMS PHOENIX, ARIZONA 85007 RUSSELL K. PEARCE CHAIRMAN 2003 CHAIRMAN 2004 PHONE (602) 542-5491 ANDY BIGGS MEG BURTON CAHILI FAX (602) 542-1616 EDDIE FARNSWORTH http://www.azleg.state.az.us/jlbc.htm LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ DATE: August 6, 2003 ΤO Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee THRU: Richard Stavneak, Director FROM: Beth Kohler, Fiscal Analyst SUBJECT: DEPARTMENT OF HEALTH SERVICES – REVIEW OF BEHAVIORAL HEALTH CAPITATION RATE CHANGES

Request

Pursuant to a footnote in the General Appropriation Act, the Department of Health Services (DHS) must present its plan to the Committee for its review prior to implementing any change in capitation rates for the Title XIX behavioral health programs. Capitation rates are the flat monthly payments made to managed care health plans for each Title XIX recipient. DHS is requesting review of rate changes for the Children's Behavioral Health (CBH), Seriously Mentally Ill (SMI), and General Mental Health/Substance Abuse (GMH/SA) Title XIX rates.

Summary

The proposed rates are based upon an actuarial study, which is required by the federal government. The proposed increases would cost from \$10.9 million to \$14.9 million General Fund more than the capitation adjustment assumed in the FY 2004 budget. The weighted average rate of the increases is 11.7% above FY 2003. In comparison, the FY 2004 budget assumed a 4.5% capitation rate increase, and the Executive recommended a 5% increase. All the rates include the Medicaid insurance premium tax adjustment.

DHS plans to seek a supplemental appropriation for these expenses. There are at least two other potential sources of funding. Part of the capitation increase results from shifting children's behavioral health costs from the Department of Economic Security (DES) to DHS. Last year, the Committee advised DHS to seek reimbursement from DES since monies had been appropriated to DES for this purpose. DHS did not pursue this option, which would have saved approximately \$2.6 million.

Another possible funding source is the \$12.5 million in new DHS monies that may be available as a result of the line item vetoes. By vetoing the lump sum reductions, the Governor's intent was to provide \$12.5 million in new funding for discretionary programs. The legislative lawsuit contends that the Governor does not have the authority to create new spending authority by vetoing the lump sums. If the courts agree with the plaintiffs, then the extra \$12.5 million would no longer be available and could not fund the

ROBERT "BOB" BURNS MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W HARPER DEAN MARTIN PETE RIOS

STATE SENATE capitation adjustment. If the courts concur with the Governor, then these monies could be available for the capitation rate increases.

The Committee has at least the following choices:

- 1. A favorable review of DHS' capitation adjustments with no conditions. DHS would view this option as an endorsement of a supplemental request of \$14.9 million.
- 2. A favorable review with the caveat that the review does not constitute an endorsement of a supplemental request. Even with this condition, however, a supplemental request would still be likely. Absorbing \$10.9 million to \$14.9 million in Title XIX cost increases within the existing budget would require substantial reductions in non-Title XIX programs within the department.
- 3. A favorable review with the caveat that DHS should seek DES payment for at least \$2.6 million in capitation rate increases.
- 4. A favorable review with the caveat that DHS should use the lump sum veto monies, if the courts uphold the legality of the Governor's action, to pay for the supplemental before using those dollars for discretionary program increases.
- 5. An unfavorable review. Given the federal actuarial study requirement, the Department is likely to proceed with the proposed increases.

Analysis

Since Title XIX is a federal entitlement program and states are required to provide reimbursement rates in managed care programs that are actuarially sound, capitation rates are not set by the Legislature. DHS contracts with an actuarial firm, which uses claims and encounter data and projected enrollment to determine the actual costs of services and thereby recommends increases or decreases in the capitation rates. Once DHS requests a change in rates, the new rates must be approved by Arizona Health Care Cost Containment System (AHCCCS).

DHS has received approval from AHCCCS to change the capitation rates for CBH, SMI and GMH/SA, retroactive to July 1, 2003, and has submitted its planned capitation rate changes for the Committee's review. These rate changes will affect each Title XIX Special Line Item, the Proposition 204 Special Line Item, and the Medicaid Special Exemption Payments Line Item.

Table 1 shows the budgeted and proposed capitation rates for each program. On average, the proposed rates represent an increase of 11.7% above the FY 2003 rates, although the actual increases vary by line item. In comparison, the approved FY 2004 budget assumed a 4.5% increase and the Executive had recommended a 5% increase.

Table 1					
	FY 2003				
	Capitation Rates		FY 2004 Ca	oitation Rates	
			% Change		% Change
	Actual	Budgeted	Above FY 2003	Proposed	Above FY 2003
CBH	\$27.49	\$28.73	4.5%	\$31.85	15.9%
SMI	\$63.48	\$66.34	4.5%	\$65.91	3.8%
GMH/SA	<u>\$19.82</u>	<u>\$20.71</u>	4.5%	\$26.02	<u>31.3%</u>
Avg. Rate	\$46.45	\$48.54	4.5%	\$50.04	11.7%

The proposed Children's rate increase is 15.9%, which is due to:

- A projected 6.5% increase in medical inflation through higher claims costs
- 3.5% increase for the transfer of behavioral health services from DES to DHS
- 1.5% for the new premium tax rate (2.0% when annualized over the year)
- 0.6% increase for the transfer of medication costs from AHCCCS to DHS, and
- Other adjustments for higher utilization and tribal fee for service claims.

The proposed SMI rate increase is 3.9%, which is due to:

- 6.3% for medical inflation and 1.5% for the premium tax, and
- 2.9% for increased services to the SMI population in accordance with the *Arnold* litigation and the Leff report.

These increases were offset by a (7.5)% reduction in utilization, possibly due to lower percentage of the new Proposition 204 population qualifying as SMI.

The General Mental Health and Substance Abuse rate increased by 31.4% due to:

- 11.4% medical inflation and 1.5% premium tax, and
- 10.9% offset for losses incurred during FY 2003.

Table 2 shows the FY 2004 appropriated amounts for each population, as well as the JLBC Staff estimates of the cost by program above the FY 2004 appropriation, based on the enrollment projections that were used in developing the FY 2004 budget. The actual costs of the new capitation rates may be higher or lower, depending upon the actual number of people that are eligible for Title XIX behavioral health services.

	EV 2004 A	nnranriatian	Estimated Need wi Chan	
	TT 2004 A	<u>FY 2004 Appropriation</u> <u>TF</u> <u>SM</u>		<u>SM</u>
СВН	\$145,553,200	\$45,924,000	<u>TF</u> \$160,611,600	\$50,854 <u>,</u> 500
SMI	147,065,400	48,152,800	145,628,400	47,682,300
GMH/SA	47,827,200	14,650,900	60,331,100	18,745,00
Proposition 204	196,072,900	64,199,000	207,002,800	67,777,700
Medicaid Special Exemption	, ,	, ,	, ,	, ,
Payments	9,412,300	3,082,500	8,963,600	2,934,900
Total	\$545,931,000	\$176,009,200	\$582,537,600	\$187,994,400
Difference			\$ 36,606,600	\$11,985,200
TF = Total Funds SM = State Matcl	n Monies			

1/ Represents ongoing costs of the rate increase. Actual FY 2004 costs will include \$(1,079,200) in one-time FMAP savings (see discuss below), for total state match costs of \$10,906,000.

Without changes to the enrollment projections and other assumptions used in developing the FY 2004 appropriation, the capitation rate changes will require an increase of \$10.9 million from the General Fund and \$36.6 million in Total Funds above the existing FY 2004 appropriation. These figures include General Fund savings associated with the temporary federal match rate increase of 2.95% for FY 2004. After this temporary increase expires at the end of FY 2004, the state cost of this capitation rate increase is expected to increase to \$12 million (excluding any future federal match rate changes).

The department is projecting an increased need of \$14.9 million from the General Fund. As discussed above, one component of the increase in the Children's rate relates to shifting mental health services for children currently being served by DES to DHS. This shift frees up funding in the DES budget and increases costs for DHS. At its August 2002 meeting, the Committee advised DHS to obtain \$2.6 million of these "freed-up" DES monies to fund the increased costs in behavioral health services for children. In addition, the Committee recommended that DHS use \$1.5 million in existing department resources to fund a portion of the Title XIX General Mental Health services. The department does not concur with these prior recommendations and therefore has a higher estimated supplemental cost.

One potential source of funding for the capitation rate increase is the \$12.5 million in additional monies that may be available as a result of line-item vetoes by the Governor. The Governor line item vetoed \$(12.5) million in General Fund reductions in the Department of Health Services FY 2004 budget, with the intention of increasing the department's total appropriation by a corresponding amount. As of this writing, there is pending litigation concerning the legality of these particular vetoes and the monies may not be available to the department. If the monies are determined to be available, they could be used to fund the costs of the capitation rate increases. However, the Executive reported that it intends to spend these monies on the following discretionary programs:

	on of Housing Funds for SMI Services viously funded from a one-time appropriation)	\$4,335,400
	on of SMI and GMH Non-Title XIX reductions in FY 2004 budget	\$4,620,000
Fund gro	wth in Vaccines program	\$1,189,100
Restore I	Detoxification Services	\$180,000
(Tol	bacco Tax funding eliminated in FY 2004)	
Toba	hift of Non-Title XIX behavioral health from licco Tax to General Fund (\$1,000,000 due to veto of th Crisis Fund suspension)	\$2,200,000
TOTAL		\$12,524,500

RS/BK:ck



Office of the Director

1740 W. Adams Street Phoenix, Arizona 85007-2670 (602) 542-1025 (602) 542-1062 FAX JANET NAPOLITANO, GOVERNOR CATHERINE R. EDEN, DIRECTOR

ALSO T & 9 10 17 12 PM RECEIVED JUL 31 2003 JOINT BUDGET COMMITTEE COMMITTEE

July 30, 2003

The Honorable Russell Pearce Chairman, Joint Legislative Budget Committee 1700 West Washington Street Phoenix, Arizona 85007

Dear Representative Pearce:

I sent you a letter, dated July 11, 2003, asking for a review of the Title XIX behavioral health capitation rates for FY 2004. That letter showed capitation rates that were inconsistent with the final actuarial report accompanying the letter.

