

STATE OF ARIZONA

**Joint Legislative Budget Committee**

STATE  
SENATE

ROBERT L. BURNS  
CHAIRMAN 2006  
MARSHA ARZBERGER  
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HOUSE OF  
REPRESENTATIVES

RUSSELL K. PEARCE  
CHAIRMAN 2005  
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STEVE HUFFMAN  
LINDA J. LOPEZ  
STEPHEN TULLY

JOINT LEGISLATIVE BUDGET COMMITTEE

Thursday, September 1, 2005

9:30 a.m.

House Hearing Room 4

**- R E V I S E D -**

MEETING NOTICE

- Call to Order
- [Approval of Minutes of July 21, 2005.](#)
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION -
  - A. Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.
  - B. **Review for Committee the Planned Contribution Strategy for State Employee Retiree Health Plans as required under A.R.S. § 38-658A.**
- 1. [AHCCCS - Review of Capitation Rate Change.](#)
- 2. [DEPARTMENT OF ECONOMIC SECURITY - Review of Proposed Implementation of Developmental Disabilities Provider Rate Increase.](#)
- 3. [DEPARTMENT OF PUBLIC SAFETY - Quarterly Review of the Arizona Public Safety Communications Advisory Commission.](#)
- 4. [ARIZONA DEPARTMENT OF ADMINISTRATION - Review of Emergency Telecommunication Services Revolving Fund Expenditure Plan.](#)
- 5. [ATTORNEY GENERAL - Review of Uncollectible Debts.](#)
- 6. [ARIZONA COMMISSION ON THE ARTS - Review of the Arizona Arts Endowment Fund and Private Contributions.](#)

The Chairman reserves the right to set the order of the agenda.

08/29/05

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**REVISED**

**MINUTES OF THE MEETING**

**JOINT LEGISLATIVE BUDGET COMMITTEE**

July 21, 2005

The Chairman called the meeting to order at 9:45 a.m., Thursday, July 21, 2005, in House Hearing Room 4. The following were present:

Members:	Representative Pearce, Chairman	Senator Burns, Vice-Chairman
	Representative Biggs	Senator Arzberger
	Representative Boone	Senator Cannell
	Representative Gorman	Senator Garcia
	Representative Tully	Senator Harper
		Senator Martin

Absent:	Representative Burton Cahill	Senator Bee
	Representative Huffman	Senator Waring
	Representative Lopez	

**APPROVAL OF MINUTES**

Representative Pearce moved that the Committee approve the minutes of June 28, 2005. The motion carried.

**EXECUTIVE SESSION**

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

At 9:46 a.m., the Joint Legislative Budget Committee went into Executive Session to discuss the Arizona Department of Administration Risk Management report and the FY 2006 State Employee Health Insurance Contribution Strategy.

Senator Burns moved that the Committee reconvene into open session. The motion carried.

At 11:35 a.m. the Committee reconvened into open session.

**DEPARTMENT OF ECONOMIC SECURITY - Review of FY 2006 Expenditure Plan for Workforce Investment Act Monies.**

Mr. Russell Frandsen, JLBC Staff, said this item is a request for a review of appropriated funds for the federal Workforce Investment Act. DES has submitted their plan for the use of funds as noted in the table in the JLBC agenda.

Representative Boone asked how many staff salaries were included in the \$600,000 set-aside for staffing the Governor's Council on Workforce Policy.

Mr. Frandsen stated that the FTE figures are 6.94 and salary only figures are \$363,026 exclusive of Employee Related Expenses. Some of the other expenditure categories included travel conferences, and building lease costs.

*Senator Burns moved that the Committee give a favorable review to the expenditure plan for \$2.3 million of the discretionary portion of federal Workforce Investment Act monies received by the state for FY 2006 as recommended by JLBC Staff. The motion carried.*

#### **DEPARTMENT OF HEALTH SERVICES (DHS) - Review of Behavioral Health Title XIX Capitation Rates.**

Mr. Richard Stavneak, JLBC Director, said this item is a review of the capitation rate adjustments proposed in the DHS for the Title XIX behavioral health programs. He covered an excerpt from a budget presentation in February on DHS in regard to what are the capitation rates and the background of the Behavioral Health System. Mr. Stavneak stated about \$60 million for cap rates was budgeted, this proposal will cost about \$75 million, explained the 3 main reasons for the increase as outlined in the JLBC Staff recommendation memo.

Senator Garcia stated that since the department doesn't require approval, does that include the shifting of responsibility from the county to DHS for behavioral health services. Mr. Stavneak stated there is no statutory requirement in terms of who covers those services.

Senator Garcia asked if the the reverse is true, that costs could be shifted back to the counties. Mr. Stavneak stated that they could, assuming they would change the capitation rate in the future year.

Representative Boone asked whether shifting \$3.3 million for the DES portion and \$1.6 million for the county is a potential savings of \$4.9 million. Mr. Stavneak stated JLBC is suggesting that the involved entities report back, as we have asked DHS if they know how much the counties are currently spending on juvenile detention services and at that point they did not know the answer.

Representative Boone asked if they agreed to provide that report. Mr. Stavneak stated he did not specifically talk to them yet about providing the report. This is why this is in the recommendation memo.

Senator Cannell asked whether the policy of shifting the care for kids from the county and DES to DHS is going to be lost or are the same providers going to continue their care.

Mr. Eddie Broadway, Deputy Director, Department of Health Services, Behavioral Health stated this has been a gradual process with the capitation rates. We have been working with the counties, the children in this case are Title XIX eligible and many are in assistance currently. When they went into the detention facilities, their benefit would automatically be suspended. An agreement with AHCCCS and the detention facility has been worked out so that if they are held under such things as status offenses, their benefit would not go away and they would continue to be eligible for Title XIX services, and therefore, continue to be eligible for services in the new budget.

Senator Garcia asked if this was only going to be for status offenses. Mr. Petkiewicz stated that it was just one example. AHCCCS holds the eligibility. As long as they remain eligible, services will be provided.

Senator Garcia stated that he wanted to make sure that if there is going to be a policy change, that we need to cover as many kids as possible.

Mr. Broadway stated that as long as they maintained their eligibility into AHCCCS this decides that typically if they're over a period of time, chances are that they would lose their benefit. When the services would be provided through the county they are often through the same providers.

Senator Garcia asked if AHCCCS is available to tell us if they have a date or number of dates for the transition.

Mr. Broadway said this was on a case by case basis.

Senator Burns asked that of the FY 2005 shortfall, budgeting \$60 million for inflation adjustments, why wasn't the agency was not able to stay within that amount?

Mr. Chris Petkiewicz, Chief Financial Officer for Behavioral Health Services said we did an analysis of the needs of the Title XIX SMI population and found out that as a result of Arnold vs. Sarn, we needed approximately 525 case managers in Maricopa County, 70 rehabilitation specialists, 63 clinical subordinations, 23 housing specialists, 47 abuse subordinators, and we need to transition approximately 17 people out of the state hospital in order to meet the maximum 55 person census level as part of the Arnold vs. Sarn lawsuit, transition 50 people out of supervisory care. These are the key factors that drove up the costs to the program adjustment to the Title XIX capitation rate.

Senator Burns asked what the department's plan was as far as resolving the issue of the \$15 million shortfall. Mr. Broadway said we will have to wait until the end of the month to determine what the shortfall is.

Senator Burns asked if they are not in agreement that it's \$15 million. Mr. Broadway stated it might be that amount and they may need to seek a supplemental appropriation.

Senator Burns stated that once the agency determines that there is going to be a shortfall, there is a requirement in statute that says a letter should be sent in relative to that issue. He indicated that he does not know where the letter is at this point.

Mr. Petkiewicz said they are currently working on the analysis and he is aware of the statutory requirement. A letter will be sent in less than 2 weeks. They are waiting for the next member months to show up for August so there is 2 months of numbers this fiscal year.

Senator Burns asked what the analysis is as to what the savings might be based on this transfer.

Mr. Petkiewicz said they worked with DES last year and drafted and sent a letter to JLBC and last year the dollars saved were close to the adjustments that were made in last year's capitation rates. The analysis has not been done yet this year.

Representative Pearce stated he understood the \$15 million number came from DHS as a potential shortfall. Mr. Broadway stated he was not aware of that.

Representative Pearce said if we do not know where it is at now and we are anticipating a shortfall; he was concerned as to why that was not on the Governor's list of priorities at the end of the session.

Mr. Petkiewicz stated he could not answer that, but when they finish their analysis they will inform him of the projections of the shortfall.

Representative Pearce said he is not sure how they came up with the \$15 million shortfall and when we put in a \$60 million inflation factor into the DHS, he is concerned why we could not do this within budget and why there could be a shortfall in the first place.

Representative Boone wanted to clarify if the \$15 million is projected to fall in the 2006 budget.

Mr. Petkiewicz said that was his understanding.

Representative Boone asked there might not be a request for a supplemental because the department might be able to take care of that internally.

Mr. Petkiewicz said he did not try to convey that message.

Senator Burns asked if the 2-week timeframe relative to the \$15 million also includes transfer information between DHS and DES.



Mr. Petkiewicz said the JLBC analyst recommended that by October 31, a letter to JLBC showing the savings that DES had accrued and the expenses that DHS as incurred as a result of the taking on the care of the kids.

Mr. Stavneak stated the timeline for the letter is October 1.

Senator Burns said adjustments made to the Maricopa SMI capitation rate is up to \$317 million, what does that do as far as resolving the Arnold vs. Sarn.

Mr. Petkiewicz said a court monitor is currently working on an audit of the progress that has been made to date. It is not fair to comment on whether the \$317 million will meet all the needs until we have a good idea of what findings the audit from the court monitor may have.

Ms. Susan Gerard, Director, Department of Health Services said her understanding was that the estimate was based on the Leff Report. The estimate was what it would cost to bring the system up to provide the services that were required by the lawsuit. That was the number that came from that report. That is also current dollars, not what dollar costs would be 3 or 4 years down the road because that report was a couple of years out of date. The agreement was that we would agree that would be the number. What the actual number will be will depend on things like how many people present times what the capitation rate is, which is dependent on utilization rates. This is an estimate.

Senator Burns said you had a number of components that had to be addressed in this agreement and this was an estimate of \$317 million, so if those components can be addressed for that money, then we ought to have an agreement.

Ms. Gerard said it was not just about dollars, it's also about passing these audits to show we are actually taking care of the needs of the SMI people in Maricopa County, so we could potentially spend more money. If the court finds that we still haven't satisfied the requirements we would still be considered out of compliance.

Senator Burns asked if the agreement involves additional funding, why was the Legislature not included in the loop. Ms. Gerard stated that the Legislature was not named in the lawsuit.

Representative Pearce said when the agency knows that the Legislature needs to be involved and has to deal with additional money, the Legislature needs to be notified and consulted before there is an agreement to pay more money.

Ms. Gerard agreed and will keep everyone involved.

Representative Boone asked if the financial issue of the capitation rates constitute the request as required by the settlement.

Mr. Robert Source, Assistant Attorney General Representing Department of Health Services stated that the request was for the department to ask the Governor to seek \$317 million so it was never a direct request for the Legislature to appropriate the money. We agreed to ask the Governor to put that in her budget and then that budget would be subject to negotiation with the Legislature. That was the requirement and that is what we did.

Representative Boone asked if the capitation change fulfills that formal request. Mr. Source said that is correct.

Representative Boone asked if the recommendation takes care of the financial requirement of the settlement. Mr. Source said that is correct.

Representative Biggs wanted clarification on the department's responsibility per the agreement with the court monitor.. Ms. Gerard said they have to request it in the Department of Health Services budget that goes to the Governor.

Representative Biggs asked if the mere fact that the request was made, then the department would be in compliance of the court order. Mr. Source said that was correct.

Representative Biggs asked if this would give us a legal release after this money.

Ms. Gerard stated this is just one requirement of the lawsuit; there are 19 stipulations in the exit criteria. The department is looking at June 2008 to exit the lawsuit, but everything we were told we have to have done, needs to be done prior to this. Part of this is the regular audits.

Representative Gorman asked if DES is going to show a \$3.3 million surplus in the budget or will we never see the money.

Ms. Gerard stated that she was unsure. Initially when changes were made we did a transfer from DES, but when you get into subsequent years and we work it into the capitation rate, it will be taken out of the DES budget. They are not transferring it to us.

*Senator Burns moved that the Committee give an unfavorable review of DHS' capitation rate changes. The Committee requests DES, DHS, and Juvenile Detention Centers to report by October 1, 2005 as stated in the recommendation by the JLBC Staff. The motion carried.*

#### **JOINT LEGISLATIVE BUDGET COMMITTEE STAFF - Report on Phoenix Medical Campus.**

Ms. Shelli Carol, JLBC Staff, said this item is a staff report on the Phoenix Medical Campus. The Higher Education Budget Reconciliation Bill directs the University of Arizona (UA) to establish the Phoenix Medical Campus at the site of the former Phoenix Union High School. The bill has limited the campus to one class of 24 students at an annual cost to the General Fund of \$7 million. That appropriation has divided \$6 million to UA Health Sciences Center and \$1 million to Arizona State University (ASU) Department of Biomedical Informatics.

Mr. Jaime Molera, Representing Arizona Board of Regents, said one of the things important in heading toward the September 1 deadline is to report to the Legislature and have a better idea as to the issues are important in order to make good decisions and possible policies. How much is this going to cost before build-out has been the question since this started. We have provided detailed information at the Level I funding. Level II which will be the full build-out of having the whole College of Medicine that would have 125-150 students per year graduating. The cost will be detailed in the report to the Legislature on September 1.

Representative Pearce said this was not part of the budget deal last session and was added at the last minute. He said we have ranking to compete in getting the best and the brightest, and with that comes federal money and grants. Instead of working to make the UA Medical School where we want it to be, how is this going to affect the overall ranking by opening a second medical campus that may detract from UA Medical School and maybe hurt the ranking.

