

STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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CHAIRMAN 2004
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HOUSE OF
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RUSSELL K. PEARCE
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JOINT LEGISLATIVE BUDGET COMMITTEE

Tuesday, August 17, 2004

9:30 a.m.

Senate Appropriations Room 109

MEETING NOTICE

- Call to Order
- [Approval of Minutes of June 29, 2004.](#)
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION - Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.
- 1. ARIZONA DEPARTMENT OF ADMINISTRATION
 - A. [Review of Risk Management Deductible.](#)
 - B. [Review of Emergency Telecommunication Services Revolving Fund Expenditure Plan.](#)
- 2. ATTORNEY GENERAL
 - A. [Review of Allocation of Settlement Monies.](#)
 - B. [Review of Uncollectible Debts.](#)
- 3. [ARIZONA COMMUNITY COLLEGES - Review of Workforce Development Plan Activities and Expenditures.](#)
- 4. [JLBC STAFF - Review of Calculation of Inflation for Transaction Privilege Tax County Withholding - AHCCCS Budget Neutrality Compliance Fund.](#)
- 5. [ARIZONA STATE RETIREMENT SYSTEM - Review of FY 2005 Information Technology Expenditure Plan.](#)
- 6. [DEPARTMENT OF ECONOMIC SECURITY - Review of Proposed Implementation of Developmental Disabilities Provider Rate Increase.](#)
- 7. [DEPARTMENT OF HEALTH SERVICES - Report on Health Crisis Fund Expenditures and Arizona State Hospital.](#)

8. ARIZONA DEPARTMENT OF EDUCATION - Report on Estimated Fiscal Impact of Changes to Achievement Testing Program.
9. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING - Report on Federal Revenue Maximization Initiative.

The Chairman reserves the right to set the order of the agenda.
08/10/04

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

June 29, 2004

The Chairman called the meeting to order at 9:30 a.m., Tuesday, June 29, 2004, in Senate Appropriations Room 109.
The following were present:

Members:	Senator Burns, Chairman	Representative Pearce, Vice-Chairman
	Senator Bee	Representative Biggs
	Senator Cannell	Representative Gray
	Senator Martin	Representative Huppenthal
	Senator Rios	Representative Lopez
Absent:	Senator Anderson	Representative Burton Cahill
	Senator Arzberger	Representative Farnsworth
	Senator Harper	Representative Huffman
Staff:	Richard Stavneak, Director	Jan Belisle, Secretary
	Beth Kohler	Kim Hohman
	John Malloy	Tony Vidale
	Bob Hull	Jake Corey
	Tim Sweeney	Stefan Shepherd
Others:	Betsey Bayless	ADOA
	Kathy Peckardt	ADOA
	Allen Ecker	ADOA
	Cathy Eden	DHS
	Pat Mah	DHS
	Leslie Schwalbe	DHS
	Rene Rebillot	Attorney General's Office
	Kristen Boilini	AZ Community Colleges Assoc.
	Chad Douwstra	Maricopa Community Colleges
	Darcy Renfio	Department of Commerce
	David Felix	DPS
	Phil Case	DPS
	Carolyn Atwater	Senate
	Mark Swenson	Senate
	Joy Hicks	House
	Gretchen Logan	DES
	Lynne Smith	DES
	Tom Betlach	AHCCCS
	Leich Cheatham	DOR

APPROVAL OF MINUTES

Senator Burns moved that the Committee approve the minutes of May 25, 2004. The motion carried.

DEPARTMENT OF ECONOMIC SECURITY (DES) –

A. Review of FY 2004 Expenditure Plan for Workforce Investment Act Monies.

John Malloy, JLBC Staff, gave a review of the Department of Economic Security's FY 2004 expenditure plan for Workforce Investment Act (WIA) monies. At its September meeting, the JLBC favorably reviewed \$10.5 million of the increase but recommended that \$1.8 million of discretionary program expansions be postponed to determine if those monies were needed to solve DES' FY 2004 budget shortfall.

DES received a FY 2004 supplemental taking care of all shortfalls. As a result, the JLBC Staff recommends a favorable review of the expenditure plan. Additionally, the JLBC Staff recommends that DES submit performance measures for the new and expanded programs in order to ascertain whether or not the programs are producing positive outcomes.

There was no discussion on this item.

Representative Pearce moved that the Committee give a favorable review of the Department of Economic Security's Expenditure Plan of \$1.8 million of additional Workforce Investment Act monies to be used for new and expanded programs. Additionally, the Committee requested that the agency submit performance measures for the new and expanded programs (Women's Issues, Youth Programs, and the Nursing initiative). These performance measures should be submitted to the JLBC by September 1, 2004. The motion carried.

B. Review of FY 2005 Expenditure Plan for Workforce Investment Act Monies and Report on Streamlining Workforce Training.

John Malloy, JLBC Staff, presented the Department of Economic Security's request that the Committee review the FY 2005 expenditure plan for Workforce Investment Act monies and report on streamlining workforce training. The JLBC Staff recommends that the Committee give a favorable review of the expenditure plan. The programs delineated in the expenditure plan represent core functions typically funded by Workforce Investment Act monies. The Department of Economic Security has indicated they will come before the Committee at a later date with an expenditure plan for an additional \$2 million in Workforce Investment Act monies. Mr. Malloy mentioned that the Governor's Council on Workforce Policy contracted with the Morrison Institute of Public Policy for a study on streamlining workforce training activities. This report was required by a FY 2004 General Appropriation Act footnote. The report looked at the strengths and weaknesses of the state system and recommended ways in which the state could improve its effectiveness in training workers in a changing economy. The report described the workforce development system in Arizona as being "stuck in transition." This report is on file with the JLBC Staff. It is also recommended that when DES comes before the Committee with the expenditure plan for an additional \$2 million, that they provide its perspective on the Morrison Institute report.

There was no discussion on this item.

Representative Pearce moved that the Committee give a favorable review to the Department Economic Security's expenditure plan of \$2.5 million in Workforce Investment Act monies to be used for core programs. Additionally, the Committee requested that the Department of Economic Security provide its perspective on the findings of the Morrison Institute report on streamlining workforce development services. The agency's perspective on the report should be submitted to the JLBC by September 1, 2004. The motion carried.

C. Consider Approval of Requested Transfer of Appropriations for Day Care Subsidy and Transitional Child Care.

John Malloy, JLBC Staff, presented the Department of Economic Security request to approve a FY 2004 transfer of \$400,000 in Child Care from the Day Care Subsidy Special Line Item to the Transitional Child Care Special Line Item.

This is a technical transfer due to a footnote in the DES's budget that requires that JLBC review for any monies going in or out of the 2 child care subsidy line items. The JLBC Staff recommends that the Committee approve this transfer.

In response to Representative Pearce, Gretchen Logan, Financial Services, Department of Economic Security Administration stated that when the federal reports are distributed on those funding levels, they are distributed not only to the agency but they are also received by the JLBC and OSPB. There are resources for them to have knowledge of the distribution and when contacted on that issue, DES was very forthcoming, responded specifically and provided internal spreadsheets and federal reports.

Representative Pearce expressed concern over the problem of disclosure.

Senator Cannell mentioned that he had received an email from Herschella Horton during the session that indicated the numbers were going to drop.

Representative Gray asked DES about the additional \$7 million that came from the federal government for childcare subsidies for the FY 2005 budget and asked why JLBC was not given this information. Ms. Logan stated that the reason she felt that they would have known about the resources is there are federal reports that the JLBC receives.

In response to Representative Gray, Ms. Logan said the cash benefits are issued on an EBT card. She will get back to Representative Gray regarding the incident she had asked about.

Representative Pearce moved that the Committee approve the JLBC recommendation to transfer \$400,000 in Child Care and Development Fund Block Grant monies from the Day Care Subsidy Special Line Item to the Transitional Child Care Special Line Item. The motion carried.

D. JLBC Staff Report on Child Protective Services Issues.

Kim Hohman, JLBC Staff, presented the JLBC Staff report on Child Protective Services (CPS) issues related to last fall's Special Session. The Special Session required the Department of Economic Security (DES) to submit a financial and program accountability reporting system for Child Protective Services. This report is to include specific performance measures intended to evaluate the CPS system. If necessary, the legislation allows DES, the Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislative Budget Committee (JLBC) to add performance measures to the report.

The JLBC recommended adding 5 performance measures to the financial and program accountability report.

Ms. Hohman proceeded to summarize DES expenditures of the \$16.6 million supplemental appropriation which provided funding for CPS issues.

Representative Gray asked why the new positions are not completely filled. Ms. Logan stated that there is a struggle with the workers' turnover.

Representative Pearce asked how much of the \$25 million supplemental that the department received in FY 2004 CPS funding will be expended by the end of the fiscal year. Ms. Logan stated that those dollars will be fully expended in the Children Services Line Item.

Representative Pearce requested information on the amount spent to date and the expectation of spending those additional dollars.

Senator Martin asked if the staff could look at cases that have been opened or closed and later there was some civil action regarding the same individual.

Senator Rios asked how bilingual competency is tested. Ms. Logan mentioned that the competency test is a verbal test.

Senator Rios asked if the rate increases for foster homes had reduced the complaints that have been filed by foster families. Ms. Logan stated that receiving additional money helped them to prevent spending out-of-pocket. Ms. Logan will provide the statistics on complaints from the foster families to the Committee, as well as an update on the agency's foster care recruitment efforts. The agency's response should be submitted to the JLBC by August 2, 2004.

No Committee action was required.

DEPARTMENT OF PUBLIC SAFETY (DPS) – Review of the Statewide Interoperability System Design Expenditure Plan.

Tony Vidale, JLBC Staff, presented the request that the Committee review the statewide interoperability system design expenditure plan. The department was appropriated \$2 million in their FY 2005 budget and a \$3 million conditional appropriation if FY 2004 or FY 2005 General Fund revenues exceed the budgeted forecast. The plan they submitted uses both of the appropriations. A footnote included in FY 2005 budget requires Committee review of the plan prior to expenditure. The JLBC Staff recommends a favorable review of the expenditure plan and also recommends that the department's quarterly reports include the cost and purpose of Professional and Outside Services contracts, as well as comments on the project from the Government Information Technology Agency (GITA). Radio interoperability allows Public Safety personnel from one agency to communicate, via mobile radio, with personnel from other agencies.

Chairman Burns asked why we have 2 different plans. Mr. Vidale stated that the \$2 million appropriation is what the department was appropriated in FY 2005. The \$5 million includes a conditional appropriation of \$3 million that the department would receive if revenues exceed the budgeted forecast for either FY 2004 or FY 2005.

Richard Stavneak, JLBC Staff, mentioned that at the end of May which was reported in the Revenue Highlights, we were approximately \$144 million above the revenue level deficit in the budget enacted in FY 2004 and there are "triggers" that would take effect if revenues came in at \$102 million above projected amounts.

Representative Biggs asked if the additional \$3 million would shorten the timeframe for design completion. Mr. Vidale stated that the timeline will not change. The additional \$3 million, which is non-lapsing, would be spent in future fiscal years for design work.

Senator Cannell mentioned that the timeline seems to be very long. Mr. David Felix, Assistant Director, Criminal Justice Support Division of DPS said that the design cost included some of the activities that would occur from the time the design was started to the point where some types of pilot programs could be implemented to test the design. Some of the programs that will be implemented will be adjusted along the way, so this indicates that in 2008 we would complete the design but there will be work ongoing to get to that point.

Representative Gray noted that there is little money put into the equipment and asked if we were going toward a statewide digital system and does another state have a model that we could adapt and move forward on. Mr. Felix said that they have several models that the plan was built on in its initial stages. The Phoenix/Mesa is building out a very large digital radio system for the valley. There are states such as Michigan, Colorado and others that are engaged in the same type of activity. The Commission is checking on them and we really need a form of customization for Arizona.

Chairman Burns asked if there was an updated cost figure to construct the interoperable system. Mr. Felix said that over the planning process we would have a solid number when the designs are completed. The \$300 million is based on some of the other systems they have looked at. It could be less than that.

Representative Huppenthal asked how much of a problem is it going to be to bring the systems together. Mr. Felix said that much of the technology has not changed in many years. The systems that are being put in place such as Phoenix/Mesa are being based on a digital standard that is a national standard that has been developed by some various national committees. When setting the standard, the agency requires funding through their local funding agency to move a system to a new platform that they will have a standard that they can build to. Today, if they could not move to that standard, a patch would be provided so they could operate on the system. The challenge that we face is long term funding for a network and identifying the funding source.

Senator Martin asked for information regarding the DPS pay raises. Mr. Felix said he would provide the Committee with the details of the plan that was presented to the Law Enforcement Management Council.

Richard Stavneak stated that the pay raise issue would be on the next JLBC agenda.

Representative Biggs moved that the Committee approve the JLBC recommendation and give a favorable review of the Statewide Interoperability Design expenditure plan which includes design development using both a \$2 million General Fund appropriation in DPS' base budget and a \$3 million conditional appropriation if FY 2004 or FY 2005 General Fund revenues exceed the budgeted forecast. The motion carried.

DEPARTMENT OF REVENUE (DOR) – Review of Ladewig Expenditure Plan.

Bob Hull, JLBC Staff, presented the review of the Ladewig Expenditure Plan. The JLBC Staff recommends that the Committee give a favorable review of the Department of Revenue's (DOR) estimated administrative expenditure plan of \$3 million for the FY 2005 Ladewig project. DOR's administrative expenses are estimated to be \$1.8 million in FY 2006 and \$2.6 million in FY 2007.

The total Ladewig costs are projected to be \$125 million in FY 2005, \$65 million in FY 2006, and \$93 million in FY 2007.

In response to Chairman Burns, Ms. Leigh Cheatham, Assistant Director for External Services, Department of Revenue stated that one of the problems with the Ladewig lawsuit is that they have to calculate for each taxpayer the actual refund amount. They will have actual numbers with the exception of a few disputes by the end of the month and they will know at that point the total number of claimants, the span of the refund amounts, and the total of the payments.

Representative Biggs moved that the Committee adopt the JLBC recommendation and give a favorable review of the Department of Revenue's estimated administrative expenditure plan of \$3.0 million for the FY 2005 Ladewig project. The motion carried.

DEPARTMENT OF HEALTH SERVICES (DHS) –

A. Review of Children's Rehabilitative Services Capitation Rate Changes.

Beth Kohler, JLBC Staff, presented the review of Children's Rehabilitative Services (CSR) capitation rate changes. The CRS program provides services for children under age 21 with chronic and disabling or potentially disabling conditions. CRS is funded through DHS with a capitated system, which pays flat monthly rates for each child enrolled in the program. A footnote in the General Appropriation Act prohibits the use of any potential savings in the CRS program for other DHS programs without prior review by the Committee. In total the proposed rates represent a 4% decrease below FY 2004, in comparison the budget had consumed a 6% increase. The costs of the rates are \$1.5 million less than the FY 2005 budgeted amounts. The actual costs of CRS in FY 2005 will depend on the enrollment in the program. The JLBC Staff recommends a favorable review of the rates.

There was no discussion on this item.

Representative Biggs moved that the Committee adopt the JLBC recommendation and give a favorable review of the Department of Health Services Children's Rehabilitative Services program capitation adjustments beginning July 1, 2004. The motion carried.

B. Review of Behavioral Health Capitation Rate Changes.

Beth Kohler, JLBC Staff, presented the Department of Health Service's (DHS) request that the Committee review the Behavioral Health Capitation rate changes. 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.

The proposed rates are based upon an actuarial study, which is required by the federal government. The proposed rates cost \$1.7 million General Fund more than the capitation adjustment assumed in the FY 2005 budget. Whether DHS will require a supplemental funding will depend on the FY 2005 enrollment trends.

Chairman Burns asked that if there is a savings realized by DES, how would that savings be identified and be reported to the JLBC.

Ms. Logan, stated that the information would be provided.

Senator Cannell expressed interest in receiving information on the growth of foster care children in behavioral health.

In response to Senator Cannell, Ms. Leslie Schwalbe, Deputy Director, Department of Health Services said that since July 2003 there were 3,055 foster care children enrolled from the health plan called Comprehensive Medical and Dental Program (CMDP). As of May the number has grown to 3,988, which is an increase of approximately 1,000 children within a year.

In response to Representative Linda Lopez, Ms. Schwalbe stated that there has not been much change in the overall population in enrollment for persons with a serious mental illness. It is the slowest growing population out of the 3 categories of populations that are served.

Representative Biggs moved that the Committee adopt the JLBC recommendation and give a favorable review to Behavioral Health Capitation Rate changes with the following stipulations:

- *The review does not constitute an endorsement of a supplemental request (even with this condition, however, a supplemental request would still be possible, depending on future enrollment trends).*
- *DHS and DES shall report by October 15, 2004 with an estimate of how much funding is freed up in the DES Children Services and Comprehensive Medical & Dental Program line items as a result of shifting treatment for children from DES to DHS.*
- *DHS and DES shall report by October 15, 2004 with an analysis of whether shifting more behavioral health services for children from DES to DHS results in an expansion of services to these children or whether DES was providing a similar level of services.*

The motion carried.

ATTORNEY GENERAL – Review of Allocation of Settlement Monies.

Kim Hohman, JLBC Staff, presented the review of settlement monies to be received from the Medco and Warner-Lambert settlement agreements in which the state will receive over \$100,000. The first settlement involved violations of Arizona Consumer Fraud laws by Medco Health Solutions. In this settlement, the company agreed to pay \$200,000 which will be deposited in the Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01. The Attorney General (AG) is also expected to receive another \$600,000 which will be distributed to benefit low income, disabled or elderly consumers of prescription drugs. At the present time, the AG does not have a distribution plan for these monies. The JLBC Staff recommends that the AG report back to the Committee when they have finalized an allocation plan. The second settlement also involved violations of Arizona Consumer Fraud laws by Warner-Lambert. In the settlement the company agreed to pay \$278,000 which will also be deposited in the Consumer Fraud Revolving Fund. The JLBC Staff recommends a favorable review of the settlement monies.

Representative Biggs stated the Committee would like a copy of the report when the \$600,000 distribution is completed.

Rene Rebillot, Section Chief Counsel of the Consumer Protection Section, Attorney General stated that the AG's Office would provide the Committee with the allocation plan once it is finalized

Representative Biggs moved that the Committee adopt the JLBC recommendation and give a favorable review to the allocation plan for the Medco and Warner-Lambert settlement agreements. The motion carried.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Report on Implementation of Self Insurance for State Employee Health Insurance.

Beth Kohler, JLBC Staff mentioned that at the May 25 meeting, the JLBC favorably reviewed the Arizona Department of Administration's (ADOA) plan to self-insure state employee health benefits. After the meeting, ADOA awarded the contracts and we now know the names of the contractors.

Betsey Bayless, Director, Arizona Department of Administration briefly reviewed the Arizona Benefit Options Implementation Update handout. The first newsletter has been sent out and the second one will be mailed on July 3. Open Enrollment books will be mailed July 23. Open enrollment begins August 2 and ends September 10. The benefit year starts October 1.

In response to Chairman Burns, Ms. Bayless said they are still in the process of recruiting doctors. Ms. Bayless also mentioned that if your doctor is not on the list and the doctor is willing to become part of a certain network, the companies are willing to add them.

Senator Cannell asked if there would be a mail-in prescription type program. Ms. Bayless said that program would be available.

Senator Cannell mentioned that his doctor had not been approached by anyone regarding the programs and asked how close are the contractors being monitored? Ms. Bayless said that there is a great emphasis on Yuma and if you have specific doctors you are interested in they would like to know that. There is a step up effort of the vendors to enlarge the network.

Senator Martin asked what type of staff increases or decreases are projected for the future plan. Kathy Peckardt, Human Resources Director, Department of Administration stated that they are in the process of benchmarking other organizations that are self insured to assess what kind of staffing levels they currently have, what types of positions in their organizations so that they can best address their needs. They are in the process of hiring a communication specialist because of the importance of the communication in the whole process.

Chairman Burns asked what the research has shown them in the line of feedback. Ms. Peckardt stated they just completed the New Mexico research and will provide an analysis to the Committee on what they are proposing to do for their departments.

Senator Martin asked if any private self insured organizations are contacted. Ms. Peckardt stated that they were also looking at private companies. Ms. Peckardt said that the Third Party Administrator would be providing resources that they do not have to have in-house but is part of the benchmarking process and that analysis will be provided to the Committee.

No Committee action was required.

ARIZONA COMMUNITY COLLEGES – Report on Dual Enrollment and Appointing Ad Hoc Committee.

Jake Corey, JLBC Staff, presented the report on dual enrollment courses offered in FY 2003 and the subsequent achievement of students dual enrolled in FY 2002. On receipt of this report, the statute requires the Committee to convene an Ad Hoc Committee that includes Community College academic officers, faculty and other experts. In FY 2003 approximately 32,500 were dual enrolled. Of that total, 29,500, or 90%, earned a "C" or better in the course, which qualified those students for both high school and community college credit.

In response to Representative Gray, Mr. Corey said that at this time with the SAIS system still being implemented, the Community Colleges are not able to track across Community College districts. They are only able to follow students who were dual enrolled within the Community College district and then went to a Community College within that same district.

No Committee action was required.

ARIZONA DEPARTMENT OF EDUCATION (ADE) – Report on Estimated Fiscal Impact of Changes to Achievement Testing Program

Jake Corey, JLBC Staff, presented the Arizona Department of Education (ADE) report on the estimated fiscal impact of changes to the Achievement Testing Program. The Chairman had requested that ADE provide updated information on achievement testing costs. The department previously projected an additional \$4.2 million cost for the achievement testing contract in FY 2005. The current estimate is \$5.5 million. This will leave them with a funding shortfall of \$1.3 million.

In response to Representative Linda Lopez, Mr. Corey stated that he did not know how many test retakes there were and he would check with the department. The Department of Education was not available to address the Committee.

No Committee action required.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) – Review of KidsCare Behavioral Health Capitation Rate Changes.

Tim Sweeney, JLBC Staff, presented the AHCCCS request that the Committee review the Behavioral Health capitation rates for the KidsCare (including parents) program. The proposed rates are 1.7% above FY 2004 rates, and are within budgeted levels for FY 2005.

There was no discussion on this item.

Representative Biggs moved the Committee adopt the JLBC recommendation and give a favorable review to the proposed capitation rate increase of 1.7% above FY 2004 rates. The motion carried.

Chairman Burns adjourned the meeting at 10:55 a.m. and stated that the Committee would make a written request to the Department of Education, Agenda Item 8.

Respectfully submitted:

Jan Belisle, Secretary

Richard Stavneak, Director

Senator Bob Burns, Chairman

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DATE: August 10, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Shelli Carol, 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 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 ADOA Director may impose deductibles of up to \$10,000 per risk management loss on state agencies. Such deductible amounts are subject to annual review by the Joint Legislative Budget Committee (JLBC). ADOA maintains the right to waive any deductible for just cause or in the best interests of the state. To date, ADOA has not assessed any deductibles.

The deductible program has three components, as described below:

- 1) Rule 14 Settlements and Judgments
ADOA will charge a \$10,000 deductible for each claim of \$250,000 or more (those claims requiring JLBC approval under Rule 14), unless the agency implements an approved plan to limit or eliminate similar future losses. ADOA helps agencies develop these plans.

(Continued)

2) Workers' Compensation Early Notification

ADOA requires state agencies to report workers' compensation claims within 10 days of the employee's incident notification to a supervisor or other agency representative. If an agency fails to report within 10 days, Risk Management would charge a deductible of 20% of the claim, up to \$10,000. If an agency reports 75% of all occurrences of industrial injury or illness within two days of the employee's notification to a supervisor or other agency representative, Risk Management will waive this deductible. ADOA provides extensive training to agencies on early reporting.

3) Opportunistic Loss Prevention

ADOA and each agency reach agreements 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 such plans. ADOA continues to work with agencies to update and improve those plans.

RS/SC:ss



**ARIZONA DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT SECTION**

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PHOENIX, ARIZONA 85007-2635
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June 30, 2004

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.

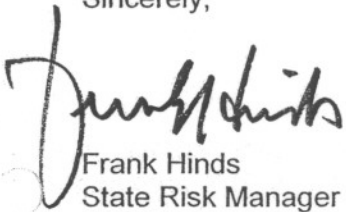
3. Opportunistic Loss Prevention Program

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 2004, 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

cc. Betsey Bayless, Director, Department of Administration
Paul Shannon, Budget Manager, Department of Administration
✓ Shelli Carol, Budget Analyst, JLBC
Matt Gottheiner, Budget Analyst, OSPB



**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, 2004

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:

JLBC Rule 14 Section 4 requires that the Risk Management Section of the Department of Administration report annually to the Joint Legislative Budget Committee, the status of pending claims and lawsuits, information on actual judgments and settlements, and projected fund balances. It also requires the Risk Management Section with the assistance of the Attorney General, propose any changes in State insurance coverage, State statutes, State liability principles or claim procedures.

- **Pending claims and lawsuits:** Attached is an "Open Claims" report categorized by agency and dollar amount. This report details claims and lawsuits that a) are expected to be settled within the next 24 months and b) have a possible indemnity payment of greater than \$250,000. This report briefly details the circumstance relating to the claim, as well as claim status, outside counsel (if applicable), and the anticipated payment date.
- **Actual judgments and settlements:** During fiscal year 2004 there have been no judgments imposed on Risk Management:
- **Prior settlements:** There were two settlements greater than \$250,000, previously reported and approved by the JLBC during fiscal year 2004.
- **Projected fund balance:** attached is a "Projected Fund Balance" report which projects the Risk Management Section's fund balance at year-end FY 2005.
- **Changes** – We do not propose any material changes in State insurance coverage, State statutes, State liability principles or claim procedures.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Hinds". The signature is stylized with a large, looping initial "F" and a cursive "Hinds".