The capitation rates shown in the letter had not been completely modeled for all adjustments included in the Mercer report for the Title XIX population. The rates listed as "revised" in the table below does not change our estimate for funds needed for FY 2004.

Program	Rates From July 11 Letter	Revised Rates	
Children	\$31.87	\$31.85	
Adult Seriously Mentally Ill	\$65.94	\$65.91	
Adult General Mental Health	\$26.04	\$26.02	

If you have any questions, please call Chris Petkiewicz at (602) 364-4699.

Sincerely,

Catherine R. Eden Director

Senator Robert Burns, Vice Chairman
 Susan Gerard, Policy Advisor, Health/Human Services, Governor's Office
 David Jankofsky, Director, Governor's Office of Strategic Planning and Budgeting
 Bob Chapko, Budget Manager, Governor's Office of Strategic Planning and Budgeting
 Richard Stavneak, Director, Joint Legislative Budget Committee
 Beth Kohler, Fiscal Analyst, Joint Legislative Budget Committee
 Leslie Schwalbe, Deputy Director, Department of Health Services
 Danny Valenzuela, Deputy Director, Department of Health Services
 Pat Mah, Director, Central Budget Office, Department of Health Services



Office of the Director

1740 W. Adams Street Phoenix, Arizona 85007-2670 (602) 542-1025 (602) 542-1062 FAX

JANET NAPOLITANO, GOVERNOR CATHERINE R. EDEN, DIRECTOR



July 11, 2003

The Honorable Russell Pearce Chairman, Joint Legislative Budget Committee 1700 West Washington Street Phoenix, Arizona 85007

Dear Representative Pearce:

Pursuant to a footnote in the General Appropriation Act, the Arizona Department of Health Services (the Department) respectfully requests to be placed on the Joint Legislative Budget Committee's agenda for its next scheduled meeting to discuss the proposed changes to the Behavioral Health Services Title XIX capitation rates for fiscal year 2004. As you can see from the tables below, the amount appropriated for Title XIX behavioral health is \$14.9 million (General Fund) less than the anticipated need for the year.

Enclosed please find the final report prepared to develop capitation rates for the Department for Title XIX behavioral health services for Children, Seriously Mentally III, and General Mental Health/Substance Abuse populations for the fiscal year July 1, 2003 to June 30, 2004 (FY04). In accordance with the Centers for Medicare & Medicaid Services and the Balanced Budget Act of 1997, the rates were developed using actuarially sound methodologies by Mercer Government Human Services Consulting.

The purpose of developing new capitation rates each year is to re-evaluate the prior period's rates for reasonableness as it relates to providing adequate service levels and evaluating the cost to provide those services.

During these challenging economic times, we examined areas to implement cost containment measures and determined that a 1% decrease in the profit/administration of the Regional Behavioral Health Authorities (RBHAs) was reasonable, resulting in a savings to the system of approximately \$6 million. Below is a summary of the FY 2003 and FY 2004 Title XIX rates and related funding:

Representative Pearce Page 2

	Current Statewide FY03 Capitation	Proposed Statewide FY04 Capitation	Appropriated Amounts for	Required Amounts for FY04 Capitation	
Program	Rates	Rates	FY04	Rates	Difference
Children	\$27.49	\$31.87	\$145,553,200	\$162,667,700	
Seriously Mentally Ill	\$63.48	\$65.94	\$147,065,400	\$310,592,400	
General Mental Health/Substance Abuse	\$19.82	\$26.04	\$ 47,827,200	\$122,642,500	
Allocation of Administration			\$ 6,267,500		
Proposition 204			\$196,072,900		17
Arnold vs. Sarn			\$ 15,270,700		
DES / DDD			Included above	\$11,407,100	
Allocation of Medicaid Tax Exemption			\$ 9,412,300		
Total			\$567,469,200	\$607,309,700	(\$39,840,500)
State Match		5	\$166,027,200	\$180,917,600	(\$14,890,400)
Federal Portion			\$401,442,000	\$426,392,100	(\$24,950,100)

TITLE XIX RATES AND FUNDING

Below are tables with the changes in enrollment and penetration for the last three years:

	May 01	May 02	May 03	May 01-May 03 % Change
Children	15,330	18,391	22,886	49%
Seriously				
Mentally Ill	11,033	14,281	15,939	45%
General Mental Health/Substance				
Abuse	12,725	21,445	28,722	126%
Totals	39,088	54,117	67,547	

TITLE XIX ENROLLMENT

Representative Pearce Page 3

	May 01	May 02	May 03	May 01-May 03 % Change
	May 01	Iviay 02	Iviay 05	76 Change
Children	5.255	5.111	5.641	7%
Seriously				
Mentally Ill	6.434	4.756	4.401	< 32% >
General Mental				
Health/Substance				
Abuse	7.421	7.142	7.931	7%

TITLE XIX PENETRATION

Children Behavioral Health Capitation Rate. The proposed statewide rate for Children increased 15.9% from \$27.49 to \$31.87. Several factors that are attributable to this change include:

- Additional 0.6% increase in medication costs due to AHCCCS health plans shifting costs to the behavioral health system by modifying their formulary and/or prior authorization policy as it relates to medications.
- Penetration increased from 5.11% to 5.64% (May 2002 to May 2003), or 10.4%.
- Estimated Tribal Fee For Service Claims increasing from \$12,536,810 to \$19,526,143, or 55.8%.
- A full 1.50% (2% for 9 months) of the increase is attributable to removal of the Medicaid tax exemption.
- Claim cost data trended to FY04 increase of 6.5%.
- Increases in services as a result of bringing additional DES clients into the behavioral health system for Therapeutic Foster Care (3% of total rate) and DES Kids in Counseling (0.5% of total rate).

Seriously Mentally III (SMI) Behavioral Health Capitation Rate. The proposed statewide rate for the SMI population increased 3.9% from \$63.48 to \$65.94. Several factors that are attributable to this change include:

- Additional 0.9% increase in medication costs due to AHCCCS health plans shifting costs to the behavioral health system by modifying their formulary and/or prior authorization policy as it relates to medications.
- Penetration *decrease* of 7.5% (this actually helped keep costs lower).
- Estimated Tribal Fee For Service Claims increasing from \$1,651,650 to \$2,572,453, or 55.8%.
- 1.50% attributable to the removal of the Medicaid tax exemption.
- Claim cost data trended to FY04 increase of 6.3%.
- Continuation of changes in scope, intensity and duration of services in accordance with the Leff Report (2.9% of total rate).

Representative Pearce Page 4

General Mental Health / Substance Abuse (GMH/SA). The proposed statewide rate for the GMH/SA population increased 31.4% from \$19.82 to \$26.04. Several factors that are attributable to this change include:

- Additional 0.8% increase in medication costs due to AHCCCS health plans shifting costs to the behavioral health system by modifying their formulary and/or prior authorization policy as it relates to medications.
- Estimated Tribal Fee For Service Claims increasing from \$111,540 to \$173,724, or 55.8%.
- Penetration increased from 7.14% to 7.93% (May 2002 to May 2003), or 11.1%.
- 1.50% attributable to the removal of the Medicaid tax exemption.
- Claim cost data trended to FY04 increase of 11.4%.
- Through March 2003, the RBHAs had incurred an average loss of 10.9% on operating this program.

If you have any questions, please feel free to call Leslie Schwalbe, Deputy Director, at (602) 364-4567 or Chris Petkiewicz, Chief Financial Officer for Behavioral Health Services, at (602) 364-4699.

Sincerely,

achy Eler

Catherine R. Eden Director

CRE:cp Enclosures

cc: Senator Robert Burns, Vice Chairman

> Susan Gerard, Policy Advisor, Health/Human Services, Governor's Office David Jankofsky, Director, Governor's Office of Strategic Planning and Budgeting Bob Chapko, Budget Manager, Governor's Office of Strategic Planning and Budgeting Richard Stavneak, Director, Joint Legislative Budget Committee Beth Kohler, Fiscal Analyst, Joint Legislative Budget Committee Leslie Schwalbe, Deputy Director, Department of Health Services Danny Valenzuela, Deputy Director, Department of Health Services Pat Mah, Director, Central Budget Office, Department of Health Services

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS

HOUSE OF

ANDY BIGGS MEG BURTON CAHILI

LINDA GRAY STEVE HUFFMAN

REPRESENTATIVES

RUSSELL K. PEARCE

EDDIE FARNSWORTH

JOHN HUPPENTHAL

LINDA J. LOPEZ

CHAIRMAN 2003

PHOENIX, ARIZONA 85007 CHAIRMAN 2004 PHONE (602) 542-5491 FAX (602) 542-1616 http://www.azleg.state.az.us/jlbc.htm DATE: August 6, 2003 ΤO Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee THRU: Richard Stavneak, Director FROM: Beth Kohler, Fiscal Analyst SUBJECT: DEPARTMENT OF HEALTH SERVICES – REVIEW OF CHILDREN'S REHABILITATIVE SERVICES CAPITATION RATE CHANGES

Request

Pursuant to a footnote in the General Appropriation Act, the Department of Health Services (DHS) must present an expenditure plan to the Committee for its review prior to implementing any change in capitation rates for the Title XIX Children's Rehabilitative Services (CRS) program. DHS has received approval from the Arizona Health Care Cost Containment System (AHCCCS) to change the capitation rates for the CRS line items retroactive to July 1, 2003.