Mr. Molera stated that expanding the College of Medicine would be a tremendous improvement in our ability to attract the best and brightest and to have that kind of economic engine that the Colleges of Medicine often are for communities and states. The Flinn Foundation did a national report that showed the state ranks 46<sup>th</sup> in being able to prepare new doctors for the future. The four states below us do not have a college of medicine. We are behind in our ability to attract doctors from other states. This gives us an opportunity to attract people to improve our economic stance and our health care policy for the state.

Senator Burns asked how they plan to fund the additional costs in addition to the General Fund. Mr. Molera said it would be listed in the report as not just state appropriated dollars, but all the resources that will go into this College of Medicine. The Legislature will have a full accounting.

Senator Burns asked how much private and federal funding is anticipated to be received and what is the status of the efforts to ensure open access to the clinical rotations issue.

Mr. Molera said the policy has been changed by the UA College of Medicine. We will not preclude hospitals with making rotation arrangements with two schools. This is why there was a request by the colleges to put a footnote in saying we will be barred from doing this in the future.

Senator Burns asked what the status is of the discussions with the hospital near the medical school and what efforts are being put forth. He asked if a new hospital were built, would there be a detrimental effect to the existing hospitals. What is the connection to the relationship between ASU's \$1 million for the new Bioinformational Department and

TGEN. A concern is the medical schools have too much emphasis on research and not enough emphasis on producing doctors to go out and practice medicine on patients. There needs to be a comfort level provided in that area. We also understood that there would be classes starting in 2006 and now it is 2007. He asked how that would affect the funding put forth for 2006 classes.

Mr. Molera stated there were discussions with staff and members about the process prior to the funding being allocated. The report highlights that because of the accrediting process and the timeline. He stated that we would be able to use the facilities with clinical rotation starting in 2007.

Representative Pearce stated that was alluded to, but the actual funding was given for the 2006 class. He asked what is going to happen to the \$7 million that was funded for 2006.

Mr. Molera said the funding is going to be used for this initial year. Most of the funding is going to be used for equipment to staff the facility to build up the telemedicine capability.

Representative Pearce stated that the funding was for 24 students and that we were not funding capital.

Mr. Molera stated they were very clear and detailed with stating exactly how the money would be used over the first 2 years. In order to have accreditation all the resources are critical. The intent is to get classes starting quickly.

Senator Burns asked about the space issues. More space may be needed in addition to the current site. Mr. Molera stated that there will be detail on space, funding, and how it will be obtained, along with the relevant equipment needs.

Representative Biggs asked that of the incremental programs why we need \$1.4 million in new money for curriculum development.

Mr. Molera stated that it would be a major piece of an explanation as to what is happening. UA is going through an accreditation process; they are going through every facet.

Representative Biggs asked how much ASU is contributing toward the curriculum development. Mr. Molera said he will provide the information.

Representative Biggs said UA has plans to allocate \$35-40 million regarding capital and operating expenses over 5 years. He asked if there is an annual distribution breakout of those funds, a reallocation from other UA departments or from the medical school, and how are those funds are going to be made up if there is a reallocation.

Mr. Molera said right now UA has lease space that will be shut down. He indicated that they will show how much is being spent and how much is being shifted over.

Representative Tully wanted clarification as to who was doing the report. Mr. Molera stated that it will be a collaborative effort and ABOR is overseeing with UA and ASU.

Representative Tully asked that the report explain why the new medical school needs to be in Phoenix, how many doctors will be expected in the future, why money should be spent on a new medical school instead of spending the money elsewhere, and anything that can be added to explain the medical school.

Representative Gorman asked what percentage of doctors will be research doctors as opposed to actual healthcare providers; will there be any requirement to practice in Arizona; is there any contingency plan in case the Legislature provides no more funding, and will any private entities come in and partner with the university to build the new medical campus.

Senator Burns asked for feedback on efforts made to address the issue of retention of the doctors within the state as opposed to turning this into a university that provides a training field for other states.

Senator Cannell asked how this is going to interact with the residency programs in the Phoenix area. How is the reaction/interaction between the residents and students and the students and doctors in practice, to the residency

programs? How is the residency training program going to change so that when residents training in Arizona come out, will there spots in Arizona for them to train and will these spots involve recommending the practice of medicine instead of research.

Representative Pearce asked if the city currently owns the land.

Kevin DeMenna, representing City of Phoenix, said the land has been accepted, with the exception of the 3 buildings as outlined. Phoenix Union will negotiate with Mr. Kaufman in a friendly manner on a final price. It is without question that we control the land.

Representative Pearce asked if some of this will be paid out of the bond election coming up in the City of Phoenix.

Mr. DeMenna said the renovation of the 3 buildings of the Phoenix Union has been used under the Historic Preservation Funds. All of the land referred to, 15 current plan acres and 28 future plan acres, is in control by the City of Phoenix.

Representative Pearce asked if the land is going to be acquired by eminent domain, what the plan is and how are we going to get to the expansion.

Mr. DeMenna said he cannot tell if categorically the answer is no. Within the footprint of what is under consideration, there are 3 buildings owned by Mr. Kaufman. The city has been in them and would now like to take ownership. They are currently in a friendly condemnation action with the owner for tax benefits. The closing should be within the next few months.

Mr. Stavneak said both Committees will be appointing members to serve on the Joint JLBC/JCCR Subcommittee designed to explore the University submission in a separate meeting in mid-September. By October 5, there will be a meeting with this committee to review the formal plan as submitted.

No action was required on this item.

#### **DEPARTMENT OF CORRECTIONS - Report on Health Care Contracts.**

Mr. Stavneak stated there is no information provided and this was just added to the agenda because of interest in this subject.

Ms. Kimberly Cordes-Sween, JLBC Staff, said this item relates to the Department of Corrections (DOC) health care contracts. The department provides routine and emergency medical services to inmates on site at prison facilities and also contracts with outside providers for major medical treatment. Currently 10 hospitals and medical care providers are contracted or are in the process of renewing their contracts with the department. Maricopa County contract for services to the Phoenix area detention facilities and that was scheduled to expire on June 30. The department issued a request for proposal (RFP) for this area and the Maricopa County was the only provider that submitted a bid. Within the past year AHCCCS has taken over the department's bidding processing and as a result has changed some of the requirements for the department health care contracts and necessary components of health care proposals. The department determined that Maricopa's submission could not be properly evaluated nor could they extend an offer due to the fact that information related to the new AHCCCS components was not provided. The department has rescinded and reissued the RFP which will allow Maricopa to re-bid. The Maricopa contract has been extended by 90 days to ensure no break in service. The Maricopa RFP has drawn concern and for this reason the Chairs requested that the department provide this update on the status of the health care contract.

Representative Pearce asked why the RFP was rescinded.

Gary Phelps, Deputy Director, Department of Corrections said that in 2003 the department became aware that some of the patients at non-contract hospitals could become AHCCCS eligible. In 2004 we asked for AHCCCS rates plus 55% to lower the cost to the department. In anticipation of the legislation passing, the Appropriations Committee took \$2.4 million out of the Health Services budget. We signed an IGA with AHCCCS for the metropolitan areas to use their tiered billing system, not their rate, as a third party to go through the billings from the vendors. RFP's were issued in

Tucson and Phoenix. St. Mary's in Tucson was signed a year ago. In April an RFP was sent out for Maricopa County. Maricopa County was the only responder. The proposal was submitted on June 3, but provisions of the contract could not be evaluated because it was labeled N/A.

Representative Pearce said the purpose of the RFP was to lower the rates to be closer to the AHCCCS rates. He asked why there would be a solicitation of additional bids versus clarifying the issues through an addendum.

Mr. Phelps said this was a normal process and there are clarification periods prior to the submitting of the proposal. We are not soliciting additional bidders. It's based on using AHCCCS as a third party billing to better bill and use their tiered system.

Representative Pearce asked what the efficiency standard is they are hoping to address.

Mr. Gary Pinkstaff, Health Services, Department of Corrections said one of the major changes that was addressed when the RFP went out was that they were going to use the tiered per diem program that AHCCCS had.

Representative Pearce said that can go in the communication of the clarification put in the response to the RFP addendum.

Mr. Pinkstaff said it was in the cover that went out with the RFP. The question was not asked by anyone from Maricopa County regarding clarification or was it necessary that they bid as we requested.

Representative Boone asked if the RFP was for medical care for the DOC. Mr. Pinkstaff said yes, inpatient care and outpatient services.

Representative Boone asked how many RFP's did we have in the past.

Mr. Pinkstaff said the RFP that the contract has expiring on June 30 was awarded in 2000. The first RFP where we were addressing the tiered per diem and using AHCCCS as the third party administrator was done a year ago and also for the Pima County was also awarded to St. Mary's. This is the first time we have done this specific kind of RFP in the Maricopa County area with the same services in specialty and inpatient care.

Representative Boone asked how long Maricopa County has been the provider. Mr. Pinkstaff said the last contract was awarded for in 2000 5 years.

Representative Boone asked if there was a contract awarded to them prior to the 2000 contract. How long has the contracting with them been going on with the Maricopa County Hospital?

Mr. John McDonald, Maricopa Integrated Health Care System, said 10 years.

Representative Boone asked if they were the only RFP respondent at that point. Mr. McDonald stated that was correct.

Representative Boone said if they were the only responders in the past and they have been under contract, isn't it a sole source? If they are going to be the only one responding again and there is no other information about any other providers to this area, why isn't it just deemed a sole source and negotiate directly with them.

Representative Pearce asked when the RFP was rescinded.

Mr. Phelps answered on June 16. When the RFP was rescinded, they went back and added clarification that they were looking for the AHCCCS tier idea, but not necessarily the rate. Also there was an amendment to the contract which was put in the appropriate place in the new RFP.

Mr. Phelps said their effort as a department is to try to get the best value and use AHCCCS as the third party to get a better deal. The department's total hospital bill is \$30 million and the county part of it is \$4-5 million.

Representative Boone said you do not have to do an RFP on a sole source; you can just sit and negotiate with your sole source vendor.

Senator Cannell said it seems we are asking Maricopa County to take a smaller payment for taking care of the patients. They should not be forced to accept a fee that is less than what it costs to provide care.

Mr. McDonald said when the district chose to respond to the RFP in the manner in which it did, it was anticipated by the health care district that the N/A response would lead to further negotiations and discussion to clarify points regarding the AHCCCS reimbursement rates they felt were troubling to the district. We would be accepting less money for providing the same services. Parts of the RFP which were responded in a way to accept, for example, a 60% reimbursement as opposed to 70% in previous years. There were certain portions we felt we could not respond to. We were surprised to have the entire RFP rescinded. In regard to sole source, there could be a difference of opinion as to whether or not this could be a sole source. At the current time, the health care district is the only entity set up in Maricopa County to provide the services. There are many other hospitals in the valley that can set themselves up to provide the services.

Representative Boone asked if the specific basis on which the RFP was rescinded was evaluated by an attorney in terms of the Procurement Code. If so, what are the specific parts of the Procurement Code.

Ms. Charlie Gail Hendrix, Director, Valley of the Special Health Care District Board, said when an RFP is submitted a decrease of 10% is factored into the charges. In addition, 90 days is given to extend the current contract. The board is working to negotiate in good faith and trying not to duplicate services in the community.

Chairman Pearce adjourned the meeting at 1:47 p.m.

Respectfully submitted:

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Yvette Medina, Secretary

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Richard Stavneak, Director

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Representative Russell Pearce, Chairman

STATE OF ARIZONA

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DATE: August 25, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Stefan Shepherd, Assistant Director  
Carson Howell, Fiscal Analyst  
Russell Frandsen, Fiscal Analyst

SUBJECT: AHCCCS – Review of Capitation Rate Change

**Request**

Pursuant to a footnote in the General Appropriation Act, the Arizona Health Care Cost Containment system (AHCCCS) is required to report capitation and fee-for-service inflationary rate changes with a budgetary impact to the Committee for review prior to implementation.

**Summary/Recommendation**

These changes are estimated to create an approximately \$14 million General Fund and \$14 million County Match shortfall in the FY 2006 AHCCCS budget. The actual shortfall will also depend on enrollment growth. Current acute care enrollment is running near the budgeted projections while long-term care caseloads are slightly below forecast.

The Committee has at least the following options for both the Acute Care and Arizona Long-Term Care System (ALTCS) rates:

1. A favorable review of AHCCCS' proposed capitation rates as requested. AHCCCS would view this option as an endorsement of any potential supplemental request.
2. A favorable review with the stipulation that the favorable review does not constitute an endorsement of a supplemental request.
3. An unfavorable review. AHCCCS would most likely implement these rates even with an unfavorable review.

Additionally, JLBC Staff recommends that the Committee ask AHCCCS for a response to the Committee on what AHCCCS plans to do regarding using contractors' past performance in evaluating bids for its upcoming ALTCS Request for Proposals. The Auditor General has said that AHCCCS plans to reject an Auditor General's recommendation to include past performance in evaluating bids.

Since Title XIX and Title XXI are federal entitlement programs and states are required to provide reimbursement rates in managed care programs that are actuarially sound, capitation rates are not set by the Legislature. AHCCCS' actuaries use encounter data, financial information and projected enrollment to determine the actual cost of services, and thereby recommend increases or decreases in capitation and Fee-For-Service (FFS) rates.

AHCCCS has indicated that additional adjustments will be made to the capitation rates for both ALTCS and Acute Care on January 1, 2006. These adjustments result from implementation of the Medicare Modernization Act (MMA). Prior to those changes, AHCCCS shall report to the Committee after more information on the capitation rate impact of the Medicare Modernization Act (MMA) is obtained.

AHCCCS is proposing rate increases for the Traditional Medicaid population, the Title XIX Waiver Group (previously the MN/MI population), KidsCare rates, and the Arizona Long-Term Care System (ALTCS) EPD rates.

## **Analysis**

### Acute Care

This population represents members who participate in the Title XIX or Title XXI programs.

In FY 2006, the approved Acute Care budget estimated capitation rate growth at 6%. AHCCCS states that the increase in FY 2006 based on the proposed capitation rates will be 6.1%. Although this is slightly above budgeted levels, AHCCCS notes that it is too early to determine if a supplemental appropriation will be needed.