Frank Hinds
State Risk Manager

cc. Betsey Bayless, Director, Department of Administration
Paul Shannon, Budget Manager, Department of Administration
✓ Shelli Carol, Budget Analyst, JLBC
Matt Gottheiner, Budget Analyst, OSPB

STATE OF ARIZONA

Joint Legislative Budget Committee

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JOHN HUPPENTHAL
LINDA J. LOPEZ

DATE: August 10, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Shelli Carol, Fiscal Analyst

SUBJECT: Arizona Department of Administration – 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 submit the wireless services portion of its Emergency Telecommunications Services Revolving Fund (ETSF) expenditure plan to the Committee for review. ADOA oversees and provides support to the communities of the state as they enhance their 911 emergency telecommunications systems. In practice, the department submits its complete expenditure plan annually, although expenditures on wire services are not subject to Committee review.

Recommendation

JLBC Staff recommends that the Committee give a favorable review to the \$16.4 million wireless portion of the ETSF expenditure plan with the following provisions:

- JLBC Staff recommends that the Committee request the Government Information Technology Agency (GITA) by July 31, 2005 to 1) examine ADOA's long-term revenue forecasts and expenditure plans and 2) provide its perspective on the state's overall long-term 911 needs. This date would coincide with the Committee's next annual review.
- Along with its FY 2006 ETSF Expenditure Plan, ADOA report to the Committee by July 31, 2005 its recommendations for preventing a future ETSF shortfall.

In FY 2005, ADOA expects to distribute \$35.3 million from ETSF. Of that amount, \$18.1 million would support existing wire services, \$16.4 million would fund certain wireless deployments and maintenance, and \$780,000 would cover ADOA administrative and management costs. ADOA projects ETSF shortfalls from FY 2009 onward.

(Continued)

Analysis

911 Wireless Service Improvements

Federal Communications Commission (FCC) Report and Order 96-204, issued in 1996, ordered the development and implementation of 911 service for wireless telecommunications systems in two phases. Phase I requires local public safety answering facilities to be able to identify the phone number of, and nearest cellular tower to the caller, as well as to relay calls to the nearest emergency response center. Phase II necessitates answering facilities to be able to identify the exact location of the caller. Mobile service carriers must upgrade their systems to Phase II compliance by December 2005.

Graham, Pima, Pinal, and Santa Cruz counties have fully deployed Phase I with all mobile carriers in their respective regions. Maricopa County expects to complete Phase I deployment in the next few months. Camp Verde, Cottonwood, and Page also anticipate implementing Phase I during FY 2005. Most other areas of the state intend to meet Phase I requirements during FY 2006. Pima and Maricopa counties, which include 80% of telecommunications access lines in Arizona, plan to achieve Phase II by the end of FY 2005. Camp Verde, Coconino County, Cottonwood, the Gila River Community, and Pinal County are making preparations for their Phase II deployments in FY 2006.

911 Wire Service Improvements

Some rural areas of the state do not possess adequate emergency-response technology on their wire telecommunications services. Gila, Greenlee, and Yavapai counties, along with certain native reservations and other localities, lack enhanced 911, the ability to identify the address of a caller using a regular telephone line.

Gila, Greenlee, and Yavapai counties, as well as the Gila River Community, the Grand Canyon area, and Williams, are aiming to implement enhanced 911 service during FY 2005. Clifton seeks to do so during FY 2006. ADOA continues to work with the Hopi, Navajo, San Carlos, and Supai reservations to develop emergency telecommunications services improvement plans, but no schedules currently exist.

Funding Mechanism

A.R.S. § 41-5252 taxes both wire and wireless telecommunications service accounts at \$0.37 per month through FY 2006. The statute further mandates tax reductions to \$0.28 per month in FY 2007 and \$0.20 per month in all fiscal years thereafter. The statute does not tax other kinds of voice communication, such as digital cable telephone and voice over Internet services. In FY 2005, ETSF will receive an estimated \$25.5 million in revenues from the Emergency Telecommunications Services Tax. Interest income provides another \$520,000, for total fund revenues of \$26.0 million.

ADOA distributes monies from ETSF to localities for FCC-compliant telecommunications equipment, software, carrier services, and maintenance. Additionally, ADOA supplies centralized oversight, administration, management, and guidance, developing project schedules to consider the greatest needs, especially in rural areas, and to maximize regional efficiencies and local readiness. While ADOA prefers that each county complete implementation phases as a whole, the department does make allowances for cities or areas that are behind or ahead of the county schedule. Localities must provide and fully fund their own personnel, utilities, and facilities. ADOA also requires communities to submit Wireless 911 Service Plans to the agency for its approval.

(Continued)

FY 2005 Distribution Plan

ADOA distributes funds to the localities upon receiving copies of their invoices for emergency telecommunications services and equipment. It is the agency's policy not to pay any additional monthly costs or penalties arising from a locality's failure to follow ADOA rules, requirements, and schedules. In FY 2005, ADOA expects to distribute \$35.3 million from ETSF, including \$9.3 million from the existing fund balance.

Of the planned amount, \$18.1 million would support maintenance and upgrades, including the addition of new backup functionality, to local emergency telecommunications wire services. For Phase I, \$2.0 million would provide funding to Graham, Pima, Pinal, and Santa Cruz counties for ongoing operations and to the city of Page for implementation. For Phase II, ADOA has allocated \$12.2 million to Maricopa and Pima counties for their implementations and \$2.2 million to other areas around the state for initial preparations. Therefore, the overall emergency wireless service allotment, subject to Committee review, is \$16.4 million for FY 2005.

ADOA would also expend \$780,000 for administrative and management costs within the department. The following table summarizes the ETSF distribution.

ADOA Emergency Telecommunications Services Revolving Fund FY 2005 Expenditure Plan		
	<u>Localities</u>	<u>Allocation</u>
Wireless Services		
Phase I Maintenance and Implementations	Graham, Pima, Pinal, and Santa Cruz Counties'	\$ 1,965,000
Phase II Implementation	Maintenance / City of Page Implementation Maricopa and Pima Counties	12,259,000
Phase II Preparation	Other Areas Around the State	<u>2,223,000</u>
Wireless Services Subtotal		\$16,447,000
Wire Services	Statewide	\$18,057,000
Administration	Arizona Department of Administration	<u>780,000</u>
ETSF Expenditure Plan Total		\$35,284,000

Future Projections

The ADOA ETSF Expenditure Plan contains fund balance projections through FY 2010. Through Phase II deployment negotiations with telecommunications carriers, ADOA secured over \$15 million in cost reductions. The department incorporated those savings into its projection. Meanwhile, ADOA has been unable to obtain data on wireless trends. Although it is likely that wireless services and their associated revenues will grow, the agency's projections do not account for this possibility. The ADOA projections indicate that, with the tax rate reductions in FY 2007 and FY 2008, ETSF would begin running deficits from FY 2009 onward.

Several factors contribute to the possible upcoming shortfall. Phase II implementations, which ADOA anticipates would not be completed until FY 2010, are more costly than their Phase I counterparts. ADOA also has some concerns over the effectiveness of Emergency Telecommunications Tax

(Continued)

enforcement. Additionally, wire service growth is stagnating, as customers choose instead wireless services, which are taxed, or out-of-state telephone numbers, digital cable telephone, and voice over Internet services, which are not taxed in Arizona. The state also transferred a total of \$15 million from ETSF to the General Fund during FY 2002 and FY 2003.

JLBC Staff believes it would be useful to secure a second perspective on the state's future 911 funding needs. GITA, in its capacity under A.R.S. § 41-3504, Subsection B, is a possible resource for such analysis. While staff has requested GITA assistance in the past, the agency has been hesitant to take an oversight role with regards to a program possessing its own oversight responsibilities towards the communities of the state.

RS:SC:ck

NET NAPOLITANO
GOVERNOR



BETSEY BAYLESS
DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION

100 N. 15th Ave., Suite 401
PHOENIX, ARIZONA 85007

August 2, 2004

The Honorable Robert Burns, Chairman
Joint Legislative Budget Committee
Arizona State Senate
1700 W. Washington Street
Phoenix, Arizona 85007



Dear Senator Burns:

As stipulated in the Laws of 1998, 4th Special Session, Chapter 6, Section 5 – Emergency telecommunications fund; report of expenditure plans, the Department of Administration shall report its expenditure plans to the Joint Legislative Budget Committee for review. In fulfillment of this requirement, I am enclosing:

- The 9-1-1 financial forecast for fiscal years 2005 through 2010 incorporating the Fund Balance transfers to the General Fund during FY 2003 and FY 2004,
- The State 9-1-1 Program Project Plan for fiscal years 2005 through 2010,
- A report on wireless expenditure information for fiscal years 2000 through 2004, and
- An Updated State of Arizona Wireless Implementation Plan.

Please note the financial forecast shows these transfers will cause either a delay in the implementation of the critical wireless program or a necessity to raise the excise tax commencing in fiscal year 2009.

Should you have any questions, please contact me at 602-542-1500 or Barbara Jaeger, the State 9-1-1 Administrator at 602-542-0911.

Very truly yours,

Betsey Bayless
Director

- c: The Honorable Russell Pearce, Chairman, Joint Committee on Capital Review
The Honorable Ken Bennett, Senate President
The Honorable Franklin Flake, Speaker of the House of Representatives
✓ Mr. Richard Stavneak, Staff Director, JLBC

Enclosures (4)

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

The Arizona Phase I Wireless Implementation Plan has been updated during FY04 to expand the program to move specified sites toward deployment of Phase II Wireless. Costs associated with legislative cost recovery and a copy of the plan is enclosed. The Statewide System Project plan covering each 9-1-1 System for the period FY2005 through FY2010 has been updated 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 for either an entire county or portions of a county. It is recommended that deployment be done countywide, but it has been identified that certain areas, currently FCC ready would be hampered by that constraint. Each county or system must 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 or area. The State 9-1-1 Program has also determined that roll-out must be a phased in process completing one 9-1-1 switching center before moving to the next.

Wireless Deployment

Significant progress has been made in the deployment of Phase I and additional requests for service letters have been sent to the affected carriers. Phase I has been fully deployed in Graham, Pima, Pinal and Santa Cruz Counties with all carriers. Request for service letters have been sent for the Page-Lake Powell area for deployment of Phase I.

Those sites that are deployed Phase I will be budgeted for mapping equipment in the FY05 budget.

For Phase II deployment consideration, 9-1-1 Centers must have mapping installed with validated GIS data. Pima County and Maricopa Region have met that criteria and will be deploying Phase II during FY05. Camp Verde, Cottonwood, Flagstaff and Sedona are moving forward with their mapping projects and will deploy with Phase II during FY06. With the completion of Pima County and Maricopa Region, the largest concentrated population base will be Phase II compliant. This constitutes approximately 80% of the access lines in Arizona.

In accordance with the FCC Report and Order, §94-102, wireless carriers must deploy Phase I and Phase II service within six months of the submittal of a valid Request for Service letter. Pima County is scheduled for Phase II deployment by December 2004.

Maricopa Regional is currently scheduled to be the next deployment pending successful negotiations and installation of an independent switch solution. Completion of this project is scheduled for early spring 2005.

Payment for Wireless Services

During FY04, costs for Phase I services were negotiated and recurring charges rendered to all wireless carriers doing business in Graham, Pima, Pinal and Santa Cruz Counties. Through successful discussions with Qwest, a filing with the Arizona Corporation Commission early in FY04, provided for rate stabilized costs associated with the Qwest selective router for wireless service delivery.

One issue that plagued the program throughout this year was the quoted costs for deployment of Wireless Phase II technology by the Wireless Service Providers. Under FCC Docket 94-102 and a decision by the Federal Communications Commission in 2001, costs for the 9-1-1 Centers should only be calculated from the selective router to the 9-1-1 center. In 2001, the Arizona Legislature enacted legislation that provides full cost recovery to the carriers. This decision along with the low tax rate of \$.37/month made it difficult to ensure that Phase II could be deployed. Consideration had to be given to the ability to provide for long term costs associated with the services. Each carrier determined their costs in a variety of ways, with no parity between them. The program was faced with costs from 0 to \$11 Million per carrier for deployment.

Active negotiations with the eight plus carriers that supply services took up a considerable amount of time. By the end of third quarter FY04, agreements had been reached with seven of the eight carriers. A decision was made that because the cost for the final carrier was prohibitive, that Phase II services would not be requested. Upon notification of the decision, the final carrier was willing to come to the table and an agreement was reached.

These aggressive negotiations provided a more than \$15 Million cost savings to the 9-1-1 program for Phase II deployment costs alone.

Wireless Expenditure Summary

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

Wireless Expenditures

FY00	\$ 109,714
FY01	\$ 343,930
FY02	\$ 374,963
FY03	\$ 1,566,822
FY04	\$ 5,009,809
Total	\$ 7,405,238

The FY05 budget for Wireless Phase I and Phase II is projected at \$16,447,050.

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 INCREASE ASSUMPTIONS : 5% Operations Cost; 0% Wireless Tax; 0% Excise Tax						
	Actual FY03	Projected Actual FY04	Budgeted FY05	Budgeted FY06	Budgeted FY07	Budgeted FY08	Budgeted FY09	Budgeted FY10	
Administration	\$ 253,532	\$ 290,891	\$ 520,043	\$ 516,330	\$ 393,016	\$ 280,844	\$ 276,836	\$ 275,474	
PSAP Network Management	\$ 237,059	\$ 264,133	\$ 260,021	\$ 258,165	\$ 196,508	\$ 140,422	\$ 138,418	\$ 137,737	
Sub-Total	\$ 490,591	\$ 555,024	\$ 780,064	\$ 774,495	\$ 589,523	\$ 421,266	\$ 415,254	\$ 413,211	
Wireline	\$ 13,001,668	\$ 10,818,506	\$ 18,056,722	\$ 13,420,038	\$ 14,016,040	\$ 14,641,842	\$ 14,798,934	\$ 15,488,882	
Phase I Wireless	\$ 1,566,822	\$ 1,756,547	\$ 1,964,800	\$ 2,941,058	\$ 2,941,058	\$ 2,941,058	\$ 2,500,000	\$ 2,500,000	
Phase II Wireless	\$ -	\$ 3,253,262	\$ 14,482,250	\$ 7,058,942	\$ 7,058,942	\$ 6,058,942	\$ 6,058,942	\$ 4,058,942	
TOTAL PROGRAM COSTS	\$ 15,059,080	\$ 16,383,339	\$ 35,283,837	\$ 24,194,533	\$ 24,605,563	\$ 24,063,108	\$ 23,773,130	\$ 22,461,035	
FUNDS FROM PRIOR	\$ 22,503,370	\$ 19,497,150	\$ 26,038,733	\$ 16,757,041	\$ 18,379,018	\$ 13,424,234	\$ 3,403,325	\$ -	
WIRELESS TAX	\$ 9,596,186	\$ 11,754,036	\$ 11,754,036	\$ 11,754,036	\$ 8,894,946	\$ 6,353,533	\$ 6,353,533	\$ 6,353,533	
EXCISE TAX	\$ 13,914,520	\$ 13,727,334	\$ 13,727,334	\$ 13,727,334	\$ 10,388,253	\$ 7,420,181	\$ 7,420,181	\$ 7,420,181	
INTEREST INCOME	\$ 539,577	\$ 443,552	\$ 520,775	\$ 335,141	\$ 367,580	\$ 268,485	\$ 68,066	\$ -	
Total Collections	\$ 24,050,284	\$ 25,924,922	\$ 26,002,145	\$ 25,816,511	\$ 19,650,779	\$ 14,042,198	\$ 13,841,780	\$ 13,773,714	
TOTAL FUNDS	\$ 46,553,654	\$ 45,422,072	\$ 52,040,877	\$ 42,573,552	\$ 38,029,798	\$ 27,466,433	\$ 17,245,105	\$ 13,773,714	
PRIOR PERIOD ADJ OR PROJECT CARRY-FORWARD	\$ 2,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TRANSFER TO GENERAL FUND	\$ 12,000,000	\$ 3,000,000							
EXPENDITURES	\$ 15,059,080	\$ 16,383,339	\$ 35,283,837	\$ 24,194,533	\$ 24,605,563	\$ 24,063,108	\$ 23,773,130	\$ 22,461,035	
FUNDS FORWARD	\$ 19,497,150	\$ 26,038,733	\$ 16,757,041	\$ 18,379,018	\$ 13,424,234	\$ 3,403,325	\$ (6,528,025)	\$ (8,687,322)	
Wireless Tax Rate	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.28	\$ 0.20	\$ 0.20	\$ 0.20	
Tax Required to Cover Deficits							\$ 0.32	\$ 0.33	

State 9-1-1 Program
FY05 through FY 10 Project Plan

9-1-1 System	Basic	E/ANI	E9-1-1	Phase I	Mapped ALI	Phase II	Program Plan FY05	FY05 Wireline	FY05 Wireless-PI	FY05 Wireless-PIL	FY05-1%Mgt/2% Admn.
9-1-1 Administration											\$ 519,590
Benson			X	FY06	FY06	FY07-08	Technology Refresh	\$ 18,510	\$ -	\$ 550	\$ -
Camp Verde			X	FY05	FY05	FY06	Mapping/Phase II Planning	\$ 22,350	\$ -	\$ 138,550	\$ 550
Clifton	X		FY06	FY07	FY07	FY08-09	E9-1-1 Service Plan Development	\$ 26,830	\$ -	\$ -	\$ 500
Cochise County	X		X	FY06	FY06	FY07-08	Complete E9-1-1 Countywide	\$ 238,600	\$ -	\$ 55,550	\$ 5,200
Colorado City			X	FY06	FY06	FY06-07	Technology Refresh	\$ 37,080	\$ -	\$ 550	\$ 500
Cottonwood			X	FY05	FY05	FY06	Mapping/Phase II Planning	\$ 39,600	\$ -	\$ 138,550	\$ 1,700
Douglas			X	FY06	FY06	FY07-08		\$ 34,380	\$ -	\$ 550	\$ -
Flagstaff/Coconino County			X	FY06	FY06	FY04-05	Network Upgrade/Phase II Planning	\$ 1,619,480	\$ -	\$ 516,050	\$ 3,500
Gila County		X	FY05	FY06	FY05	FY08-09	Technology Refresh/Addressing	\$ 80,770	\$ -	\$ 550	\$ 1,100
Gila River Tribal Property		X	FY05	FY06	FY06	FY06	Enhanced 9-1-1	\$ 393,400	\$ -	\$ -	\$ 500
Graham County			X	X	FY05	FY06-07	Technology Ref/Mapped ALI	\$ 29,850	\$ 88,400	\$ 102,550	\$ 986
Grand Canyon		X	FY05	FY06	FY06	FY07-08	Addressing	\$ 1,750	\$ -	\$ -	\$ 500
Greenlee County	X		FY05	FY07	FY07	FY09-10	E911 Service Plan Development	\$ 22,852	\$ -	\$ -	\$ 500
Hopi Reservation	X						Service Plan Development	\$ -	\$ -	\$ -	\$ -
Huachuca City			X	FY06	FY06	FY07-08	Technology Refresh	\$ 13,315	\$ -	\$ 550	\$ -
La Paz County			X	FY06	FY06	FY06-07	Equipment Replacement	\$ 255,300	\$ -	\$ -	\$ 990
Maricopa County			X	FY05	FY04	FY05	Network/Eq. Upgrades/Phase II	\$ 7,193,900	\$ -	\$ 9,686,098	\$ 159,455
Mohave County			X	FY06	FY06	FY07-08	Equipment Replacement	\$ 1,188,600	\$ -	\$ 55,000	\$ 15,600
Navajo Reservation	X							\$ -	\$ -	\$ -	\$ -
Northeastern Ariz. Users Asso.			X	FY06	FY06	FY07-08	Equipment Replacement	\$ 1,047,200	\$ -	\$ -	\$ 3,300
Page			X	FY05	FY05	FY07-08	Phase I/Mapping	\$ 15,780	\$ 149,000	\$ 1,100	\$ 500
Payson			X	FY06	FY06	FY07-08	Technology Refresh	\$ 75,400	\$ -	\$ 550	\$ 1,680
Phase I Deployment/On-Going Costs							Costs for All Phase I				
Phase II Deployment/On-Going Costs							Costs for All Phase II				
Pinal County			X	FY05	FY06		Technology Refresh	\$ 201,630	\$ 834,000	\$ 595,296	\$ 7,100
Prescott			X	FY06	FY06	FY07-08	Technology Refresh/eq. Upgrade	\$ 271,320	\$ -	\$ 10,100	\$ 4,600
Pima County			X	X	X	FY05	Network/eq. Upgrades/Phase II	\$ 4,075,808	\$ 717,000	\$ 2,572,919	\$ 38,514
San Carlos Reservation	X						Service Plan Development	\$ -	\$ -	\$ -	\$ -
Santa Cruz Co			X	X	FY05	FY06-07	Technology Refresh/Mapping	\$ 54,000	\$ 176,400	\$ 101,100	\$ 1,700
Sedona			X	FY06	FY05	FY06-07	Mapping/Phase II Planning	\$ 63,300	\$ -	\$ 307,587	\$ 1,500
Sierra Vista			X	FY06	FY06	FY07-08		\$ 123,720	\$ -	\$ 1,100	\$ -
Supai Reservation	X						Service Plan Development	\$ -	\$ -	\$ -	\$ -
Willcox			X	FY06	FY06	FY07-08	Technology Refresh	\$ 15,960	\$ -	\$ 550	\$ -
Williams	X		FY05	FY06	FY06	FY07-08	Upgrade to E9-1-1	\$ 170,150	\$ -	\$ -	\$ 500
Winslow			X	FY07	FY07	FY08-09		\$ 36,467	\$ -	\$ 1,100	\$ 500
Yavapai County		X	FY05	FY06	FY06	FY07-08	No. Yavapai to Phase II	\$ 77,740	\$ -	\$ 168,550	\$ 2,700
Yuma County			X	FY06	FY06	FY07-08	Technology Refresh	\$ 611,680	\$ -	\$ 27,200	\$ 6,300
Total Expenditures								\$ 18,056,722	\$ 1,964,800	\$ 14,482,250	\$ 780,065
											\$ 35,283,837
Legend											
Basic 911 - Voice Only											
Enhanced w/ANI - Voice and telephone number.											
E911 - Voice, telephone number and address											
Phase I - Wireless voice and telephone number											
Phase II - Wireless voice, telephone number and location											
Mapped ALI - Location appearing on a map											
Tribal Properties - Navajo, Hopi, Supai, San Carlos											

STATE OF ARIZONA

Joint Legislative Budget Committee

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JOHN HUPPENTHAL
LINDA J. LOPEZ

DATE: August 5, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Kim Hohman, Senior Fiscal Analyst

SUBJECT: Attorney General – Review of Allocation of Settlement Monies

Request

Pursuant to a footnote in the General Appropriation Act, the Office of the Attorney General has notified the Committee of the allocation of monies to be received from the Ford Motor Credit Company settlement agreement.

In addition, the Attorney General has notified the Committee of the allocation plan for \$604,800 received from the Medco Health Solutions settlement. This settlement was first reported at the JLBC meeting on June 29.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the allocation plan for the Ford settlement amount. The allocation plan is consistent with A.R.S. § 44-1531.01, which states that monies recovered by the Attorney General as a result of enforcing consumer protection or consumer fraud statutes shall be deposited in the Consumer Fraud Revolving Fund.

Analysis

The 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 it 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 involves violations of Arizona consumer fraud laws by Ford Motor Credit Company and 27 Arizona Ford and Lincoln Mercury dealers. The 37 complaining states alleged that the companies made false and misleading statements to consumers about the payoff amount for early termination of car lease agreements. Under the settlement, the State of Arizona will receive approximately \$12,800 from Ford Motor Credit Company and \$121,500 from the 27 auto dealers. Pursuant to statute, these monies will be deposited in the Consumer Fraud Revolving Fund. The settlement agreement will also establish a nationwide restitution program, administered by a third party, which will distribute \$100 to each eligible consumer. The AG estimates there are approximately 155,000 eligible consumers nationwide with approximately 2,400 eligible consumers located in Arizona.

Medco Health Solutions Settlement

At the JLBC meeting on June 29, the Committee requested that the Office of the Attorney General report back once it has finalized a plan for expending monies received from the Medco Health Solutions settlement. In the case, Medco allegedly did not provide complete and accurate information about its prescription drug interchange program, which resulted in the switching of prescription drugs to the less expensive drug.

In the settlement, the state of Arizona is expected to receive \$604,800 to benefit low income, disabled, and elderly consumers of prescription drugs. The AG will distribute \$345,000 to hospitals, school-based clinics and community health centers to provide medications to the elderly, school-aged children and low-income residents. The remaining \$259,800 will provide funding for programs designed to educate Arizona consumers on the cost differences between prescription medications, as well as programs to benefit Arizona citizens using prescription drugs. These monies will be distributed to community health centers, school-based clinics, state and local agencies, and social service agencies throughout Arizona.

RS/KH:ck

Terry Goddard
Attorney General



Office of the Attorney General
State of Arizona

Rene Rebillot
Chief Counsel
Consumer Protection &
Advocacy Section
Telephone: 602.542.7701
Fax: 602.542.4377

June 11, 2004

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 Ford Motor Credit Company

Dear Gentlemen:

This Office has entered into a settlement with Ford Motor Credit Company ("Ford"), 27 Arizona Ford and Lincoln Mercury Dealers, and the State of Arizona. We expect to file a Consent Judgment in the near future. Thirty-seven other state attorneys general have entered into substantially the same Consent Judgment. We will provide you with a copy of the Consent Judgment as soon as it has been filed and approved. The Consent Judgment will settle claims by the State that Ford and the Arizona dealers violated the Arizona Consumer Fraud Act by making false and misleading statements to consumers about the payoff amount for early termination of car leases between 1991 and 1994.

In addition to injunctive relief, the Consent Judgment will provide for a nationwide restitution program, administered by a third party to pay eligible consumers \$100 each. We believe there are about 155,000 such consumers nationwide, with about 2,400 in Arizona.