Summary

The proposed rates are based upon an actuarial study, which is required by the federal government. The proposed increase would cost from \$160,000 to \$1.2 million General Fund more than the inflation increase assumed in the FY 2004 budget. The weighted average rate of the increases is 5.6% above FY 2003. In comparison, the FY 2004 budget assumed a 4.9% capitation rate increase and the Executive recommended a 5% increase. All the rates include the Medicaid insurance premium tax adjustment.

DHS plans to seek a supplemental appropriation for these expenses. There is at least one possible funding source, which is the \$12.5 million in new DHS monies that may be available as a result of the line item vetoes. As described in the prior memo, the availability of these monies will depend on the outcome of litigation.

The Committee has at least the following choices:

- 1. A favorable review of DHS' capitation adjustments with no conditions. DHS would view this option as an endorsement of a supplemental request of \$1.2 million.
- 2. A favorable review with the caveat that the review does not constitute an endorsement of a supplemental request. Absorbing \$160,000 to \$1.2 million in Title XIX cost increases within the

ROBERT "BOB" BURNS

STATE SENATE

MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W HARPER DEAN MARTIN PETE RIOS

existing budget would be easier than absorbing the more than \$10 million in cost increases from the Behavioral Health capitation rate increases. Absorbing the CRS capitation rate increases could still require reductions in non-Title XIX programs within the department if the \$1.2 million DHS estimate is correct.

- 3. A favorable review with the caveat that DHS should use the lump sum veto monies, if the courts uphold the legality of the Governor's action, to pay for the supplemental before using those dollars for discretionary program increases.
- 4. An unfavorable review. Given the federal actuarial study requirement, the Department is likely to proceed with the proposed increases.

Analysis

The CRS program provides services for children with chronic and disabling or potentially disabling conditions. Contractors are reimbursed using a per-member, per-month capitation rate, which vary by providers in four different sites: Phoenix, Tucson, Flagstaff, and Yuma. The rate structure also includes a high, medium and low tier, which represent varying degrees of medical acuity. The average increase across these various rates was 5.6%, although the increases for the individual rates varied. In comparison, the FY 2004 budget assumed a 4.9% capitation rate increase and the Executive recommended a 5% increase.

The proposed FY 2004 rates continue to limit a contractor's revenue from member month growth to 2%. This limit was established in prior years and is designed to prevent overpayment of capitation rates to providers. In addition, as part of the re-procurement process, the department required certain contractors to increase staffing levels, increased financial reporting requirements, and enhanced quality measurement. The actuaries estimated these new requirements would result in cost increases ranging from 3.1% to 11.4%. These increases are incorporated into the FY 2004 rates.

Without changes to the enrollment projections used in developing the FY 2004 appropriation, the capitation rate changes will require an increase of \$160,800 from the General Fund and \$539,800 in Total Funds above the existing FY 2004 appropriation for the CRS Program.

The department estimates that the increases will cost \$1.2 million from the General Fund above the FY 2004 appropriation. This estimate assumes higher enrollment growth than the enrollment projections used to develop the FY 2004 appropriation. The actual cost or savings associated with the proposed capitation rate will depend upon the number of people that are eligible for Title XIX CRS services.

	FY 2003 <u>Rate</u>	FY 2004 Budgeted Rate	FY 2004 Proposed Rate	FY 2004 Change Above <u>FY 2003</u>	Anticipated State Match Cost/(Savings)
Phoenix	100 11		10 (10	14.00/	#2 01.000
High	428.44	449.43	486.19	14.2%	\$201,899
Medium	259.40	272.11	258.34	(0.4)%	(103,216)
Low	181.90	190.81	235.29	29.4%	540,806
Tucson					
High	364.63	382.50	359.55	(1.4)%	(80,213)
Medium	336.40	352.80	318.10	(5.4)%	(106,282)
Low	201.37	211.24	194.21	(3.6)%	(76,836)
Flagstaff					
High	293.72	308.11	229.90	(21.7)%	(80,213)
Medium	174.63	183.19	156.71	(10.3)%	(106,282)
Low	138.62	145.41	113.33	(18.2)%	(76,836)
Yuma					
High	203.00	212.95	214.35	5.6%	1,155
Medium	144.78	151.87	146.07	0.9%	(1,710)
Low	122.61	128.62	128.24	4.6%	(383)
Total				5.6%	\$176,748

Represents rates for services only. The administrative components of the rates are not shown here (see discussion of administrative costs above).
 Represents ongoing costs of the rate increase. Actual FY 2004 costs will include \$(15,900) in one-time FMAP savings (see discussion below), for total costs of \$160,800.

RS/BK:ck

Arizona Department of Health Services

Office of the Director

1740 W. Adams Street Phoenix, Arizona 85007-2670 (602) 542-1025 (602) 542-1062 FAX

JANET NAPOLITANO, GOVERNOR CATHERINE R. EDEN, DIRECTOR

June 10, 2003

The Honorable Russell Pearce Chairman, Joint Legislative Budget Committee 1700 West Washington Street Phoenix, Arizona 85007

Dear Representative Pearce:

Pursuant to a footnote in the General Appropriation Act, the Arizona Department of Health Services respectfully requests to be placed on the Joint Legislative Budget Committee's (JLBC) agenda for its next scheduled meeting. We want to discuss proposed changes to the Children's Rehabilitative Services capitation rates for FY 2004.

You will find attached our certification letter for the proposed rates prepared by William M. Mercer, Incorporated (Attachment 1). The information was sent to the Arizona Health Care Cost Containment System for their review and they reported verbally their acceptance. The rates have been modified from FY 2003 to reflect changes in member month enrollments. There also is a 2% maximum limit set on revenue collections from member month growth. This revenue limit for FY 2004 is similar to the maximum revenue risk bands that have been part of this capitation program. In addition, the rates were adjusted to increase administrative fees from 8.4% to 9.3% based on historical costs and adjustments for increased regulatory oversight, including costs related to the federally mandated Health Care Insurance Portability and Accountability Act.

Attachment 2 and Attachment 3 identify the currently estimated State Fiscal Year 2004 member months and funding allocations by site. The information shows estimated State Match funding needs at \$1.2 million in additional monies from what is proposed in legislative appropriations.

We have summarized in a table the FY 2003 approved capitation rates and the FY 2004 proposed capitation rates (Attachment 4). If you need additional information, please contact me at 602-542-1181.

Sincerely,

Catherine R. Eden Director

CRE:pm Attachments The Honorable Russell Pearce Page 2

 cc: Senator Robert Burns, Vice Chairman David Jankofsky, Director, Governor's Office of Strategic Planning and Budgeting (OSPB) Bob Chapko, Budget Manager, OSPB Richard Stavneak, Director, JLBC Beth Kohler, Fiscal Analyst, JLBC Leslie Schwalbe, Deputy Director, Department of Health Services (DHS) Danny Valenzuela, Deputy Director, DHS Rose Conner, Assistant Director, Public Health Division, DHS Cathryn Echeverria, Office Chief, Office for Children with Special Health Care Needs, DHS Pat Mah, Director, Central Budget Office, DHS

Government Human Services Consulting

3131 East Camelback Road, Suite 300 Phoenix, AZ 85016-4536 602 522 6500 Fax 602 957 9573 www.mercerHR.com

May 28, 2003

Cathryn Echeverria Office Chief Department of Health Services 2927 North 35th Avenue, Suite 200 Phoenix, AZ 85017

Subject:

Title XIX, Title XXI, and Proposition 204 Capitation Rates for State Fiscal Year 2004

Dear Ms. Echeverria:

The Arizona Department of Health Services (ADHS), Office for Children with Special Health Care Needs (OCSHCN), Children's Rehabilitative Services (CRS) program contracted with Mercer Government Human Services Consulting (Mercer) to develop Title XIX, Title XXI, and Proposition-204 capitation rates. These rates are used by the Arizona Health Care Cost Containment System (AHCCCS) to compensate CRS and the CRS contractors for CRS members determined Title XIX, Title XXI, or Proposition 204 eligible during the State Fiscal Year (SFY). For the SFY beginning July 1, 2003, and ending June 30, 2004 (SFY 2004), Mercer has developed SFY 2004 capitation rates following the process described in this letter.

Background

CRS is primarily a children's program for Arizona residents under the age of twenty-one with chronic and disabling or potentially disabling conditions. The program provides statewide services through four regional contractors, each with its own hospital and physician support. In addition to the four regional clinic sites, services are provided through outreach clinics operated by each contractor. Medical services not related to a Medicaid eligible child's CRS eligible condition are provided through the child's AHCCCS health plan.

Prior to July 1, 2000, CRS negotiated annual fixed priced contracts with CRS contractors to provide services to Title XIX, State AHCCCS, and State Only funded eligible members. To better match payment with the risk of the membership enrolled with each contractor, CRS converted the reimbursement methodology to a capitated system for Title XIX and Title XXI eligible members. As a result, three capitation rates were developed for compensating CRS contractors beginning in SFY 2001. The three rates were developed for each contractor based upon a member's CRS enrollment diagnosis. The three rates represent compensation for providing services to members with specific diagnoses that have historically represented relatively high, medium, and low costs to the

Government Human Services Consulting

Page 2 May 28, 2003 Cathryn Echeverria Department of Health Services

CRS contractor. The high, medium, and low cost structure included the QMB Plus, Medicaid (Non QMB and Non SLMB), and SLMB Plus dual eligible populations. No other dual eligible populations are enrolled in the program. The three rate tier structure will continue to be used for SFY 2004.