Increases in the cost and the utilization of pharmacy, physician, and inpatient benefits are responsible for more than 70% of the proposed changes. The remainder is primarily adjustments for administrative and outpatient/emergency room increases.

The capitation rate increases above the FY 2006 budgeted limit for the Title XIX population will be offset by some of the cost savings in the Proposition 204 population. Some of the proposed rate increases in the Proposition 204 population are below budgeted levels. Factoring these two populations, the overall Acute Care increase will be roughly \$500,000 General Fund.

### Long-Term Care (ALTCS)

ALTCS services are provided to the elderly and physically disabled in need of long-term care either in nursing care facilities or in home and community-based settings (HCBS).

The approved FY 2006 budget provided for a 5.0% capitation rate increase; however, the proposed ALTCS monthly capitation rate averaging approximately \$3,170 for CY 2006 represents an increase of 14.3%. Based on enrollment projections used in developing the FY 2006 appropriation, the capitation rate change will result in additional state match costs of approximately \$28 million above budgeted levels. Of the additional state match costs, approximately half would be realized by the state, and half by the counties in the form of additional county contributions.



The 2 main reasons for the higher than anticipated levels of spending include: (1) higher than appropriated rate increases from rate rebasing of ALTCS services, as required every 5 years by A.R.S. § 36-2959 and (2) the termination of the Maricopa Long-Term Care Plan. The rate rebasing resulted in a 7.6% increase for nursing facility rates. Home-based services rates rose 6.5%. In CY 2005 every program contractor in the state providing ALTCS services incurred operating losses. AHCCCS believes the rate increase will permit those plans to return to the historical average of about 2% profit.

The Maricopa Long-Term Care Plan (MLTCP) provided services at a lower price than its Maricopa County counterparts. In June 2005, MLTCP announced that it would stop serving clients effective October 1, 2005. With the termination of the Maricopa Long-Term Care Plan, former clients will now be served by the other, more expensive plans. In addition, MLTCP clients were more likely to be in lower cost HCBS services; the shift to other plans may change that mix, making it more expensive.

In recent months enrollment in the ALTCS program has been below forecast. As a result, the additional costs generated by the higher than budgeted capitation rates may be offset by lower than expected enrollment.

<b>Table 1</b>				
<b>Monthly Regular Capitation Rates</b>				
<b><u>Populations</u></b>	<b><u>Current CYE 05 Rate</u></b>	<b><u>Budgeted CYE 06 Rate</u></b>	<b><u>Proposed CYE 06 Rate</u></b>	<b><u>CYE 05 - CYE 06 % Change</u></b>
<b><u>Traditional Medicaid/KidsCare</u></b>				
Age<1	\$378.69	\$402.22	\$415.99	9.8%
Age 1 - 13	97.10	102.83	104.47	7.6%
Age 14 - 44 (Female only)	171.73	182.00	185.59	8.1%
Age 14 - 44 (Male only)	119.27	126.27	127.46	6.9%
Age 45+	344.00	364.57	369.57	7.4%
SSI with Medicare	265.00	280.97	285.59	7.8%
SSI without Medicare	529.46	561.11	566.81	7.1%
Family Planning	15.43	16.26	16.35	6.0%
Deliveries	5,839.51	6,196.47	6,067.71	3.9%
<b><u>Title XIX Waiver Group</u></b>				
Prop 204 - Conversions	\$416.64	441.97	\$426.71	2.4%
Prop 204 - Medically Eligible	803.31	853.08	842.56	4.9%
Prop 204 - Newly Eligible	416.64	441.97	426.71	2.4%
Hospital "Kick" Payment	9,818.51	10,384.52	10,162.16	3.5%
<b><u>ALTCS</u></b>				
Statewide Average Rate	\$2,773.34	\$2,912.01	\$3,169.55	14.3%

#### Auditor General Follow-Up

On a related topic, the Auditor General recently conducted a follow-up on their September 2002 performance audit report of AHCCCS and found that AHCCCS has not implemented the Auditor General's recommendation to consider current contractors' past performance for its ALTCS capitation rates.

AHCCCS feels the delay created from bidders contesting lost contracts does not outweigh the benefits derived from using past performance in evaluating the awarding of contracts. AHCCCS predicts that bidders would have 2 primary types of protests:

- 1) New bidders arguing that past performance unfairly excludes them.
- 2) Old bidders arguing that new bidders should not be on equal standing with them because they have no past performance.

As a general policy, the Arizona Department of Administration (ADOA) State Procurement Office has indicated that neither code nor statute prohibits evaluating vendor bids based on performance. ADOA feels that past performance is the best indicator of future performance.

AHCCCS states that they are continuing to have dialogue with the Auditor General on this issue. JLBC Staff recommends that the Committee ask AHCCCS for a response to the Committee on what AHCCCS plans to do regarding using contractors' past performance in evaluating bids for its upcoming ALTCS Request for Proposals.

#### Policy Changes

For AHCCCS Acute Care, four program changes are included as a result of other legislation and/or outside factors.

#### *Outpatient Methodology*

A change in outpatient and emergency room payment methodology based on Laws 2004, Chapter 279 was effective July 1, 2005. This is intended to help control costs and to allow for a better prediction of trends. The change in methodology is estimated to have increased costs of roughly \$5.9 million General Fund. AHCCCS states that without this methodology change, the cost increase would have been even higher.

#### *Parents Evaluation of Developmental Status Assessments*

Changes in Parents Evaluation of Developmental Status (PEDs) Assessments are effective October 1, 2005. This will implement additional developmental assessments on AHCCCS Neonatal Intensive Care Unit babies. This will result in an increase of \$38,000 General Fund.

#### *Newborn Screening*

Additional newborn screens for hearing deficiencies as well as babies who have certain serious medical conditions were passed as part of Laws 2005, Chapter 172 (SB 1250). The additional costs of the screens have been included in the calculation of the capitation rates for CY 2006. This will result in an increase of \$1.9 million General Fund or 0.20%.

#### *Ambulance Rates*

Ambulance rates increased on May 1, 2004. These increases had been granted by the Arizona Department of Health Services (ADHS) to compensate for Medicare's decrease to emergency transportation rates. AHCCCS pays 80% of the established ADHS rate. Since the rates were effective during FY 2005, the full impact of the rate increase is now seen in the CY 2006 rates. The increase will result in an impact of \$633,000 General Fund.

RS/CH/RF:ck



AHCCCS

***Our first care is your health care***

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

August 18, 2005

The Honorable Bob Burns, Chairman  
Joint Legislative Budget Committee  
1700 West Washington  
Phoenix, Arizona 85007



Janet Napolitano, Governor  
Anthony D. Rodgers, Director

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PO Box 25520, Phoenix AZ 85002  
phone 602 417 4000  
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Dear Senator Burns:

The Arizona Health Care Cost Containment System (AHCCCS) respectfully requests to be placed on the agenda of the next Joint Legislative Budget Committee (JLBC) meeting to review the following items.

- Long Term Care Capitation Rates for Contract Year Ending 2006
- Acute Care Capitation Rates for Contract Year Ending 2006
- Fee For Service Rate adjustments for Contract Year Ending 2006

As required by the Federal Balanced Budget Act of 1997, Title XIX and Title XXI Managed Care Programs must have actuarially sound capitation rates. The following proposed rate adjustments are in the process of being reviewed by the Centers for Medicare and Medicaid Services for an October 1, 2005 implementation.

#### **Long Term Care Capitation Rates**

One of the many great successes of the AHCCCS program has been the Arizona Long Term Care (ALTCS) program. The AHCCCS ALTCS program is continually held up as a model that sets the standard and is the envy of other states. A Congressional Research Service Report found that: *"Arizona's long-term care system has demonstrated effectiveness in shifting persons away from institutional care and into home and community-based settings. This state could serve as one model for other states that wish to accomplish the same objective."*

As identified by the report above, one mark of success for the ALTCS program has been the ability to move and keep members in the community. The AHCCCS program has one the highest HCBS placement rates in the country. The program has been able to move from having 58.8% of members in a nursing facility in 1998 to 37.5% today (attachment 1). This growth in HCBS placements and decline in reliance on nursing facilities has generated total savings over the same period of \$553 million (\$151 million in FY 2005 alone). Savings are generated when members are able to remain in the community rather than being placed in more expensive institutional settings (attachment 2). This continual shift has helped to keep annual capitation increases in check (FY 1998 through FY 2005 average annual increase of 3.26% - attachment 3).

Over the past several months the shift to community based settings has slowed. This factor when combined with other cost drivers has lead to decreasing Program Contractor financial success. The next year is a critical one for the AHCCCS program. In addition to the difficult job of transitioning the Maricopa Long Term Care Plan (MLTCP) member, AHCCCS will be going through the RFP process to procure over \$5.0 billion in Long Term Care services for the next

five years. At this point in time every Program Contractor in the state is losing money in CYE 2005. (attachment 4)

For State Fiscal Year 2006 AHCCCS was appropriated an increase of 5.0%. The actual increase in capitation rates for Long Term Care is 14.3% (revised attachment 5) including the following components:

1. Non-Ventilator Dependent Rate 14.6%
2. Ventilator Dependent Rate 7.0%
3. Prior Period Rate (3.7%)

There are several different components associated with this increase. (attachment 6)

*Nursing Facility Adjustments (42.3% of increase)* - ARS 36-2959 requires that AHCCCS rebase Nursing Facility every five years. This rebase resulted in an increase of 7.6% in Nursing Facility rates. In addition, the Nursing Facility component was increased to account for losses that Program Contractors are experiencing in this category. The increase for Nursing Facility rates is above the budgeted 5% increase for FY 2006. AHCCCS assumes that the Fee For Service Rates are a proxy of the increases required to support the Managed Care rates for CYE 2006.

*Maricopa Long Term Care Plan Contract Termination (27.5% of increase)* - Both the Maricopa County Board of Supervisors and the Maricopa Special Health Care District decided that they will not renew the Long Term Care Contract with AHCCCS for October 1, 2005. The termination of the contract accounts for 27% of the overall increase. The overall rate is increased to account for the fact the MLTCP rate for CYE 2005 was lower and the new members enrolled in Evercare and Mercy Care Plan increased the Nursing Facility mix. This in turn increased each contractors capitation requirements. The AHCCCS Administration has been working with MLTCP and the two remaining Program Contractors in Maricopa County to ensure an orderly transition and continued delivery of care to our members.

*HCBS Adjustments (14.3% of increase)* - ARS 36-2959 also requires that AHCCCS rebase Home and Community Based rates. For CYE 2006 HCBS rates have been increased by 6.5%. The major drivers of this rate are wage and benefit cost pressures. The adjustments in the Fee-for-Service rates serve as a proxy for the increased costs for the Managed Care Organizations.

These rate adjustments reflect the Elderly and Physically Disabled population and do not include the Developmentally Disabled population, which is administered through the Arizona Department of Economic Security.

#### *ALTCS Budget Impact*

As detailed in attachment 5 the estimated cost of the new rates is \$130.85 million, of which approximately \$43.0 million is state match. While these rates are above the budgeted amount for FY 2006, the recent enrollment growth trends have been less than expected and at this point in time it is too early to determine whether or not a FY 2006 supplemental appropriation will be required to support the Long Term Care program.

### **Acute Care Capitation Rates**

When using the FY 2006 Appropriation Report projected member months, the overall weighted acute care rate increase is 6.1% for Contract Year Ending 2006. This rate increase is very close to the budgeted rate of 6.0%.

The major components accounting for almost 70% of the overall increase are depicted in attachment 7.

1. Physician costs account for 28% of the overall increase.
2. Pharmacy accounts for 24% of the overall increase.
3. Inpatient accounts for another 18% of the overall increase.

Below is a description of some of the various programs associated with Acute Care.

#### *Traditional Medicaid (TANF, SSI and Delivery)*

These categories will experience an overall increase of 7.8%.

#### *Title XIX Waiver Group (Non-categorical Proposition 204 Expansion)*

This program will have an increase of 2.6% for Contract Year Ending 2006.

#### *Title XXI Programs*

This KidsCare program is projected at a 7.5% increase while the parents are at a 7.3% increase in capitation rates on October 1, 2005.

#### *Budget Impact*

As detailed in attachment 5, the overall budget impact as a result of the new acute care rates is estimated to be \$160.6 million in total funds of which an estimated \$52.1 million is state match. This impact is calculated by using the JLBC estimated FY 2006 member months times the current capitation rates and comparing that cost to the new rates.

As discussed above, the overall rate increase is very close to the budget projection that was provided in the AHCCCS FY 2006 appropriation. At this time it is too early to determine if a FY 2006 supplemental appropriation will be required.

#### *Policy Changes*

Per legislative guidance AHCCCS has eliminated the funding included in the current year rates for the Provider and Member Surveys as well as the obesity program. The Administration has also eliminated the funding in the contract associated with the incentive pools for the health plans. There are no other policy changes that require JLBC review per the budgetary footnote that have been included in the Contract Year Ending 2006 rates.

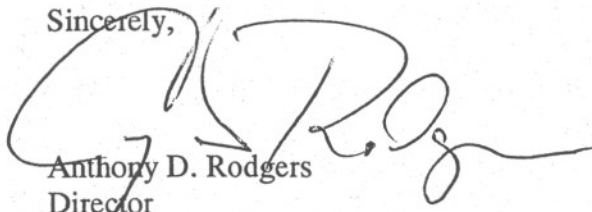
Senator Burns  
August 18, 2005  
Page 4

*Medicare Modernization Act*

AHCCCS will be making additional adjustments to both the ALTCS and Acute care capitation rates on January 1, 2006 to reflect the impact of the new Medicare Part D pharmacy benefit. Over 90,000 dual eligible members will have their pharmacy benefit shifted from Medicaid to Medicare. At this time AHCCCS will also know what the states requirements will be associated with the Clawback payments.

Should you have any questions on any of these issues please feel free to contact Tom Betlach at (602) 417-4483.