Page two
Letter to Joint Legislative Budget Committee
June 11, 2004

The Consent Judgment will also require Ford to pay \$12,820 in costs and the dealers to pay civil penalties of \$121,500. The payments by Ford and the dealers, a total of \$134,320, will be deposited into the Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01.

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,



Rene J. Rebillot
Chief Counsel
Consumer Protection & Advocacy Section
Telephone: (602) 542-7701
Fax: (602) 542-4377

Enclosure

cc: The Honorable Jack Brown
The Honorable John Loredó
The Honorable Robert Burns
Mr. Richard Stavneak
Mr. Brian Schmitz
Mr. Richard Travis
Mr. John Stevens

848042

Terry Goddard
Attorney General



Office of the Attorney General
State of Arizona

Rene Rebillot
Chief Counsel
Consumer Protection &
Advocacy Section
Telephone: 602.542.7701
Fax: 602.542.4377

July 26, 2004

The Honorable Robert Burns
Appropriations Chairman
1700 West Washington
Phoenix, Arizona 85007

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



Re: Settlement Medco Health Solutions, Inc. – Distribution Plan

Dear Gentlemen,

At the meeting of the Joint Legislative Budget Committee on June, 29, 2004, I promised to forward a copy of the distribution plan prepared pursuant to the settlement reached between Medco Health Solutions, Inc., Merck-Medco Managed Care, L.L.C., and the State of Arizona. A copy of the distribution plan we filed with the court today is enclosed.

The provision of a copy of this plan 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 a copy of this plan as a courtesy.

If you have any questions, please do not hesitate to call me at 602-542-7701.

Sincerely,

A handwritten signature in cursive script that reads "Rene J. Rebillot".

Rene J. Rebillot,
Chief Counsel
Consumer Protection & Advocacy Section
Telephone: (602) 542-7701
Fax: (602) 542-4377

RJR:tmp
Enclosure(s)

Medco Health Solutions, Inc. – Distribution Plan
The Honorable Robert Burns
The Honorable Russell Pearce
July 26, 2004
Page 2

xc:

The Honorable Mark Anderson
The Honorable Marsha Arzberger
The Honorable Timothy S. Bee
The Honorable Andy Biggs
The Honorable Meg Burton Cahill
The Honorable Robert Cannell, M.D.
The Honorable Eddie Farnsworth
The Honorable Linda Gray
The Honorable Jack W. Harper
The Honorable Steve Huffman
The Honorable John Huppenthal
The Honorable Linda Lopez
The Honorable Dean Martin
The Honorable Pete Rios
Mr. Richard Stavneak
Mr. Richard Travis

#856389

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>

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, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Kim Hohman, Senior Fiscal Analyst

SUBJECT: Attorney General – Review of Uncollectible Debts

Request

Pursuant to A.R.S. § 35-150(E), the Attorney General (AG) requests that the Joint Legislative Budget Committee review its FY 2003 listing of \$24.5 million in uncollectible debts referred to the Attorney General by state agencies for collection.

Recommendation

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

The Attorney General's Office reviewed the cases assigned to the Collection Enforcement Unit. Based on this review, the Attorney General advises that \$24.5 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 \$11.7 million due to defunct corporations, \$6.0 million due to debtors being deceased, and \$4.0 million due to insufficient debtor resources. The remaining amount is listed as uncollectible due to settlement, bankruptcy, an inability to locate the debtor, or because the cost of collection exceeds the amount of debt owed.

Of the \$24.5 million, approximately 95% are debts that were owed to four agencies, the Arizona Corporation Commission, Arizona Department of Revenue, the Registrar of Contractors, and the Industrial Commission. The remaining 5% are debts owed to 20 other agencies.

<u>Uncollectible Debt Recommended for Write-Off by Client Agency</u>		
	<u>Amount Recommended for Write-Off</u>	<u>Percentage</u>
Arizona Corporation Commission	\$10,766,639	44%
Arizona Department of Revenue	7,973,266	32%
Registrar of Contractors	3,106,210	13%
Industrial Commission	1,427,642	6%
All Others	<u>1,199,099</u>	<u>5%</u>
Total	\$24,472,856	100%

In comparison, the state removed \$9.5 million in uncollectible debt from the accounting system in FY 2002. Of the \$15.1 million increase in uncollectible debt from FY 2002 to FY 2003, \$9.2 million is the result of 3 cases involving defunct corporations and \$5.9 million is the result of 1 case involving a deceased debtor. 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



Terry Goddard
Attorney General

Office of the Attorney General
State of Arizona

Mike Kempner,
Chief Counsel TBC Section

Direct Telephone: (602) 542-8386
mike.kempner@ag.state.az.us

June 9, 2004

HAND-DELIVERED

The Honorable Robert Burns, Chairman
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007



Re: **UNCOLLECTIBLE DEBT REPORT**

Dear Senator Burns:

In accordance with A.R.S. § 35-150(E) and consistent with Richard Stavneak's letter, dated April 17, 2001, a copy of which is attached for your convenience, enclosed is the listing of all uncollectible debts owed to the State which were referred to the Collection Enforcement Revolving Fund for the fiscal year ending June 30, 2003.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Michael F. Kempner
Chief Counsel
Tax, Bankruptcy & Collection Section

MFK/mkb

Enclosures

cc: Representative Russell Pierce, Vice Chairman, w/attachments
Richard Stavneak, JLBC, w/attachments
David Jankofsky, OSPB, w/attachments
Brian Schmitz, JLBC, w/attachments
Monica Seymour, OSPB, w/attachments
Clark Partridge, State Comptroller, w/attachments
John Stevens, Attorney General's Office w/attachments
Richard Travis, Attorney General's Office, w/attachments

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

<u>Client Agency</u>	<u>Abbreviation</u>
Arizona Corporation Commission	ACC
Building and Fire Safety, Arizona Department of	BFS
Banking, Arizona State	BNK
Child and Family Protection Division, Arizona Office of the Attorney General	CFP
Consumer Protection and Advocacy, Arizona Office of the Attorney General	CPA
Environmental Quality, Arizona Department of	DEQ
Health Services, Arizona Department of	DHS
Corrections, Arizona Department of	DOC
Transportation, Arizona Department of	DOT
Game and Fish Commission, Arizona	GAF
Health Systems Development, Bureau of	HDS
Highway Division - Arizona Department of Transportation	HGD
Industrial Commission of Arizona	ICA
Liability Management Section, Arizona Office of the Attorney General	IDS
Insurance Guaranty Fund, Property and Casualty	IGF
Juvenile Corrections, Arizona Department of	JUC
Lottery Commission, Arizona State	LOT
Motor Vehicle Division - Arizona Department of Transportation	MVD
Northern Arizona University	NAU
Real Estate, Arizona Department of	RED
Regents, Arizona Board of	REG
Retirement System, Arizona State	RET
Revenue, Arizona Department of	REV
Registrar of Contractors, Arizona	ROC
Risk Management - Arizona Department of Administration	RSK
Structural Pest Control Commission	SPB
Veterinary Medical Examiners Board, State	VET
Veterans' Service Commission	VSE
Workers Compensation, Arizona Department of Administration	WKR

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ACC	LAWSON, JOHN HERMAN	03/25/03	-	987,658.08	DEBTOR IS INCARCERATED
ACC	SUPERIOR LEASING OF AZ	08/05/02	-	6,775,456.97	DEFUNCT CORPORATION
ACC	COCHISE FINANCIAL CORP.	07/30/02	-	1,319,929.00	DEFUNCT CORPORATION
ACC	FRANKLIN LORD INC.	05/07/03	-	20,000.00	DEFUNCT CORPORATION
ACC	BAR-LO MILLENNIUM CORPORATION	11/13/02	-	10,000.00	DEFUNCT CORPORATION
ACC	DAVIS, KEITH B.	08/21/02	-	1,063,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	CORRIGAN, WILLIAM GERARD	11/07/02	-	255,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	OX BOW MINES, INC.	11/14/02	7,000.00	243,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	CYPERS, RORY AUSTIN	11/05/02	-	30,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	DAVIS, KEITH B. "SKIP"	08/21/02	-	10,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	BISHOP, STEVEN/KA:HALLETT	11/05/02	-	10,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	FOSTER, DARREL	10/30/02	-	4,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	BROWN, DEEDRA	06/11/03	4,500.00	38,594.75	SETTLEMENT
				10,766,638.80	
BFS	KHANDHAR, RAMESH K. DBA VISTA DEL SOL	07/09/02	-	500.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
BFS	GAWNE, J. WILLIAM DBA FACTORY DIRECT MOBILE HOMES	08/06/02	-	27,867.32	DEBTOR IS DECEASED
BFS	TODAY'S CHOICE HOMES, INC.	03/06/03	-	5,289.29	DEFUNCT CORPORATION
BFS	BROWN, JILL	12/06/02	-	547.00	DISCHARGED IN BANKRUPTCY
BFS	VINCENT, JAMES CHARLES	06/26/03	-	7,621.90	UNABLE TO LOCATE DEBTOR
				41,825.51	
BNK	NGUYEN, LIEM	04/29/03	-	10,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				10,000.00	
CFP	MORELAND, DONIELLE	03/04/03	52.00	234.51	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
				234.51	
CPA	ACI COMMUNICATIONS, INC.	11/20/02	-	97,000.00	DEFUNCT CORPORATION
CPA	CERTIFIED COLLECTORS, INC.	03/25/03	-	48,984.58	DEFUNCT CORPORATION
CPA	GLOBAL WORLD MEDIA CORP.	07/10/02	-	77,290.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
CPA	CHERNOV, GEORGE L.	04/15/03	-	12,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
CPA	USA HOME SAFETY CORPORATION	03/19/03	-	6,676.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
CPA	NATIONAL ASSOCIATION FOR EDUCATION & PREVENTION OF AIDS	10/08/02	-	1,489.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				243,440.42	
DEQ	KERR, MARBELLA	10/29/02	-	281.05	COSTS EXCEED IN STATE DEBT UNDER \$500
DEQ	WALKER TRUCKING	07/29/02	-	200.59	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 Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
DEQ	BLAZE CONSTRUCTION	10/16/02	-	6,217.86	DEFUNCT CORPORATION
DEQ	DIVERSIFIED ENVIROMENTAL SERVICE	08/28/02	-	1,625.10	DEFUNCT CORPORATION
DEQ	GOLDEN SHORES MARINA	01/15/03	-	1,566.26	DEFUNCT CORPORATION
DEQ	OTI DBA RED DIAMOND METAL FINISH	02/25/03	-	1,217.21	DEFUNCT CORPORATION
DEQ	SONOMA PACIFIC, CO.	05/15/03	-	1,017.89	DEFUNCT CORPORATION
				12,125.96	
DHS	COUNTRY DAY ACADEMY	05/01/03	-	3,000.00	DEFUNCT CORPORATION
DHS	COUNTRY DAY ACADEMY	05/01/03	-	550.00	DEFUNCT CORPORATION
DHS	BYNES,WILHELMINA W.	10/07/02	16,744.00	14,311.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
DHS	CONTRERAS, JULIE	05/20/03	-	1,200.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
DHS	MOODY, ROBERT T.	12/10/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				19,561.23	
DOC	MANZANEO, MARY	09/19/02	800.00	83.36	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
DOC	LINDSAY, DANIEL	02/07/03	-	2,596.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
DOC	OLSON, PATRICIA	12/09/02	-	1,607.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				4,287.39	
DOT	HINTON, KEITH & BRENDA L.	02/13/03	-	1,320.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				1,320.00	
GAF	HILDEBRANDT, THEODORE	03/13/03	200.00	3,419.13	DISCHARGED IN BANKRUPTCY
GAF	DAVIS, RON	08/14/02	-	36,070.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	CARLSON, MICHAEL W.	05/13/03	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	SALDEEN, MARTIN ELIOTT	12/09/02	-	672.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	FRANCO, DANIEL J. & MARCIE	09/11/02	1,610.00	1,223.81	SETTLEMENT
GAF	BARCON, ROBERT	01/23/03	100.00	898.38	UNABLE TO LOCATE DEBTOR
				43,033.76	
HDS	SOUTHEAST ARIZONA MEDICAL CTR	10/08/02	-	1,280.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
				1,280.00	
HGD	GILL, GURPREET	01/16/03	-	660.26	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
HGD	WASHBURN, MARY L.	03/03/03	1,459.02	138.54	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
HGD	PLOTNIKOFF, ROBERT W.	08/13/02	552.05	57.80	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
HGD	DAVIS, LEROY & JONES, SHIRLIND	10/24/02	-	735.37	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
HGD	SOLIS, CARLOS, & LOPEZ, MARIBE	11/01/02	-	687.57	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
HGD	OROURKE, PATRICK	07/09/02	-	610.95	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
HGD	ADDINGTON, SERENA	11/04/02	-	554.62	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
HGD	FATTALEH, PETER GARY	10/24/02	-	8,011.50	DEBTOR IS DECEASED
HGD	GISTER, PHILIP M.	02/21/03	630.58	1,313.43	DEFUNCT CORPORATION
HGD	CARR, MICHELLE RENEE	03/13/03	-	849.94	DISCHARGED IN BANKRUPTCY
HGD	HOVERSON, JR. HERBERT E.	03/31/03	-	7,291.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GONZALES, JOHNNY MANUEL	05/13/03	3,295.37	6,126.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CRISTOBAL, HECTOR MIGUEL	09/17/02	-	5,851.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	TELLEZ, FRANCISCO	09/26/02	-	5,831.06	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ESPERANZA, JOHN T.	11/04/02	101.00	5,545.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	RAMIREZ, CLAUDIA G. & ORTEGA, A.	03/25/03	-	5,263.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	SABAN, DENNIS N.	10/21/02	-	4,252.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ANILES, VERONICA	09/18/02	-	2,579.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ROCHA, JOHN J. & MENA, OSBALDO	01/09/03	-	2,462.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	THOMAS, ROBERT	12/04/02	-	2,389.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	WILLIAMS, GINA R.	08/29/02	-	2,283.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	VARGAS, CECILIO	01/17/03	-	2,227.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CHAVEZ, RACHEL B.	11/20/02	-	2,142.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	TATAREN, HEATHER & GILLETT, J.	10/21/02	-	1,918.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CHRISTIANSSEN, SHAWN M.	06/10/03	-	1,887.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	SIMPSON, BONNELYN	09/09/02	-	1,879.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GASIOR, CHRIS/MOSCICKI, ROBERT	12/02/02	-	1,805.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	SALAZAR, PEDRO I.	05/16/03	-	1,619.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	RODRIGUEZ, MARIA & GONZALEZ, R.	11/21/02	-	1,553.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CARDENAS, JESUS & CAMACHO, G.	08/06/02	-	1,549.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PRIETO, ALFREDO & BARBA, BEATRIZ	01/16/03	-	1,423.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	DUNBAR, DANIEL J.	02/13/03	-	1,411.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	DELEON, PAUL & HENRICKS, FARUQ	11/14/02	-	1,293.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	MEYER, STEPHEN	07/10/02	-	1,285.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	HARRIS, BRANDON Q.	04/14/03	-	1,089.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BILBREY, JOHN PAUL & MINDY	11/14/02	-	931.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CURLEY, WAYLON GENE	06/11/03	-	909.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ESPERICUETA, EMILLIO G.	12/09/02	-	854.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ROBERTS, CLARA M.	05/28/03	190.00	838.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	MENDOZA, MARCARIO & IMPERIAL, DAVID	10/31/02	-	837.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ROBERTSON, RICK & WILLIAMSON-BOWERS, ANN	11/07/02	-	710.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	LIZARDI, VICTOR D.	02/13/03	-	706.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PEREZ, JOSE A.	09/17/02	-	701.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
HGD	HOOD, ROBERT L.	10/10/02	-	688.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	VEGA, OCTAVIO & CABRERA, JOSE	10/31/02	-	676.18	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	RAMIREZ, JOSE F. VILLASENOR	11/06/02	-	653.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PACHECO, HUMBERO & BAEZ, TAIMO	04/11/03	-	634.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ARENAS, FLORENTINO	09/17/02	-	595.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CARRILLO, ROBERT	12/17/02	-	582.20	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ORTIZ, JOSE / GONZALES, PROCOP	11/12/02	-	582.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	MANUEL, VANESSA	11/06/02	-	556.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BEGAY, FRANK T.	10/09/02	-	550.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CRUZ, CHRISTINE S.	07/30/02	-	426.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	LARA, MARIA I. & TEODOLO	08/14/02	-	381.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	DIAMONDBACK DELIVERY	01/22/03	2,043.42	96.90	SETTLEMENT
HGD	NORRIS, AMBER & HAYNES, ROBERT	09/26/02	-	7,579.63	UNABLE TO LOCATE DEBTOR
HGD	SALAZAR, ANDY RAY	04/29/03	25.00	4,238.11	UNABLE TO LOCATE DEBTOR
HGD	LOPEZ RAMIREZ, ESTEBAN	02/28/03	-	3,169.15	UNABLE TO LOCATE DEBTOR
HGD	ROBERTS, KAREE & KOOPEN, JOHN	07/30/02	-	2,760.68	UNABLE TO LOCATE DEBTOR
HGD	I & V EXPRESS INC.	02/12/03	-	2,500.52	UNABLE TO LOCATE DEBTOR
				120,004.55	
ICA	BECK, JULIE	12/18/02	-	1,680.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ICA	STAFFORD, KARL	05/13/03	1,000.00	63.63	COSTS EXCEED IN STATE DEBT UNDER \$500
ICA	GENE'S ORNAMENTAL IRON WORKS	06/05/03	469.19	30.81	COSTS EXCEED IN STATE DEBT UNDER \$500
ICA	PONERANTZ, INA	11/06/02	-	4,369.78	DEBTOR IS DECEASED
ICA	HARVEY, RICHARD	01/16/03	-	28,861.65	DEBTOR IS INCARCERATED
ICA	MCSMITH HOMES, INC.	05/18/03	-	281,941.59	DEFUNCT CORPORATION
ICA	WOLFEN STUFF CORPORATION	01/30/03	-	53,665.57	DEFUNCT CORPORATION
ICA	SUNNY'S PUB, INC.	01/22/03	-	49,879.40	DEFUNCT CORPORATION
ICA	CREEL HOMES, INC.	08/28/02	-	19,365.43	DEFUNCT CORPORATION
ICA	MINGA'S MEXICAN FOOD RESTAURANT	10/31/02	-	19,183.45	DEFUNCT CORPORATION
ICA	COLAR GROUP, INC.	12/17/02	-	19,146.33	DEFUNCT CORPORATION
ICA	KODIAK, INC. DBA STEVE'S MESA AUTO REPAIR	01/16/03	-	14,251.01	DEFUNCT CORPORATION
ICA	FABTEX, INC.	04/25/03	-	11,718.71	DEFUNCT CORPORATION
ICA	THE RACK, INC.	01/14/03	-	8,625.00	DEFUNCT CORPORATION
ICA	SUPERIOR CARBURETOR, INC.	01/15/03	-	8,193.61	DEFUNCT CORPORATION
ICA	HSF CONSTRUCTION COMPANIES	09/30/02	-	5,500.00	DEFUNCT CORPORATION
ICA	CAMS TRANSMISSIONS, INC.	06/09/03	-	5,290.21	DEFUNCT CORPORATION
ICA	A/C OPTIMIZERS, INC.	10/29/02	-	5,286.08	DEFUNCT CORPORATION
ICA	SHAW, BILL & SMITH, ART	04/24/03	-	4,258.39	DEFUNCT CORPORATION

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ICA	SIGNATURE HOSPITALITY RESOURCE	02/14/03	-	3,750.00	DEFUNCT CORPORATION
ICA	ACCURATE THERMOPLASTICS, INC.	01/14/03	-	2,625.00	DEFUNCT CORPORATION
ICA	WATERTITE ROOFING, L.L.C.	07/02/02	-	2,500.00	DEFUNCT CORPORATION
ICA	HIGHLAND WOODWORK, CO. L.L.C.	12/31/02	-	2,429.91	DEFUNCT CORPORATION
ICA	AZSCAPES LANDSCAPE MANAGEMENT	03/26/03	-	2,360.49	DEFUNCT CORPORATION
ICA	DIAMOND TOWING & OFF ROAD RECOVERY, INC.	10/23/02	-	2,123.38	DEFUNCT CORPORATION
ICA	PHOENIX HOME BUILDERS GROUP	04/14/03	-	2,121.87	DEFUNCT CORPORATION
ICA	AUDIO 2000, INC.	11/12/02	-	2,062.00	DEFUNCT CORPORATION
ICA	BMI, L.L.C.	05/23/03	-	1,986.18	DEFUNCT CORPORATION
ICA	ARROYO AUTO SERVICE AND TIRES	12/09/02	-	1,937.00	DEFUNCT CORPORATION
ICA	SOUTHWEST LETTERPRESS, INC.	08/27/02	-	1,803.01	DEFUNCT CORPORATION
ICA	JEANNE'S WORKROOM, INC.	02/05/03	-	1,763.31	DEFUNCT CORPORATION
ICA	SPECIALTY FREIGHT LINES, INC.	07/02/02	-	1,713.87	DEFUNCT CORPORATION
ICA	P & P ENTERPRISES, INC.	04/11/03	-	1,523.80	DEFUNCT CORPORATION
ICA	NATIONWIDE ELECTRONIC REBUILDERS	09/25/02	-	1,486.49	DEFUNCT CORPORATION
ICA	OUR TRIBE, INC.	08/01/02	-	1,440.00	DEFUNCT CORPORATION
ICA	SUNTERO DEVELOPMENT & CONSTRUCTION	09/13/02	-	1,250.00	DEFUNCT CORPORATION
ICA	VERTICAL BLINDS USA OF ARIZONA	08/23/02	-	1,125.00	DEFUNCT CORPORATION
ICA	SHAW, BILLY & ART SMITH	04/24/03	-	1,074.67	DEFUNCT CORPORATION
ICA	KINDELSPIRE CLASSICS, INC.	01/13/03	-	1,043.28	DEFUNCT CORPORATION
ICA	SUPERIOR CARBURETOR, INC.	11/01/02	-	1,000.00	DEFUNCT CORPORATION
ICA	MID-CITY GLASS & MIRROR CO., INC.	04/15/03	-	961.08	DEFUNCT CORPORATION
ICA	WATERTITE ROOFING, L.L.C.	07/02/02	-	890.20	DEFUNCT CORPORATION
ICA	R & A DESIGN PRODUCTS, INC.	07/18/02	-	829.40	DEFUNCT CORPORATION
ICA	LA BUENA MEXICAN FOODS, INC.	09/25/02	-	815.93	DEFUNCT CORPORATION
ICA	SHADOW RIDGE CHARTER SCHOOL, INC.	02/13/03	-	750.68	DEFUNCT CORPORATION
ICA	ALLSTAR, INC.	02/12/03	-	709.46	DEFUNCT CORPORATION
ICA	PEST CONTROL SPECIALISTS, INC.	06/19/03	-	610.75	DEFUNCT CORPORATION
ICA	WATERTITE ROOFING, L.L.C.	07/02/02	-	559.74	DEFUNCT CORPORATION
ICA	R & L LEASING, L. L. C.	05/23/03	-	500.00	DEFUNCT CORPORATION
ICA	ARROWCON, INC. DBA EBBERT'S HOMES	07/18/02	-	500.00	DEFUNCT CORPORATION
ICA	VALLEY WIRELESS SOLUTIONS, INC.	04/11/03	-	500.00	DEFUNCT CORPORATION
ICA	WILSON VENTURES, INC.	01/14/03	-	500.00	DEFUNCT CORPORATION
ICA	WILSON VENTURES, INC.	01/13/03	-	500.00	DEFUNCT CORPORATION
ICA	MID-CITY GLASS & MIRROR CO., INC.	10/30/02	-	500.00	DEFUNCT CORPORATION
ICA	MID-CITY GLASS & MIRROR CO., INC.	10/30/02	-	500.00	DEFUNCT CORPORATION
ICA	MEMORIES EATERY & PUB, INC.	02/12/03	-	500.00	DEFUNCT CORPORATION
ICA	MEMORIES EATERY & PUB, INC.	02/12/03	-	500.00	DEFUNCT CORPORATION