Maximum Capitation Revenue Limits

After reviewing member month fluctuations in SFY 2003 eligibility patterns (primarily related to retro-eligibility among some contractors), combined with minimal member growth expectations in SFY 2004, in Mercer's opinion it is necessary to continue a revenue maximum limit for SFY 2004 for the CRS contractors to prevent potential inappropriate overpayment of capitation. For SFY 2004 it was determined that a contractor will not be allowed to keep any Title XIX capitation revenue due to member month growth that is in excess of two percent. This limit was determined as member month growth in excess of two percent would most likely result from continued diligent adherence to CRS enrollment policy requirements, and not true membership growth. As in previous years, this limit is imposed to prevent potential overcompensation to the CRS contractors.

The SFY 2004 revenue maximum limit is similar to the maximum revenue limits that were in place for the three previous SFYs, and will be applied in a consistent manner. The revenue maximum is based, in part, upon the total Title XIX revenue that a contractor received during SFY 2003.

Similar to SFY 2001 through SFY 2003, the maximum revenue limit will also apply to the administrative load portion of the capitation rates, which represents the CRS administrative costs of ensuring the delivery of cost effective services in a managed care environment.

Government Human Services Consulting

Page 3 May 28, 2003 Cathryn Echeverria Department of Health Services

SFY 2004 Capitation Rate Development Methodology — Overview

The primary data source for the SFY 2004 capitation rates is the audited financial data submitted by the CRS contractors to the State. For SFY 2004 rate development, the financial data was determined to be the most reasonable and reliable. This data source is consistent with that used for the SFY 2003 rates. The financial data used was incurred during the period July 1, 2001, through June 30, 2002 (SFY 2002), for three contractors and October 1, 2001 through September 30, 2002, for a fourth contractor. Collectively, this data will be referred to as SFY 2002.

Other data sources, including claims encounter data and CRS contractor reported utilization data were evaluated and determined to not be sufficiently complete and/or not sufficiently reliable for complete rate setting purposes. These additional data sources were used for specific factors or—adjustments for SFY 2004, where appropriate.

Mercer's approach to developing capitation rates for SFY 2004 is to first calculate the effective capitation rates for SFY 2003. The effective capitation rates represent the rates that would have been in effect during SFY 2003 had there not been a maximum revenue limit in place, and would also generate the same level of total contractor revenues as the current SFY 2003 capitation rates with the maximum revenue limits. The calculation is performed by dividing expected total member months into expected total revenues for SFY 2003.

After reviewing and comparing the growth in SFY 2003 member months to the growth in actual unique members, Mercer determined that member months during the first part of SFY 2003 had still not fully reflected the effects of the CRS re-enrollment policy changes. As a result, Mercer further adjusted the effective capitation rates to reflect projected contractor enrollment during the last quarter of SFY 2003. The calculation is performed by dividing expected total member months for the last quarter of SFY 2003 into expected total revenues for the same time period. This calculation is performed to derive the SFY 2004 base capitation rates. These base capitation rates, (which are prior to trend, CRS administration loading, and other adjustments), represent the rates that would result in SFY 2004 contractor compensation that would be equal to SFY 2003 contractor compensation if SFY 2004 enrollment remained unchanged during the year. The SFY 2004 base capitation rates are then adjusted for trend and other factors described below.

Government Human Services Consulting

Page 4 May 28, 2003 Cathryn Echeverria Department of Health Services

Base Data

To develop trend and other adjustment factors, Mercer began with the audited SFY 2002 incurred financial data from the four CRS contractors that contracted with the State throughout SFY 2002. Modifications were made to the SFY 2002 contractor audited data to assure data consistency. Each modification was discussed with the reporting CRS contractor. The modifications represent reclassifications of certain expenses from one category to another, as well as adjustments to incurred claims data.

The State also surveyed each of the four CRS contractor SFY 2004 Request for Proposal (RFP) responses regarding any supplementary non-State plan services provided. No adjustment was required.

Unpaid Claim Adjustment

The next step in the rate calculation process was the review of the CRS contractors' expense component for claims incurred but unpaid, hereinafter called the incurred but not reported (IBNR). Statutory accounting recognizes an incurred medical expense for the period as the result of the sum of claims paid in the period plus the change in the accrued liability for the IBNR between the beginning and the end of the period. This calculation pushes the correction of the estimation error of the beginning IBNR into the expense recognized in the current period. On the other hand, the expense recognized in the rate development is calculated from claims incurred in the SFY 2002 experience period, both claims paid in SFY 2002 and the accrued liability for the IBNR as of the end of SFY 2002.

The structure of the CRS program is focused on the delivery of CRS services through regional clinics, each with its own hospital and physician support. Services outside the clinic are prior authorized. Financial reviews performed by the CRS Administration on each CRS contractor indicated that there is a minimal time lag between the date services are provided and the subsequent receipt of a claim and/or recording of a liability. As a result, no unpaid claim adjustment was determined necessary.

Trend to SFY 2003

The SFY 2002 audited financial claim expense data was first trended to SFY 2003, a change of one year. The trend factors recognize changes in cost per service and utilization of health care

,

Government Human Services Consulting

Page 5 May 28, 2003 ⁻ Cathryn Echeverria Department of Health Services

services from the base period to SFY 2003. The same category of service (COS) trend factors used in the development of the approved SFY 2003 CRS capitation rates were utilized here.

The weighted annual trend adjustment for SFY 2002 to SFY 2003 varied by contractor in the range of 4.9 percent to 7.0 percent, due to different COS mix for each contractor.

Adjustments from SFY 2003 to SFY 2004

Adjustments were made to SFY 2003 costs to reflect changes in contractor specific financial experience, trend, program operational requirements, third party liability (TPL), and underwriting profit/risk/contingencies. The adjustments resulted in overall increases to the SFY 2003 costs that varied by contractor in the range of 8.3 percent to 17.8 percent.

Financial Experience

Mercer reviewed the SFY 2002 audited financial statements for each CRS contractor and determined that an adjustment was necessary for two of the four contractors to partially reflect their financial experience in the program. The adjustments resulted in increases to SFY 2003 costs of 2.0 percent and 5.0 percent to those two contractors.

Trend

Trends are applied separately for five consolidated COS. The trend factors recognize changes in cost per service and utilization of health care services from SFY 2003 to SFY 2004. Expected fee schedule changes and general price/wage inflation, as well as historical encounter data submissions, were utilized for unit cost trend. Mercer relied on its professional experience in working with other state children with special health care needs Medicaid programs, outlooks in the commercial marketplace that influence Medicaid programs, regional and national economic indicators, as well as financial information and encounter information from the CRS contractors, in developing utilization trends. The weighted trend adjustment for SFY 2003 to SFY 2004 across all contractors was 5.6 percent, approximately 1.2 percent less than the SFY 2003 annualized trend.

Program Operations Requirements for SFY 2004

SFY 2004 represents a re-procurement year for the CRS program. As a part of this re-procurement CRS Administration issued a RFP that included increased expectations in CRS

Government Human Services Consulting

Page 6 - May 28, 2003 Cathryn Echeverria Department of Health Services

staffing levels and contractor operational performance. The CRS Administration received proposals from each of the four existing CRS contractors in response to the RFP it issued for services commencing July 1, 2003. CRS contractors were required to identify and submit in their proposals the costs associated with complying with these new requirements and expectations. Mercer and the CRS Administration reviewed all contractor proposals and held discussions with all contractors to review their proposals. Only a portion of contractor proposed adjustments were accepted. As a result Mercer made adjustments to the SFY 2003 costs for the additional requirements and expectations that ranged from an increase of 3.1 percent to 14.4 percent.

Loading for TPL and Underwriting Profit/Risk/Contingency

For the final managed care capitation rate adjustments, Mercer reviewed current CRS contractor financial reports and developed components for TPL and underwriting profit/risk/contingency. A TPL reduction of 3 percent was applied uniformly to all CRS contractors to reflect an increased expectation level of TPL activity. An underwriting profit/risk/contingency loading of 2 percent was applied uniformly to all CRS contractors. Both adjustments are consistent with AHCCCS TPL and underwriting profit/risk/contingency.

CRS Administration

AHCCCS has placed CRS Administration at risk for the provision of CRS covered services for SFY 2004. Accordingly, the capitation rates were developed to include compensation to CRS for the cost of ensuring the delivery of all CRS covered services. The capitation rates paid to CRS include a 9.3 percent administrative load, which was negotiated between A 4CCCS and CRS Administration. The administrative load represents the CRS costs of ensuring the efficient delivery of services in a managed care environment and is based upon historical CRS costs and adjusted for increased regulatory oversight costs expectations for SFY 2004.

Government Human Services Consulting

Page 7 May 28, 2003 -Cathryn Echeverria Department of Health Services

Certification of Final Rates

Mercer certifies that the below rates were developed in accordance with generally accepted actuarial practices and principles by actuaries meeting the qualification standards of the American Academy of Actuaries for the populations and services covered under the managed care contract. Rates developed by Mercer are actuarial projections of future contingent events. Actual CRS contractor costs will differ from these projections. Mercer has developed these rates on behalf of the State to demonstrate compliance with the Centers for Medicare and Medicaid Services (CMS) requirements under 42 CFR 438.6(c) and are in accordance with applicable law and regulations. CRS contractors are advised that the use of their portion of these rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of these rates by CRS contractors for any purpose. Mercer recommends that any CRS contractor contracting with the State should analyze its own projected medical expense, — administrative expense, and any other premium needs for comparison to their portion of these rates before deciding whether to contract with the State. Use of these rates for any purpose beyond that stated may not be appropriate.