Sincerely,

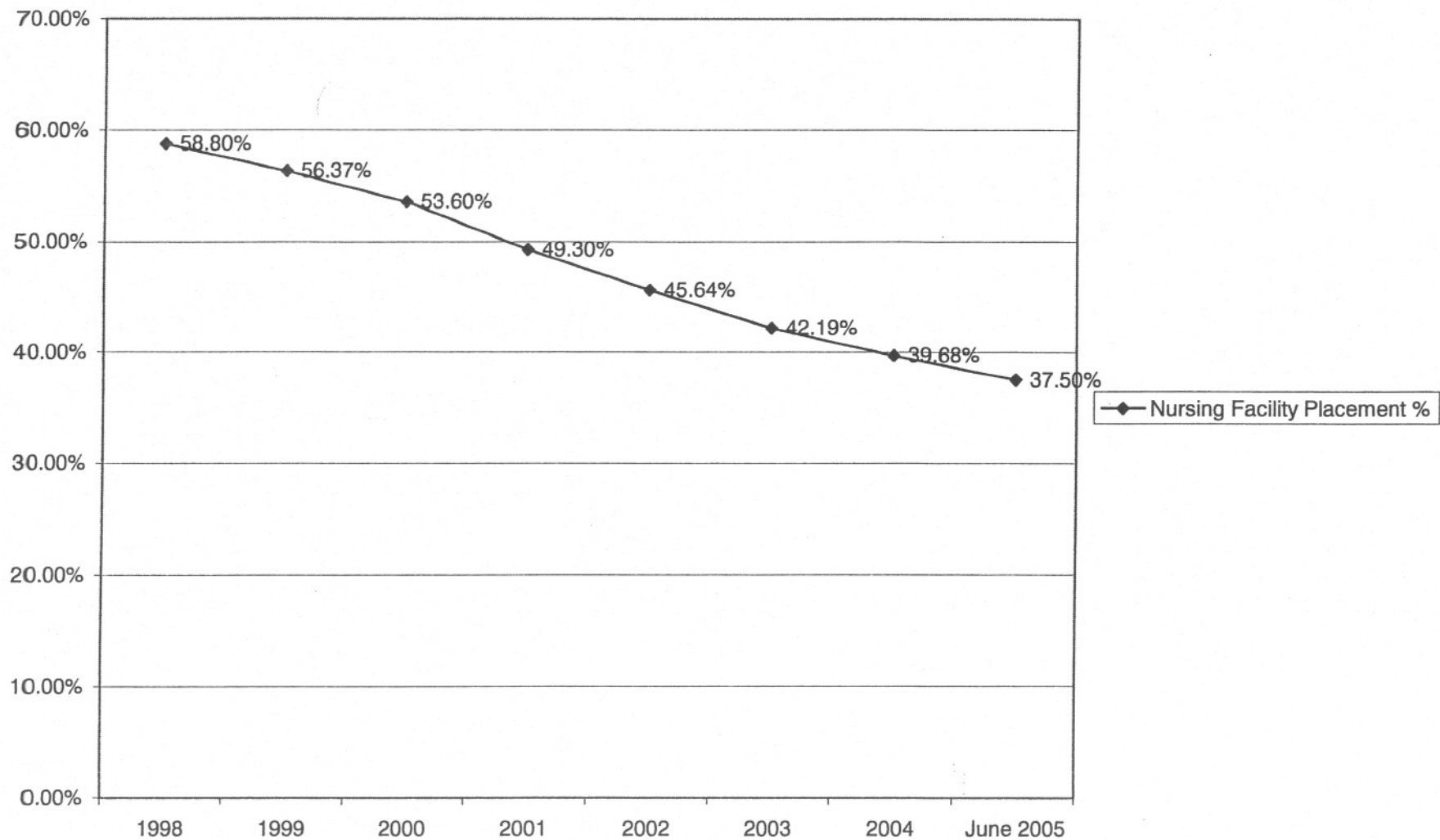
A handwritten signature in black ink, appearing to read "A. Rodgers", is written over the printed name and title.

Anthony D. Rodgers  
Director

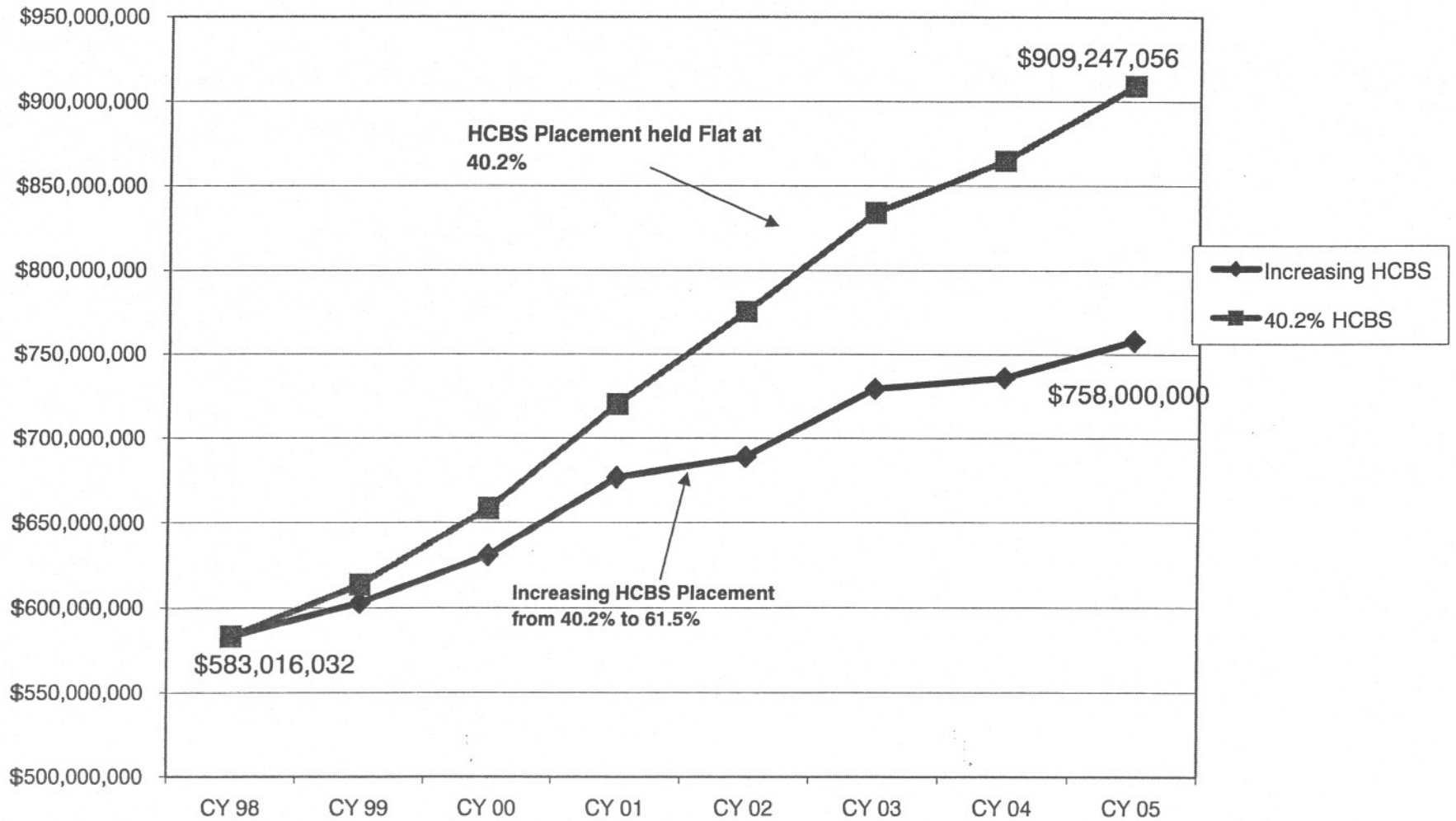
c: Gary Yaquinto, OSPB  
Richard Stavneak, JLBC



### Historical Statewide ALTCS Nursing Facility Placement (Attachment 1)

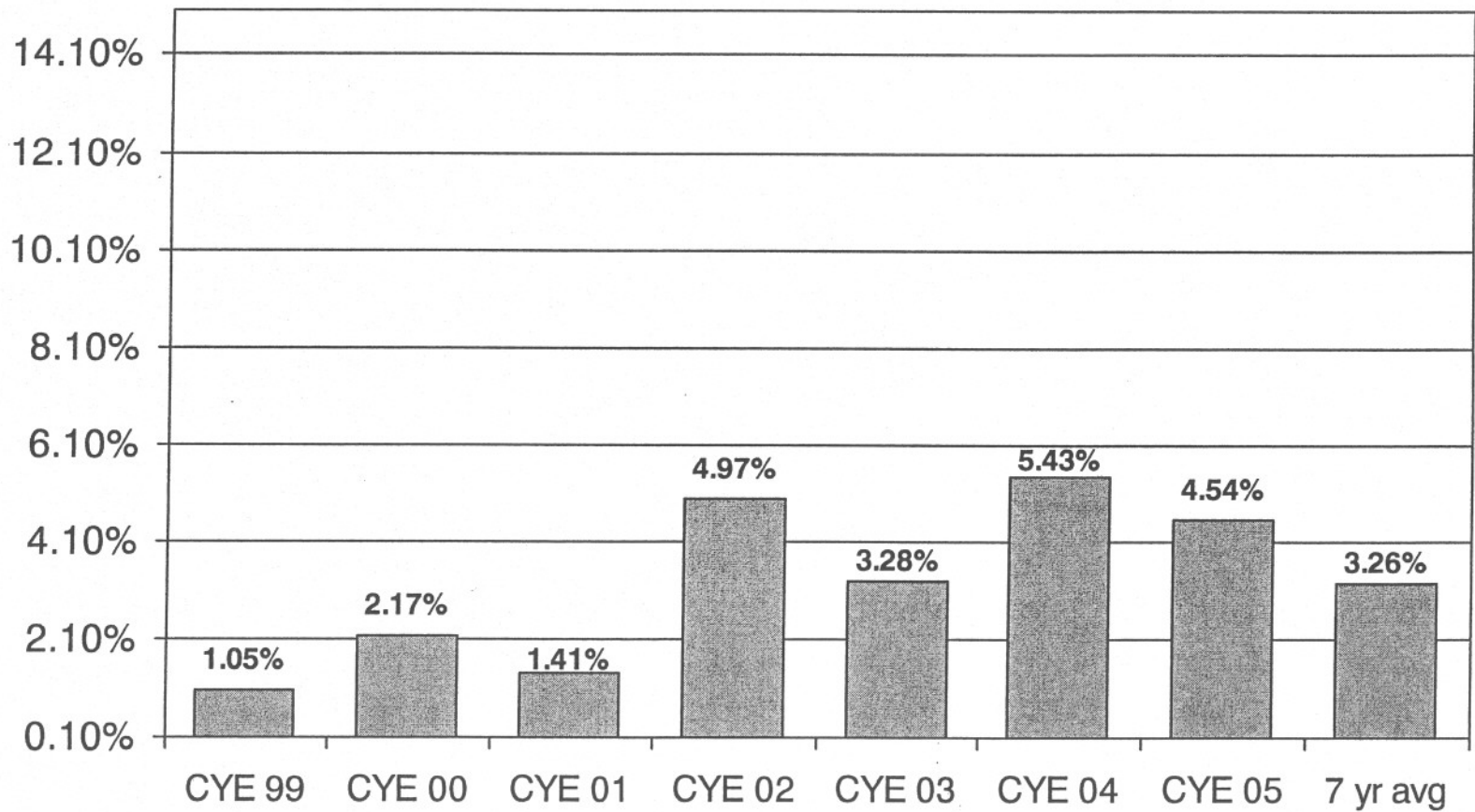


**ALTCS Program Savings  
Due to Increase in HCBS Mix  
(Attachment 2)**

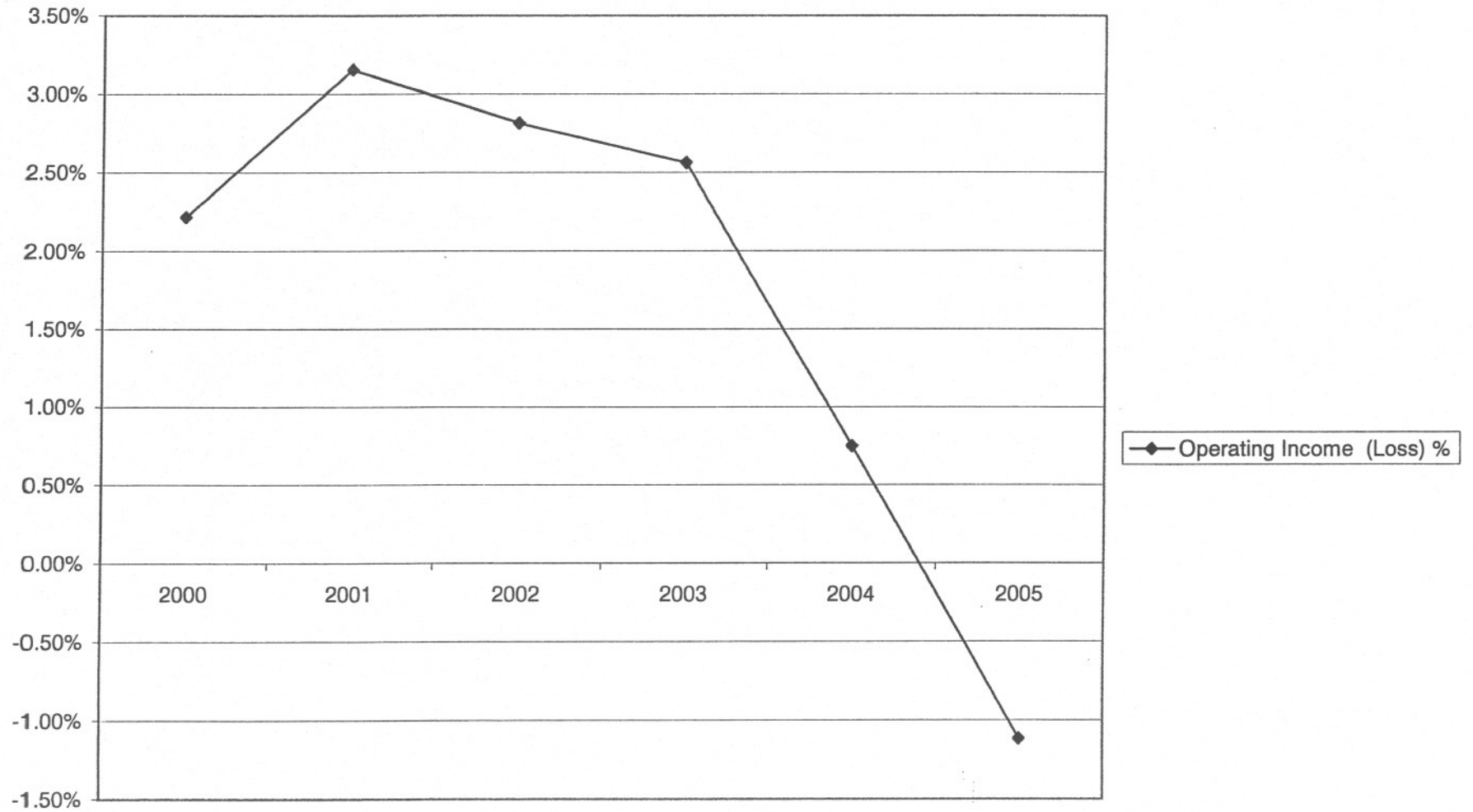




# ALTCS EPD Non Ventilator Capitation Rate Annual Increase Percentages Attachment 3



**ALTCS Statewide Operating and Net income (Loss) Percentages Excluding Maricopa Long  
Term Care Plan - CYE 2000 through CYE 2005**  
**Attachment 4**



# ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

## Budget Impact of FY 2006 Capitation Rate Increases (Revised Attachment 5)

	Statewide Rates		FY06	SFY05 Rate	SFY06 Rate	Change	Percent
	SFY05	SFY06	Population	with FY 06 Pop.	with FY 06 Pop.	Inc. (Dec.)	Impact
Title XIX TANF/SOBRA	\$ 147.19	\$ 159.17	7,148,700	1,052,217,200	1,137,858,600	85,641,400	8.1%
Title XIX SSI w/ Medicare	\$ 265.00	\$ 285.26	632,150	167,519,700	180,327,100	12,807,400	7.6%
Title XIX SSI w/o Medicare	\$ 529.46	\$ 566.40	691,990	366,381,000	391,943,100	25,562,100	7.0%
Title XIX AHCCCS Care	\$ 416.64	\$ 426.73	1,302,264	542,575,300	555,715,100	13,139,800	2.4%
Title XIX MED	\$ 803.31	\$ 842.76	57,228	45,971,800	48,229,500	2,257,700	4.9%
Title XIX Prior Period	\$ 264.60	\$ 274.08	525,746	139,112,500	144,096,600	4,984,100	3.6%
Title XIX Other	\$ 1,909.14	\$ 1,983.17	120,289	229,649,100	238,553,800	8,904,700	3.9%
Title XXI Children	\$ 110.14	\$ 118.45	589,902	64,972,900	69,871,400	4,898,500	7.5%
Title XXI Parents	\$ 205.51	\$ 220.48	160,746	33,034,900	35,441,300	2,406,400	7.3%
Acute Subtotal	\$ 235.23	\$ 249.54	11,229,015	2,641,434,400	2,802,036,500	160,602,100	6.1%
						Acute State Impact	52,117,100
						Acute Federal Impact	108,485,000
ALTCS (EPD)	\$ 2,766.45	\$ 3,171.07	319,458	883,764,400	1,013,023,500	129,259,100	14.6%
ALTCS (EPD) Prior Period	\$ 868.37	\$ 853.63	8,649	7,510,500	7,383,100	(127,400)	-1.7%
ALTCS (VD)	\$ 11,491.91	\$ 12,294.41	2,142	24,616,300	26,335,300	1,719,000	7.0%
ALTCS Subtotal	\$ 2,773.34	\$ 3,169.55	330,249	915,891,200	1,046,741,900	130,850,700	14.3%
						ALTCS State Impact	43,049,900
						ALTCS Federal Impact	87,800,800
<b>Total Budget Impact</b>	<b>\$ 307.75</b>	<b>\$ 332.96</b>	<b>11,559,264</b>	<b>3,557,325,600</b>	<b>3,848,778,400</b>	<b>291,452,800</b>	<b>8.2%</b>
						Total State Impact	95,167,000
						Total Federal Impact	196,285,800

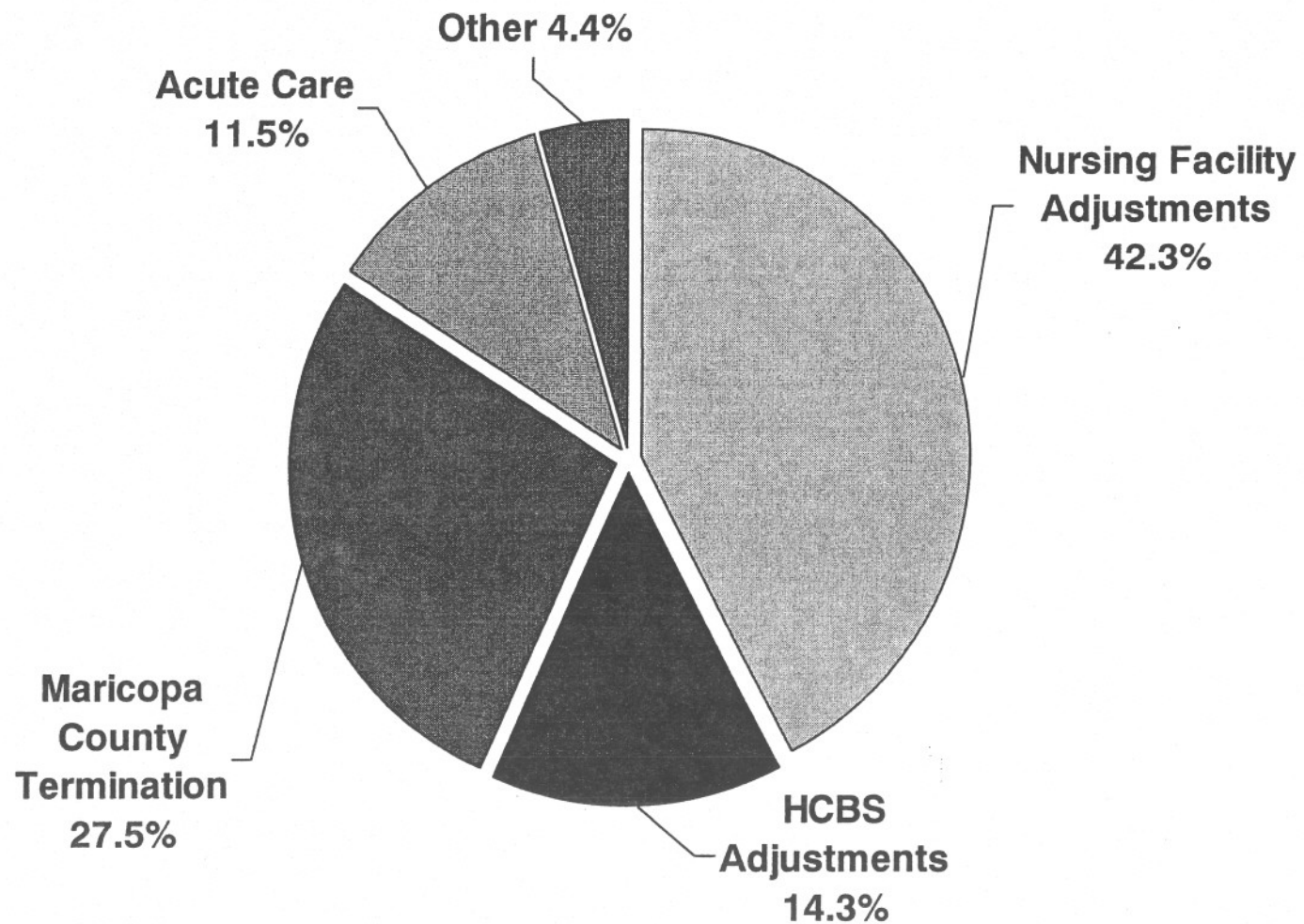
### NOTES:

- 1) Population estimates for FY 2006 are taken from the JLBC Appropriations Report - Member Years multiplied by twelve to approximate annual member months. The exception is Prior Period which is based on the preliminary AHCCCS FY06 rebase. ALTCS was split between EPD, VD, and Acute Care Only using the preliminary AHCCCS ALTCS forecast for FY06.
- 2) Title XIX Other category includes Deliveries, Hospital Supplemental Payments, and Family Planning.
- 3) Title XXI Children rates are weighted based on total mm by age group for SFY 2005 and SFY 2006 forecast.
- 4) Federal Share is based on weighted FMAP and enhanced FMAP for SFY 2006 of 67.10% for Title XIX and 76.97% for Title XXI.

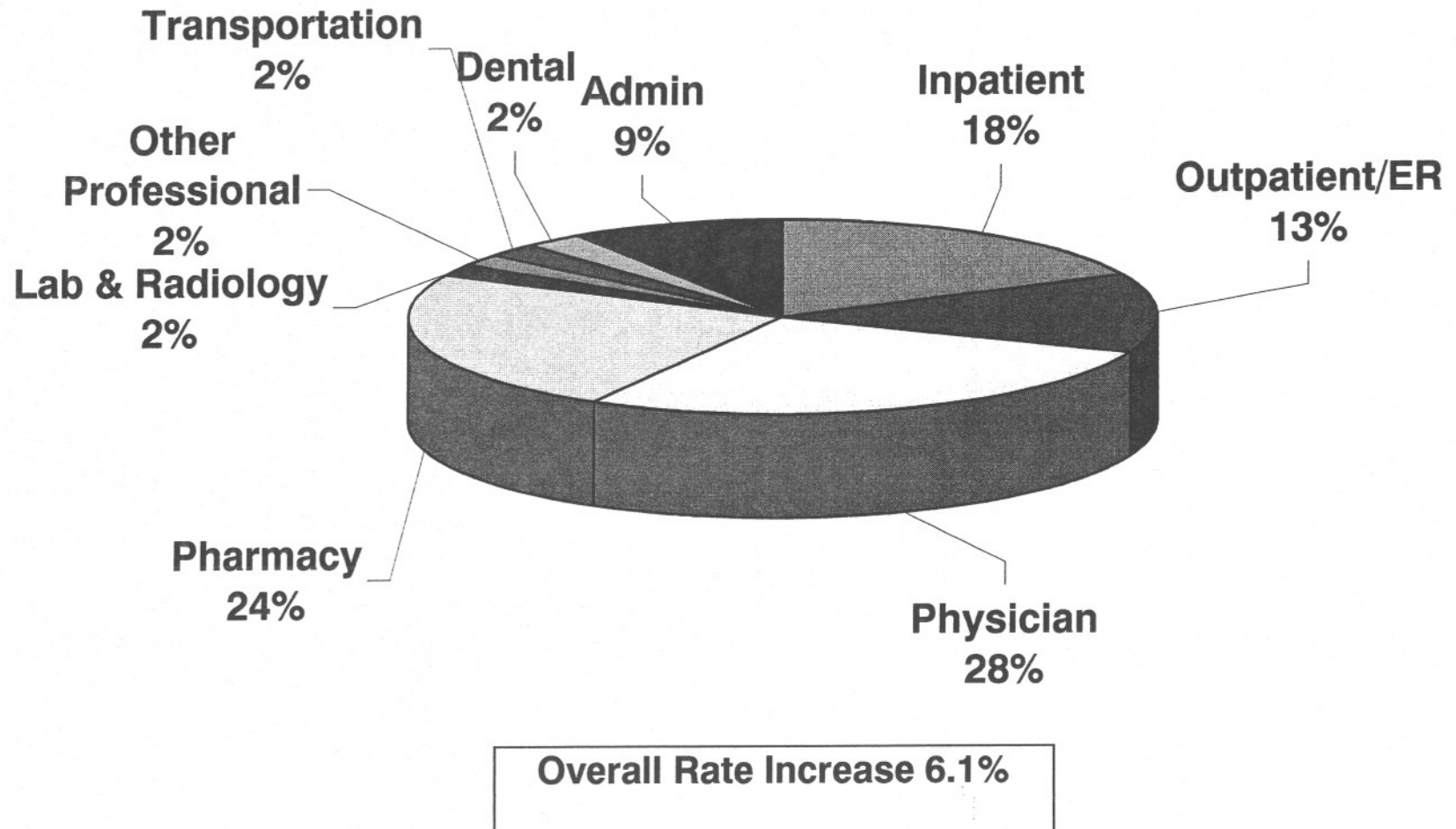
# ALTCS CYE 06 Rate Increase

## Major Drivers

(Attachment 6)