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ICA	JIM & CAROL'S MAIL & MORE, INC.	09/05/02	-	500.00	DEFUNCT CORPORATION
ICA	JIM & CAROL'S MAIL & MORE INC.	11/06/02	-	500.00	DEFUNCT CORPORATION
ICA	ARIZONA STEAM WAY DISTRIBUTORS	10/30/02	-	500.00	DEFUNCT CORPORATION
ICA	ARIZONA STEAM WAY DISTRIBUTORS	10/30/02	-	500.00	DEFUNCT CORPORATION
ICA	MGS MARKETING, INC.	01/08/03	-	500.00	DEFUNCT CORPORATION
ICA	MGS MARKETING, INC.	01/08/03	-	500.00	DEFUNCT CORPORATION
ICA	XECORE CORP.	10/08/02	-	500.00	DEFUNCT CORPORATION
ICA	XECORE CORP.	10/08/02	-	500.00	DEFUNCT CORPORATION
ICA	J & W SERVICES, INC.	04/29/03	-	500.00	DEFUNCT CORPORATION
ICA	AVANTI INVESTMENTS, INC.	10/17/02	-	500.00	DEFUNCT CORPORATION
ICA	AVANTI INVESTMENTS, INC.	10/17/02	-	500.00	DEFUNCT CORPORATION
ICA	A.M. MANAGEMENT, INC.	10/10/02	-	500.00	DEFUNCT CORPORATION
ICA	A.M. MANAGEMENT, INC.	10/10/02	-	500.00	DEFUNCT CORPORATION
ICA	VALLARTAS MEXICAN & SEAFOOD	01/16/03	-	500.00	DEFUNCT CORPORATION
ICA	LA FAMILIA BERNAL, INC.	08/23/02	-	500.00	DEFUNCT CORPORATION
ICA	LA FAMILIA BERNAL, INC.	08/23/02	-	500.00	DEFUNCT CORPORATION
ICA	BADA FAMILY CLOTHING STORE, INC.	06/19/03	-	500.00	DEFUNCT CORPORATION
ICA	BADA FAMILY CLOTHING STORE, INC.	06/19/03	-	500.00	DEFUNCT CORPORATION
ICA	TUCSON PHOENIX SHUTTLE, INC.	06/19/03	-	500.00	DEFUNCT CORPORATION
ICA	TUCSON PHOENIX, SHUTTLE, INC.	11/04/02	-	500.00	DEFUNCT CORPORATION
ICA	MANAGED PROPERTY MAINTENANCE	06/19/03	-	500.00	DEFUNCT CORPORATION
ICA	MANAGED PROPERTY MAINTENANCE	06/19/03	-	500.00	DEFUNCT CORPORATION
ICA	TRADE DEPOT, INC.	08/27/02	-	500.00	DEFUNCT CORPORATION
ICA	TRADE DEPOT, INC.	08/27/02	-	500.00	DEFUNCT CORPORATION
ICA	MILL AVENUE GOURMET FOODS, INC.	01/15/03	-	500.00	DEFUNCT CORPORATION
ICA	D & Y HI-TECH SYSTEMS, INC.	12/10/02	-	500.00	DEFUNCT CORPORATION
ICA	D & Y HI-TECH SYSTEMS, INC.	12/10/02	-	500.00	DEFUNCT CORPORATION
ICA	A/C OPTIMIZERS, INC.	10/29/02	-	500.00	DEFUNCT CORPORATION
ICA	A/C OPTIMIZERS, INC.	10/29/02	-	500.00	DEFUNCT CORPORATION
ICA	WHAT'S YOUR BEEF, INC.	07/26/02	-	500.00	DEFUNCT CORPORATION
ICA	WHAT'S YOUR BEEF, INC.	07/26/02	-	500.00	DEFUNCT CORPORATION
ICA	PADTEK, INC.	07/30/02	-	500.00	DEFUNCT CORPORATION
ICA	INTEGRITY AUTO REPAIR, INC.	12/11/02	-	400.00	DEFUNCT CORPORATION
ICA	TURLEY, MELVIN & LAREE	02/19/03	-	52,686.18	DISCHARGED IN BANKRUPTCY
ICA	SALAZAR, DENNIS LEROY & JANE	02/04/03	-	2,048.00	DISCHARGED IN BANKRUPTCY
ICA	MAMODE, KENNETH & WINSOME	02/25/03	-	1,686.00	DISCHARGED IN BANKRUPTCY
ICA	SIMMONS, BRUCE	09/19/02	268.99	1,113.72	DISCHARGED IN BANKRUPTCY
ICA	BRICKER, MICHAEL J. D.D.S., P.C.	07/11/02	-	500.00	DISCHARGED IN BANKRUPTCY

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ICA	SMITH, MICHAEL & MARILYN	05/01/03	1,957.46	125,307.41	DISCHARGED IN BANKRUPTCY
ICA	SHAHAN, KELLEY W.	06/04/03	5,296.39	42,044.41	JUDGMENT EXPIRED
ICA	STEPHENS, ERIC J. & TANYA M.	07/31/02	-	145,501.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SCHEP, DAVID	03/08/03	-	143,669.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	YOO, SEONG SOO	02/12/03	-	122,003.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VOSE, ROBERT	12/10/02	-	57,735.99	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ELLIOTT, FRED	07/29/02	-	28,964.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KRUZ, JOHN	04/16/03	-	17,225.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MILLS, MARK	09/25/02	-	13,986.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HORABUENA, DEMITRIO & LYNN	07/30/02	-	11,123.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SOTO, WILLIAM & NANCY	06/11/03	-	6,100.34	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	RISTAU, JAMISON C. DBA J & K L	03/24/03	-	4,541.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MILLS, MARK	09/25/02	-	2,700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SPRINGER, JEFFREY LEE	04/16/03	-	2,100.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	PETERSEN, CARL	10/31/02	-	1,626.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VALENZUELA, TONY & ESTELA	03/05/03	-	1,111.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SHAIN MARKET / COKER, EDURADO	09/18/02	-	1,039.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	OJEDA, DANIEL	06/11/03	-	800.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	AUTO CLINIC REPAIR CENTER L.L.C.	04/08/03	-	699.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FISHER, JAMES & LYNN	06/11/03	-	651.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KNAPP, LEROY DBA, L J K CONSTRUCTION	07/11/02	200.00	535.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SHANEROCKS, L.L.C. DBA CORONADO STONECUTTERS	04/10/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SHANEROCKS, L.L.C. DBA CORONADO STONECUTTERS	04/10/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	COLLINS-MERKEL, L.L.C.	12/10/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	COLLINS-MERKEL, L.L.C.	12/10/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	NORTON, JACKIE	07/30/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	NORTON, JACKIE	07/30/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	EASTMAN, BOB	08/02/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DELGADO, MARIA DBA LA ESQUINA	09/18/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	A.L.H. ENTERPRISES, INC.	12/04/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HORABUENA, DEMETRIO & LYNN	07/30/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HORABUENA, DEMETRIO & LYNN	07/30/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HOFLE, REBECCA S DBA PEPPY LOU'S RESTAURANT	04/15/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HOFLE, REBECCA S DBA PEPPY LOU'S RESTAURANT	04/15/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BELEK, HARRY	04/15/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BELEK, HARRY	04/15/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VALENZUELA, TONY & ESTELA	11/07/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VALENZUELA, TONY & ESTELA	11/07/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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ICA	SPRINGER, JEFFREY L.	04/16/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LITCHFIELD, DENNY	06/12/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	TRUDEAU, JAMES	11/06/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	TRUDEAU, JAMES	11/06/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CORVELL, ROBERT	07/12/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CORVELL, ROBERT	07/12/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BUDD, JOE WAYNE	09/17/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BUDD, JOE WAYNE	09/17/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KNAPP, LEROY	07/11/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	TWEEDY, SCOTT	11/12/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FULLER, LAUREN	03/20/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SHAFFER, JAMES & TERESA	09/17/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GOODMAN, JIM	04/11/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	RUSSELL, PAUL NICK & FRANCES	12/12/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	RUSSELL, PAUL NICK & FRANCES	12/12/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DILETTOSO, SAM DBA BACKTRACKS RESTAURANT	12/05/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DILETTOSO, SAM DBA BACKTRACKS RESTAURANT	12/05/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SARIAN, JERRY & MARIE	01/30/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GESCHWENG, ROBERT	12/24/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GESCHWENG, ROBERT	12/24/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	WOODS, BRUCE	09/19/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	WOODS, BRUCE	09/19/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ARGOMANIZ, CARLOS	01/09/03	184.09	498.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	EICH, RICHARD & MARGARET	05/12/03	37,196.26	2,345.01	SETTLEMENT
ICA	SPORTS PLUS, L.L.C.	08/02/02	250.00	408.36	SETTLEMENT
ICA	SPORTS PLUS, L.L.C.	08/02/02	250.00	400.82	SETTLEMENT
ICA	NOTHEIS, SHARON	05/19/03	-	7,118.52	UNABLE TO LOCATE DEBTOR
ICA	ENFUEGO, L.L.C.	04/28/03	-	910.81	UNABLE TO LOCATE DEBTOR
ICA	ADRIAN CARREON CHAVEZ	10/22/02	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	ADRIAN CARREON CHAVEZ	10/22/02	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	STEVENS, KEVIN DBA VERICHEK AZ	06/11/03	-	500.00	UNABLE TO LOCATE DEBTOR
				<u>1,427,641.77</u>	
IDS	SEPULVEDA, JACK A.	08/22/02	268.00	527.05	DEBTOR IS INCARCERATED
IDS	OKOREN, CHARLES	10/30/02	-	18,512.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IDS	GUEVARA, TRUEDICIA R. & RAFAEL	04/16/03	257.27	7,835.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IDS	FUDGE, KATHERINE A.	10/30/02	-	6,078.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IDS	JACKSON, GWENDOLYN	07/31/02	-	5,562.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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IDS	KREAGER, JAMES	10/30/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IDS	FINKELSTEIN, EDWARD	11/14/02	-	199.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				39,215.81	
IGF	BROKEN ARROW, INC.	12/16/02	2,500.00	58.11	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
IGF	VARGAS, CARLOS	08/28/02	-	10,034.35	DEBTOR IS INCARCERATED
IGF	LARES, ALFONSO	11/21/02	-	5,047.00	DISCHARGED IN BANKRUPTCY
IGF	SEMRAD, JOHN	11/19/02	-	7,828.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IGF	GLASSMAN, MARILYN S. AKA DODIG	12/04/02	-	934.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				23,902.43	
JUC	WILSON, KENNETH	04/30/03	-	584.10	DEBTOR IS DECEASED
JUC	RANDALL, WILLIAM	12/03/02	-	1,651.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	FERNANDEZ, LOURDES	04/14/03	-	720.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	JUNG, KATHY	03/27/03	-	700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				3,655.10	
LOT	CHEROKEE MOUNTAIN MARKET	08/23/02	-	172.48	COSTS EXCEED IN STATE DEBT UNDER \$500
LOT	HAMZA, DAOUD	03/13/03	4,672.94	23,789.65	DEBTOR IS DECEASED
LOT	THE NUT TREE, INC.	04/29/03	-	4,218.24	DEFUNCT CORPORATION
LOT	E & B DENTON, INC. DBA VILLAGE STORE	07/19/02	-	748.97	DEFUNCT CORPORATION
LOT	EAGLESHAM, BRUCE A. & TEDDI A.	10/07/02	-	7,539.84	DISCHARGED IN BANKRUPTCY
LOT	JENNER, ARTHUR & MARYLOU	09/19/02	525.00	387.63	DISCHARGED IN BANKRUPTCY
LOT	ABDULLAH, MOHAMED A.	12/06/02	-	40,148.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	LULU, SCOTT D.	12/05/02	405.38	9,276.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	ROBERTS, MICHAEL & AUDREY	04/25/03	-	5,246.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
LOT	SCHUMACK, STEPHEN M & OLGA	07/10/02	2,746.34	2,000.00	SETTLEMENT
LOT	HILTON, CHARLES & VALERIE	09/23/02	2,255.00	780.16	SETTLEMENT
LOT	M.P.N.S. INC.	07/11/02	1,238.70	294.86	SETTLEMENT
				94,604.40	
MVD	DOMER TRUCKING, INC.	03/24/03	22,000.00	100,297.68	DEFUNCT CORPORATION
MVD	DORSO, FRANK DBA DORSO ENTERPRISES, INC.	09/13/02	-	99,985.85	DEFUNCT CORPORATION
MVD	CARRILLO CRANE & RIGGING CORP.	07/30/02	-	14,935.77	DEFUNCT CORPORATION
MVD	P P & G, INC.	06/06/03	-	11,230.08	DEFUNCT CORPORATION
MVD	TSOBIM ENTERPRISES INC.	02/12/03	-	3,705.22	DEFUNCT CORPORATION
MVD	UMBARGER, MARY ANN	02/26/03	-	1,074.13	DEFUNCT CORPORATION
MVD	YOUNG EXPRESS INC.	01/28/03	-	519.81	DEFUNCT CORPORATION

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
MVD	SNIDER EXPRESS LIMITED	08/15/02	-	510.14	DEFUNCT CORPORATION
MVD	MENDOZA, PABLO A.	07/09/02	-	42,493.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	MARQUEZ, MARIE & JUAN	12/18/02	1,800.00	13,506.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	HILL, BOBBY	01/16/03	-	7,422.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	MCDUFFIE, KEITH	10/08/02	-	5,533.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	RIGGS, TERRY	08/13/02	-	4,491.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	KLEEN, JAMES D.	04/16/03	655.00	2,345.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	ALGOOD, JAMES	04/02/03	-	7,433.90	UNABLE TO LOCATE DEBTOR
MVD	GADD, CARL W.	09/09/02	-	2,801.71	UNABLE TO LOCATE DEBTOR
				<u>318,287.11</u>	
NAU	RISTAU, MATTHEW T	08/01/02	-	549.87	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
NAU	NUMKENA, TALAWVA	08/21/02	-	821.31	DEBTOR RESIDES ON INDIAN RESERVATION
NAU	MARTINEZ, LEON	04/14/03	-	8,943.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	EL-DEHAIBI, BONNIE K.	08/01/02	-	8,902.90	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	GIBSON, CHRISTINE	09/18/02	-	5,704.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	OKTAB, ANDRZEJ & ANNA	07/30/02	-	5,333.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	FITZHUGH, RICHARD L.	04/15/03	-	4,739.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	WOODS, IAN MATTHEW	09/06/02	-	3,714.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	PITRE-BROWN, KIMBERLY R. III	11/14/02	-	3,582.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	CARPINTERI, PAOLO & MONICA	04/11/03	114.00	3,135.64	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	KIMBRIEL, SHARON K.	10/02/02	-	3,092.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	BUSBY, DANIEL FRANK	03/20/03	25.00	2,882.61	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	EBY, ROBERT	08/21/02	-	2,758.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MALONEY, DARCY	02/14/03	-	2,490.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MEDEIROS, JEAN M.	10/31/02	3,050.03	2,457.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	LANE, ROGER DALE III	01/09/03	400.00	1,872.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	RATHER, DONALD A.	09/09/02	1,614.00	1,763.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	THOMPSON, DELORCIA L.	08/01/02	-	1,662.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	BAHE, ISABEL	03/14/03	-	1,562.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	SOBOLEWSKI-MORRIS, TANYA S.	08/01/02	-	1,447.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	AUSTIN, LARNELL	11/19/02	-	1,444.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	CHIEF, LORI JEAN	09/17/02	-	1,390.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	HANNAH, REGINALD	07/24/02	-	1,284.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	LABELL, TODD	07/02/02	-	1,241.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MORGAN, KAREN ELAINE	08/01/02	-	1,111.34	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	CHIEF, LORI JEAN	08/30/02	-	1,070.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	GENTER, KEVIN	08/06/02	-	818.27	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
NAU	PARSLEY, ANGELA RENEE	08/30/02	-	801.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	RAY, GEORGE	11/14/02	-	668.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	BURNHAM-DEL GIORGIO, HEIDI L.	09/10/02	2,600.00	651.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	KOLDEN, ERIC C.	05/12/03	982.15	1,130.01	SETTLEMENT
NAU	MARTINEZ, CARLOS GREGORY	08/22/02	3,000.00	534.00	SETTLEMENT
NAU	CORDOVA, OSCAR	03/27/03	-	4,523.66	UNABLE TO LOCATE DEBTOR
NAU	CONWAY, ANNA CHRISTINA	09/17/02	-	1,814.90	UNABLE TO LOCATE DEBTOR
NAU	ELMORE, JOHN KING	07/02/02	-	1,344.74	UNABLE TO LOCATE DEBTOR
				<u>87,247.14</u>	
RED	WILLIS, JEAN ANN	10/23/02	-	22,498.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	DILLING, JUDITH R.	10/08/02	-	11,128.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	RODGERS, KIT ZINSER	07/02/02	-	2,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	NAGGAR, LEE	04/15/03	4,000.00	4,625.00	SETTLEMENT
				<u>40,252.39</u>	
REG	BRODERIUS, DOUGLAS KENT	04/23/03	1,792.33	293.77	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REG	ALLEN, ALFRED S. JR.	08/27/02	2,875.00	14,081.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				<u>14,375.49</u>	
RET	SPAIN, MARGUERITE	01/29/03	-	688.26	DEBTOR IS DECEASED
RET	TALLENT, VIOLET	12/31/02	-	728.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RET	VINING, PAMELA	06/26/03	-	878.29	UNCOLLECTIBLE PROBATE CLAIM NOT TIMELY FILED
				<u>2,295.40</u>	
REV		02/05/03	4,482.50	12,463.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		07/17/02	-	3,654.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		08/15/02	1,300.00	1,776.36	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		01/09/03	-	1,620.04	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		01/09/03	-	1,564.52	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		07/17/02	-	1,284.54	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		09/18/02	-	1,210.66	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		12/10/02	886.23	35.50	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		12/11/02	739.64	32.42	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		01/14/03	1,521.36	21.36	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		10/24/02	-	458.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		10/22/02	-	440.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		10/16/02	-	391.00	COSTS EXCEED IN STATE DEBT UNDER \$500

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		01/23/03	-	377.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		02/24/03	-	312.76	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		02/24/03	-	210.70	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		08/22/02	-	204.81	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		10/22/02	-	168.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		02/11/03	627.48	99.62	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		01/09/03	5,626.93	45.36	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		05/14/03	-	40.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		05/14/03	-	36.00	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		01/16/03	1,711.68	13.32	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		02/24/03	-	11.70	COSTS EXCEED IN STATE DEBT UNDER \$500
REV		11/27/02	-	580.77	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		09/24/02	-	501.16	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		02/21/03	-	434.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		05/23/03	-	392.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		02/26/03	-	384.21	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		04/18/03	-	352.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		07/01/02	-	351.65	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		10/17/02	-	344.05	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		11/01/02	-	317.19	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		10/15/02	-	316.72	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		07/20/02	-	294.35	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		08/14/02	-	290.63	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		07/19/02	-	279.41	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		05/28/03	-	278.39	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		09/19/02	-	270.18	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		01/08/03	-	242.69	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		02/13/03	-	231.90	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		09/17/02	-	200.81	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
REV		03/03/03	1,700.40	9,333.46	DEBTOR IS DECEASED
REV		08/26/02	3,908.22	5,869.64	DEBTOR IS DECEASED
REV		11/07/02	-	4,993.44	DEBTOR IS DECEASED
REV		02/26/03	-	2,168.22	DEBTOR IS DECEASED
REV		02/24/03	-	1,539.00	DEBTOR IS DECEASED
REV		01/09/03	-	1,021.24	DEBTOR IS DECEASED
REV		04/30/03	840.00	647.12	DEBTOR IS DECEASED
REV		08/26/02	-	505.00	DEBTOR IS DECEASED
REV		01/22/03	-	380.35	DEBTOR IS DECEASED

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		07/30/02	-	347.56	DEBTOR IS DECEASED
REV		06/10/03	-	317.56	DEBTOR IS DECEASED
REV		03/27/03	-	166.00	DEBTOR IS DECEASED
REV		08/15/02	-	952.00	DEBTOR IS INCARCERATED
REV		12/12/02	-	632.27	DEBTOR IS INCARCERATED
REV		01/14/03	-	587.21	DEBTOR IS INCARCERATED
REV		12/06/02	-	350.11	DEBTOR IS INCARCERATED
REV		02/25/03	-	1,587.82	DEBTOR RESIDES ON INDIAN RESERVATION
REV		01/09/03	-	1,158.29	DEBTOR RESIDES ON INDIAN RESERVATION
REV		09/19/02	-	746.00	DEBTOR RESIDES ON INDIAN RESERVATION
REV		05/23/03	-	169,635.02	DEFUNCT CORPORATION
REV		05/07/03	-	132,969.20	DEFUNCT CORPORATION
REV		01/29/03	-	42,441.49	DEFUNCT CORPORATION
REV		05/28/03	-	17,704.31	DEFUNCT CORPORATION
REV		01/27/03	-	14,688.66	DEFUNCT CORPORATION
REV		08/27/02	-	11,360.72	DEFUNCT CORPORATION
REV		08/27/02	-	10,606.75	DEFUNCT CORPORATION
REV		08/27/02	-	9,690.26	DEFUNCT CORPORATION
REV		11/21/02	-	8,901.40	DEFUNCT CORPORATION
REV		09/25/02	-	5,654.63	DEFUNCT CORPORATION
REV		11/09/02	-	3,668.00	DEFUNCT CORPORATION
REV		12/06/02	-	3,208.04	DEFUNCT CORPORATION
REV		10/02/02	-	3,055.92	DEFUNCT CORPORATION
REV		09/17/02	-	2,712.08	DEFUNCT CORPORATION
REV		09/10/02	-	2,540.41	DEFUNCT CORPORATION
REV		05/12/03	-	1,962.67	DEFUNCT CORPORATION
REV		11/06/02	-	1,466.00	DEFUNCT CORPORATION
REV		09/25/02	-	1,306.92	DEFUNCT CORPORATION
REV		09/24/02	-	877.12	DEFUNCT CORPORATION
REV		04/24/03	-	831.60	DEFUNCT CORPORATION
REV		11/06/02	-	764.00	DEFUNCT CORPORATION
REV		04/18/03	-	27,987.78	DISCHARGED IN BANKRUPTCY
REV		06/19/03	206.90	1,315.33	DISCHARGED IN BANKRUPTCY
REV		03/27/03	-	761.00	DISCHARGED IN BANKRUPTCY
REV		08/23/02	-	739.77	DISCHARGED IN BANKRUPTCY
REV		07/16/02	-	84,195.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/04/03	-	30,769.94	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	26,790.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		11/14/02	-	19,479.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/15/03	-	18,984.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/20/03	-	16,219.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/02	847.90	14,082.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/29/02	1,485.51	13,573.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/10/03	-	10,543.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/10/03	98.01	10,492.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/21/03	-	9,654.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/02/02	-	9,113.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/26/02	-	8,855.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/07/03	-	8,606.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/09/03	1,496.44	8,120.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/14/02	-	7,879.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/05/03	-	7,852.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/25/02	50.00	7,341.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/03/03	439.86	7,063.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/18/02	400.00	7,002.93	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/14/03	-	6,295.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/14/02	2,241.28	6,294.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/05/03	-	6,278.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/12/03	-	6,237.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/05/02	-	6,097.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	6,058.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/05/02	-	5,912.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/26/03	-	5,778.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/17/02	4,000.00	5,426.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/09/03	-	5,221.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/27/03	-	5,216.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	5,173.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/14/02	500.00	4,999.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/13/03	-	4,911.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/22/02	-	4,817.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/25/02	-	4,780.64	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/16/03	-	4,769.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/24/02	-	4,709.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/05/03	6,751.58	4,694.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/03/03	-	4,675.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/07/03	-	4,536.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		01/16/03	-	4,520.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/26/03	-	4,507.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	4,502.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/02	-	4,496.94	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	4,464.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/19/02	-	4,354.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/18/02	700.00	4,308.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/09/02	200.00	4,248.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/18/02	3,560.20	4,177.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/14/02	-	4,074.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/19/02	-	4,018.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/12/02	-	3,942.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/13/03	-	3,921.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/13/03	-	3,904.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/16/02	-	3,862.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/05/02	-	3,852.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/05/02	-	3,801.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/12/02	-	3,781.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/19/02	-	3,768.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/14/03	-	3,711.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	3,540.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/08/02	-	3,488.20	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/24/03	-	3,389.20	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/27/03	-	3,361.06	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/09/03	-	3,155.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/02	-	3,104.34	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/17/03	-	3,069.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/07/02	-	2,994.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/10/02	-	2,993.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/08/03	-	2,988.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/17/03	-	2,944.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/24/03	-	2,904.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/18/02	-	2,772.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/05/02	-	2,758.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/01/02	-	2,722.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/31/02	-	2,671.52	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/22/02	-	2,637.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/06/02	-	2,598.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		04/23/03	-	2,538.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/13/02	-	2,526.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	2,488.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/08/02	-	2,348.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/13/03	-	2,343.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/12/03	-	2,300.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/08/02	-	2,285.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/14/03	-	2,282.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/23/02	-	2,273.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	2,244.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/01/03	-	2,212.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/13/03	20.00	2,191.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	2,169.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	2,167.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	2,163.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	2,150.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/30/03	-	2,127.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/09/02	13,898.35	2,119.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/24/02	-	2,112.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/16/03	-	2,102.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/13/03	-	2,069.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/13/02	-	2,055.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/14/03	-	2,039.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/20/02	-	2,026.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	1,994.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	1,986.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/02	-	1,982.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/09/02	-	1,948.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/15/03	-	1,929.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/07/03	-	1,895.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/02/02	-	1,892.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/21/02	-	1,890.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/17/02	-	1,860.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/24/03	-	1,840.20	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/07/03	-	1,834.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/16/03	50.00	1,794.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/17/03	-	1,785.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/31/02	-	1,768.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		08/14/02	-	1,727.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	1,723.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/01/02	-	1,681.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/07/02	-	1,658.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/02	-	1,656.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/18/02	-	1,650.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/14/03	-	1,638.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	1,626.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	1,600.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/13/02	-	1,573.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/14/03	-	1,546.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/23/03	-	1,536.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	1,528.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/07/03	-	1,520.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/28/03	-	1,519.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/31/02	-	1,516.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	1,516.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/11/03	-	1,512.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	1,509.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/14/03	-	1,508.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/21/03	-	1,507.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	1,501.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/05/02	-	1,478.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/25/03	-	1,465.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/12/03	-	1,459.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/24/02	-	1,458.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/31/02	-	1,457.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/25/03	-	1,432.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/24/02	-	1,402.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/25/02	-	1,379.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/11/02	-	1,362.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/07/03	-	1,357.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/30/02	-	1,356.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/08/03	-	1,349.06	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/10/03	-	1,348.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	1,332.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/07/03	-	1,327.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/13/03	-	1,302.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		07/17/02	-	1,287.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/02/02	-	1,285.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/07/02	-	1,281.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/20/02	-	1,275.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	1,229.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/30/02	-	1,219.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/23/03	-	1,185.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/31/02	-	1,176.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/28/03	-	1,138.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/24/03	-	1,132.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	1,123.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/19/02	-	1,118.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	1,107.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/08/03	-	1,104.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/09/02	-	1,083.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	1,057.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/11/02	-	1,038.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/16/02	-	1,030.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	1,015.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/25/03	-	1,007.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/26/03	-	988.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/26/03	-	984.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/13/03	-	982.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/27/03	-	964.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/23/03	-	960.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/26/02	-	960.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	956.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/16/03	-	946.93	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/02/02	-	940.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/14/03	-	937.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/03/02	-	923.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/27/03	-	911.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/01/03	-	907.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/31/02	-	903.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/25/02	-	888.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/03/02	-	880.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/28/03	-	870.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/21/03	-	862.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		09/09/02	-	861.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/04/02	-	858.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/02	-	854.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/23/03	-	850.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/26/02	-	846.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/31/03	-	841.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/22/02	-	841.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/05/02	-	837.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/27/02	-	835.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/02	-	835.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/29/02	-	823.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	820.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/11/02	-	811.59	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/02	-	807.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	804.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/22/02	-	800.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/25/03	-	799.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/11/02	-	797.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/20/03	-	793.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/16/03	-	783.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/07/03	-	782.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/07/03	100.00	780.27	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/08/02	-	769.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/20/03	-	767.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/10/02	-	767.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/26/03	-	766.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/24/02	-	757.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/20/03	-	738.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/02	-	730.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/25/03	-	723.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	711.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	696.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/18/02	-	694.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/18/03	-	692.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/26/02	-	692.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/11/02	-	691.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/25/02	-	684.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/02	-	684.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CIVIL DIVISION, BANKRUPTCY COLLECTION ENFORCEMENT SECTION
Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		12/12/02	-	682.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/14/03	-	672.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/02/02	-	654.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/25/02	-	650.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/19/02	-	643.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/01/02	-	641.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/08/03	-	628.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/22/02	-	627.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/24/02	-	620.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/14/02	-	616.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/02	-	610.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/14/03	-	606.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/28/03	-	603.62	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/25/02	-	596.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	596.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	593.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	591.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/29/02	-	587.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/02/02	-	586.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/14/02	-	585.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/29/02	-	585.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/09/03	-	583.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/10/02	-	577.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/17/02	-	577.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/09/02	-	574.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/27/03	-	571.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	570.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/17/03	-	570.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/23/02	-	568.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/27/03	-	566.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/02	-	565.98	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	565.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	561.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/11/02	-	553.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/28/02	-	553.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/05/02	-	548.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/24/02	-	545.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/24/02	-	539.89	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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Uncollectible Debts Owed to the State that were referred to Collection Enforcement Revolving Fund
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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		12/05/02	-	533.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/12/03	-	527.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/05/02	-	516.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/16/02	-	510.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	508.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/05/02	-	505.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/02	-	496.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	496.18	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	496.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/09/02	-	487.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	483.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/26/03	-	481.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/16/02	-	477.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	473.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/02	-	473.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/17/02	-	472.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/19/02	-	449.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/17/02	-	449.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	446.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/03/02	-	445.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/04/02	-	445.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/05/02	-	444.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/09/02	-	443.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/30/02	-	437.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	434.62	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/13/02	-	428.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/11/02	-	426.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/26/02	-	417.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/17/03	-	417.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/17/02	-	416.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	410.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/29/03	-	408.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/16/02	-	408.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/23/03	-	405.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/11/02	-	404.77	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/24/02	-	402.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/23/02	-	401.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/02/02	-	399.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		09/17/02	-	397.94	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/06/02	-	397.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/12/02	-	390.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/18/02	-	389.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	387.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/31/02	-	384.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/27/03	-	383.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/08/02	-	380.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	377.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	-	375.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/11/03	300.00	368.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	368.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/24/03	-	366.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	363.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/23/03	-	362.89	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/13/02	-	356.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/08/03	-	355.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	355.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	354.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		03/18/03	-	354.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/06/02	-	350.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/02	-	342.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/09/02	-	338.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/10/02	-	333.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/04/02	-	327.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/16/02	-	321.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/17/02	-	313.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	309.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/02	-	298.22	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/27/02	-	296.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/18/02	-	296.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		06/09/03	-	296.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/19/02	-	293.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		01/22/03	-	293.30	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		02/04/03	-	290.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/11/02	-	288.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/02	-	288.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		04/02/03	-	283.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		12/16/02	-	279.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/02	-	270.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		07/02/02	-	251.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/26/02	-	248.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		08/28/02	-	237.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		05/27/03	-	195.61	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/06/02	-	179.43	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/06/02	-	174.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/02	-	146.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/11/02	-	93.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		09/18/02	-	33.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/05/02	100,000.00	5,900,000.00	PRIMARY-DECEASED/SECONDARY SETTLEMENT
REV		07/24/02	7,000.00	3,783.96	SETTLEMENT
REV		10/31/02	400,000.00	331,040.45	SETTLEMENT
REV		11/21/02	4,500.00	31,309.22	SETTLEMENT
REV		01/07/03	10,228.10	29,615.92	SETTLEMENT
REV		05/13/03	3,073.00	22,627.84	SETTLEMENT
REV		12/06/02	24,728.15	8,242.71	SETTLEMENT
REV		01/09/03	22,000.00	7,026.26	SETTLEMENT
REV		08/12/02	7,685.00	4,572.49	SETTLEMENT
REV		07/24/02	2,994.67	2,450.18	SETTLEMENT
REV		02/03/03	3,686.61	1,569.28	SETTLEMENT
REV		12/12/02	801.57	550.01	SETTLEMENT
REV		08/23/02	372.60	399.99	SETTLEMENT
REV		09/18/02	9,780.00	299.05	SETTLEMENT
REV		02/04/03	-	6,878.03	STATUTE OF LIMITATIONS EXPIRED
REV		02/07/03	-	3,905.80	STATUTE OF LIMITATIONS EXPIRED
REV		11/19/02	-	3,710.66	STATUTE OF LIMITATIONS EXPIRED
REV		08/22/02	-	3,170.87	STATUTE OF LIMITATIONS EXPIRED
REV		04/17/03	-	2,764.87	STATUTE OF LIMITATIONS EXPIRED
REV		04/08/03	-	2,585.92	STATUTE OF LIMITATIONS EXPIRED
REV		07/17/02	-	2,409.40	STATUTE OF LIMITATIONS EXPIRED
REV		06/09/03	-	2,173.50	STATUTE OF LIMITATIONS EXPIRED
REV		08/22/02	-	1,903.31	STATUTE OF LIMITATIONS EXPIRED
REV		10/01/02	-	1,866.56	STATUTE OF LIMITATIONS EXPIRED
REV		09/13/02	-	1,302.60	STATUTE OF LIMITATIONS EXPIRED
REV		10/29/02	-	1,257.29	STATUTE OF LIMITATIONS EXPIRED
REV		09/19/02	-	1,225.78	STATUTE OF LIMITATIONS EXPIRED