The Title XIX, Title XXI, and Proposition 204 CRS capitation rates for SFY 2004 are presented in the following table. The capitation rates include a 9.3 percent administrative fee that will be retained by CRS as compensation for the cost of ensuring the provision of Title XIX, Title XXI, and Proposition 204 CRS covered services. Mercer certifies the following rates:

-	Risk Categ	jory	
Contractor	High	Medium	Low
Phoenix	\$ 531.41	\$ 282.37	\$ 257.17
Tucson	\$ 392.99	\$ 347.68	\$ 212.27
Flagstaff	\$ 251.28	\$ 171.28	\$ 123.87
Yuma	\$ 234.28	\$ 159.65	\$ 140.17

Government Human Services Consulting

Page 8 May 28, 2003 Cathryn Echeverria Department of Health Services

If you have any questions or would like to discuss this information further, please call me at 602 522 6510.

Sincerely,

- ASA, MAAAA

Michael E. Nordstrom, ASA, MAAA

Cop<u>y:</u> Cynthia Layne, CRS Rick Potter, Mercer

Enclosures

g:\work\2003\dhsphx\crs\sfy 2004\rate certification letters\sfy 04 capitation rate certification letter - final.doc

Attachment 2

Children's Rehabilitative Services SFY 04 Title XIX Projections

Member Month Growth: 2.00%

	Members					SFY 04	Forecasted E	nrollment Growth						
Phoenix	Apr-June 2003 Avg	Jul	Aug	Sep	Oct	Νον	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
High	1,416	1,418	1,421	1,423	1,425	1,428	1,430	1,432	1,435	1,437	1,439	1,442	1,444	17,175
Medium	2,334	2,338	2,342	2,346	2,350	2,354	2,357	2,361	2,365	2,369	2,373	2,377	2,381	28,313
Low	2,694	2,698	2,703	2,707	2,711	2,716	2,720	2,725	2,729	2,734	2,738	2,743	2,747	32,672

Member Month Growth: 2.00%

	Members					SFY 0	4 Forecasted Enr	oliment Growth	1					
Tucson	Apr-June 2003 Avg.	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
High	951	952	954	955	957	959	960	962	963	965	967	968	970	11,533
Medium	946	948	949	951	952	954	955	957	959	960	962	963	965	11,475
Low	1,316	1,318	1,320	1,322	1,324	1,327	1,329	1,331	1,333	1,335	1,338	1,340	1.342	15,959

Member Month Growth: 2.00%

	Members					SFY 04 1	Orecasted En	rollment Growth						
Flagstaff	Apr-June 2003 Avg	Jul	Aug	Sep	Oct	Nov	Deo	Jan	Feb	Mar	Apr	May	Jun	Total
High 🔪	472	473	474	475	475	476	477	478	479	479	480	481	482	5,729
Medium	598	599	600	601	602	603	604	605	606	607	608	609	610	7,250
Low	663	664	665	666	667	668	670	671	672	673	674	675	676	8,042

Member Month Growth: 2.00%

	Members					SFY	04 Forecasted	Enrallment Graw	th					
Yuma	1,416	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
High	220	220	221	221	221	222	222	222	223	223	224	224	224	2,667
Medium	82	82	82	82	82	82	82	82	83	83	83	83	83	989
Low	293	293	294	294	295	295	296	296	297	297	298	298	299	3,553
Total	11.094	40.000												
Total	11,984	12,003	12,023	12,043	12,063	12,083	12,103	12,123	12,143	12,163	12,183	12,203	12,223	145,356

Attachment 3

Children's Rehabilitative Services SFY 04 Title XIX Projections

*

	Phoenix	Tucson	Flagstaff	Yuma
Trenid Adjustment	14.18%	8.3%	17.8%	13.5%
Expected Member				
Enrollment Growth SFY 04	2.0%	2.0%	2.0%	2.0%

	Title XIX Member Mriths						SFY 04 Forec	asted Encolin	nent Growth						Total
Phoenix	Apr-June 2003 Avg	SFY 64 Base Capitation Rates	Jul	Aug	Sep	Oct	Nov				Mar		May	Jun	
High	1,416	\$ 425.83	\$ 689,557	\$ 690,696	\$ 691,837	\$ 692,979	\$							\$ 702,189	
Medium	2,334	\$ 226.26	\$ 604,017	\$ 605,014	\$ 606,014	\$ 607,015	\$							\$ 615,081	
Low	2,694	\$ 206.07	\$ 634,815	\$ 635,863	\$ 636,914	\$ 637,965	\$ 639,019	\$ 640,075	\$ 641,132	\$ 642,191	\$ 643,251	\$ 644,314	\$ 645,378	\$ 646,444	\$ 7,687,359

	Title XIX Member Mnths							S	FY 04 Forec	asted Enroln	nent Growth						Total
Tucson	Apr-June 2003 Avg	SFY 04 Base Capitalion Rates	Jul	Aug		Sep	Oct		Nav	De¢	Ján		Mar	Apr	May	Jun	
High	951	\$ 331.85	\$ 342,417	\$ 342.	983	\$ 343,549	\$ 344,117	\$	344,685	\$ 345,254	\$ 345,825	\$ 346,396	\$ 346,968	\$ 347,541	\$ 348,115	\$ 348,690	\$ 4,146,540
Medium	946	\$ 293.59	\$ 301,435	5 301.	933	\$ 302,431	\$ 302,931	\$	303,431	\$ 303,932	\$ 304,434	\$ 304,937	\$ 305,441	\$ 305,945	\$ 306,450	\$ 306,956	\$ 3,650,256
Low	1,316	\$ 179 25	\$ 255,941	256	364	\$ 256,787	\$ 257,211	\$	257,636	\$ 258,062	\$ 258,488	\$ 258,915	\$ 259,342	\$ 259,771	\$ 260,200	\$ 260,630	\$ 3,099,347

		Title XIX Member Mnths								SFY 04 Forect	asted Enrolm	ient Growth						Total
- 1	Flagstaff	Apr-June 2003 Avg	SPY 04 Base Capitelian Rales	Jul		Aug	S	Зер	Oqt	Nav	рес	Jan	Feb	Mar	Apr	May	Jun	
	High •	472	\$ 195.22	\$ 108,76	51 \$	108,941	\$	109,121	109,301	\$					\$ 110,389			
	Medium	598	\$ 133.08	\$ 93,8	19 \$	93,973	\$	94,129	94,284	\$					\$ 95,222			
'	Low	663	\$ 96.24	\$ 75,20	51 \$	75,385	\$	75,510	75,634	\$ 75,759	\$ 75,884	\$ 76,010	\$ 76,135	\$ 76,261	\$ 76,387	\$ 76,513	\$ 76,639	\$ 911,379

	Title XIX Member Mriths						BFY 04 Forecas	ted	Enrolimer	t Growth									Total
Yuma	Apr-June 2003 Avg	SF¥ 54 Base Capitalian Rales	Jul	Aug	Sep	Oct	Nov	D	UC.	Jan		Feb	Mar	A	pr	May		Jun	
High	220	\$ 188.88	\$ 47,206	\$ 47,284	\$ 47,362	\$ 47,440	\$ 47,518 \$	4	7,597 \$	47,67	5 \$	47,754	\$ 47,833	\$ 4	7,912	\$ 47,9	91	\$ 48,071	\$ 571,644
Medium	82	\$ 128.72	\$ 11,929	\$ 11,948	\$ 11,968	\$ 11,988	\$ 12,008 \$	1	2,027 \$	12,04	7 \$	12,067	\$ 12,087	\$ 1	2,107	\$ 12,1	27	\$ 12,147	\$ 144,450
Low	293	\$ 113.00	\$ 37,627	\$ 37,690	\$ 37,752	\$ 37,814	\$ 37,877 \$	3	7,939 \$	38,00	2 \$	38,065	\$ 38,128	\$ 3	8,191	\$ 38,2	54	\$ 38,317	\$ 455,654

	First Qtr	Second Qtr	Third Qtr	Fourth Qtr	Total SFY 04
FMAP	67.2500%	67.2600%	67.2600%	67.2600%	
SMAP	32.7500%	32.7400%	32.7400%	32.7400%	
State Match - Contractors	\$ 3,151,936	\$ 3,166,612	\$ 3,182,328	\$ 3,198,121	\$ 12,698,997
Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ (3,151,936	\$ (3,166,612)	\$ (3,182,328)	\$ (3,198,121)	\$ (12,698,997)
State Match - CRS					[
Administration	293,130	294,495	295,956	297,425	\$ 1,181,007
State Match - Total	\$ -	\$ -	\$ -	\$ -	\$.
Surplus/(Deficit)	\$ (293,130)	\$ (294,495)	\$ (295,956)	\$ (297,425)	\$ (1,181,007)
ouplustoenen					

Attachment 4

Children's Rehabilitative Services Capitation Rates - Approved FY 2003 and Proposed FY 2004

	Risk Category										
Contractor		High		Medium			Low				
	Services	Admin	Total	Services	Admin	Total	Services	Admin	Total		
Phoenix	\$428.44	\$35.99	\$464.43	\$259.40	\$21.79	\$281.19	\$181.90	\$15.28	\$197.18		
Tucson	\$364.63	\$30.63	\$395.26	\$336.40	\$28.26	\$364.66	\$201.37	\$16.92	\$218.29		
Flagstaff	\$293.72	\$24.67	\$318.39	\$174.63	\$14.67	\$189.30	\$138.62	\$11.64	\$150.26		
Yuma	\$203.00	\$17.05	\$220.05	\$144.78	\$12.16	\$156.94	\$122.61	\$10.30	\$132.91		

Table 1: Children's Rehabilitative Services Contractor Capitation Rates Approved for FY 2003*

Table 2: Children's Rehabilitative Services Contractor Capitation Rates Proposed for FY 2004*

	Risk Category										
Contractor		High		Medium			Low				
	Services	Admin	Total	Services	Admin	Total	Services	Admin	Total		
Phoenix	\$486.19	\$45.22	\$531.41	\$258.34	\$24.03	\$282.37	\$235.29	\$21.88	\$257.17		
Tucson	\$359.55	\$33.44	\$392.99	\$318.10	\$29.58	\$347.68	\$194.21	\$18.06	\$212.27		
Flagstaff	\$229.90	\$21.38	\$251.28	\$156.71	\$14.57	\$171.28	\$113.33	\$10.54	\$123.87		
Yuma	\$214.35	\$19.93	\$234.28	\$146.07	\$13.58	\$159.65	\$128.24	\$11.93	\$140.17		

* The Administration rate is at 8.4% in FY 2003 and a new proposed rate at 9.3% in FY 2004.