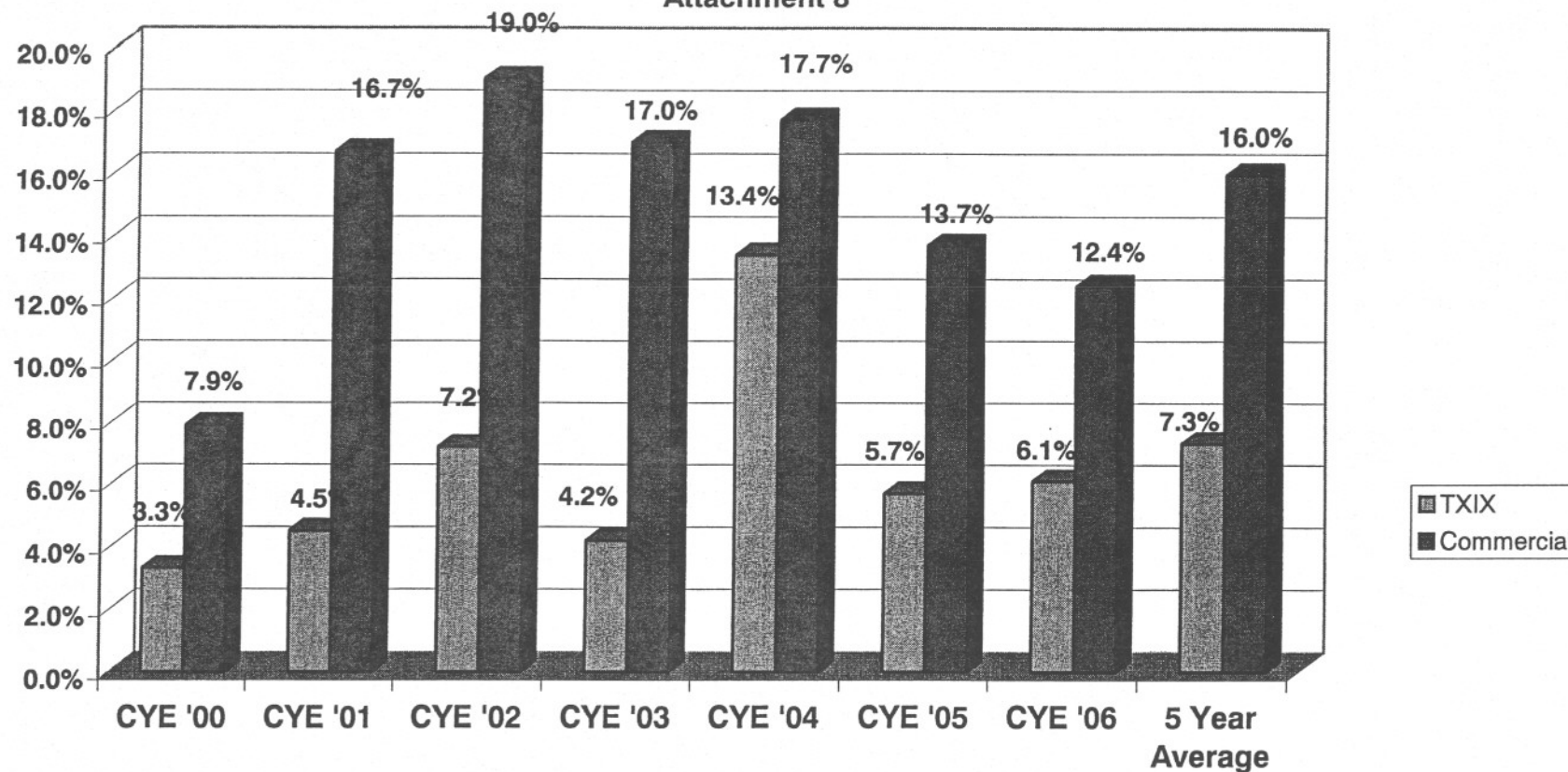


**AHCCCS Acute Care  
CYE 06 Capitation Rate Impact  
Service Category % of Overall Rate Increase  
Attachment 7**



## Increases to Acute Care Capitation

Attachment 8



Years 2000-2001 Commercial Increases from the Mercer/Foster Higgins National Survey of Employer-Sponsored Health Plans--Western region companies with more than 500 employees

2002 Commercial Increase from the Andersen reports estimated increase

2003 -2006 Commercial Increase from the Hewitt Health Resource

STATE OF ARIZONA

**Joint Legislative Budget Committee**

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STEPHEN TULLY

DATE: August 25, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Russell Frandsen, Fiscal Analyst

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 \$6.0 million General Fund (GF) and \$13.6 million Total Funds (TF).

**Recommendation**

The JLBC Staff recommends a favorable review of the implementation plan, as it meets the requirements of the General Appropriation Act. All rates will be no less than 97.61% of the benchmark rates, or 94.58% after adjusting for inflation.

- All rates will receive an upward adjustment, except for Habilitation, which in FY 2005 was paid at 112.09% of the benchmark rate. The upward adjustments paid to providers will be below the rate of inflation, however.
- All rates will be funded at a minimum of 97.61% of the FY 2005 benchmark in accordance with the footnote in the General Appropriation Act. This rate increase is equivalent to 94.58% of the FY 2006 rate adjusted for inflation.
- Day treatment rates were previously funded at a lower percentage of the benchmark rates compared to other services. They now will be paid at a comparable percentage, which is consistent with legislative intent.

**Analysis**

The FY 2006 General Appropriation Act (Laws 2005, Chapter 286) includes the following footnote in the DES budget:

“The amounts above include \$6,000,000 from the state General Fund and \$7,556,800 from matching federal expenditure authority to raise rates of community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities to 97.61% of market



rates for all services on the published rate schedule. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System to approve a capitation rate increase retroactive to July 1, 2005 to make provider rate increases effective July 1, 2005. By July 1, 2005, the division shall have obtained approval for a rate increase implementation proposal from the Arizona Health Care Cost Containment System. By August 1, 2005 the division shall have submitted its implementation plan to the Joint Legislative Budget Committee for its review. The adjusted rates shall be implemented beginning with provider payments due for services performed in August 2005. Payment for retroactive reimbursement due for services provided in July 2005 shall be paid to providers no later than September 15, 2005.”

As referenced in the footnote above, the Legislature added \$6 million from the General Fund (\$13.6 million in Total Funds) to help DES pay higher rates to providers for services. The additional monies were intended to bring reimbursement levels to at least 97.61% of the FY 2005 benchmark. Reimbursement rates had fallen in some cases to 89.06% of the benchmark.

As set forth in A.R.S. § 36-2959, benchmark rates for service are determined by a study conducted once every 5 years. Benchmark rates represent the going market rates, rates that would be paid by others for these services. The benchmark rates were originally set in 2001 and have been adjusted annually for inflation with the help of an independent consulting firm. Benchmarks are used as a basis for paying providers of contracted services.

The provider rates to be raised fall into 7 categories: Home-Based Services, Day Treatment, Group Homes, Nursing/Home Health, Therapies, Transportation and Employment Services. Home-Based Services provide qualified individuals to perform various hygiene and supervisory tasks for clients in their homes. Day Treatment programs help clients maximize their abilities through therapeutic activities and learning life skills. Group Homes provide clients with shelter, food and supervision. Nursing/Home Health serves the medical needs of clients. Therapies include occupational, physical and speech therapies. Transportation provides clients with transportation to their day treatment programs. Employment Services supervises and coordinates employment opportunities for clients. All of the services have variations in the rates paid to providers for different reasons. Actual provider rates paid vary based on location, size and occupancy while other rates vary based on urban or rural settings and distance traveled.

As seen in Table 1, in FY 2005 most services were paid at 95.75% of the FY 2005 benchmark with the exception of Day Treatment services, which were paid at 89.06% of the benchmark. All services were raised to at least 97.61% of their FY 2005 benchmark. For most services, this represents a 1.94% increase.

Table 1			
	FY 05 rates % of FY 05 <u>Benchmarks</u>	FY 06 rates % of FY 05 <u>Benchmarks</u>	FY 06 rates % of FY 06 <u>Benchmarks</u>
Home-Based Services	95.75%	97.61%	94.58%
- Habilitation (Individuals)	112.09%	112.09%	108.62%
Day Treatment	89.06%	97.61%	94.58%
Group Home	95.75%	97.61%	94.58%
Nursing/Home Health	95.75%	97.61%	94.58%
Therapies	100.00%	101.94%	100.00%
Day Treatment Transportation	95.75%	97.61%	94.58%
Employment Services	95.75%	97.61%	94.58%



DES uses information from the federal Home Health Agency Market Basket to adjust benchmark rates for inflation. Using the Home Health Agency Market Basket inflation factor of 3.2%, the FY 2006 rates paid to providers falls to 94.58% (from 97.61%) of the FY 2006 benchmark.

Two services, therapies and habilitation for individuals, are being paid at higher percentages of their benchmark rates than the other services. DES states that they are having difficulty keeping therapists because of a general shortage of therapists and prices being paid to therapists by public schools and hospitals. The benchmarks for therapy services were increased 1.94% from FY 2005 to FY 2006. Pending a final setting of therapy benchmarks in the fall, therapy services will be paid at 100% of their FY 2006 benchmark. DES states that they have kept the higher habilitation rates for individuals because of market price demands and shortages. Habilitation rates are not being increased.

The largest increase in terms of dollars is the Day Treatment category, which DES estimates will receive approximately one-third of the \$13.6 million TF increase (as seen in Table 2 below). Group Homes, Employment Services and Home-Based Services (both agencies and independent providers) delivering services such as attendant care, housekeeping, and respite will get most of the rest of the increase.

Table 2			
	Cost to Raise to 95.75% <u>SFY 05 Forecast</u>	Cost to Raise to 97.61% <u>SFY 05 Forecast</u>	Total Cost <u>SFY 05 Forecast</u>
Home-Based Services		\$2,536,496	\$2,536,496
Day Treatment	\$3,709,660	1,037,589	4,747,249
Group Home		3,087,852	3,087,852
Nursing/Home Health		316,133	316,133
Therapies		381,859	381,859
Day Treatment		96,191	96,191
Transportation			
Employment Services		<u>2,480,188</u>	<u>2,480,188</u>
Total FY 06 Increase	\$3,709,660	\$9,936,308	\$13,645,968

AHCCCS reviewed and approved the capitation rate increases from DDD. AHCCCS will be submitting its updated capitation rates to CMS by the end of August. The Committee will have an opportunity to review the updated capitation rates at a future meeting.

The JLBC Staff recommends a favorable review of the proposal because all services will be brought to at least the target of 97.61% of the FY 2005 benchmark.

RS/RF:ck



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 West Jefferson • P.O. Box 6123 • Phoenix, Arizona 85005

Janet Napolitano  
Governor

David A. Berns  
Director

JUL 29 2005



The Honorable Robert Burns  
Chairman 2006, Joint Legislative Budget Committee  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

Dear Senator Burns:

Pursuant to Laws 2005, Chapter 285, Sections 29 (S.B. 1513), attached is an explanation of the Division of Developmental Disabilities' methodology for allocating and disbursing the provider rate increase.

If you have any questions, please contact Ric Zaharia, Assistant Director, Division of Developmental Disabilities, at (602) 542-6853 or me, at (602) 542-5678.

Sincerely,

David A. Berns  
Director

Attachment

Attachment  
Arizona Department of Economic Security  
Division of Developmental Disabilities  
Provider Increase Implementation Proposal  
August 1, 2005

Laws 2005, Chapter 286, Section 29 (S.B. 1513) made a provision for a provider rate increase for Division Qualified Vendors. The relevant section provides:

The amounts above include \$6,000,000 from the state general fund and \$7,556,800 from matching federal expenditure authority to raise rates of community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities to 97.61 per cent of market rates for all services on the published rate schedule. It is the intent of the legislature that the division request the Arizona Health Care Cost Containment System to approve a capitation rate increase retroactive to July 1, 2005 to make provider rate increases effective July 1, 2005. By July 1, 2005, the division shall have obtained approval for a rate increase implementation proposal from the Arizona Health Care Cost Containment System. By August 1, 2005 the division shall have submitted its implementation plan to the Joint Legislative Budget Committee for its review. The adjusted rates shall be implemented beginning with provider payments due for services performed in August 2005. Payment for retroactive reimbursement due for services provided in July 2005 shall be paid to providers no later than September 15, 2005.

Proposed Distribution Methodology

The increase will be implemented in a manner that will raise all SFY05 adopted rates to at least 97.61% of the SFY05 benchmark rates<sup>1</sup>, following the legislative instruction. For most services, this increase from 95.75% to 97.61% will represent a 1.94% increase. For day treatment and employment support services, the increase will be substantially more than a 1.94% increase. That is because these services currently have an adopted to benchmark ratio substantially below 95.75%.

It should be noted that once the benchmark rates are adjusted for inflation for SFY06, the percentage of adopted to benchmark rates will fall to approximately 94.58% of the benchmark rates, assuming an inflationary increase to benchmark rates of 3.2% (based on Home Health Agency Market Basket). This decline in the ratio is necessitated by the statutory instruction (ARS § 36 – 557 (K) as amended) to the Division to adjust its rate structure for inflation.

The therapies have not yet had a rate schedule established and therefore are at an adopted rate only. The Division is in the process of establishing benchmark rates for this service. For SFY06, the Division is planning on increasing the current adopted therapy rates by 1.94%, pending the final setting of benchmark rates later in the fall. The Division also anticipates

---

<sup>1</sup> Benchmark rates are the rates that outside consultants have recommended to the Division as “Market Place Rates”; adopted rates are the rates that the Division’s appropriation will allow the Division to fund.

publishing employment services rates in the fall and these rates will have a portion of the appropriation reserved for an increase. Employment support services are currently paid under older negotiated rates.

For transportation services that follow the Arizona Health Care Cost Containment System (AHCCCS) non-emergency ground transportation services fee-for-service rate schedule, benchmark rates will remain at the SFY05 level because AHCCCS has not revised its rates. Transportation associated with day treatment will be increased.

In summary, the proposed methodology for distributing the appropriation is:

- For services on the SFY05 rate schedule where adopted rates are less than benchmark rates, the funds made available through the appropriation will be used to increase the adopted rate to 97.61% of the SFY05 benchmark rate.

The allocation of the appropriation for the provider rate increase will be as follows:

		Other Division Costs*	Cost to Raise to 97.61%	Total Cost
		SFY05 Forecast	SFY05 Forecast	SFY05 Forecast
Home-based Services			\$2,536,496	\$2,536,496
Day Treatment		\$3,709,660	\$1,037,589	\$4,747,249
Group Home			\$3,087,852	\$3,087,852
Nursing/Home Health			\$316,133	\$316,133
Therapies			\$381,859	\$381,859
Day Treatment Transportation			\$96,191	\$96,191
Employment Services			\$2,480,188	\$2,480,188
<b>Total Increase</b>		<b>\$3,709,660</b>	<b>\$9,936,308</b>	<b>\$13,645,968</b>
*Cost to raise rate to 95.75%				

These proposed new rates were submitted before July 1, 2005 to AHCCCS for approval. It is the Division's intent that after Joint Legislative Budget Committee review and AHCCCS/Centers for Medicare Medicaid Services approval, the Division will release a revised rate schedule that will be in place for services delivered in September and begin to process retroactive payments as soon as possible thereafter back to July 1. The adjusted rates will apply to Arizona Long Term Care and state-only services.