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		01/08/03	-	1,071.16	STATUTE OF LIMITATIONS EXPIRED
REV		02/05/03	-	890.20	STATUTE OF LIMITATIONS EXPIRED
REV		08/22/02	-	754.00	STATUTE OF LIMITATIONS EXPIRED
REV		05/07/03	-	666.19	STATUTE OF LIMITATIONS EXPIRED
REV		06/19/03	-	655.00	STATUTE OF LIMITATIONS EXPIRED
REV		03/26/03	-	611.31	STATUTE OF LIMITATIONS EXPIRED
REV		01/31/03	-	599.96	STATUTE OF LIMITATIONS EXPIRED
REV		06/18/03	-	403.00	STATUTE OF LIMITATIONS EXPIRED
REV		08/22/02	-	307.21	STATUTE OF LIMITATIONS EXPIRED
REV		02/26/03	-	305.00	STATUTE OF LIMITATIONS EXPIRED
REV		04/17/03	-	279.00	STATUTE OF LIMITATIONS EXPIRED
REV		01/31/03	-	276.60	STATUTE OF LIMITATIONS EXPIRED
REV		04/15/03	-	272.35	STATUTE OF LIMITATIONS EXPIRED
REV		12/31/02	-	239.97	STATUTE OF LIMITATIONS EXPIRED
REV		06/25/03	-	234.88	STATUTE OF LIMITATIONS EXPIRED
REV		03/25/03	-	229.37	STATUTE OF LIMITATIONS EXPIRED
REV		02/03/03	-	215.12	STATUTE OF LIMITATIONS EXPIRED
REV		08/22/02	-	210.80	STATUTE OF LIMITATIONS EXPIRED
REV		11/20/02	-	164.89	STATUTE OF LIMITATIONS EXPIRED
REV		02/03/03	-	49.06	STATUTE OF LIMITATIONS EXPIRED
REV		04/16/03	-	612.41	STATUTE OF LIMITATIONS EXPIRED
REV		03/13/03	-	65,297.34	UNABLE TO LOCATE DEBTOR
REV		05/08/03	-	34,249.16	UNABLE TO LOCATE DEBTOR
REV		11/27/02	-	28,446.31	UNABLE TO LOCATE DEBTOR
REV		01/23/03	-	23,656.86	UNABLE TO LOCATE DEBTOR
REV		05/12/03	-	12,189.66	UNABLE TO LOCATE DEBTOR
REV		06/17/03	-	11,925.00	UNABLE TO LOCATE DEBTOR
REV		05/02/03	-	4,276.10	UNABLE TO LOCATE DEBTOR
REV		08/16/02	-	3,320.00	UNABLE TO LOCATE DEBTOR
REV		05/06/03	-	3,122.00	UNABLE TO LOCATE DEBTOR
REV		11/07/02	-	2,591.95	UNABLE TO LOCATE DEBTOR
REV		07/02/02	2,146.50	2,536.07	UNABLE TO LOCATE DEBTOR
REV		06/09/03	-	2,522.49	UNABLE TO LOCATE DEBTOR
REV		02/14/03	-	2,516.36	UNABLE TO LOCATE DEBTOR
REV		04/28/03	-	2,212.91	UNABLE TO LOCATE DEBTOR
REV		05/13/03	-	1,797.24	UNABLE TO LOCATE DEBTOR
REV		11/07/02	-	1,251.98	UNABLE TO LOCATE DEBTOR
REV		02/19/03	-	960.40	UNABLE TO LOCATE DEBTOR

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		03/13/03	-	898.00	UNABLE TO LOCATE DEBTOR
REV		11/07/02	-	850.80	UNABLE TO LOCATE DEBTOR
REV		06/12/03	-	526.07	UNABLE TO LOCATE DEBTOR
REV		06/10/03	-	511.00	UNABLE TO LOCATE DEBTOR
REV		06/17/03	-	284.81	UNABLE TO LOCATE DEBTOR
				<u>7,973,265.74</u>	
ROC	MARTINEZ, DON C.	12/17/02	116.00	2,284.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ROC	FERETTI, ALDO C. DBA A AND O ELECTRIC	05/28/03	1,500.00	18.00	COSTS EXCEED IN STATE DEBT UNDER \$500
ROC	COWAN, DENNIS DEAN DBA COWAN ENTERPRISES	08/16/02	-	20,000.00	DEBTOR IS DECEASED
ROC	NEWTON, TRUMAN LAWRENCE	09/09/02	-	12,435.00	DEBTOR IS DECEASED
ROC	LOPEZ, SERGIO JAIME	05/07/03	-	6,707.44	DEBTOR IS DECEASED
ROC	BRANKOVIC, RADIVOJE	08/01/02	-	1,000.00	DEBTOR IS DECEASED
ROC	MONTOYA, HENRY R.	04/16/03	-	1,000.00	DEBTOR IS INCARCERATED
ROC	TEMPLET, STEPHANIE COLLEEN	04/01/03	-	6,321.54	DEBTOR RESIDES ON INDIAN RESERVATION
ROC	DICK, RICKY	08/26/02	-	700.00	DEBTOR RESIDES ON INDIAN RESERVATION
ROC	CASHMERE CUSTOM, INC.	08/22/02	-	100,000.00	DEFUNCT CORPORATION
ROC	RENAISSANCE CUSTOM HOMES, INC.	10/31/02	-	100,000.00	DEFUNCT CORPORATION
ROC	LOCKRIDGE HOMES, INC.	10/15/02	-	97,220.43	DEFUNCT CORPORATION
ROC	POOL AND DECK SPECIALISTS, INC.	04/10/03	-	89,639.88	DEFUNCT CORPORATION
ROC	DESERT CANYON POOLS, INC.	05/14/03	-	81,741.31	DEFUNCT CORPORATION
ROC	TIMBERIDGE DEVELOPMENT INC.	05/02/03	-	68,042.09	DEFUNCT CORPORATION
ROC	WILLIAM HUMPHREY BUILDERS, INC.	11/26/02	-	61,048.90	DEFUNCT CORPORATION
ROC	G AND S BUILDERS, INC.	02/18/03	214.76	50,982.24	DEFUNCT CORPORATION
ROC	CHRIS CRAFT CONSTRUCTION, INC.	07/02/02	-	44,775.80	DEFUNCT CORPORATION
ROC	IRON STONE, INC.	12/31/02	-	40,000.00	DEFUNCT CORPORATION
ROC	J G DIAMOND POINT, INC.	07/11/02	-	38,740.00	DEFUNCT CORPORATION
ROC	P H P CONSTRUCTION CO., INC.	12/17/02	-	37,134.05	DEFUNCT CORPORATION
ROC	VEGA'S CONSTRUCTION, INC.	10/24/02	-	34,073.64	DEFUNCT CORPORATION
ROC	BUSY BEAVER CONSTRUCTION, INC.	09/12/02	-	33,427.38	DEFUNCT CORPORATION
ROC	BRECTO BUILDERS, INC.	10/09/02	-	33,000.00	DEFUNCT CORPORATION
ROC	STONE AGE DESIGNS, INC.	03/31/03	-	30,000.00	DEFUNCT CORPORATION
ROC	FLEXON 701 CLIFF HOYT, INC.	07/25/02	-	27,663.68	DEFUNCT CORPORATION
ROC	THE RIVER GROUP, INC.	12/17/02	-	26,587.50	DEFUNCT CORPORATION
ROC	SNELL RESIDENTIAL BUILDERS, INC.	10/29/02	-	24,834.00	DEFUNCT CORPORATION
ROC	D & Y HI TECH SYSTEMS, INC.	12/10/02	-	23,752.65	DEFUNCT CORPORATION
ROC	MATRIX CONSTRUCTION AND DESIGN	08/26/02	-	22,636.24	DEFUNCT CORPORATION
ROC	L N H ENTERPRISES, INC.	07/24/02	-	22,625.70	DEFUNCT CORPORATION

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ROC	KAIBAB KARPENTRY AND GRAPHICS	10/03/02	-	21,464.17	DEFUNCT CORPORATION
ROC	L M S ARCHITECTURAL METALS,L.L.C.	06/19/03	-	20,000.00	DEFUNCT CORPORATION
ROC	MEDERS, INC. DBA DE MERS LANDS	12/12/02	-	20,000.00	DEFUNCT CORPORATION
ROC	A F M BUILDING CONSULTANTS, INC.	11/07/02	-	20,000.00	DEFUNCT CORPORATION
ROC	ALLISON, CRAIG EVERETTE	09/17/02	-	20,000.00	DEFUNCT CORPORATION
ROC	RUBASH CORPORATION	09/19/02	-	20,000.00	DEFUNCT CORPORATION
ROC	CRAFTMASTER BUILDING AND DEVELOPMENT CO.	09/06/02	-	20,000.00	DEFUNCT CORPORATION
ROC	Q S I BUILDERS, INC.	09/11/02	-	20,000.00	DEFUNCT CORPORATION
ROC	J M C BUILDERS, INC.	10/09/02	-	20,000.00	DEFUNCT CORPORATION
ROC	QUORUM CONSTRUCTION AND DEVELOPMENT, INC.	10/10/02	-	20,000.00	DEFUNCT CORPORATION
ROC	ALLIANCE BUILDERS, INC.	10/08/02	-	20,000.00	DEFUNCT CORPORATION
ROC	DESERT SOUTHWEST CONSTRUCTION	03/24/03	-	20,000.00	DEFUNCT CORPORATION
ROC	EKIL CORP.	06/17/03	-	20,000.00	DEFUNCT CORPORATION
ROC	CROWTHER BROTHERS CONSTRUCTION	04/24/03	-	20,000.00	DEFUNCT CORPORATION
ROC	CLASSIC DEVELOPMENTS, INC.	06/25/03	-	20,000.00	DEFUNCT CORPORATION
ROC	K D R CONSTRUCTION, INC.	06/30/03	-	20,000.00	DEFUNCT CORPORATION
ROC	W R W COMPANY, L.L.C.	09/18/02	-	20,000.00	DEFUNCT CORPORATION
ROC	COOK-N-CREW QUALITY ROOFING, INC.	11/27/02	-	19,756.00	DEFUNCT CORPORATION
ROC	ARIZONA REAL ESTATE GROUP, INC.	10/09/02	-	19,525.00	DEFUNCT CORPORATION
ROC	CONSTRUCTION SERVICES, INC.	11/27/02	-	19,172.68	DEFUNCT CORPORATION
ROC	ELECTRO PLUMBER, INC.	10/31/02	-	19,000.00	DEFUNCT CORPORATION
ROC	KELLERMAN CONTRACTING, INC.	03/21/03	-	19,000.00	DEFUNCT CORPORATION
ROC	ALL STEEL HOME BUILDERS, INC.	09/25/02	-	18,464.00	DEFUNCT CORPORATION
ROC	RIVERSTONE DEVELOPMENT, INC.	03/11/03	-	17,721.13	DEFUNCT CORPORATION
ROC	PENGUIN POOLS, INC.	01/23/03	-	17,661.66	DEFUNCT CORPORATION
ROC	TRITON POOLS, INC.	09/09/02	-	17,097.89	DEFUNCT CORPORATION
ROC	FIVE STAR DEVELOPMENT GROUP	01/08/03	-	16,535.00	DEFUNCT CORPORATION
ROC	COMMERCIAL QUALITY ROOFING, INC.	10/17/02	-	15,177.63	DEFUNCT CORPORATION
ROC	SUPER CONSTRUCTION, L.L.C.	05/23/03	-	15,000.00	DEFUNCT CORPORATION
ROC	STROLE DEVELOPMENT COMPANY	04/10/03	-	15,000.00	DEFUNCT CORPORATION
ROC	EMERALD SHORES, L.L.C.	04/18/03	-	15,000.00	DEFUNCT CORPORATION
ROC	TOWN AND COUNTRY STOVES	03/11/03	-	14,896.00	DEFUNCT CORPORATION
ROC	R JOHNSON CONSTRUCTION, INC.	04/01/03	-	14,591.53	DEFUNCT CORPORATION
ROC	B AND R HOWARD CONTRACTING, INC.	11/05/02	-	14,529.91	DEFUNCT CORPORATION
ROC	A F M C BUILDING CONSULTANTS	11/07/02	-	13,958.00	DEFUNCT CORPORATION
ROC	J E T HEATING AND AIR CONDITIONING	09/26/02	-	13,906.84	DEFUNCT CORPORATION
ROC	JUST BROS. HOME IMPROVEMENT CO.	10/22/02	-	13,455.00	DEFUNCT CORPORATION
ROC	BOWSER CONTRACTING, L.L.C.	05/29/03	-	12,732.50	DEFUNCT CORPORATION

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For the Fiscal Year Ending June 30, 2003

CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ROC	SUNDANCE EXTERIORS, INC.	12/06/02	-	12,672.91	DEFUNCT CORPORATION
ROC	JADEBAY, INC.	04/02/03	-	12,366.26	DEFUNCT CORPORATION
ROC	HIGLEY, NORMAN B. DBA COMBEE AND HIGLEY CONSTRUCTION	08/02/02	-	11,919.35	DEFUNCT CORPORATION
ROC	CARPET AND TILE U. S. A., INC.	01/14/03	-	11,374.52	DEFUNCT CORPORATION
ROC	LEGACY CONSTRUCTION AND DEVELOPMENT	10/10/02	-	11,267.55	DEFUNCT CORPORATION
ROC	K D I CONSTRUCTION, L.L.C.	12/19/02	-	11,214.22	DEFUNCT CORPORATION
ROC	BETTRON, INC.	02/26/03	-	11,140.84	DEFUNCT CORPORATION
ROC	DOUBLE D BRAND CORPORATION	07/01/02	-	10,369.25	DEFUNCT CORPORATION
ROC	CRESTED BUTTE CONSTRUCTION	03/27/03	-	10,352.72	DEFUNCT CORPORATION
ROC	HAPS PAINTING, L.L.C.	04/24/03	-	10,124.96	DEFUNCT CORPORATION
ROC	RICHUND, INC.	02/18/03	-	10,114.20	DEFUNCT CORPORATION
ROC	PLIEGO CONSTRUCTION, INC.	05/13/03	-	10,014.23	DEFUNCT CORPORATION
ROC	K D R CONSTRUCTION, INC.	06/30/03	-	10,000.00	DEFUNCT CORPORATION
ROC	EDGEWATER AND ASSOCIATES, INC.	10/03/02	-	9,995.25	DEFUNCT CORPORATION
ROC	DIAMOND M CONSTRUCTION, INC.	02/13/03	-	9,515.66	DEFUNCT CORPORATION
ROC	LIQUID WORLD, INC.	02/04/03	-	9,411.49	DEFUNCT CORPORATION
ROC	S W CUSTOM CONCEPTS BUILDING	11/19/02	-	8,917.85	DEFUNCT CORPORATION
ROC	DIX DESERT POOLS, CORP.	08/27/02	-	8,770.73	DEFUNCT CORPORATION
ROC	TRIPLE T CONCRETE, INC.	03/26/03	-	8,725.00	DEFUNCT CORPORATION
ROC	SHOWCASE KITCHENS AND BATHS	12/11/02	-	7,500.00	DEFUNCT CORPORATION
ROC	FRONTIER CONSTRUCTION, INC.	03/27/03	-	7,500.00	DEFUNCT CORPORATION
ROC	CUSTOM COMFORT HEATING	08/01/02	-	7,314.68	DEFUNCT CORPORATION
ROC	ARCO BUILDING AND DEVELOPING	10/24/02	-	7,299.00	DEFUNCT CORPORATION
ROC	QUALI CARE POOL SPECIALISTS	04/15/03	-	6,852.60	DEFUNCT CORPORATION
ROC	UNIFIED CONTRACTING SERVICES	05/20/03	-	6,718.00	DEFUNCT CORPORATION
ROC	BRIOTT, L.L.C.	10/17/02	-	6,557.67	DEFUNCT CORPORATION
ROC	LEO'S GENERAL REMODELING	08/02/02	-	6,509.00	DEFUNCT CORPORATION
ROC	AUTOMATED ENTRY SYSTEMS, INC.	08/06/02	-	6,500.00	DEFUNCT CORPORATION
ROC	P F P PLUMBING, INC.	04/18/03	-	6,465.07	DEFUNCT CORPORATION
ROC	MECHANICAL HEATING AND COOLING	08/30/02	-	6,221.00	DEFUNCT CORPORATION
ROC	EXCAVATION SERVICES, INC.	08/26/02	-	6,111.36	DEFUNCT CORPORATION
ROC	MC RAE AND SON GENERAL CONTRACTING	12/05/02	-	5,607.90	DEFUNCT CORPORATION
ROC	ABSOLUTE QUALITY ROOFING, INC.	04/15/03	-	5,437.65	DEFUNCT CORPORATION
ROC	LEGACY CONSTRUCTION AND DEVELOPMENT	10/10/02	-	4,898.60	DEFUNCT CORPORATION
ROC	DREAMSCAPES LIMITED, INC.	09/09/02	-	4,805.24	DEFUNCT CORPORATION
ROC	FIBERGLASS APPLICATORS OF AMERICA, INC.	03/04/03	-	4,675.76	DEFUNCT CORPORATION
ROC	CUSTOM HOME CONCEPTS, INC.	03/14/03	-	4,652.08	DEFUNCT CORPORATION
ROC	VOMAC, INC.	02/07/03	-	4,319.65	DEFUNCT CORPORATION