2

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007 CHAIRMAN 2004 PHONE (602) 542-5491 FAX (602) 542-1616 http://www.azleg.state.az.us/jlbc.htm DATE: August 5, 2003 ΤO Representative Russell Pearce, Chairman Members, Joint Legislative Budget Committee THRU: Richard Stavneak, Director FROM: Tony Vidale, Fiscal Analyst SUBJECT: ARIZONA CRIMINAL JUSTICE COMMISSION – REVIEW OF VICTIM COMPENSATION AND VICTIM ASSISTANCE RECEIPTS

Request

The Arizona Criminal Justice Commission (ACJC) requests Committee review of its proposal to spend an additional \$1 million pursuant to a footnote in the General Appropriation Act (Laws 2003, Chapter 262). The footnote allows ACJC increased expenditure authority from the Victim Compensation and Assistance Fund if receipts received by ACJC exceed \$2.9 million. ACJC must submit the intended use of these monies to the Committee for review prior to expenditure.

Recommendation

The JLBC Staff recommends a favorable review of the request. ACJC has received revenue in excess of the limits set in the footnote and is requesting to expend an additional \$1 million on grants to the counties to support the Crime Victim Compensation Program. The expenditure plan follows the intent of monies appropriated to ACJC.

Analysis

Pursuant to A.R.S. § 41-2407, ACJC administers the Crime Victim Compensation and Assistance Fund. The fund consists of 2 sub-accounts: the Victim Compensation sub-account and the Victim Assistance sub-account. The Victim Compensation sub-account receives a 4.6% distribution from the Criminal Justice Enhancement Fund (CJEF), monies collected from a 10% assessment of a working prisoner's gross compensation, and unclaimed restitution. The Victim Assistance sub-account receives revenue from community supervision fees and interstate compact fees. Monies in the fund are distributed to the counties based on a distribution formula and used to provide financial assistance, services, and cash reimbursement to victims of crime. Victims are eligible for lost wages, medical, funeral, and counseling expenses.

SENATE ROBERT "BOB" BURNS

STATE

MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W HARPER DEAN MARTIN PETE RIOS

(Continued)

HOUSE OF

ANDY BIGGS

LINDA GRAY STEVE HUFFMAN

REPRESENTATIVES

RUSSELL K. PEARCE

MEG BURTON CAHILI

EDDIE FARNSWORTH

JOHN HUPPENTHAL

LINDA J. LOPEZ

CHAIRMAN 2003

The Legislature appropriated \$2.9 million in FY 2004 for the two crime victim programs (\$2 million for the Crime Victim Compensation Program and \$900,000 for the Crime Victim Assistance Program.) The footnote in the General Appropriation Act states, "All Victim Compensation and Victim Assistance receipts received by the Arizona Criminal Justice Commission in excess of \$2,900,000 in FY 2004 are appropriated to the Crime Victims Program. Before expenditure of and Victim Compensation and Victim Assistance receipts in excess of \$2,900,000, the Arizona Criminal Justice Commission shall submit the intended use of the monies for review by the Joint Legislative Budget Committee." The request for additional expenditure authority of \$1 million is for the Crime Victim Compensation Program. This would increase the total program size to \$3 million in FY 2004.

The Victim Compensation and Assistance Fund experienced an increase of \$2.1 million in receipts for FY 2003 due to larger-than-expected deposits from unclaimed victim restitution. Unclaimed victim restitution monies are transferred back to the Victim Compensation and Assistance Fund when the counties cannot locate crime victims after a 1-year period. Each County Clerk's office transmits the funds to the Department of Revenue (DOR) who deposits the funds at the end of the fiscal year. Due to technical issues within DOR, no unclaimed victim restitution monies were deposited in FY 2001 or FY 2002 and, instead, were deposited in FY 2003. Typically, the agency does not know the total amount of unclaimed victim restitution monies until the 13th month of the fiscal year, following a year-end reconciliation by DOR. ACJC is proposing to expend \$1 million of these additional receipts in FY 2004 and utilize the remaining fund balance to gradually reduce the program size in future fiscal years.

The agency plans to expend the additional \$1 million on grants to counties to support the FY 2004 Crime Victim Compensation Program. The following table displays the FY 2004 allotment, the proposed increase to the counties, and the FY 2004 revised allotment.

Crime Victim Compensation Program									
	FY 2004	1 0	FY 2004						
County	Allotment	Proposed Increase	Revised Allotment						
Apache	\$ 35,250	\$ 13,136	\$ 48,386						
Cochise	52,403	22,827	75,230						
Coconino	52,847	23,078	75,925						
Gila	29,441	9,853	39,294						
Graham	23,334	6,403	29,737						
Greenlee	14,858	1,615	16,473						
La Paz	18,633	3,747	22,380						
Maricopa	1,074,062	600,035	1,674,097						
Mohave	65,760	30,373	96,133						
Navajo	45,198	18,756	63,954						
Pima	301,664	163,651	465,315						
Pinal	74,149	35,113	109,262						
Santa Cruz	25,084	7,392	32,476						
Yavapai	70,326	32,953	103,279						
Yuma	66,991	31,068	98,059						
Subtotal	\$ 1,950,000	\$ 1,000,000	\$ 2,950,000						
Reserve*	50,000	N/A	50,000						
Total Allotment	\$ 2,000,000	\$ 1,000,000	\$ 3,000,000						
* \$50,000 must be held	l in reserve as required	by program rules.							

JLBC Staff recommends a favorable review of the request as expenditure of these funds in FY 2004 is appropriate considering the total amount of unclaimed victim restitution is not available until completion of the 13th month reconciliation by DOR. Funds cannot be allotted to the counties in the fiscal year in which collected because they are not transferred to ACJC until the beginning of the next fiscal year. According to Legislative Council, there is a reasonable basis to expend these monies in FY 2004 even though, for accounting purposes, the collection was recorded as part of FY 2003, and the method used is consistent from year to year.



Chairperson RALPH OGDEN Yuma County Sheriff

Vice-Chairperson DENNIS GARRETT, Director Department of Public Safety

JOSEPH ARPAIO Maricopa County Sheriff

JIM BOLES, Mayor City of Winslow

DAVID K. BYERS, Director Administrative Office of the Courts

CARROL de BROEKERT, Chairperson Board of Executive Clemency

RON CHRISTENSEN Gila County Board of Supervisors

CLARENCE DUPNIK Pima County Sheriff

TONY ESTRADA Santa Cruz County Sheriff

BILL FITZGERALD Chief Yavapai Adult Probation Officer

TERRY GODDARD Attorney General

BARBARA LAWALL Pima County Attorney

J. T. MCCANN, Chief Flagstaff Police Department

RICHARD MIRANDA, Chief Tucson Police Department

ROBERT CARTER OLSON Pinal County Attorney

RICHARD ROMLEY Maricopa County Attorney

CHARLES L. RYAN, Acting Director Department of Corrections

CHRISTOPHER SKELLY Judge, Retired

RICHARD J. YOST, Chief El Mirage Police Department

Executive Director MICHAEL D. BRANHAM

1110 West Washington, Suite 230 Phoenix, Arizona 85007 PHONE: (602) 364-1146 FAX:(602) 364-1175 <u>WWW.acjc.state.az.us</u> July 7, 2003

Director Richard Stavneak Joint Legislative Budget Committee 1716 West Adams Phoenix, AZ 85007

Re: REQUEST TO BE PLACED ON AGENDA

Dear Director Stavneak:

The Arizona Criminal Justice Commission administers the Crime Victim Compensation and Assistance Fund pursuant to Arizona Revised Statute § 41-2407. The Fund supports two crime victims programs - the Crime Victim Compensation Program and the Crime Victim Assistance Program - for the purpose of establishing, maintaining, and supporting programs that compensate and assist victims.

The State Legislature appropriated \$2,900,000 for the FY04 crime victim programs. The Standard Footnotes contained in the JLBC's Fiscal Year 2004 and 2005 Budget states that all FY04 Victim Compensation and Assistance receipts received by the Commission in excess of \$2,900,000 are appropriated to the crime victims program, but prior to any expenditures, the Commission must submit information on the intended use of the monies for review by the Joint Legislature Budget Committee. Receipts to the Crime Victim Compensation and Assistance Fund will exceed \$2,900,000 in FY04; therefore the Commission requests to be placed on the agenda for the next Joint Legislative Budget Committee meeting to provide information on the intended use of the monies. Upon confirmation of placement on the agenda, our staff will forward support documentation for your review.

The ability to utilize the excess receipts will benefit innocent victims of crime throughout the State of Arizona. We appreciate your consideration of the Commission's request.

Sincerely

Michael D. Branham Executive Director

cc: Tony Vidale

Our mission is to sustain and enhance the coordination, cohesiveness, productivity and effectiveness of the Criminal Justice System in Arizona

Arizona Criminal Justice Commission

n ~ 21103 Add

STATE OF ARIZONA

Joint Legislative Budget Committee

1716 WEST ADAMS PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

http://www.azleg.state.az.us/jlbc.htm

HOUSE OF REPRESENTATIVES

RUSSELL K. PEARCE CHAIRMAN 2003 ANDY BIGGS MEG BURTON CAHILL EDDIE FARNSWORTH LINDA GRAY STEVE HUFFMAN JOHN HUPPENTHAL LINDA J. LOPEZ

DATE:	August 6, 2003
TO:	Representative Russell Pearce Members, Joint Legislative Budget Committee
THRU:	Richard Stavneak, Director
FROM:	Bethany Nicholas, Fiscal Analyst
SUBJECT:	ARIZONA STATE RETIREMENT SYSTEM - REVIEW OF FY 2004 INFORMATION TECHNOLOGY EXPENDITURE PLAN

Request

The Arizona State Retirement System (ASRS) requests Committee review of their FY 2004 Information Technology (IT) Expenditure Plan. ASRS was appropriated \$8,994,200 in FY 2004 to upgrade their current information technology system. A General Appropriation Act footnote requires ASRS to seek JLBC review of each year's expenditure plan.