**Attachment I**  
**AZ Department of Economic Security**  
**Division of Developmental Disabilities**  
**Rate Information**  
**Relating to the Provider Increase**  
**SFY 06**

Published SFY 05 Rates	
Benchmark	Adopted

SFY 06 Rates (Est.)				
% BM incr.	Benchmark	A-BM Ratio	Adopted	% AD incr.
0.00%		97.61%		

**Home Based Agency Providers**

ANC	ATTENDANT CARE (NON-FAM MBR)
HAH	HABILITATION - HOURLY
HAI	HABILITATION - INDEP SETTING
HSK	HOUSEKEEPING
RSD	RESPIRE - DAILY (in excess of 13 hrs)
RSP	RESPIRE - HOURLY

\$14.75	\$14.12
\$18.83	\$18.03
\$19.03	\$18.22
\$13.59	\$13.01
\$176.82	\$169.30
\$14.46	\$13.84

0.00%	\$14.75	97.61%	\$14.40	1.98%
0.00%	\$18.83	97.61%	\$18.38	1.94%
0.00%	\$19.03	97.61%	\$18.58	1.98%
0.00%	\$13.59	97.61%	\$13.27	2.00%
0.00%	\$176.82	97.61%	\$172.59	1.94%
0.00%	\$14.46	97.61%	\$14.11	1.95%

**Home Based Independent Providers**

All Codes
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varies by client
------------------

0.00%	varies by client	1.94%
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**Day Treatment and Training**

DTA	DAY TREATMENT & TRAINING - ADULT (low ratio)
DTT	DAY TREATMENT & TRAINING- 3 - 18 (low ratio)

\$9.65	\$8.60
\$9.32	\$8.30

0.00%	\$9.65	97.61%	\$9.42	9.53%
0.00%	\$9.32	97.61%	\$9.10	9.64%

**Residential**

HBA	HABILITATION - DEV HM - VENDOR - ADULT
HBC	HABILITATION - DEV HM - VENDOR - CHILD
HAN	HABILITATION - NURSING G/H (highest rate)
HAB	HABILITATION - GROUP HOME
HPD	HAB-COMMUNITY PROTECTION - DAILY
HPH	HAB-COMMUNITY PROTECTION - HOURLY
RRB	RESID. ROOM AND BOARD

\$98.89	\$109.75
\$98.89	\$111.95
\$264.34	\$253.56
\$17.79	\$17.03
\$19.78	\$18.94
\$19.78	\$18.94
Varies by location, size and occupancy. Adopted equals 95.75% of Benchmark.	

0.00%	\$98.89	97.61%	\$109.75	0.00%
0.00%	\$98.89	97.61%	\$111.95	0.00%
0.00%	\$264.34	97.61%	\$258.02	1.76%
0.00%	\$17.79	97.61%	\$17.36	1.94%
0.00%	\$19.78	97.61%	\$19.31	1.95%
0.00%	\$19.78	97.61%	\$19.31	1.95%
Varies based on location, size and occupancy. Adopted equals 97.61% of Benchmark				1.94%

**Support Coord.**

CPG	SUPPORT COORDINATION
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Varies. Adopted equals 100% of Benchmark.
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Varies.	100.00%	Varies	0.00%
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**Employment**

SEP	CENTER-BASED EMPLOYMENT
SUP	GROUP SUPPORTED EMPLOYMENT
JOB	INDIVIDUAL SUPPORTED EMPLOYMENT

Varies based on density.	97.61%	Varies based on density.	n/a
	97.61%		n/a
	97.61%		n/a

**Professional**

HHA	HOME HEALTH AIDE
HN1	CERT. HHA - INTERMIT - RN/LPN (highest rate)
HN2	CERT. HHA - CONTINUOUS - RN/LPN (highest rate)
OCE	OCCUPATIONAL THERAPY - EVALUATION
OCT	OCCUPATIONAL THERAPY
PHE	PHYSICAL THERAPY - EVALUATION
PHT	PHYSICAL THERAPY
SPE	SPEECH THERAPY - EVALUATION
SPT	SPEECH THERAPY TREAT/INDIVIDUAL

\$17.43	\$16.69
\$595.31	\$570.01
\$37.21	\$35.63
\$121.97	\$121.97
\$55.04	\$55.04
\$121.97	\$121.97
\$55.04	\$55.04
\$121.97	\$121.97
\$55.04	\$55.04

0.00%	\$17.43	97.61%	\$17.01	1.92%
0.00%	\$595.31	97.61%	\$581.08	1.94%
0.00%	\$37.21	97.61%	\$36.32	1.94%
1.94%	\$124.34	100.00%	\$124.34	1.94%
1.94%	\$56.11	100.00%	\$56.11	1.94%
1.94%	\$124.34	100.00%	\$124.34	1.94%
1.94%	\$56.11	100.00%	\$56.11	1.94%
1.94%	\$124.34	100.00%	\$124.34	1.94%
1.94%	\$56.11	100.00%	\$56.11	1.94%

**Transportation**

TRA	TRANSPORTATION - DAY PROGRAMS
TRO	TRANSPORTATION - OTHER - NON - DAY PROGRAMS

\$8.34	\$8.00
Varies according to AHCCCS schedule.	

0.00%	\$8.34	97.61%	\$8.14	1.75%
No change. Varies according to AHCCCS schedule.				

STATE OF ARIZONA

**Joint Legislative Budget Committee**

STATE  
SENATE

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CHAIRMAN 2006  
MARSHA ARZBERGER  
TIMOTHY S. BEE  
ROBERT CANNELL  
JORGE LUIS GARCIA  
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PHOENIX, ARIZONA 85007

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HOUSE OF  
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STEVE HUFFMAN  
LINDA J. LOPEZ  
STEPHEN TULLY

DATE: August 24, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Martin Lorenzo, Assistant Fiscal Analyst

SUBJECT: Department of Public Safety – Quarterly Review of the Arizona Public Safety  
Communication Advisory Commission (PSCC)

**Request**

Pursuant to Laws 2004, Chapter 281 the Department of Public Safety (DPS) has submitted for review, their FY 2005 fourth quarter expenditures and progress for the statewide interoperability design project.

**Recommendation**

The JLBC recommends the Committee request that the next quarterly report include explanation regarding accomplishments that directly relate to the updated timeline. In addition, the report should include information regarding the extent of the PSCC's involvement with the Department of Emergency and Military Affairs (DEMA) "short-term" interoperability solution and an explanation of how DEMA's "short-term" solution is anticipated to integrate with the PSCC's "permanent" interoperability solution.

**Analysis**

**Background & Funding**

Laws 2004, Chapter 275 appropriated \$5 million (of which \$2 million is lapsing) to DPS in FY 2005 for design costs of a statewide radio interoperability communication system. Radio interoperability allows public safety personnel from one agency to communicate, via mobile radio, with personnel from other agencies. An interoperable system enhances the ability of various public safety agencies to coordinate their actions in the event of a large-scale emergency as well as daily emergencies. Construction costs of a statewide radio interoperability communication system are estimated to be as high as \$300 million.

**Expenditures & Progress**

In FY 2005, the PSCC hired 5 of 9 positions and expended approximately \$519,400 of their \$5 million appropriation. As a result, \$1,480,600 of their \$2 million lapsing appropriation reverted back to the General Fund. The agency retains \$3 million in non-lapsing monies of the FY 2005 appropriation. During the fourth quarter, the PSCC expended approximately \$160,900 and funded costs associated with

the 5 staff positions including rent and the continued furnishing of the PSCC office. *Table 1* indicates fourth quarter and FY 2005 actual expenditures as well as the FY 2005 appropriation.

PSCC Actual & Estimated Expenditures			
	<u>4th Quarter</u>	<u>FY 2005 Actual</u>	<u>FY 2005 Appropriation<sup>1/</sup></u>
Personal Services	\$ 73,200	\$135,600	\$382,800
Employee Related Expenditures	11,200	20,400	104,200
Professional & Outside Services	(24,900)	125,500	4,040,500
Travel - In State	200	600	20,700
Travel - Out of State	-	-	15,900
Other Operating Expenditures	19,000	58,300	338,700
Equipment	<u>82,200</u>	<u>179,000</u>	<u>97,200</u>
Total Operating Expenditures	\$160,900	\$519,400	\$5,000,000
<sup>1/</sup> The addition \$3 million in non-lapsing monies are included in the Professional & Outside Services line.			

As mentioned above, the PSCC has only filled 5 of 9 positions. Currently, they are in the process of drafting the job description for the technical writer position as well as advertising the 3 available telecommunication engineer positions nationwide. The PSCC has indicated they have conducted interviews for the 3 telecommunication engineer positions but have been unsuccessful in finding qualified candidates due to the department's salary levels. The PSCC original expenditure plan assumed higher salary levels for the 3 engineer positions than the DPS classification/compensation schedule allows. The PSCC planned to pay 2 engineers \$80,000 annually with the third position receiving \$71,900. However, DPS' approved pay plan compensates the positions in the range of \$50,100 to \$67,900, depending on the applicants experience and education.

In the review of the Commissions third quarter expenditures, the Committee requested that the DPS fourth quarter report "include an updated design timeline with specific goals and objectives for completion during FY 2006." As a result, the PSCC provided the attached updated time line. Based on the revised timeline, the PSCC will begin to identify potential technical solutions for interoperability in mid FY 2006 (originally scheduled for early FY 2007), leading to the implementation of a pilot project in FY 2008 (previously not included in timeline). The PSCC anticipates fostering a full deployment plan in the beginning of FY 2009, consistent with the estimated completion date in the original timeline. Previously not indicated in the original timeline, the PSCC estimates statewide interoperability will be achieved in the beginning of FY 2014. In addition, the PSCC and its commissioners have identified and prioritized 5 key issues that must be addressed "in order to change the interoperability in Arizona." These issues helped redefine the timeline and are listed as follows:

- Operational procedures and coordination
- Mutual aid operations
- Infrastructure enhancement
- Training
- Standards-based technology

The PSCC mission is to enable a long term interoperable communications system to allow communication between all public safety entities located throughout the state. In the meantime, DEMA is employing a short-term fix to increase interoperability between some public safety agencies. As a result, JLBC Staff recommends that the next quarterly report provide the Committee with a greater understanding of the relationship between the short-term and long-term solutions.

Pursuant to Chapter 281, part of the PSCC mission is “the promotion of the development and use of standard based systems.” In pursuit of achieving this, PSCC Staff have attended and participated in various meetings with stakeholders. In the fourth quarter these meetings included representatives from the National Enforcement and Corrections Technology Center, Motorola Trunked users Group, 700 MHz Strategy Group, the City of Flagstaff, the Law Enforcement Coordinating Committee, RCC Consultants and the Marana Police Department.

RS/ML:ym



# ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000



JANET NAPOLITANO  
GOVERNOR

ROGER VANDERPOOL  
DIRECTOR

July 28, 2005

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



Dear Mr. Stavneak:

The Arizona Public Safety Communications Advisory Commission (PSCC) is pleased to enclose our 4th quarter report due to JLBC by July 30, 2005.

Attached is a narrative of our activities, along with the expenditure report for the reporting period of March 1, 2005 through June 30, 2005.

If we can answer any questions or assist you or your staff in any manner, please contact Mr. Curt Knight, Executive Director, PSCC at (602) 271-7400.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Vanderpool".

Roger Vanderpool  
Director

ds

Attachments

## Public Safety Communications Commission

### **Staffing:**

The PSCC Support Office with the assistance of the Department of Public Safety (DPS) Human Resources Bureau placed advertisements for the position of Telecommunications Engineer in newspapers for the cities of Phoenix, Flagstaff, Tucson, Sierra Vista and Yuma. Advertisements for the position were also placed in national trade publications and on trade websites that would be seen throughout the United States. Applications received as of this time, have yet to yield any qualified applicants.

### **PSCC Activities:**

On May 2, 2005, Mr. Curt Knight met with representatives from the National Law Enforcement and Corrections Technology Center (NLECTC), Dr. Robert Waldron, Director, West Region and Mr. Gene McGahey, Deputy Manager, Communications Technology, Rocky Mountain Region. Mr. Knight has asked for their assistance, expertise and feedback in our interoperability endeavor. NLECTC is a component of the National Institute of Justice's Office of Science and Technology, and serves as an "honest broker" offering support, research findings and technological expertise to help state and local law enforcement perform their duties.

Meetings were held May 11-13, 2005, for the Law Enforcement Coordinating Committee (LECC) in Tucson. Commander Terry Conner made a presentation to the attendees regarding the PSCC, its history, philosophy and direction, and also made a presentation regarding "TOPOFF 4" and how this homeland security exercise will affect Arizona's law enforcement agencies. Attendees included members from the Arizona Sheriff's Association, LECC Executive Committee, Arizona Association of Chiefs of Police and federal agencies.

Mr. Kevin Rogers attended the Motorola Trunked Users group meeting at the Maricopa County Sheriff's Office (MCSO) training facility on May 25, 2005. Representatives from Motorola conducted a presentation to introduce new product information. Other presentations made during the meeting involved spectrum rebanding, procurement processes for the cities of Tempe, Phoenix, Mesa and the State of Arizona. This meeting was attended for informational purposes only, by allowing the PSCC to stay abreast of what other agencies are doing.

Mr. Rogers chaired meetings in Peoria on May 26, 2005, and in Tucson on June 17, 2005, for the 700 MHz Strategy Committee which meets to gather input and formulate the State's plan on management of the new 700 MHz public safety spectrum. The 700 MHz spectrum cannot be used until this statewide plan is approved. Mr. Rogers has participated with the 700 MHz committee since its inception and the PSCC feels that we must maintain a pivotal role in the 700 MHz planning as a public safety resource for the future.