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ROC	A MIGHTY TITE WINDOW CO.	04/01/03	-	4,000.00	DEFUNCT CORPORATION
ROC	C E W SOUTHWEST, INC.	08/26/02	-	3,945.00	DEFUNCT CORPORATION
ROC	ELITE TILE DESIGN, INC.	07/11/02	-	3,700.00	DEFUNCT CORPORATION
ROC	NORTHWEST CUSTOM PAINTING, INC.	01/09/03	-	3,540.00	DEFUNCT CORPORATION
ROC	ARIZONA'S BEST SOLID SURFACES	07/26/02	-	3,400.00	DEFUNCT CORPORATION
ROC	C AND B AIR INC.	08/22/02	-	3,189.28	DEFUNCT CORPORATION
ROC	G. HUFF HOMES, INC.	01/13/03	-	2,900.00	DEFUNCT CORPORATION
ROC	PINE CREEK CUSTOM WOODWORKS, INC.	07/26/02	-	2,672.02	DEFUNCT CORPORATION
ROC	ARIZONA'S BEST SHADES, SHEDS, PATIOS, INC.	04/03/03	-	2,665.81	DEFUNCT CORPORATION
ROC	ON THE RISE CORPORATION	10/17/02	-	2,216.00	DEFUNCT CORPORATION
ROC	THE GRASSKEEPERS, INC.	10/22/02	-	2,065.25	DEFUNCT CORPORATION
ROC	CARPET AND TILE U S A, INC.	01/14/03	-	1,868.62	DEFUNCT CORPORATION
ROC	SOUTHERN PACIFIC ROOFING	01/09/03	-	1,530.00	DEFUNCT CORPORATION
ROC	SEAL RITE ROOFING, INC.	09/19/02	-	1,457.00	DEFUNCT CORPORATION
ROC	EUROSTONE, INC.	03/21/03	-	1,400.00	DEFUNCT CORPORATION
ROC	P SMITH AND COMPANY, INC.	04/25/03	-	1,377.31	DEFUNCT CORPORATION
ROC	BEAR MOUNTAIN ROOFING	10/22/02	-	1,116.40	DEFUNCT CORPORATION
ROC	NORTHWAY AND SON, INC.	05/09/03	-	1,000.00	DEFUNCT CORPORATION
ROC	CACTUS COOLING INSTALLATION	03/18/03	-	920.00	DEFUNCT CORPORATION
ROC	SUNSET HOMES, INC.	10/03/02	-	826.00	DEFUNCT CORPORATION
ROC	THE GREATEST CUSTOM CONCRETE	04/17/03	-	580.00	DEFUNCT CORPORATION
ROC	PALMER, DANNY RAY	03/27/03	-	100,000.00	DISCHARGED IN BANKRUPTCY
ROC	TRI STATE RESTORATION, INC.	09/19/02	-	59,150.00	DISCHARGED IN BANKRUPTCY
ROC	THOMPSON, JERRY D.	01/07/03	3,800.00	43,026.24	DISCHARGED IN BANKRUPTCY
ROC	ALBERS, DAVID L.	05/01/03	105.00	34,950.48	DISCHARGED IN BANKRUPTCY
ROC	MIDDLETON, JEFFREY ALAN	02/04/03	-	30,141.79	DISCHARGED IN BANKRUPTCY
ROC	IRWIN, THOMAS ROBERT DBA LAS BRISAS POOLS	09/16/02	-	29,540.16	DISCHARGED IN BANKRUPTCY
ROC	MCCLESKEY, WAYNE CURTIS	11/01/02	-	29,247.56	DISCHARGED IN BANKRUPTCY
ROC	THOMPSON, JERRY DURAND	09/18/02	-	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	BOURASSA, ROBERT LLOYD	08/26/02	-	18,538.56	DISCHARGED IN BANKRUPTCY
ROC	MILLSAP, KENNETH ROY	04/16/03	-	17,865.65	DISCHARGED IN BANKRUPTCY
ROC	BALDWIN, RICHARD E.	11/07/02	-	17,625.77	DISCHARGED IN BANKRUPTCY
ROC	HUTCHINS, JOHN E.	12/04/02	-	15,000.00	DISCHARGED IN BANKRUPTCY
ROC	EARLIE BROTHERS DEVELOPMENT CO.	12/18/02	-	15,000.00	DISCHARGED IN BANKRUPTCY
ROC	HICKS, JON J.	08/29/02	-	14,572.81	DISCHARGED IN BANKRUPTCY
ROC	RADEMAKER, ERIC & DEBORAH	04/24/03	842.95	14,398.70	DISCHARGED IN BANKRUPTCY
ROC	TANGO POOLS, INC.	09/06/02	-	9,721.66	DISCHARGED IN BANKRUPTCY
ROC	SHIELDS, PETER D DBA HIGH DESERT ROOFING	12/18/02	-	8,898.20	DISCHARGED IN BANKRUPTCY

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ROC	BANNISTER, NICHOLAS	12/05/02	-	7,758.95	DISCHARGED IN BANKRUPTCY
ROC	ALL STEEL ROOFING, L.L.C.	03/27/03	-	7,250.00	DISCHARGED IN BANKRUPTCY
ROC	ALBERS, DAVID LEROY	05/01/03	-	6,840.00	DISCHARGED IN BANKRUPTCY
ROC	MARSHMAN, MATTHEW DAVIS	06/03/03	-	6,406.01	DISCHARGED IN BANKRUPTCY
ROC	WATSON, LUCINDA J. DBA MESA TILE	10/28/02	-	5,922.02	DISCHARGED IN BANKRUPTCY
ROC	MORENCY, LOUIS R. DBA WINDOW AND CABINET WORKS	12/06/02	-	4,800.00	DISCHARGED IN BANKRUPTCY
ROC	BAXTER, MARK EDWIN DBA BAXTER FLOORING AND DESIGN	09/18/02	-	3,795.69	DISCHARGED IN BANKRUPTCY
ROC	GOODWIN, HARRY MITCHELL	06/20/03	-	1,015.00	DISCHARGED IN BANKRUPTCY
ROC	KAYSEN, ERNEST MARTIN & SHARON	10/07/02	-	2,500.00	DISCHARGED IN BANKRUPTCY
ROC	SWANSON, THOMAS MARION	08/13/02	-	40,674.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MEINHAUSEN/NATIVE SON OF TUCSON	03/20/03	-	34,525.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MONAHAN-CANN, KEVIN JON	08/29/02	2,600.00	23,972.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	EDMUNDS, ROBERT M. & LAURA	01/21/03	91.00	22,952.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FILLMER, ERIC SCOTT	08/13/02	-	18,376.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	EVERHART, MAX DARVIN	11/13/02	-	17,554.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BOUGHAN, SILAS VERNON	12/12/02	-	17,378.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	J B C ENTERPRISES, L.L.C.	08/20/02	-	15,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	RODGERS, CURTIS WAYNE	08/27/02	-	13,921.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	STEPHENS, ERIC JOHN	07/31/02	-	12,076.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CURTIS, CHRISTIFER BRYAN	01/21/03	-	9,625.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SINGLETON, JEFFERY FRANKLIN	12/09/02	-	9,431.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ALVARADO, ANDREW C.	08/23/02	188.25	8,986.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MILO, VINCENT EDWARD	02/27/03	-	8,055.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WEED, BRUCE KEVIN	10/05/02	-	7,075.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BYRNE, ANDREW/KRAUSE, JEAN	06/11/03	-	7,066.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GRANILLO, DAVID EDWARD	07/30/02	142.22	6,581.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SCHNEIDER, KENNETH JOHN	03/25/03	-	5,772.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HAVENS, HOMER	07/10/02	-	4,983.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MASON, DANIEL LOUIS JR	12/09/02	-	3,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LIMON, ALFRED E., SR.	08/19/02	1,102.00	3,103.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	DICK, EARL IVAN	02/06/03	-	3,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MONSON, SCOTT CHARLES	12/09/02	-	2,962.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	PALLARES, ELIAS	12/12/02	-	2,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LINHURST, ROBERT CHARLES	02/14/03	-	2,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FRANZEN, NORMAN WALTER	05/28/03	75.00	2,060.07	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LANGUELL, DERALD & TERRY	07/03/02	-	2,010.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MALONEY, JAMES PATRICK	06/11/03	-	2,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HERREN, DEWAYNE C.	01/08/03	-	1,850.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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ROC	A & D KOOL DECKING, INC.	08/23/02	-	1,810.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SKOUSEN, RUSSELL	11/21/02	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SANDERS, BRADLEY L.	02/03/03	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LASH, MARK	04/23/03	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CANTONE, LUIGI J.	03/13/03	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FLORES, AURELIO DBA WATER TREATMENT CENTER	12/19/02	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SMITH, DANIEL J.	09/19/02	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	AAGAARD, VALERIE SHERIDAN	09/19/02	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HERNANDEZ, JOHN A.	02/13/03	-	1,250.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HERNANDEZ, JOHN A.	02/13/03	-	1,250.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MADOR, LEE	05/27/03	-	1,200.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CARROLL, THOMAS IRVIN	03/20/03	-	1,190.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GUNDOLF, MICHAEL E.	08/02/02	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MANZANAREZ, JOSE L.	05/12/03	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HAMON, ROBERT G.	05/12/03	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	RALPH, ARIC TERRALL	08/28/02	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WHITEHEAD, MARK	08/29/02	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WOLFE, GREGG LAWRENCE	08/26/02	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MARLIN, ANTHONY WAYNE	12/09/02	-	865.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CARRION, RICHARD FRANK	05/06/03	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	OIE, ROGER L.	09/25/02	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	STEVENS, CRAIG M.	03/14/03	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JONES, DON MILTON	09/18/02	246.00	504.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	PINEDO, JOSE CIRILIO	11/20/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WOOD, RANDALL A.	08/26/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FITZPATRICK, LARRY	10/17/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BARROW, RONALD AUSTIN	04/15/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	RADER, TRACY ALAN	09/18/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JONGSMA, GARY WAYNE	05/09/03	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GIBBONS, CHRISTOPHER THOMAS	07/17/02	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LANGHAM, MARK J. DBA RIDGERUNNER ROOFING	08/02/02	-	485.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MOSER, DARRELL LEE	01/16/03	15,662.00	7,295.81	SETTLEMENT
ROC	MOORE, RONALD L.	04/24/03	5,000.00	5,170.44	SETTLEMENT
ROC	WILTON, KEVIN	04/30/03	5,420.00	5,159.62	SETTLEMENT
ROC	YUREK,GEORGE/HARLAN, JAMES	10/30/02	-	20,000.00	UNABLE TO LOCATE DEBTOR
ROC	REID, LARRY JOSEPH	08/27/02	-	1,000.00	UNABLE TO LOCATE DEBTOR
ROC	VILLAGOMEZ, VALENTINE M.	12/09/02	-	1,000.00	UNABLE TO LOCATE DEBTOR
ROC	MONGOOSE ENTERPRISES, L.C.	03/17/03	-	542.75	UNABLE TO LOCATE DEBTOR

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ROC	NEWMAN, PATRICK MICHAEL	10/10/02	375.00	375.00	UNABLE TO LOCATE DEBTOR
ROC	DICK, EARL IVAN	04/29/03	-	18,781.00	UNABLE TO LOCATE DEBTOR
				3,106,210.02	
RSK	AJ PLUMBING INC.& RANGER, ANDREW	08/29/02	-	3,161.00	DEFUNCT CORPORATION
RSK	NEGRETE, ARMANDO/VIRGINIA/ARIA	04/10/03	200.00	10,216.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	MCMULLEN, HILLARD GEORGE	10/21/02	689.00	10,094.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	PHILLIPS, FRANQUE D.	08/28/02	-	4,213.93	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	REAL, EDWARD PADILLA	09/18/02	7,647.42	761.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	SIMPSON, SHIRLEY	10/22/02	10,000.00	8,955.54	SETTLEMENT
				37,402.65	
SPB	LEWIS, THOMAS R.	07/16/02	-	500.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1,000
SPB	RUBENSTRUNK, STEVEN J.	04/04/03	17,673.45	4,399.94	DISCHARGED IN BANKRUPTCY
SPB	BURNS, KEN E.	10/30/02	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
SPB	FINOCCHIO, STEVEN	04/03/03	-	700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				6,599.94	
VET	THOMAS, JOEL ERIC	11/07/02	-	1,000.00	UNABLE TO LOCATE DEBTOR
				1,000.00	
VSE	RUSHING, MARGARET	11/07/02	950.00	50.00	COSTS EXCEED IN STATE DEBT UNDER \$500
VSE	VANETTEN, RAY	02/27/03	-	9,384.19	DEBTOR IS DECEASED
VSE	CARLSON, ERIC	04/02/03	-	4,790.36	DEBTOR IS DECEASED
VSE	CASEY, JAMES C.	03/27/03	-	3,155.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
VSE	MUNOZ, JUAN	03/19/03	-	956.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				18,335.84	
WKR	MATLOCK, ESPY LEE	10/23/02	-	12,930.99	DISCHARGED IN BANKRUPTCY
WKR	MEDINA, RACHEL	07/12/02	-	1,880.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
				14,811.68	
TOTAL				24,472,855.04	

STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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LINDA J. LOPEZ

DATE: August 6, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Jake Corey, Fiscal Analyst

SUBJECT: Arizona Community Colleges – Review of Workforce Development Plan Activities and Expenditures

Request

Pursuant to A.R.S. § 15-1472, the community college districts are required to annually submit a report of their previous year's workforce development plan activities and expenditures to the Committee for review.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the report. In FY 2003, the community colleges spent a total of \$8,499,000 on workforce development activities.

Analysis

A.R.S. § 15-1472 requires each community college district to establish a workforce development account. Monies in the account are derived from Proposition 301 sales tax revenues and shall be used for workforce development and job training, including expenditures for: 1) partnerships with businesses and educational institutions; 2) additional faculty; 3) technology and equipment; 4) student services for new and expanded job opportunities; and 5) property and new construction, remodeling, or repair of facilities.

The table below presents total FY 2003 workforce development revenues and expenditures and a brief description of key expenditures by district. Total revenues in FY 2003 were \$10,485,800 and total expenditures in the same year were \$8,499,000. Revenue figures are as reported on the State Treasurer's web site.

(Continued)

The table does not include \$1 million in revenues received by the Navajo County Community College District to provide matching capital funds for the Winslow campus pursuant to A.R.S. § 15-1463. In addition, the table does not include tribal college (Dine College and Tohono O'odham Community College) revenues or expenditures. The tribal colleges received workforce development monies in FY 2003, but only community college *districts* were required to report expenditures.

District	FY 2003 Revenues	FY 2003 Expenditures	Key Expenditures (Over \$100 K)
Cochise	\$ 497,800	\$ 354,000	On-line campus faculty – \$101 K Interactive television system – \$121 K
Coconino	329,600	329,600	Career and technical training staff – \$108 K Industrial Technologies/Construction program – \$162 K
Graham	477,900	362,200	Classroom technology – \$153 K Automated library system – \$118 K
Maricopa	5,148,600	3,824,100	Faculty – \$1.9 M Rapid response – \$1.7 M Small business development center – \$200 K
Mohave	386,800	324,400	Technology – \$117 K
Navajo	413,100	413,100	Cosmetology faculty – \$110 K
Pima	1,769,800	1,384,200	Technical training equipment – \$139 K New faculty positions – \$900 K
Pinal	483,400	529,700	Workforce Development offices – \$245 K
Yavapai	457,400	457,400	Office of Workforce & Economic Development – \$144 K CISCO Academy – \$148 K
Yuma/La Paz	521,400	520,300	Workforce skill development – \$315 K Technology support technician and equipment – \$132 K
TOTAL	\$10,485,800	\$8,499,000	

During the most recent Regular Session, two separate bills amended A.R.S. § 15-1472 to eliminate Committee review of community college workforce development plan activities and expenditures in the future. The bills were enacted with conflicting language.

One of the bills (Laws 2004, Chapter 88) eliminates transmitting these reports to the JLBC. The other bill (Laws 2004, Chapter 336) requires the community college districts to continue to *report* workforce development expenditures to the Committee, but does not call for the Committee to *review* those expenditures.

RS/JC:ss

Arizona Community Colleges Workforce Development Materials

ATTACHMENT A
Workforce Development Expenditures
FY 2003

COCHISE COLLEGE Budget Overview							
Budget Item	SBDC	ITV	On-Line	Nursing	Education	Training	Total
Personnel + benefits	\$21,104		\$74,867			\$54,815	\$150,786
Travel expenses	5,865				\$960		6,825
Office supplies	4,231						4,231
ITV equipment		\$61,611					61,611
Misc. equip & supplies		23,965		\$21,458	383		45,806
Engineering, Installation		35,422					35,422
Service fees			25,723				25,723
Curriculum development				10,845			10,845
Instructional costs				11,654			11,654
Other awards					1,100		1,100
TOTAL	\$31,200	\$120,998	\$100,590	\$43,957	\$2,443	\$54,815	\$354,003

ATTACHMENT A
Workforce Development Expenditures
FY 2003

COCONINO COMMUNITY COLLEGE				
Budget Overview				
Budget Item	Allocated	Expended	Budget Balance	% Expended
General Instruction (B2101)				
Salaries	\$69,765	\$62,216.82	\$7,548.18	89%
Benefits	15,919	14,774.68	1,144.32	93%
Contracted Services		714.00	(714.00)	
Supplies	8,000	29,962.03	(21,962.03)	3%
Utilities		74.39	(74.39)	
Sub-total	\$93,684	\$107,741.92	(\$14,057.92)	115%
Computer Lab (B2105A)				
Salaries	\$42,024	\$43,314.51	(1,290.51)	103%
Benefits	8,820	9,095.68	(275.68)	0%
Supplies		1.84	(1.84)	
Sub-total	\$50,844	\$52,412.03	(\$1,568.03)	103%
CISCO (B2105C)				
Supplies	\$5,700	\$5,622.52	\$77.48	99%
Fixed Charges	1,300	47.57	1,252.43	4%
Utilities		1,451.45	(1.45)	
Travel	9,000	1,861.03	7,138.97	21%
Sub-total	\$16,000	\$7,532.57	\$8,467.43	47%
Vocational Education (B2155)				
Salaries	\$128,998	\$120,875.09	\$8,122.91	94%
Benefits	19,777	17,024.43	2,752.57	86%
Contracted Services	23,200	17,992.00	5,208.00	78%
Supplies	11,000	4,892.77	6,107.23	55%
Fixed Charges	580	559.40	20.60	96%
Utilities/ Communications	200	318.39	(118.39)	159%
Travel	2,947	203.72	2,743.28	7%
Sub-total	\$186,702	\$161,865.80	\$24,836.20	87%
TOTAL	\$347,230	\$329,552.32	\$17,677.68	95%

ATTACHMENT B

EASTERN ARIZONA COLLEGE Workforce Development Plan Matrix FY 2003

A.R.S. § 15-1472 Purposes	Goal	Accountability Measurement	Allocation of Funds	Budgeted Amount	Actual Amount
Partnerships with businesses and educational institutions	Enhance support for economic development and educational partnerships	Partnerships will be identified and specific outcomes of the partnerships measured and reported.	Graham/ Greenlee educational partnerships	\$71,000	\$0
Additional faculty for improved and expanded classroom instruction and course offerings	Enhance support for occupational training	Occupational training will be identified and specific outcomes of the training measured and reported.	Expanded occupational training	\$75,000	\$0
	Enhance support for other classroom training	Other classroom training will be identified and specific outcomes of the training measured and reported.	Expanded classroom training	\$75,000	\$55,780.54
Technology, equipment and technology infrastructure for advanced teaching and learning in classrooms or laboratories	Strengthen teaching and learning through increased support for new instructional technologies and the infrastructure needed for those technologies.	Instruction and training delivered via new mediated classroom technology will be identified and specific outcomes of participation will be measured and reported.	Mediated classroom technology	\$144,000	\$152,719.21
	Provide educational equipment to afford advanced learning opportunities for student research and student development.	Computer labs will be upgraded, software purchases identified, and special training delivered quantified and reported.	Campus computer labs and classrooms		\$118,166.49
Student services such as assessment, advisement and counseling for new and expanded job opportunities	Facilitate support for Small Business Development Centers	SBDC activities will be quantified and reported using statewide SBDC effectiveness criteria.	SBDC partnership match	\$35,000	\$35,000
The purchase, lease or lease-purchase of real property for new construction, remodeling or repair of buildings or facilities on real property	None	None	None	\$0	\$0

TOTAL PROJECTED/
ACTUAL FUNDING

\$400,000	\$361,666.24
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ATTACHMENT A
Workforce Development Expenditures
FY 2003

MARICOPA COMMUNITY COLLEGES Budget Overview	
Total Revenues Received <i>(exclusive of potential accruals for July and August 2003)</i>	\$7,145,153
Less: Expenditures	(3,824,135)
Amount of carry forward for FY04*	\$3,321,018

MARICOPA COMMUNITY COLLEGES Prop 301 Expenditure Summary					
College/Unit	Faculty	Rapid Response	Planned Flexibility	Small Business Development Center	TOTAL
Phoenix	\$132,412	\$141,978			\$274,390
Glendale	282,724	28,908			311,632
GateWay	73,075	362,279			435,354
Maricopa Skill Center		87,149			87,149
Mesa	396,549	245,469			642,018
Scottsdale	82,001	118,157			200,158
Rio Salado	50,657	159,940			310,597
South Mountain	70,972	37,337			108,309
Chandler-Gilbert	426,229	89,425			515,654
Paradise Valley		66,938			66,938
Estrella Mountain	273,748	89,929			363,677
South West Skill Center		23,634			23,634
District Office		208,782	\$75,890	\$199,953	484,625
TOTAL	\$1,888,367	\$1,659,925	\$75,890	\$199,953	\$3,824,135

*Any difference between actual revenues received from Prop 301 and actual spending will be carried forward into FY04 and expended in that fiscal year.

ATTACHMENT A (contd)
Workforce Development Expenditures
FY 2003

MARICOPA COMMUNITY COLLEGES
April 2002 Approved Projects (carry forward)

College/Unit	Faculty	Rapid Response	Planned Flexibility	Small Business Development Center	TOTAL PROP 301
GateWay		\$14,023			\$14,023
Maricopa Skill Center		87,149			87,149
Mesa		32,404			2,404
Scottsdale		118,157			118,157
Chandler-Gilbert		395			395
District Office		208,782			208,782
TOTAL		\$460,910			\$460,910

MARICOPA COMMUNITY COLLEGES
FY 03 Approved Projects

College/Unit	Faculty	Rapid Response	Planned Flexibility	Small Business Development Center	TOTAL PROP 301
Phoenix	\$132,412				\$132,412
Glendale	282,724				282,724
GateWay	73,075				73,075
Mesa	396,549				396,549
Scottsdale	82,001				82,001
Rio Salado	150,657				150,657
South Mountain	70,972				70,972
Chandler-Gilbert	426,229				426,229
Estrella Mountain	273,748				273,748
District Office				\$199,953	199,953
TOTAL	\$1,888,367			\$199,953	\$2,088,320

ATTACHMENT A (contd)
Workforce Development Expenditures
FY 2003

MARICOPA COMMUNITY COLLEGES November 2002 Approved Projects					
College/Unit	Faculty	Rapid Response	Planned Flexibility	Small Business Development Center	TOTAL PROP 301
Phoenix		\$138,279			\$138,279
Glendale		28,908			28,908
GateWay		325,135			325,135
Mesa		213,065			213,065
Rio Salado		136,507			136,507
South Mountain		37,233			37,233
Chandler-Gilbert		89,030			89,030
Paradise Valley		45,517			45,517
Estrella Mountain		82,668			82,668
District Office			\$75,890		75,890
TOTAL		\$1,096,342	\$75,890		\$1,172,232

MARICOPA COMMUNITY COLLEGES January 2003 Approved Projects					
College/Unit	Faculty	Rapid Response	Planned Flexibility	Small Business Development Center	TOTAL PROP 301
Phoenix		\$3,699			\$3,699
GateWay		3,121			23,121
Rio Salado		3,433			23,433
South Mountain		104			104
Paradise Valley		1,421			21,421
Estrella Mountain		7,261			7,261
South West Skill Center		23,634			23,634
TOTAL		\$102,673			\$102,673

ATTACHMENT A
Workforce Development Expenditures
FY 2003

MOHAVE COMMUNITY COLLEGE Budget Overview	
Total Revenues Received	\$386,836.79
Less Expenditures	(324,431.60)
Amount of carry forward for FY 04	\$62,405.19

MOHAVE COMMUNITY COLLEGE Budget Expenditures by Goal				
Goal	Faculty Expenditures	Support Staff Expenditures	Technology Expenditures	Facility Expenditures
Goal 1		\$45,590.40		
Goal 2	\$49,494.48	6,312.95		
Goal 3			\$116,672.58	
Goal 4		42,964.75		
Goal 5				\$48,396.44
TOTAL	\$49,494.48	\$94,868.10	\$116,672.58	\$58,396.44

ATTACHMENT A
Workforce Development Expenditures
FY 2003

NORTHLAND PIONEER COLLEGE Budget Overview			
Program	Salaries & ERE	Equipment & Supplies	Total
Pre-Nursing	\$51,713		\$51,713
Medical Assistant	48,099		48,099
Photo Imaging	31,559	\$2,029	33,588
Fire Science	21,064	7,442	28,506
Cosmetology	97,706	12,281	109,987
Nursing Assistant	48,099		48,099
Power Plant Fundamentals	47,678	27,996	75,674
SBDC Counselors	17,412		17,412
TOTAL	\$363,330	\$49,748	\$413,078

ATTACHMENT A
Workforce Development Expenditures
FY 2003

PIMA COMMUNITY COLLEGE Budget Overview	
Budget Item	Amount of Expenditure
Hospitality and Tourism Program	\$20,000
Culinary Arts Program	42,159
Emergency Medical Technician Equipment	19,850
Machine Tool Technology Equipment	138,887
Veterinary Tech Program	74,476
IT Classroom Application Servers	11,221
Electronics and Optics Program	19,482
Vocational Languages Programs	18,000
Development of On-Line Programs	79,187
Automotive Technology Equipment	5,491
Pima County One-Stop Workforce Center	28,000
Workforce Curriculum Development	27,451
Strengthening Existing Programs through Staff Support	900,000
TOTAL	\$1,384,204

ATTACHMENT A
Workforce Development Expenditures
FY 2003

CENTRAL ARIZONA COLLEGE Budget Overview	
Budget Item	Amount of Expenditure
Diesel Technology: Partnership	\$51,115.95
Director's Workforce Development	244,698.67
Economic Research Analyst	50,471.05
Nursing/Teaching Occupations	50,337.30
Career Planning Specialist	23,592.24
Modular Classrooms	85,000.00
.5 FTE (Business faculty)	24,461.25
TOTAL	\$529,676.46

ATTACHMENT A
Workforce Development Expenditures
FY 2003

YAVAPAI COLLEGE Budget Overview	
Budget Item	Amount of Expenditure
Office of Vice President, Workforce & Economic Development	\$144,116
Agribusiness Technology Program	40,497
Center for Successful Aging (Gerontology)	91,017
CISCO Academy	148,246
Graphic Design	33,573
TOTAL	\$457,449

ATTACHMENT A
Workforce Development Expenditures
FY 2003

ARIZONA WESTERN COLLEGE Budget Overview	
Budget Item	Amount of Expenditure
Workforce Skill Development	\$315,356
Development of Small Businesses	72,532
State of the Art Occupational Equipment, Infrastructure Technology and Technology Support	132,377
TOTAL	\$520,265

[Back to Distributions List](#)[Back to Treasurer's Home Page](#)**Community College Workforce Development Disbursements -- FY2003**