Recommendation

The JLBC Staff recommends that the Committee give a <u>favorable review</u> of the FY 2004 expenditure plan submitted for the agency's IT plan. The expenditures outlined in the Project and Investment Justification (PIJ) document approved by the Information Technology Authorization Committee (ITAC) are in line with the agency's expenditure plan. A July 15, 2003 status report from the Government Information Technology Agency (GITA) states that the agency's IT projects are within budget and on schedule.

Analysis

The footnote requiring JLBC review of the expenditure plan was added to the General Appropriation Act because of the magnitude and importance of the IT Plan for the agency. The footnote reads:

Before the expenditure of the appropriation of \$8,994,200 in FY 2004 and \$8,994,300 in FY 2005 and the hiring of FTE Positions appropriated for the agency's information technology plan, the retirement system shall present an expenditure plan in each year to the Joint Legislative Budget Committee staff for review. The retirement system shall include the approval of the project investment justification document by the Information Technology Authorization Committee as part of its submission to the Joint Legislative Budget Committee staff. The agency shall provide semiannual reports to the Joint Legislative Budget Committee staff regarding the expenditures and project tasks completed to date. Funding appropriated for this purpose is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through June 30, 2005. Actual divestiture of monies from the retirement fund for

STATE SENATE

ROBERT "BOB" BURNS CHAIRMAN 2004 MARK ANDERSON MARSHA ARZBERGER TIMOTHY S. BEE ROBERT CANNELL, M.D. JACK W. HARPER DEAN MARTIN PETE RIOS expenditure shall occur following the Joint Legislative Budget Committee staff review of the agency's information technology plan.

The ASRS Plan is meant to address IT inefficiencies that currently exist and to position the agency for the anticipated increases in the longevity of retirees and actual number of retirees as the "baby boomer" generation reaches retirement. An additional component of the IT Plan is designed to improve the ASRS Web site. Instead of being only an information resource, the agency plans to create a Web site that provides services to members. For example, the enhanced ASRS Web site will enable members to complete tasks such as viewing their pension payment history, scheduling appointments with retirement advisors, and using an online benefit estimate calculator. Finally, the IT Plan includes upgrades for the agency's telecommunications system, which is the primary point of contact for ASRS members. This integrated functionality has been split into three separate task components: the Public Employees Retirement Information System (PERIS), a document imaging system, and a financial system.

Implementation of the IT Plan began in FY 2002. Progress is proceeding according to schedule, and there are currently no significant changes to the original PIJ. The total amount of the PIJ for the entire completion all three projects over the lifetime of the project is \$46,548,900. PERIS is scheduled for completion by FY 2006 while the document imaging system and the financial system are scheduled for completion by FY 2008. According to the original PIJ approximately 50% of the FY 2004 appropriation will be allocated to PERIS, 40% to the document imaging system, and 10% to the financial system.

ASRS has submitted an expenditure plan for the \$8,994,200 allocated in FY 2004 for the IT Plan, which includes 18 FTE Positions. This amount does not include technical changes, such as employee related expenses and health and dental insurance. These expenditures are in line with the cost estimates included in the PIJ, which were determined reasonable by GITA and ITAC as part of their approval process. The table below details the components of the \$8,994,200 allocated in FY 2004.

ASRS IT PLAN										
Proposed FY 2004 Expenditures										
FTE Positions	18									
Personal Services	\$1,254,500									
ERE	239,800									
Professional & Outside Services	4,916,900									
Travel	11,800									
Other Operating Expenditures	426,800									
Equipment	2,144,400									
Total	\$8,994,200									

Through the implementation of the new business applications described above, the following items will be achieved in FY 2004: 1) better communication with ASRS members through the provision of videoconferencing services, 2) streamline service delivery time through the development of automated workflow processes, 3) reduction in call volume through the provision of additional services via the internet, 4) reduction in call length through the implementation of enhanced call routing system, and 5) implementation of a Financial Accounting System.

The FY 2004 expenditure plan for the ASRS IT Plan is consistent with the expenditures outlined in the PIJ document approved by ITAC, and therefore, the JLBC recommends a favorable review. A July 15, 2003 status report from GITA states that the agency's IT projects are within budget and on schedule.



ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue • PO Box 33910 • Phoenix, AZ 85067-3910 • Phone (602) 240-2000 7660 East Broadway Boulevard • Suite 108 • Tucson, AZ 85710-3776 • Phone (520) 239-3100 Toll Free Outside Metro Phoenix and Tucson 1-800-621-3778

Paul Matson Director

JLBC

July 18, 2003

The Honorable Russell K. Pearce Chairman, Joint Legislative Budget Committee Arizona House of Representatives 1700 W. Washington Phoenix, AZ 85007

Dear Chairman Pearce:

RE: JLBC REVIEW OF THE ASRS IT EXPENDITURE PLAN

I am requesting that the Joint Legislative Budget Committee (JLBC), at its August 2003 meeting, review the proposed expenditure of FY04 appropriations for the Arizona State Retirement System (ASRS) Information Technology (IT) Plan.

Enclosed is the ASRS IT Expenditure Plan for FY04. The plan outlines expenditures in the areas of IT/User FTEs and Employee-Related Expenditures, Professional and Outside Services, Travel, Other Operating Expenditures and Equipment.

Thank you in advance for the Committee's consideration.

Sincerely,

Amatrin

Paul Matson Director

PM/mkh/er

Enclosures

ARIZONA STATE RETIREMENT SYSTEM MEMORANDUM

TO:Martha Rozen, Chief of Administrative ServicesFROM:Joanne Coppock-Scott, Budget Manager

DATE: July 3, 2003

RE: IT Plan FY2004

FY2004:	Completed	
Expenditures	Y or N	
FTEs		18
Personal Services		\$ 1,254,500
ERE		\$ 239,800
P&O		\$ 4,916,900
Travel		\$ 11,800
OOE		\$ 426,800
Equipment		\$ 2,144,400
Total		\$ 8,994,200

Objectives:

Staffing

14 FTEs for PERIS 4 FTEs for IT PLAN Continued use of contractors

Equipment

Internal Planning

Purchase/update required software and hardware

Attached is the PERIS Implementation Milestone/Deliverable schedule that is prepared and submitted regularly for GITA.

This schedule, as it is updated, will be available upon request.

Arizona State Retirement System PERIS Implementation Milestone/Deliverable Status