	<u>Jul 2002</u>	<u>Aug 2002</u>	<u>Sept 2002</u>	<u>Oct 2002</u>	<u>Nov 2002</u>	<u>Dec 2002</u>	
Cochise College	\$10,469.73	\$78,312.70	\$93,675.75	\$45,145.88	\$32,541.84	\$33,171.43	
Coconino County Comm College	\$10,469.73	\$78,312.70	\$93,675.75	\$29,551.93	\$14,158.46	\$14,432.38	
Dine College	\$16,666.67	\$16,666.66	\$16,666.67	\$24,218.06	\$25,901.94	\$25,741.08	
Graham County Comm College	\$10,469.73	\$78,312.70	\$93,675.75	\$43,304.07	\$30,370.58	\$30,958.15	
Maricopa County Comm College	\$10,469.73	\$78,312.69	\$93,675.76	\$476,297.19	\$540,817.00	\$551,280.17	
Mohave County Treasurer	\$10,469.73	\$78,312.69	\$93,675.76	\$34,862.47	\$20,418.94	\$20,813.99	
Navajo County Comm College	\$1,010,469.72	\$78,312.69	\$93,675.76	\$37,295.19	\$23,286.82	\$23,737.35	
Pima County Comm College	\$10,469.72	\$78,312.69	\$93,675.76	\$163,067.49	\$171,557.11	\$174,876.23	
Pinal County Treasurer	\$10,469.72	\$78,312.69	\$93,675.76	\$43,818.25	\$30,976.72	\$31,576.03	
Tohono O'odham Comm College	\$16,666.66	\$16,666.67	\$16,666.66	\$17,157.82	\$17,267.33	\$17,256.88	
Yavapai College	\$10,469.72	\$78,312.69	\$93,675.76	\$41,408.56	\$28,135.98	\$28,680.33	
Yuma/La Paz Co Comm Col Dist	\$10,469.72	\$78,312.69	\$93,675.76	\$47,340.71	\$35,129.27	\$35,808.91	
Totals	\$1,138,030.58	\$816,460.26	\$970,090.90	\$1,003,467.62	\$970,561.99	\$988,332.93	
	<u>Jan 2003</u>	<u>Feb 2003</u>	<u>Mar 2003</u>	<u>Apr 2003</u>	<u>May 2003</u>	<u>June 2003</u>	<u>YTD Total</u>
Cochise College	\$32,124.34	\$40,723.49	\$31,174.36	\$31,655.19	\$35,067.82	\$33,700.86	\$497,763.38
Coconino County Comm College	\$13,976.81	\$17,718.17	\$13,563.49	\$13,772.69	\$15,257.48	\$14,662.73	\$329,552.32
Dine College	\$25,454.64	\$27,807.03	\$25,194.77	\$25,326.29	26259.8676	\$25,885.92	\$281,789.59
Graham County Comm College	\$29,980.93	\$38,006.32	\$29,094.34	\$29,543.08	\$32,728.01	\$31,452.26	\$477,895.93
Maricopa County Comm College	\$533,878.46	\$676,788.82	\$518,090.69	\$526,081.55	\$582,796.50	\$560,078.89	\$5,148,567.45
Mohave County Treasurer	\$20,156.97	\$25,552.66	\$19,560.89	\$19,862.59	\$22,003.91	\$21,146.19	\$386,836.79
Navajo County Comm College	\$22,988.06	\$29,141.58	\$22,308.26	\$22,652.33	\$25,094.40	\$24,116.21	\$1,413,078.38
Pima County Comm College	\$169,356.09	\$214,689.88	\$164,347.91	\$166,882.76	\$184,873.79	\$177,667.34	\$1,769,776.77
Pinal County Treasurer	\$30,579.30	\$38,764.87	\$29,675.01	\$30,132.71	\$33,381.21	\$32,080.00	\$483,442.27
Tohono O'odham Comm College	\$17,238.24	\$17,391.25	\$17,221.34	\$17,229.90	\$17,290.62	\$17,266.30	\$205,319.65
Yavapai College	\$27,775.01	\$35,209.91	\$26,953.65	\$27,369.37	\$30,319.96	\$29,138.08	\$457,449.02
Yuma/La Paz Co Comm Col Dist	\$34,678.57	\$43,961.44	\$33,653.06	\$34,172.11	\$37,856.08	\$36,380.44	\$521,438.76
Totals	\$958,187.42	\$1,205,755.42	\$930,837.77	\$944,680.57	\$1,042,929.65	\$1,003,575.22	\$11,972,910.32

STATE OF ARIZONA

Joint Legislative Budget Committee

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LINDA J. LOPEZ

DATE: August 4, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Timothy Sweeney, Fiscal Analyst

SUBJECT: JLBC Staff – Review of Calculation of Inflation for Transaction Privilege Tax County
Withholding

Request

A.R.S. § 11-292P requires the JLBC Staff to calculate adjustments for inflation and population growth, to the counties' contribution for Proposition 204 administration costs.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of a \$5,566,700 county contribution for Proposition 204 administrative costs in FY 2005. This amount reflects a 4.5% increase above the FY 2004 contribution level and is consistent with the FY 2005 budget. Pursuant to A.R.S. § 11-292P, the calendar year 2003 Gross Domestic Product (GDP) price deflator and the total population growth from July 1, 2002 to July 1, 2003, as reported by DES, were used to adjust the county withholding amount.

Analysis

The passage of Proposition 204 expanded coverage in the Arizona Health Care Cost Containment System (AHCCCS) up to 100% of the Federal Poverty Level. Prior to this expansion, counties had responsibility for health care costs for some individuals who did not qualify for AHCCCS. This responsibility was eliminated as part of the Proposition 204 legislation, and in return the counties were required to pay for some of the costs of implementing the Proposition 204 expansion. A.R.S. § 11-292P requires the State Treasurer to withhold \$5,000,000 from the Transaction Privilege Tax (TPT) distribution to counties for these costs, beginning in FY 2003.

A.R.S. § 11-292P requires the JLBC staff to calculate adjustments to this amount for inflation beginning in FY 2003 (using the GDP price deflator), and for population growth beginning in FY 2004. The inflation adjustment in FY 2003 increased the withholding amount to \$5,118,200 in FY 2003. Adding the population adjustment increased the TPT withholding amount to \$5,324,600 in FY 2004.

(Continued)

The Economic and Business Research Program at the University of Arizona estimate for the GDP price deflator for calendar year 2003 is 1.6%. Statewide population growth from July 1, 2002 to July 1, 2003 as reported by DES is 2.9%. Applying first the inflation adjustment and then the population estimate, these rates increase the withholding amount by \$85,200 and \$156,900, respectively. Thus, the total amount to be withheld for the county contribution for FY 2005 is \$5,566,700.

The TPT withholding calculated above is deposited into the Budget Neutrality Compliance Fund (BNCF). In FY 2005, \$5,566,700 is appropriated from the BNCF for administration costs in the Proposition 204 program in the AHCCCS budget.

RS/TS:ck

STATE OF ARIZONA

Joint Legislative Budget Committee

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LINDA J. LOPEZ

DATE: August 10, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Eric Jorgensen, Fiscal Analyst

SUBJECT: Arizona State Retirement System - Review of FY 2005 Information Technology
Expenditure Plan

Request

The Arizona State Retirement System (ASRS) requests Committee review of their FY 2005 Information Technology (IT) Expenditure Plan. ASRS was appropriated \$9,051,900 in FY 2005 to upgrade their current information technology system. A General Appropriation Act footnote requires ASRS to seek JLBC review of each year's expenditure plan prior to any expenditures.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the FY 2005 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 proposed expenditure plan submitted for Committee review. The Government Information Technology Agency (GITA) confirms that the project is on time and within budget.

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 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. The document imaging component converts hundreds of thousands of paper files to electronic files, allowing member files to be accessible to benefit counselors in both the Phoenix and Tucson offices as well as the call centers. This also provides an essential component of the ASRS disaster recovery capabilities. 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. The project is proceeding largely on schedule, and there are currently no significant changes to the original Project and Investment Justification (PIJ) documents. A PIJ is the required project plan submitted to GITA for technical approval of the scope, costs, benefits and risk of the project. The total cost in the PIJ documents over the lifetime of the three projects is \$46.5 million, which includes funds from the operating budget as well as this special line item. 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 75% of the FY 2005 appropriation will be allocated to the document imaging system (\$6.8 million), 20% to PERIS (\$1.8 million), and 5% to the financial system (\$0.4 million).

ASRS has submitted an expenditure plan for the \$8,994,300 allocated in FY 2005 for the IT Plan, which includes 18 FTE Positions. 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 \$8,994,300 allocated in FY 2005.

ASRS IT PLAN	
	<u>Proposed FY 2005 Expenditures</u>
FTE Positions	18.0
Personal Services	\$1,132,200
ERE	231,900
Professional & Outside Services	<u>7,630,200</u>
Total	\$8,994,300 ^{1/}
<u>^{1/}</u> The actual appropriation is \$9,051,900, as adjusted for statewide salary changes and other technical adjustments.	

Through the implementation of the new business applications described above, the following items will be achieved in FY 2005: 1) implementation of the service purchase application, 2) creation and distribution of new member statements, 3) collection of detailed contribution files from employer's via the Internet, 4) access to member account information over the Internet, and 5) access to improved web-based estimators linked to member information.

The FY 2005 expenditure plan for the ASRS IT Plan is consistent with the expenditures outlined in the PIJ document approved by ITAC, and GITA confirms that the agency's IT projects are within budget and on schedule. Therefore, the JLBC recommends a favorable review.

RS/EJ:ck



ARIZONA STATE RETIREMENT SYSTEM

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TOLL FREE OUTSIDE METRO PHOENIX AND TUCSON 1-800-621-3778

Paul Matson
Director

June 14, 2004



The Honorable Robert "Bob" Burns
Chairman, Joint Legislative Budget Committee
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Dear Chairman Burns:

RE: JLBC REVIEW OF THE ASRS IT EXPENDITURE PLAN

I am requesting that the Joint Legislative Budget Committee (JLBC), at its next meeting, review the proposed expenditure of FY 05 appropriations for the Arizona State Retirement System (ASRS) Information Technology (IT) Plan. Pursuant to the footnote to the agency's appropriation, the ASRS is required to submit an expenditure plan to the JLBC for review before the expenditure of the appropriation.

Enclosed is the ASRS Expenditure Plan for FY 05. The plan outlines expenditures in the areas of IT/USER FTEs and Employee-Related Expenditures and Professional and Outside Services. This plan is in line with the cost estimates included in the Project Investment Justification (PIJ) and assumes project expenditures will continue through FY 08.

If you have any questions or need additional information, please contact Martha Rozen at (602) 240-5355. Thank you in advance for the Committee's consideration.

Sincerely,

Paul Matson
Director

PM/MNR/km

Arizona State Retirement System
Administrative Services Division (ASD)

IT Expenditure Plan FY 2005

Prepared by: Karen McLaughlin

6/14/2004

FY 2005:

FTEs	18.0
Personal Services*	1,132,200
ERE*	231,900
P&O	7,630,200
Travel	
OOE	
Equipment	
Total	<u>8,994,300</u>

*Does not include adjustments to Personal Services or to ERE for salary increases, retirement contribution increases, or health and dental insurance costs.

Objectives:

Staffing	14 FTEs for PERIS 4 FTEs for Document Imaging Continued use of contractors
Equipment	Purchase/update required software and hardware
Internal Planning	Attached are the Public Employees Retirement Information System (PERIS), Financial Management System (FMS), and Document Imaging implementation Milestone/Deliverable schedules that are prepared and submitted regularly to GITA. These schedules, as they are updated, will be available upon request.

STATE OF ARIZONA

Joint Legislative Budget Committee

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LINDA J. LOPEZ

DATE: August 10, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Stefan Shepherd, Assistant Director

SUBJECT: Department of Economic Security — Review of Proposed Implementation of
Developmental Disabilities Provider Rate Increase

Request

Pursuant to a General Appropriation Act footnote, the Department of Economic Security (DES) is presenting its proposed implementation plan for distributing a developmental disabilities (DD) provider rate increase totaling about \$6.4 million General Fund (GF) and \$18.9 Total Funds (TF). DES presented its supporting documentation to JLBC Staff after the deadline for Committee consideration, but the Committee's review at this meeting will facilitate implementation of the provider adjustments.

Recommendation

The JLBC Staff recommends a favorable review of the implementation plan, as it meets the requirements of the General Appropriation Act.

Analysis

The FY 2005 General Appropriation Act (Laws 2004, Chapter 275) includes the following footnote in the DES budget:

“The amounts above include \$6,404,300 from the state General Fund and \$12,517,200 from matching federal expenditure authority to implement a published rate system, pursuant to Laws 2002, Chapter 329, for community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System approve a capitation rate increase retroactive to July 1, 2004 to

make the provider rate increases effective July 1, 2004. By August 1, 2004, and prior to implementing the system, the division shall present its implementation proposal to the Joint Legislative Budget Committee for its review.”

By adding \$18.9 million, the Legislature intended to help DES implement a published rate system for DD providers, replacing the current system under which individual providers negotiate rates with DES. The current system includes variation between different providers providing identical services.

DES’ plan increases rates to no less than 95.75% of the estimated FY 2005 benchmark. DES calculated the FY 2005 benchmark rates by increasing the FY 2004 benchmark rates by a 4.25% inflation adjustment. For these services whose benchmark rates were adjusted to the 95.75% level, it is our understanding that all providers are now receiving the same “published” rate. Rates that are currently above that 95.75% level (e.g., occupational, physical, and speech therapies) will not have any adjustments.

The largest increase in terms of dollars is the Habilitation-Group Home category, which DES estimates will receive approximately half of the \$18.9 million increase. Home-based providers (both agencies and independent providers) of services such as attendant care, housekeeping, and respite will get most of the rest of the increase.

DES says that although they have been working with AHCCCS to get the retroactive capitation rate adjustment necessary to implement this effective July 1, 2004, AHCCCS has indicated that they would not approve the adjustment until the Committee favorably reviews the DES implementation plan.

The JLBC Staff recommends a favorable review of the proposal because it appears to target the increased funds to the service categories whose current paid rates are most below the benchmarked rates.

RS/SH:ck



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

David A. Berns
Director

AUG 2 - 2004

The Honorable Robert Burns, Chairman
Joint Legislative Budget Committee
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007



Dear Senator Burns:

The General Appropriation Act includes the following footnote: "The amounts above include \$6,404,300 from the state general fund and \$12,517,200 from matching federal expenditure authority to implement a published rate system, pursuant to Laws 2002, chapter 329, for community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System approve a capitation rate increase retroactive to July 1, 2004 to make the provider rate increases effective July 1, 2004. By August 1, 2004, and prior to implementing the system, the division shall present its implementation proposal to the Joint Legislative Budget Committee for its review."

Pursuant to this requirement, the Arizona Department of Economic Security requests to be placed on the agenda for the August Joint Legislative Budget Committee (JLBC) meeting. The purpose of this request is to review the proposed implementation plan of the provider rate increase identified above.

The Department will provide the implementation methodology along with the new rates next week.

Please contact Gretchen Logan, Financial Services Administrator, Division of Business and Finance, at (602) 542-6080 if you have any questions.

Sincerely,

David A. Berns
Director

C:

The Honorable Russell K. Pearce, Vice-Chairman, Joint Legislative Budget Committee
Richard Stavneak, Director, Joint Legislative Budget Committee
Clark Partridge, State Comptroller, Arizona Department of Administration
David Jankofsky, Director, Governor's Office of Strategic Planning and Budgeting



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

Janet Napolitano
Governor

1789 W. Jefferson - P.O. Box 6123 - Site Code 791A - Phoenix, Arizona 85005

Division of Developmental Disabilities

Telephone: (602) 542-0419 Fax: (602) 542-6870

TTY/TTD Services: 1-800-352-8161

David A. Berns
Director



Attachment #1

Arizona Department of Economic Security
Division of Developmental Disabilities
Provider Increase Implementation Proposal
August 1, 2004

Overall Policy

Pursuant to Laws 2004, Chapter 275 the Division of Developmental Disabilities (DDD) has developed a proposed implementation plan for a provider rate increase. The General Appropriation Act footnote specifically states:

The amounts above include \$6,404,300 from the state general fund and \$12,517,200 from matching federal expenditure authority to implement a published rate system, pursuant to Laws 2002, chapter 329, for community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System approve a capitation rate increase retroactive to July 1, 2004 to make the provider rate increases effective July 1, 2004. By August 1, 2004, and prior to implementing the system, the division shall present its implementation proposal to the Joint Legislative Budget Committee for its review.

Proposed Distribution Methodology

The Division has adopted the following principle for implementation of the appropriation:

- ☐ Inflation will be applied to "benchmark rates" and then the appropriated funds will be applied to narrow the gap between adopted rates and benchmark rates.

The Division wanted to establish benchmark rates on the existing rate schedules to reflect current economic conditions. The rate schedules that were implemented for SFY 04 reflected costs providers faced at that time. However, without an adjustment for inflation, the rate schedules would lag behind the costs that the Division's providers are incurring. If general inflation were not addressed, in time, the result would be decreased access to services and/or decreased quality of serviced provided to DDD clients. In addition, ARS 36-2959 requires the Division to annually assess the adequacy and appropriateness of its Title XIX rate schedule.

The proposed methodology for distributing the appropriation is a three step process involving:

- ☐ All benchmark rates for community services and independent provider agreement services that appear on SFY 2004 rate schedules will be increased by a 4.25% inflation adjustment.
- ☐ The percentage that adopted rates are of the benchmark rates will be recalculated.
- ☐ The funds made available through the appropriation will be applied to close the gap between the "adopted rates" and the "benchmark rates."

In closing the gap between adopted rates and benchmark rates, those services with the widest gap will receive increases first. For example, if one service had an adopted rate that was 89% of the adjusted benchmark rate, and another service had an adopted rate that was 96% of the adjusted benchmark rate, the service with the 89% adopted rate would receive all the increase until such time as it reached a level of 96%. From that point forward, both services would receive equal increases.

Following review by the Joint Legislative Budget Committee, the division will release a revised rate schedule and begin to process retro claims in the second quarter of SFY 2005 to make the rate adjustments effective as of July 1, 2004.

Attachment #2
AZ Department of Economic Security
Division of Developmental Disabilities
Rate Information
Relating to the Provider Increase
SFY 05

		SFY 04 Rates					Base SFY 05 Rates			Inflation Adjstd (4.25%) SFY 05 Benchmark Rates			Adjusted Adopted			
		Step Up	Step Down	Adopted	Bench mark	Percent [A/BM]	Adopted	Bench mark	Percent [A/BM]	Adopted	Bench mark	Percent [A/BM]	@ 95.75%			
Home Based Agency Providers																
ANC	ATTENDANT CARE (NON-FAM MBR)	\$ 13.04	\$ 13.55	\$ 13.16	\$ 14.15	93%	\$ 13.16	\$ 14.15	93%	\$ 13.16	\$ 14.75	89.2%	\$ 14.12			
HAH	HABILITATION - HOURLY	\$ 16.09	\$ 19.14	\$ 16.80	\$ 18.06	93%	\$ 16.80	\$ 18.06	93%	\$ 16.80	\$ 18.83	89.2%	\$ 18.03			
HAI	HABILITATION - INDEP SETTING	\$ 16.10	\$ 19.87	\$ 16.97	\$ 18.25	93%	\$ 16.97	\$ 18.25	93%	\$ 16.97	\$ 19.03	89.2%	\$ 18.22			
HSK	HOUSEKEEPING	\$ 12.10	\$ 12.21	\$ 12.13	\$ 13.04	93%	\$ 12.13	\$ 13.04	93%	\$ 12.13	\$ 13.59	89.2%	\$ 13.02			
RSD	RESPIRE - DAILY (in excess of 13 hrs)	\$ 155.33	\$ 165.75	\$ 157.74	\$ 169.61	93%	\$ 157.74	\$ 169.61	93%	\$ 157.74	\$ 176.82	89.2%	\$ 169.30			
RSP	RESPIRE - HOURLY	\$ 12.70	\$ 13.55	\$ 12.90	\$ 13.87	93%	\$ 12.90	\$ 13.87	93%	\$ 12.90	\$ 14.46	89.2%	\$ 13.84			
Home Based Independent Providers																
All Codes		Vary by Client				93%	Vary by Client		93%	Vary by Client		89.2%	Vary by Client			
Day Treatment and Training																
DTA	** DAY TREATMENT & TRAINING - ADULT (low ratio)	**	**	\$ 7.32	\$ 7.87	93%	\$ 7.32	\$ 7.87	93%	\$ 7.32	\$ 8.20	89.2%	\$ 7.86	\$ 8.60		
DTT	** DAY TREATMENT & TRAINING- 3 - 18 (low ratio)	**	**	\$ 7.49	\$ 8.05	93%	\$ 7.49	\$ 8.05	93%	\$ 7.49	\$ 8.39	89.2%	\$ 8.04	\$ 8.30		
(1)																
Residential																
HAB	HABILITATION - GROUP HOME	\$ 15.59	\$ 16.78	\$ 15.87	\$ 17.06	93%	\$ 15.87	\$ 17.06	93%	\$ 15.87	\$ 17.79	89.2%	\$ 17.03			
HPD	HAB-COMMUNITY PROTECTION - DAILY	\$ 16.42	\$ 21.73	\$ 17.64	\$ 18.97	93%	\$ 17.64	\$ 18.97	93%	\$ 17.64	\$ 19.78	89.2%	\$ 18.94			
HPH	HAB-COMMUNITY PROTECTION - HOURLY	\$ 13.41	\$ 31.76	\$ 17.64	\$ 18.97	93%	\$ 17.64	\$ 18.97	93%	\$ 17.64	\$ 19.78	89.2%	\$ 18.94			
HAN	HABILITATION - NURSING G/H	\$ 253.56	\$ 253.56	\$ 253.56	\$ 253.56	100%	\$ 253.56	\$ 253.56	100%	\$ 253.56	\$ 264.34	95.9%	\$ 253.56			
HBA	HABILITATION - DEV HM - VENDOR - ADULT	\$ 109.75	\$ 131.14	\$ 109.75	\$ 94.86	116%	\$ 109.75	\$ 94.86	116%	\$ 109.75	\$ 98.89	111.0%	\$ 109.75 (2)			
HBC	HABILITATION - DEV HM - VENDOR - CHILD	\$ 109.75	\$ 131.14	\$ 109.75	\$ 94.86	116%	\$ 109.75	\$ 94.86	116%	\$ 109.75	\$ 98.89	111.0%	\$ 109.75 (2)			
RRB	RESID. ROOM AND BOARD	Varies based on location, size and occupancy; Adopted equals Benchmark				100%	Varies		100%	NC	Varies	95.9%	No Change			
Professional																
HHA	HOME HEALTH AIDE	\$ 15.13	\$ 16.96	\$ 15.55	\$ 16.72	93%	\$ 15.55	\$ 16.72	93%	\$ 15.55	\$ 17.43	89.2%	\$ 16.69			
HN1	CERT. HHA - INTERMIT - RN/LPN	\$ 35.00	\$ 53.15	\$ 35.00	\$ 35.69	98%	\$ 35.00	\$ 35.69	98%	\$ 35.00	\$ 37.21	94.1%	\$ 35.63			
HN2	CERT. HHA - CONTINUOUS - RN/LPN	\$ 560.00	\$ 850.40	\$ 560.00	\$ 571.04	98%	\$ 560.00	\$ 571.04	98%	\$ 560.00	\$ 595.31	94.1%	\$ 570.01			
OCE	OCCUPATIONAL THERAPY - EVALUATION	\$ 117.00	\$ 117.00	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 121.97	95.9%	\$ 117.00			
OCT	OCCUPATIONAL THERAPY	\$ 52.80	\$ 52.80	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 55.04	95.9%	\$ 52.80			
PHE	PHYSICAL THERAPY - EVALUATION	\$ 117.00	\$ 117.00	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 121.97	95.9%	\$ 117.00			
PHT	PHYSICAL THERAPY	\$ 52.80	\$ 52.80	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 55.04	95.9%	\$ 52.80			
SPE	SPEECH THERAPY - EVALUATION	\$ 117.00	\$ 117.00	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 117.00	100%	\$ 117.00	\$ 121.97	95.9%	\$ 117.00			
SPT	SPEECH THERAPY TREAT/INDIVIDUAL	\$ 52.80	\$ 52.80	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 52.80	100%	\$ 52.80	\$ 55.04	95.9%	\$ 52.80			
Transportation																
TRA	TRANSPORTATION - DAY PROGRAMS	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	100%	\$ 8.00	\$ 8.00	100%	\$ 8.00	\$ 8.34	95.9%	\$ 8.00			
TRO	TRANSPORTATION - OTHER - NON - DAY PROGRAMS	Varies based on mode of transportation; Adopted equals Benchmark				100%	Varies		100%	No Change, based on AHCCCS rates			No Change			

** Permanent rate without TSF

- (1) The Division will continue to study DTA rates through a new outside consultant. The Transition Rates are currently at 105% of Benchmark.
(2) The Division favors family settings over congregate settings and has prioritized funding for these environments.

Total Costs	\$ 18,921,500
GF	\$ 6,404,300
Other	\$ 12,517,200

STATE OF ARIZONA

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DATE: August 4, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Beth Kohler, Senior Fiscal Analyst

SUBJECT: Department of Health Services – Report on Health Crisis Fund Expenditures and
Arizona State Hospital

Request

Pursuant to A.R.S. § 36-797, the Department of Health Services (DHS) is required to report annually on the expenditures from the Health Crisis Fund during the prior fiscal year. The department may also be requested to make a verbal report on the status of Medicare certification of the Arizona State Hospital.

Recommendation

This item is for information only and no Committee action is required.

Analysis

The Health Crisis Fund receives up to \$1,000,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund. Pursuant to A.R.S. § 36-797, the Governor may declare a health crisis or a significant potential for a health crisis and authorize monies from the Health Crisis Fund for the emergency. A.R.S. 36 § 797 defines a health crisis as “situation in which the health status of an area in this state is, was or could be adversely affected” including “local or regional chemical contaminations, basic health services delivery disruptions, caused by unforeseen circumstances, in medically underserved areas...localized outbreaks of a disease or a potential outbreak of a disease that has a reasonable possibility of occurring and that poses a significant threat to a community or region in this state.”

(Continued)

DHS reports that \$795,418 was authorized from the account in FY 2004. Of this amount, \$430,000 was distributed to the Arizona Health Care Cost Containment System (AHCCCS) and the remainder was allotted to DHS.

The report does not provide detail on the projects for which funding was authorized. Therefore, the JLBC Staff has compiled additional information about the Health Crisis Fund expenditures using the Executive Orders that authorized the monies. The table below details the authorizations:

<u>Executive Order</u>	<u>Purpose (Recipient)</u>	<u>Amount</u>
2004-09	West Nile Virus (DHS)	\$100,000
2004-15	State Hospital Drug Dispensing Machines (DHS)	219,447
2004-16	Health Care Group Outreach (AHCCCS)	200,000
2004-16	Medicare Drug Card Outreach (AHCCCS)	200,000
2004-16	Medicare Drug Card Outreach Postage (AHCCCS)	30,000
2004-17	West Nile Supplemental Allocation (DHS)	45,971
Total		\$795,418

On April 26, 2004, the Governor authorized \$100,000 to DHS for measures to eradicate or reduce the spread of the West Nile virus. An additional \$45,971 was authorized on June 30, 2004 for the same purpose.

The Governor also authorized \$219,447 on June 30, 2004 to the Department of Health Services for the purchase and maintenance of automated drug dispensing machines at the Arizona State Hospital.

On that same date, the Governor authorized \$430,000 to AHCCCS for public information regarding health care options for the uninsured. Of this amount, \$200,000 will be used for outreach and education about the Healthcare Group program. Healthcare Group is a program administered by AHCCCS which provides access to health insurance for small business employees and self-employed individuals. Members pay monthly premiums that cover most of the cost of the health coverage. The FY 2005 budget includes \$4,000,000 for reinsurance costs resulting from catastrophic cases, and Laws 2004, Chapter 332 also appropriated \$3,207,400 for Healthcare Group administrative costs (including marketing activities) in FY 2005.

The remaining \$230,000 will be used for outreach and education of Medicare-eligible residents regarding state (Copper Rx) and federal Medicare prescription drug discount cards, including postage for mailers to low-income residents.

Org- BK
XC- RS



Office of the Director

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Phoenix, Arizona 85007-3247
(602) 542-1025
(602) 542-1062 FAX

JANET NAPOLITANO, GOVERNOR
CATHERINE R. EDEN, DIRECTOR

JUL 27 2004

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



Dear President Bennett:

Pursuant to A.R.S §36-797, please find attached a table showing expenditures from the Health Crisis Fund for FY 2004. Expenditures and revenue transfers combined were at \$791,776 in FY 2004. The \$791,776 includes 13th month activities, which occurred from July 1, 2003 through July 20, 2004.

If you need additional information, please contact Pat Mah, Central Budget Office Director, at 542-6386.

Sincerely,

Catherine R. Eden
Director

CRE:ALE:pm

cc: Susan Gerard, Policy Advisor for Health, Governor's Office
David Jankofsky, Budget Director, Office of Strategic Planning and Budget
Bob Chapko, Principal Budget Analyst, Office of Strategic Planning and Budget
David Reese, Budget Analyst, Office of Strategic Planning and Budget
Richard Stavneak, Director, Joint Legislative Budget Committee (2)
Senator Robert Burns, Chairperson, Senate Appropriations Committee
Senator Carolyn Allen, Chairperson, Senate Health Committee
Representative Russell Pearce, Chairperson, House Appropriations Committee
Representative Deb Gullett, Chairperson, House Health Committee
Leslie Schwalbe, ADHS, Deputy Director, Behavioral Health Services
Danny Valenzuela, ADHS, Deputy Director
Rose Conner, ADHS, Assistant Director, Public Health Services
Liana Martin, ADHS, Legislative Liaison
Pat Mah, Budget Director, Central Budget Office, ADHS

**Health Crisis Fund
Fund 2312**

FY 2004 Summary of Expenditures / Revenue Transfers Out

<u>Executive Orders</u>	<u>Dates</u>	<u>Agency and Funding Purpose</u>	<u>Authorized Amounts</u>	<u>FY 2004 Expenditures</u>	<u>FY 2004 Revenue Transfers Out</u>
2004-09	5/5/2004	Department of Health Services	\$100,000	\$96,358	\$0
2004-15	6/30/2004	Arizona State Hospital	\$219,447	\$219,447	\$0
2004-16	6/30/2004	Arizona Health Care Cost Containment System	\$430,000	\$0	\$430,000
2004-17	6/30/2004	Department of Health Services	\$45,971	\$45,971	\$0
TOTALS			\$795,418	\$361,776	\$430,000

Grand Total - Expenditures / Revenue Transfers Out **\$791,776**

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LINDA J. LOPEZ

DATE: August 6, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Steve Schimpp, Assistant Director

SUBJECT: Arizona Department of Education – Report on Estimated Fiscal Impact of Changes to
Achievement Testing Program

Request

As Chairman, Senator Burns has requested that the Arizona Department of Education (ADE) appear to provide updated information regarding increases in achievement testing costs. At the March 2004 JLBC meeting, ADE projected an additional \$4.2 million cost for the achievement testing contract in FY 2005 above FY 2004. The current estimate is \$5.5 million (Attachment 1). The Department was not available when the Committee addressed this issue at the June JLBC meeting.

After the June meeting, Senator Burns sent a memo to Superintendent Horne regarding options for averting a projected \$1.3 million budget deficit for Achievement Testing for FY 2005 under the revised cost estimates. That memo and Superintendent Horne's response to it appear as Attachments 2 & 3.

Recommendation

This item is for information only and no Committee action is required. The Department has no options for bringing the Achievement Testing costs in line with the Department's budget.

Analysis

A footnote in the General Appropriation Act states that "Before making any changes to the achievement testing program that will increase program costs, the State Board of Education shall report the estimated fiscal impact of those changes to the Joint Legislative Budget Committee." In response to this requirement, ADE reported to the Committee in March 2004 that an estimated \$4.2 million General Fund increase would be required in order to fully fund achievement testing costs for FY 2005.

Since then, ADE has awarded the contract for the new "AIMS-Dual Purpose Assessment" (AIMS-DPA) exam and, based on the new contract, has revised the \$4.2 million estimate to \$5.5 million (*see Attachment 1*). Overall the cost of achievement testing under the new contract will increase from \$11.3 million in FY 2004 to \$17.0 million in FY 2005. The General Fund share under these estimates is increasing from \$3.4 million to \$8.9, or \$5.5 million.

(Continued)

The revised estimate would imply a \$1.3 million funding shortfall for achievement testing for FY 2005, since the General Appropriation Act for FY 2005 (Laws 2004, Chapter 277) provides the program with a \$4.2 million rather than \$5.5 million increase for FY 2005.

Chairman's Follow-up Questions

As noted above, Senator Burns recently asked Superintendent Horne via memo whether ADE could address the projected \$1.3 million shortfall by means other than a General Fund supplemental. One JLBC Staff option was to require school districts and charter schools to pay for optional test retakes for students who have already passed AIMS but who seek to improve their test scores. Another was to postpone AIMS-DPA testing for pupils in Grades 4, 6 and 7 until FY 2006, since No Child Left Behind (NCLB) does not require them to be tested until then. Superintendent Horne's responses to the Chairman's questions appear in Attachment 3 and are summarized below.

Optional AIMS Retakes

Superintendent Horne indicates in Attachment 3 that the potential savings for eliminating state funding for optional retakes of the high school AIMS test cannot currently be determined because the number of optional versus mandatory retakes of that test is unknown. (Retakes are mandatory for high school pupils who have not yet passed AIMS, but optional for pupils who have.) ADE estimates that optional and mandatory retakes *combined* will cost about \$790,000 for FY 2005. Superintendent Horne indicates that computer system improvements at ADE should enable it to determine the cost of optional retakes starting next year. He also states his belief that any policy change on retakes should be made through legislation rather than through State Board of Education action. The issue of retakes currently is not addressed in statute. The longstanding policy of the State Board of Education, however, has been to allow free optional retakes to occur.

Postponing AIMS Testing for Some Grades

In Attachment 3, Superintendent Horne indicates that postponing AIMS-DPA testing for Grades 4, 6 and 7 until FY 2006 would not save state money because he says that only federal No Child Left Behind monies will be used to pay for AIMS testing of those grades in FY 2005. He also notes that A.R.S. §§ 15-741 and 15-755 would require those grades to take a norm-referenced test (NRT) in FY 2005 even if they are not AIMS tested.

ADE-Developed Options

Superintendent Horne indicates in Attachment 3 that ADE has not been able to come up with any other substantial options for addressing the projected \$1.3 million shortfall for achievement testing for FY 2005.

Harcourt Appeal

In March 2004, the contract for AIMS-DPA testing in FY 2005 was awarded to CTB/McGraw-Hill, rather than to the existing AIMS vendor, Harcourt Assessment. On April 21, 2004, Harcourt Assessment filed a legal protest of the award, stating that it believed that the new contract does not satisfy statutory requirements for norm-referenced testing in A.R.S. §15-741(A)(10). In Attachment 3, Superintendent Horne indicates that ADE filed an Agency Report on this issue with the Director of the Arizona Department of Administration (ADOA) on May 3, 2004 and that ADOA typically schedules a hearing for such appeals within 60-90 days of the date of filing. ADE is currently awaiting announcement of the hearing date from ADOA and will inform the JLBC of the outcome of the appeal, once determined.

RS/SSc:ck
Attachments

ATTACHMENT 1

Arizona's Instrument to Measure Standards (AIMS)				(DPA)
	Actual Costs Incurred		Projected Costs	
	FY 2002	FY 2003	FY 2004	FY 2005
1 AIMS Contract Base	\$4,750,200	\$6,818,797	\$5,614,759	11,041,499 10
2 Mod 1		\$0		
3 Mod 2		\$309,313		
4 Mod 3		\$7,381		
5 Mod 4		\$75,010		
6 Mod 5		\$4,576		
7 Mod 6		\$22,514		
8 Mod 7		\$44,365		
9 Mod 8		\$75,889		
10 Mod 9		\$17,143		
11 Mod 10			\$4,181,165	2
12 Mod 11		\$55,986		
13 Cost Overrun Mod 10 and 11			\$10,175	4
14 Mod 12			\$0	
15 Mod 13				\$92,535 6
16 Mod 14				\$3,412,393 3
17 Science item writing (still needed)				\$822,989 3
18 Test Subtotal	\$4,750,200	\$7,430,974	\$9,806,099	\$15,369,416
19 State Admin - Salary etc.	\$184,700	\$114,781	\$188,000	\$188,000
20 Federal Admin - Salary etc.	\$0	\$753,879	\$805,000	\$950,000
21 Standard Setting				\$500,000 5
22 Standards Articulation - Science			\$300,000	7
23 Standards Articulation - Writing			\$150,000	8
24 National Organizational Committees			\$30,000	9
25 Lost-Reverted back to the state		\$73,119		\$30,000 9
26 Program Subtotal	\$4,934,900	\$8,372,753	\$11,279,099	\$17,037,416
27 Funding Summary				
28 GF (Admin)	\$183,300	\$187,900	\$188,000	\$188,000
29 GF (AIMS)	\$3,389,800	\$3,208,600	\$3,208,600	\$3,208,600
30 Prop 301 (NRT)	\$1,100,000	\$0	\$0	\$2,255,500 11
31 Prop 301 Solution Team		\$1,491,045	\$0	\$0
32 Federal (NCLB for assessment)	\$0	\$3,238,918	\$5,476,340	\$5,807,917
33 Subtotal	\$4,673,100	\$8,126,463		\$11,460,017
34			\$8,872,940	
35 Total General Fund Deficit	-\$261,800	-\$246,290	-\$2,406,159	-\$5,577,399
36				
37 State Test Base Contract 3-5-8-10/DPA	\$4,750,200	\$6,818,797	\$5,614,759	11,041,499
38 State Appropriation for State Test	\$3,389,800	\$3,208,600	\$3,208,600	\$5,464,100
39 Difference (shortfall)	\$1,360,400	\$3,610,197	\$2,406,159	\$5,577,399

1 Original Contract Base from 2001. Contract life 6 years.

Modification 1 No money just wording.

Modification 2 Curriculum standards articulation ,meetings July 21, 2002-July 26,2002 to articulate by grade level standards to be measurable. This is needed both for NCLB and for AZLearns

Modification 3 Addition of two state test coordinators to NAAAC meeting. NCLB discussed also AZLearns

Modification 4 Standards articulation meeting 22-24 September 2002. Needed both for NCLB and AZLearns.

Modification 5 Standards articulation meeting October 4 2002 with measurement experts. NCLB and AZLearns

Modification 6 Standards meeting for Science, cancellation fee. Credit to be given. NCLB expense.

Modification 7 Standards articulation meeting October 26, 2002. NCLB and AZLearns expense

Modification 8 National Consulting firm StandardsWorks. They helped create the original AZ standards and now are needed to address modifications needed for NCLB. NCLB expense and update to state standards for AZLearns

Modification 9 Consultants from standards articulation committee members to assemble final draft of standards This is an NCLB and AZLearns expense.

2 Modification 10 Write items for NCLB mandated grades and replacement items for state mandated grades. NCLB and AZLearns

Modification 11 initial meeting of Science articulation. NCLB expense

Modification 12 FERPA modification no cost to ADE.

Modification 13 Commissioning of reading passages for item writing June 2004. Long lead time necessary. NCLB and AZLearns

Modification 14 Item writing and fall testing and scoring. Subsumes Mod 13. NCLB and AZLearns

3 \$3,412,393 The AIMS contract needs to be modified to include item writing for the Summer of 04.

Also, writing AIMS items to match the new blueprint modified to match the articulated standards in reading, mathematics and writing, and in the number of grades assessed in 2005 (grades 4,6,7 to be added).

\$822,989 must be included to write items for the new Science Standards as required by NCLB.

4 Cost overrun for Science Facilitator and extra NAAAC expenses

5 \$500,000 This is necessitated by both changes in the test at 3,5,8, and 10, and the addition of grades 4,6, and 7 for which there are no performance standards. This is usually a one time expense except in high stakes .

6 Long lead item writing passages for reading test.

7 Articulation of Science Standard (covered under NCLB)

8 Articulation of Writing Standard (projected expenditure)

9 National Organizational Committees CCSO sub-committees

10 New AIMS DPA contract with CTB

11 Assumption of NRT appropriation for AIMS DPA

As of

5/26/04



STATE OF ARIZONA

Joint Legislative Budget Committee

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July 12, 2004

The Honorable Tom Horne
Superintendent of Public Instruction
Arizona Department of Education
1535 W. Jefferson
Phoenix, AZ 85007

Dear Superintendent Horne:

At the June 29, 2004 Committee meeting, JLBC Staff presented information on projected costs for achievement testing. We were disappointed that the Department had no one available on a timely basis to respond to the Committee's questions. Therefore, please provide a written response to the following:

- Does the Department have any options for bringing testing expenditures in line with the FY 2005 adopted budget? The current projected FY 2005 shortfall is \$1.3 million.
- Please discuss options to require districts and charter schools to pay for test retakes for students that have passed the AIMS test and to postpone testing for some grades until FY 2006. What would be the dollar savings associated with each option? Regarding test retakes, how many students are currently retaking the AIMS test?
- The current AIMS vendor has filed a legal protest regarding the new AIMS contract, which it lost to another vendor. Please provide an update on the status of this.

Please provide a written response to these questions by August 2nd.

Sincerely,

Senator Robert Burns
Chairman, Joint Legislative Budget Committee

RB:jb

xc: Richard Stavneak, Director



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

August 2, 2004

The Honorable Robert Burns
Chairman, Joint Legislative Budget Committee
1716 W. Adams
Phoenix, AZ 85007

Dear Chairman Burns:

This is in response to your letter of July 12. I will respond to your three questions in reverse order:

1. Award of AIMS to New Vendor: The AIMS is now part of the Dual Purpose Assessment, which was awarded to CTB/McGraw Hill. Previously, Harcourt held the award. The Department had an extremely harmonious relationship with Harcourt, and was pleased with its work. There were many reasons to continue using Harcourt. However, the CTB/McGraw Hill bid, though about the same for the first three years, was \$7.5 million less in 2008/2009 and 2009/2010. The decision to award to CTB/McGraw Hill, despite numerous substantial reasons to continue with Harcourt, illustrates the fact that the Department places highest priority on fiscal frugality, and savings wherever possible.

On April 21, 2004, Harcourt appealed the ADE decision to uphold the contract award to CTB/McGraw Hill. ADE filed its Agency Report with the Director of ADOA on May 3, 2004. Ordinarily, hearings are scheduled by the Director of ADOA and the scheduling information is provided to the agency within 60-90 days of the date of filing. We will be pleased to inform the JLBC of the resolution as soon as it is received by the ADE.

2. Having Schools Pay for Test Retakes: The number of students taking the test as 11th and 12th graders is 53,237. If the schools paid for all of these, at \$15 per test, the savings would be about \$790,000.

At the current time, we are unable to divide between those who would be taking the test because they failed it, and those retaking it to achieve an "exceeds" score. Improvements that we made this past year in the computer system are such that we expect to be able to make that distinction next year. If, as we believe, only a minority of students who took the test in the 11th and 12th grade did so despite having passed the test, the savings associated with charging only for retakes by students who passed may be minimal.

nan Robert Burns

gust 2, 2004

age 2

Options for high school students to retake the AIMS test in order to move into the "exceeds" category provides students the opportunity to receive a Board of Regents scholarship which serves as a motivation for higher performance and continuing education. Free and equal access to aspire to this level of performance impacts economically disadvantaged districts and charter schools.

We do not feel it would be appropriate to impose this kind of burden on the school districts on the authority of the State Board alone, and believe that such a major step should only be taken with appropriate legislation. If you wish to pursue such legislation, we will provide you with all the information we can, as it becomes available to us.

With respect to postponing testing for some grades, we need to distinguish between the norm referenced test and the AIMS test. The norm referenced test is funded by the state. It receives no federal support. The increased cost of the AIMS at the added grade level is covered by the federal government under No Child Left Behind. Therefore, any meaningful savings would have to be in the norm referenced test. Currently, as a result of Proposition 203, the norm referenced test at the applicable grades is required by A.R.S. §§ 15-741(3) and 15-755. Postponement of the AIMS for some grade levels would be a savings to the federal government, not to the state.


3. Projected Shortfall: As the answers to the previous questions indicate, our activities are strictly controlled by applicable statutes, both state and federal, and consequently, we have not been able to come up with any substantial options to date. In prior years, the shortfall in the beginning of the year was \$4.5 million. As a result of better planning this year, this shortfall was reduced to \$1.3 million.

As illustrated by our switch from Harcourt to CTB/McGraw Hill, we continue to make frugality, and savings of taxpayers' money where possible, our top priority.

I value our working relationship, stemming from our years in the legislature together, and I will provide you with any information you request, immediately if I have it, and if I don't have it, as soon as it becomes available to us.

Thank you very much.

Sincerely,



Tom Horne

TH:GJ

CC: Dr. Donna Lewis

STATE OF ARIZONA

Joint Legislative Budget Committee

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DATE: August 9, 2004

TO: Senator Bob Burns, Chairman
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Stefan Shepherd, Assistant Director

SUBJECT: Governor's Office of Strategic Planning and Budgeting – Report on Federal Revenue
Maximization Initiative

Request

Pursuant to a General Appropriation Act footnote, the Governor's Office of Strategic Planning and Budgeting (OSPB) has submitted the first report on the status of a Federal Revenue Maximization Initiative.

Recommendation

This item is for information only and no Committee action is required. The JLBC Staff recommends, however, that the Committee request OSPB to provide the list of projects that have either been initiated or referred to agencies for final cost-benefit analysis in future reports. The list of projects should also include each project's contractor, relevant agencies, and projected savings. The projected savings should distinguish between potential reductions in current funding levels and foregone future spending increases.

Analysis

Laws 2004, Chapter 275, Section 80 states the following:

"The Office of Strategic Planning and Budgeting shall report to the Joint Legislative Budget Committee by July 1, 2004 and the beginning of each subsequent calendar quarter in the fiscal year on the status of the Federal Revenue Maximization Initiative. The report, at a minimum, shall include an update on contracts awarded as a result of the "RevMax" request for proposals, a summary of projects and the potential savings from each project. Any reported savings shall distinguish between potential reductions in current funding levels and foregone future spending increases."

(Continued)

This provision was associated with an estimated \$25 million of savings incorporated into the overall FY 2005 budget. These savings were not allocated to specific agency budgets; rather they were assumed as part of the overall “balance sheet” and were intended to reduce current funding levels. To meet the budgetary target, agency appropriations would need to be reduced during the year or budgeted revertments would have to increase. Revertments are unspent appropriations that are returned to its source (in this case, the General Fund).

OSPB submitted its first report on the Federal Revenue Maximization Initiative, or “RevMax” on July 16. The report states that the Governor created a RevMax Governance Board (see attached report for membership) to assign state agencies to do pre-feasibility studies on potential RevMax projects submitted either by potential vendors or state agencies. The Board will decide whether to proceed with individual projects.

The first RevMax Governance Board meeting was held on June 23. At its August 4 meeting, the Board gave the Arizona Health Care Cost Containment System and the Department of Economic Security authority to proceed with a cost-benefit analysis of a proposal to draw down additional funds related to eligibility determination for Medicaid and Temporary Assistance for Needy Families (TANF) Cash Benefits. If costs exceed the benefits, it is our understanding that the Executive will proceed with the project. Additional projects may be authorized at the Board’s next meeting, scheduled for August 24.

In March, the Executive issued a Request for Proposals (RFP) to establish a master list of contractors for performing RevMax services. OSPB’s report states that based on responses to the RFP, the Arizona Department of Administration (ADOA) placed 6 agencies on the RevMax Master Contractor List -- Maximus, Public Consulting Group, Strategic Governmental Solutions, the University of Massachusetts, EP&P, and Mercer Consulting. Agencies will select a contractor from this list to implement a RevMax project.

RS/SSH:jb
Attachment



Janet Napolitano
Governor

**GOVERNOR'S OFFICE OF
STRATEGIC PLANNING AND BUDGETING**
1700 West Washington, Suite 500, Phoenix, Arizona 85007
(602) 542-5381 • FAX: (602) 542-0868

David Jankofsky
Director

July 16, 2004

Mr. Richard Stavneak, Director
Joint Legislative Budget Committee Staff
1716 West Adams
Phoenix, Arizona 85007



Subject: Federal Revenue Maximization Reporting

Dear Richard;

Pursuant to Section 80, Chapter 275, Laws 2004, this letter will serve as the first Report on the status of the Federal Revenue Maximization Initiative.

As you know, ensuring that Arizona receives the maximum amount of federal revenues legally available has been an initiative of the Governor's since assuming Office. During the 2003 Regular Session the Governor proposed, and the legislature enacted, a measure that removed the special exemption from Arizona's Insurance Premium Tax that had been granted to Medicaid Health Plans. Because the federal government reimburses certain operating costs of these Plans, the repeal of the exemption in essence transferred additional federal funds to the State.

In order to create a more formal structure for this initiative the governor created a RevMax Governance Board. The Board membership is attached. The Board's role is to assign state agencies to do pre-feasibility studies on potential revenue maximization projects that are submitted either by potential vendors or state agencies. After a given pre-feasibility study is completed, the Board then decides whether it is cost-effective to proceed and assign a consultant to the project.

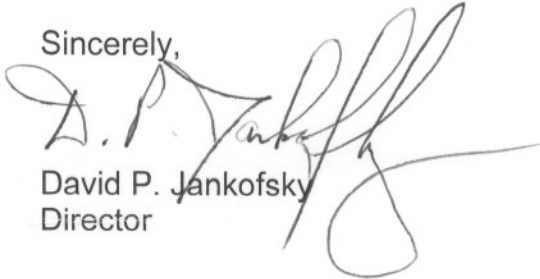
The first RevMax Governance Board meeting was held on June 23rd, 2004. At that meeting, several proposed RevMax projects were assigned to state agencies and other appropriate persons for a review of their feasibility. Those persons and agencies will make recommendations at the August 4th Governance Board meeting on whether to pursue or not pursue a task order for submitted projects. If the recommendation to pursue a project is made and approved by the Governance Board, then the agency will issue a task order proposal to one or more contractors on the Department of Administration's RevMax Master Contractor List. Task order awards are anticipated to be presented at either the September or October Governance Board meetings.

Authorized contractors to work on RevMax Projects were awarded June 1, 2004, by the Department of Administration after an RFP Process. DOA placed six contractors on the

RevMax Master Contractor List. Agencies will work with this pool of contractors to implement RevMax projects. The contractors are: Maximus, Public Consulting Group, Strategic Governmental Solutions, the University of Massachusetts, EP& P, and Mercer Consulting.

If you have any questions or desire further information, please do not hesitate to call either Kristine Ward (542-6404) or me (542-5381).

Sincerely,

A handwritten signature in black ink, appearing to read "D. P. Jankofsky", with a large, stylized flourish extending from the bottom right.

David P. Jankofsky
Director

Revenue Maximization Governance Board

Members:

George Cunningham, Chair

Dennis Burke, Chief of Staff, Office of the Governor

Susan Gerard, Policy Advisor for Health, Office of the Governor

Elliott Hibbs, Director, Department of Revenue

Kris Ward, Deputy Director, OSPB

Alex Turner, Counsel, Department of Administration

Keely Varvel, Deputy Director, Governor's Office of Children Youth and Families

Rick Potter, Chief Operating Office, Health Services Advisory Group

Staff: Anne Winter, Policy Advisor to the Governor