As of June 2, 2003

As of June 2, 2003	Task Order Number	Project Manager	Deliverable/Milestone	Start Date	Estimated Completion Date	Percent Complete	G	Y	C P
	ini ilinisiaankerta 270	a pender besterning barge		N Fördandeforderheti		(T. 444, 49494)	Providence of the second		PERSONAL AND ADD
Service Application Development		T. Funk	Dates revised to reflect detailed analysis results and agency priorities.	thur we gathe	etti olarati olarati	and a subject of the	ekanense	santelet (The second second
were a start to the New York were readed as the test of te			Non-Retired Account Maintenance	1-Jul-01	14-Jun-02	100%	X		T
			Fiscal Year End Processing		and the second	and the providence			
Complete	Complete		Fiscal Year End Processing - Phase I: Basic Setup for Processing	31-Jul-02	24-Oct-02	100%	Land X Con		T
In Development - Status Change due to	discovery of old re	equirements	Fiscal Year End Processing - Phase II: Full Setup for Processing	1-Nov-02	29-Aug-03	39%		Х	1
		in the second second	13th Month Check Processing	Stand Landstate	Nevel state was made	Service and services	MAL MARSHE	all second	and the second
Complete	e refor de las la el de la comencia el de		13th Month Check Processing - Phase I: Basic Setup for Processing	22-Jul-02	8-Nov-02	100%	x		T
In Development	Roa - Contrologia (normal modella d	e constant des constant productions	13th Month Check Processing - Phase II: Full Setup for Processing	18-Nov-02	15-Sep-03	10%	X		
			New Retiree	(In the second second second			12 Carlos and	and the second	THE DEPART
Complete	and the state of the state of the state of the state		New Retiree - Phase I: Basic Setup for Processing	4-Feb-02	28-Feb-03	100%	X		T
Process Analysis Complete			New Retiree - Phase II: Full Setup for Processing	6-Nov-02	10-Mar-05	3%	X		
		Contraction of the second	Modified DROP	and the second second	A CONTRACTOR OF		Sector States	Service and	Solder Store
In Testing for October Release			Modified DROP - Phase I: Basic Setup for Processing	29-Nov-01	1-Oct-03	81%	X		T
Process Analysis Complete		中国主要的法院的情	Modified DROP - Phase II: Full Setup for Processing	3-Mar-03	2-Apr-04	4%	X		+
In Detailed Analysis - High Priority			Service Purchase	25-Oct-02	8-Dec-03	10%	X		+
Process Analysis Complete		Sector Sector Andrew	Forfeitures, including Transfers Out & CYE	14-Nov-02	6-Apr-05	3%	X		+
Process Analysis Complete			Survivor Benefits, Non-Retired, including CYE	4-Dec-02	10-May-04	3%	X		+
Process Analysis Complete	建设的建设的现金	Distant and the second s	Contribution Posting	10-Feb-03	31-Jan-06	3%	X		+
Detailed Analysis Complete		States and the second	Member Statements	16-Dec-02	1-Jun-04	3%	X		+
			Benefit Estimates	13-Jan-03	20-Sep-04	3%	X		+
			Excess Earnings COLA & PBI	23-Dec-02	30-May-03	98%	X		+
			Monthly Pension Payroll	1 20 000 02	Property of the second	CON CON	vi school and a	Edd Yale (11.29.201-14.22.14.20
Complete	egy and a land of the		Monthly Pension Payroll - Phase I: Basic Setup for Processing	29-Oct-01	30-Apr-02	100%	X		
Process Analysis Complete			Monthly Pension Payroll - Phase II: Full Setup for Processing, inlcuding CYE	23-Dec-02	27-Dec-05	3%	X		+
			Survivor Benefits, Retired	1 20 200 02	L: D00 00	010	1 Annual Contractor	Sector Control	oreno no pas
Process Analysis Complete	wan-waste wat-waste	warner surved produce with the	Survivor Benefits, Retired - Phase I: Basic Setup for Processing	29-Oct-01	30-Apr-02	100%	X		T
Process Analysis Complete	iste sistematik finise tiljente inver	in the constant of the second of	Survivor Benefits, Retired - Phase II: Basic Setup for Processing, including CYE	20-Jan-03	22-Nov-04	3%	X		+
Process Analysis Complete		(1.50) 法保持的法律	Long Term Disability	24-Feb-03	24-Aug-06	3%	X		+
Internet Services	T	T. Funk			Charles and an and	e l'internet de la composition de la co	Nabbiettions	Reliebetare	and second
Complete	Support of the second	and the second second second	Implement Web Development Tool	16-Sep-02	29-Nov-02	100%	A DECK		T
On Hold due to higher priorities	She had been		Email Distribution of Newsletters	2-Jan-06	3-Apr-06	0%			
In Development			Web Infrastructure and Security	1-Jul-02	3-Dec-03	68%	X		+
In Development			Submit PDF Application Forms	5-Aug-02	30-Apr-04	50%	X		
On Hold due to higher priorities		這些認識的影響的	Scheduler	2-Jan-06	29-Jun-06	0%	No. of Concession, Name		+
			Retired Member Self Service	200100	20 0011 00	and the state of the state	in an internet states	Contraction of the	Contract Conserver
In Analysis	English the second strategic	and he can a set of a part of a the	Access Account Information (Retired)	20-Nov-02	31-Dec-03	10%	X		
Not Started			Submit ASRS Health Insurance Enrollment	3-Jan-05	30-Dec-05	0%	NOTION A MOLECU		
	REAL DOMESSION		Non-Retired Member Self Service	0.001-00	00 000 00	070	Contraction of the second	and the second	Del Vicensione
On hold due to higher priorities	earth doubles your through a set that and	and the second state of th	Access Account Information (Non-Retired)	5-Jan-04	31-Dec-04	0%		I	research to the second
Not Started		and the second states and	Service Purchase Calculator	1-Jan-04	31-Dec-04	0%			+
Not Started		a measure and an agent	Benefit Estimate Calculator	1-Jan-04	31-Dec-04	0%			
Not Started	a na sa		Update Account Demographic Information (Non-Retired)	3-Jan-04	30-Dec-05	0%			
	the official and the second								
Not Started		NEW CONTRACTOR	Submi Pre-Filled Application Forms Employer Self Service	3-Jan-05	30-Dec-05	0%			Sector Sector

1

Arizona State Retirement System PERIS Implementation Milestone/Deliverable Status

Task Description	Task Order Number	Project Manager	Deliverable/Milestone	Start Date	Estimated Completion Date	Percent Complete	C	Y	R
Not Started		and the second second	Enable New ADOA Record Formats	17-Oct-02	30-Jan-04	0%			
Not Started			Contribution Reporting and dBase Replacement	1-Jan-04	31-Dec-04	0%			
Not Started			Health Insurance Data Submittal (Batch from ER)	3-Jan-05	30-Dec-05	0%			
Network/Phone Services	1	P. O'Keefe		and a strategy and	line and the second	l An sin si sheri ter	national	da sociatio	
Complete	and the second		Upgrade Computer Room & Replace Halon Gas System	1-Jul-01	3-Jun-02	100%	X		T
Complete			Implement Disaster Recovery Plan	2-Jul-01	28-Jun-02	100%	X		
Complete			Hardware Upgrades	2-Jul-01	31-Dec-02	100%	X		1
Complete			Software Upgrades	1-Jul-01	31-Dec-02	100%	X		
Complete			Create a User Help Desk	1-Jan-02	31-Dec-02	100%	· X		T
Complete		en en el ser	Implement Anti-virus/Firewall (desktop and network security upgrades)	1-Jan-02	28-Feb-02	100%	X		1
Complete			Upgrade Traning Room	1-Jan-02	28-Feb-02	100%	X		1
Complete			Telephone Upgrade	1-Jan-02	31-Dec-02	100%	X		1
Not Started			Videoconferencing	1-Jul-03	30-Jun-04	0%			
Project Management Support	unner en vien er innerstande	T. Funk	ala nga masa mapangangan sang na sang na sang na sang na sa sang na sa sang na sa s Na	n tracestory	aliteration a su	Réferènsi de la	-olensitised	Sugar Second	and home and
			Project Management						
Complete			Project Methodology Development and Implementation	1-Jul-01	27-Nov-02	100%	X		T
			Project Planning, Tracking and Oversight			ALCON ALCONG .		No.	
Ongoing			Charter Development and Maintenance	1-Jan-02	30-Dec-05	30%	X		T
Ongoing			Issues Management	1-Jan-02	30-Dec-05	30%	a. X .		
Ongoing		and the second second	Project Reporting	1-Jan-02	30-Dec-05	30%	X		1
Ongoing			Schedule Maintenance	1-Jan-02	30-Dec-05	30%	- X		1
Complete			Independent Advisory Consultant RFP	11-Apr-01	31-Oct-01	100%	X		1
Complete			Peris Applications Development RFP	30-May-01	1-Jul-02	100%	×		1
Complete			Web Development Tool RFP	31-Oct-01	31-Oct-01	100%	XAN		1

JANE DEE HULL GOVERNOR



ARTHUR D. RANNEY DIRECTOR

STATE OF ARIZONA GOVERNMENT INFORMATION TECHNOLOGY AGENCY 411 North Central Avenue, Suite 770 Phoenix, AZ 85004

January 19, 2001

Mr. LeRoy Gilbertson Executive Director Arizona State Retirement System 3300 North Central Avenue Phoenix AZ 85067

Dear Mr. Gilbertson:

The Information Technology Authorization Committee (ITAC) met today to consider the *"Public Employees Retirement Information System (PERIS),"* project. ITAC voted in the affirmative for Approval with Conditions as follows:

As a result of the Request For Proposal process, should the technology, scope of work or implementation schedule vary from the PIJ, ASRS must amend the PIJ and resubmit it to GITA for review and ITAC for approval prior to the expenditure of additional State funds.

You may proceed to secure additional approvals, as required, from the Joint Legislative Budget Committee, the Office of Strategic Planning and Budgeting, and the State Procurement Office.

Sincerely,

ruro

Arthur D. Ranney Director

ADR:mc

cc:

Kent Smith, RT Tom Betlach, OSPB Lorenzo Martinez, JLBC Robert Pierson, SPO

GITA Project RT01001

JANET NAPOLITANO GOVERNOR



CHRIS CUMMISKEY DIRECTOR

STATE OF ARIZONA GOVERNMENT INFORMATION TECHNOLOGY AGENCY 100 North 15th Avenue, Suite 440 Phoenix, AZ 85007

February 26, 2003

Mr. Paul Matson, Executive Director Arizona State Retirement System 3300 North Central Ave. Phoenix AZ 85012

Dear Mr. Matson:

The Information Technology Authorization Committee (ITAC) met today to consider the "ASRS Financial System," project.

ITAC voted in the affirmative for Approval with Conditions of the technology project as follows:

- 1. As a result of the procurement process, should the best and final vendor offer exceed the estimated cost by 10 percent or more, or should the technology, scope of work or implementation schedule vary significantly from the PIJ, ASRS must amend the PIJ to reflect the changes and submit it to GITA for review and approval.
- 2. The agency must pursue implementation of a Commercial Off-The-Shelf (COTS) product with minimum customizations to meet State requirements and business needs.

You may proceed to secure additional approvals as needed from the Office of Strategic Planning and Budgeting, the Joint Legislative Budget Committee and the State Procurement Office.

Best wishes. Chris Cummiskey

Director, State CIO

CC: Kent Smith, RT Tom Funk, RT David Jankofsky, OSPB Paul Shannon, JLBC Connie Gerdes, SPO

CC:mm

GITA Project RT03001

JANET NAPOLITANO



CHRIS CUMMISKEY DIRECTOR

STATE OF ARIZONA GOVERNMENT INFORMATION TECHNOLOGY AGENCY 100 North 15th Avenue, Suite 440 Phoenix, AZ 85007

February 26, 2003

Mr. Paul Matson, Executive Director Arizona State Retirement System 3300 North Central Avenue Phoenix AZ 85012

Dear Mr. Matson:

The Information Technology Authorization Committee (ITAC) met today to consider the "ASRS Imaging System," project.

ITAC voted in the affirmative for Approval of the technology project.

You may proceed to secure additional approvals as needed from the Office of Strategic Planning and Budgeting, the Joint Legislative Budget Committee and the State Procurement Office.

Best wishes, Chris Cummiskey

Director, State CIO

cc: Kent Smith, RT Tom Funk, RT David Jankofsky, OSPB Paul Shannon, JLBC Connie Gerdes, SPO

CC:mm

GITA Project RT01002