Mr. Rogers traveled to Flagstaff on June 3, 2005, to participate in a discussion regarding the possible purchase of a new microwave network for the city of Flagstaff. The

## Public Safety Communications Commission

discussions centered on the cost and how a new network would help serve public safety communications in the Flagstaff area. This meeting was attended for informational purposes.

Mr. Knight and Mr. Rogers traveled to Tucson on June 8, 2005, to attend a presentation being conducted by RCC Consultants. This presentation focused on the build out of the Arizona Interagency Radio System (IARS), and how it will tie in with the current work being planned in the other 11 counties. Included in this presentation were plans for short term interoperability in the four border counties.

Mr. Rogers accepted an invitation to tour the new Marana police facility on June 24, 2005. The tour allowed Mr. Rogers to get a look at the new multi-site, 800 MHz P25 digital trunked system using VoIP technology for interconnectivity between sites. This visit allowed Mr. Rogers to review the plans and system improvements being made around the state.

Mr. Knight has been invited to become an at-large member of the SAFECOM Advisory Group (AdG). SAFECOM is the first national program designed by public safety for public safety, and is managed by the Department of Homeland Security (DHS) Science and Technology (S&T) Directorate's Office for Interoperability and Compatibility (OIC). Its mission is to serve as the umbrella program with the federal government to help local, state, tribal, and federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications. Mr. Knight has also been invited to join the SAFECOM Baseline Practitioner Working Group which will study the current state of interoperability and communications nationwide.

### **PSCC Updated Timeline:**

As requested by JLBC and its staff during the quarterly report hearing on May 11, 2005, we have attached an updated timeline to this report. This timeline is a high-level summary of the work recently completed for our Concept of Operations (ConOps) document.

Since the inception of the first timeline, the PSCC Commissioner's and PSCC Support Office have established a priority of critical changes and activities which must occur in order to change the interoperability climate in Arizona. The attached timeline represents these activities and ordering that the Commission deems necessary in order to achieve success. The Commission's prioritization of several key issues redefined the prioritization and breakdown of our timeline completely. The final PSCC ConOps document should be available to JLBC at the October 2005 meeting if approved by the PSCC Commissioners at their July 26 meeting. Currently, the Commission lists the top five critical changes needed:

- |  |                               |
|--|-------------------------------|
| 1) Operational procedures and coordination | 4) Training                   |
| 2) Mutual aid operations                   | 5) Standards-based technology |
| 3) Infrastructure enhancement              |                               |

## Public Safety Communications Commission

### **Commission Meetings:**

Our quarterly PSCC meeting was held on May 24, 2005 at the Arizona Peace Officer Standards and Training facility in Phoenix. A majority of the meeting centered on a PowerPoint presentation to the Commissioners from our consultant Gartner Group Inc.

Gartner representatives Mr. Steve Buckley and Mr. Paul Denvir have worked with the Commission and PSCC support staff to draft a Concept of Operations (ConOps) document that will be used to communicate current issues and impacts of interoperability in the state of Arizona, as well as, aid in the development of stakeholder understanding and consensus of the vision and scope of this project. Gartner representatives conducted interviews with the Commissioners in April which allowed them to state their desires, vision and expectations of the final statewide interoperability system. The ConOps document will also describe radio interoperability issues and key requirements for the proposed solution in the state of Arizona and additional supporting information to lay the foundation for the conceptual model of the future statewide interoperable solution for the State.

Mr. Robert McNichols, Bureau of Indian Affairs (BIA), made a short presentation to the Commission on the needs and direction of communications on tribal lands.

Mr. Knight requested representatives from NLECTC travel to Arizona and attend the May 24 meeting to provide feedback to the PSCC Support Office on the ConOps document and the work being done by Gartner. Dr. Robert Waldron and Mr. Gene McGahey attended the meeting and will continue to partner with PSCC to provide support.

Our first quarter meeting was held July 26, 2005, at the Arizona Peace Officer Standards and Training facility (AZPOST) in Phoenix.

### **Budget:**

At the time Commander Terry Conner was transferred into the PSCC Support Office, his salary was not transferred to our budget in error. A correction has been made to address this oversight.

A purchase order for the ConOps work being done by Gartner Group was initiated for \$150,000.00 in FY05. Gartner completed all but the last phase of the contract agreement, and has been paid \$125,000.00 for the work completed by year end. The last phase of the contract consists of three (3) presentations made by Gartner to stakeholder groups chosen by the PSCC. These presentations will take place in FY06, and an amount of \$25,000 will be paid to Gartner once this work has been completed.

Costs associated with the job advertisements placed in newspapers and trade magazines for the Telecommunications Engineers positions continue to be received from DPS Human Resources Bureau. These costs were incurred in FY05, which means administrative adjustments will need to be done as these are received.

## Public Safety Communications Commission

Although the office furniture has been purchased, there may be additional purchases for lateral files and storage at some future date. With the PSCC not fully staffed, we have deferred the purchase of the necessary computer equipment and software for two (2) of our staff positions. These purchases will be made once it is confirmed that these positions are about to be filled.

The LAN file server for our unit has been received and set up at a cost of over \$17,000.00. DPS Information Technology Bureau is still working out the logistics of connecting it to the DPS LAN network and then transferring the PSCC personnel over to our own server.

Discussions were held with Ms. Christy Kramer, DPS Comptroller's Office, regarding the indirect cost charges listed in our expenditure plan which must be paid to DPS. Ms. Kramer had advised approximately \$77,700 in expenses for Human Resources services, Telecommunications services, Information Technology support, Fleet services and Attorney fees will be transferred to our budget for this fiscal year. These expenses have been transferred and paid as required.

PUBLIC SAFETY COMMUNICATIONS COMMISSION BUDGET FY2005

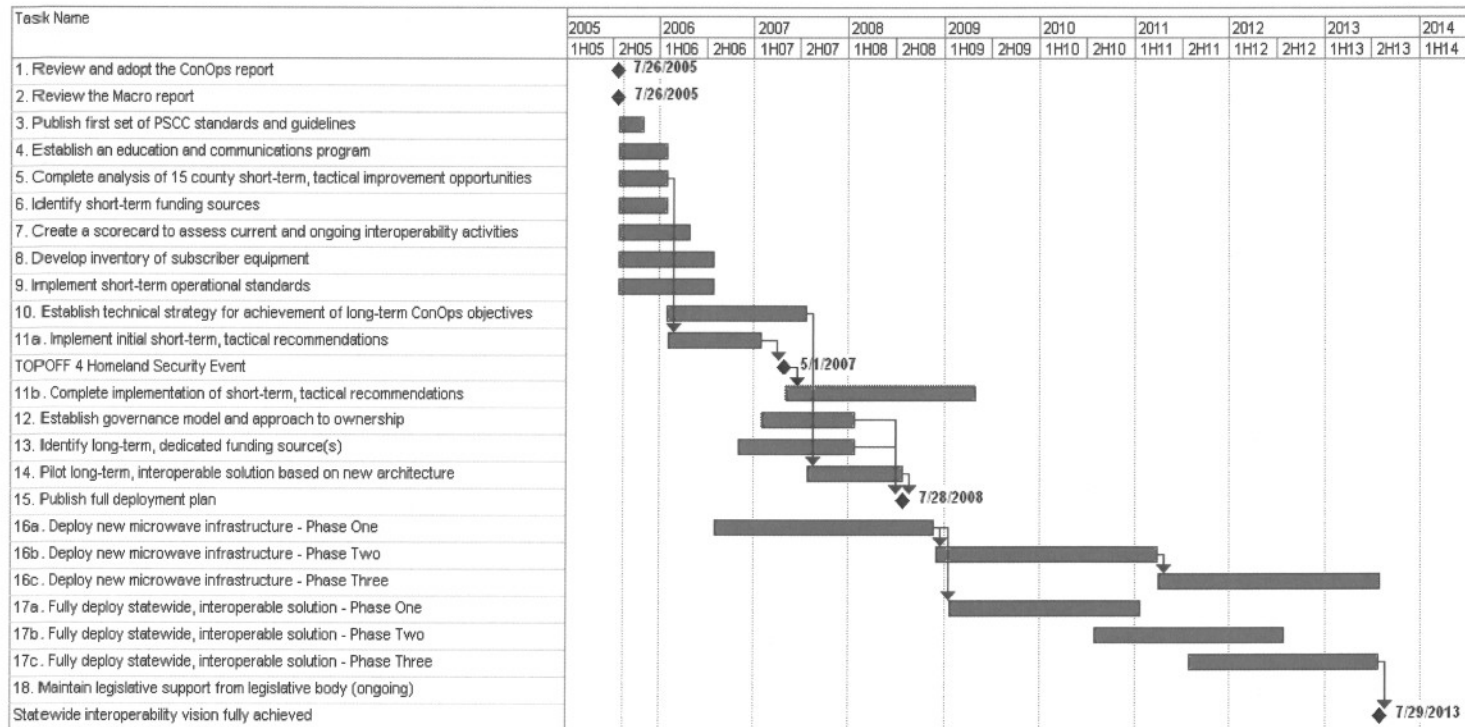
**FY 05 Quarterly Expenditure**

	ALLOCATED AMOUNT	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	REMAINING BALANCE
PERSONAL SERVICES	\$ 382,800.00	\$ -	\$ 25,162.13	\$ 37,191.46	\$ 73,235.94	\$ 247,210.47
ERE	\$ 104,200.00	\$ -	\$ 3,608.35	\$ 5,615.51	\$ 11,173.99	\$ 83,802.15
PROFESSIONAL/OUTSIDE SVCS *	\$ 4,040,500.00	\$ -	\$ -	\$ 150,379.98	\$ (24,900.00)	\$ 3,915,020.02
TRAVEL (IN STATE)	\$ 20,700.00	\$ -	\$ -	\$ 351.19	\$ 242.66	\$ 20,106.15
TRAVEL (OUT OF STATE)	\$ 15,900.00	\$ -	\$ -	\$ -	\$ -	\$ 15,900.00
AID TO OTHER ORGANIZATIONS	\$ 55,000.00	\$ -	\$ -	\$ -	\$ -	\$ 55,000.00
OTHER OPERATING	\$ 203,300.00	\$ 249.00	\$ 11,227.21	\$ 27,812.99	\$ 18,982.48	\$ 145,028.32
BUILDINGS/BUILD IMPROVEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NON CAPITAL EQUIPMENT	\$ -	\$ -	\$ 46,938.28	\$ -	\$ 64,675.33	\$ (111,613.61)
CAPITAL EQUIPMENT	\$ 97,200.00	\$ -	\$ 36,686.40	\$ 13,249.08	\$ 17,538.76	\$ 29,725.76
INDIRECT COSTS	\$ 80,400.00	\$ -	\$ -			\$ 80,400.00
	<b>\$ 5,000,000.00</b>					<b>\$ 4,480,579.26</b>
QUARTERLY EXPENDITURES TOTALS		\$ 249.00	\$ 123,622.37	\$ 234,600.21	\$ 160,949.16	
FY 05 TOTAL EXPENDITURES					<b>\$ 519,420.74</b>	

\* The Allocated Amount includes \$3,000,000.00 in non-lapsing funds

Task Name	2005		2006		2007		2008		2009		2010		2011		2012		2013	
	1H05	2H05	1H06	2H06	1H07	2H07	1H08	2H08	1H09	2H09	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
1. Review and adopt the ConOps report																		
2. Review the Macro report																		
3. Publish first set of PSCC standards and guidelines																		
4. Establish an education and communications program																		
5. Complete analysis of 15 county short-term, tactical improvement opportunities																		
6. Identify short-term funding sources																		
7. Create a scorecard to assess current and ongoing interoperability activities																		
8. Develop inventory of subscriber equipment																		
9. Implement short-term operational standards																		
10. Establish technical strategy for achievement of long-term ConOps objectives																		
11a. Implement initial short-term, tactical recommendations																		
TOPOFF 4 Homeland Security Event																		
11b. Complete implementation of short-term, tactical recommendations																		
12. Establish governance model and approach to ownership																		
13. Identify long-term, dedicated funding source(s)																		
14. Pilot long-term, interoperable solution based on new architecture																		
15. Publish full deployment plan																		
16a. Deploy new microwave infrastructure - Phase One																		
16b. Deploy new microwave infrastructure - Phase Two																		
16c. Deploy new microwave infrastructure - Phase Three																		
17a. Fully deploy statewide, interoperable solution - Phase One																		
17b. Fully deploy statewide, interoperable solution - Phase Two																		
17c. Fully deploy statewide, interoperable solution - Phase Three																		
18. Maintain legislative support from legislative body (ongoing)																		
Statewide interoperability vision fully achieved																		

**Figure 5. Arizona Statewide Interoperability Project Plan**





STATE OF ARIZONA

**Joint Legislative Budget Committee**

STATE  
SENATE

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ROBERT CANNELL  
JORGE LUIS GARCIA  
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HOUSE OF  
REPRESENTATIVES

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STEVE HUFFMAN  
LINDA J. LOPEZ  
STEPHEN TULLY

DATE: August 19, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Tyler Palmer, Fiscal Analyst

SUBJECT: Arizona Department of Administration – Review of Emergency Telecommunication Services  
Revolving Fund Expenditure Plan

**Request**

Laws 1998, Chapter 6, 4<sup>th</sup> Special Session 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 \$13.4 million wireless portion of the ETSF expenditure plan, with the provision that ADOA report back to the Committee by April 1, 2006 concerning the following:

- The basis for long-term revenues and expenditures
- The estimated costs to implement Phase I and Phase II
- The historical cost to support ongoing services for each of the following: basic 911, enhanced 911 with automatic number identification (ANI), enhanced 911 with automatic location identification (ALI), wireless Phase I, and wireless Phase II
- The current annual operating costs and the annual operating costs assuming full deployment

In FY 2006, ADOA expects to distribute \$34.7 million from ETSF. Based on past expenditure patterns, however, this estimate could be high. Of the \$34.7 million, \$20.5 million would support existing wire services, \$13.4 million would fund certain wireless deployments and maintenance, and \$856,000 would cover ADOA administrative and management costs.

Beginning in FY 2008, ADOA projects an end-of-year deficit of \$9.0 million, which would grow to \$25.8 million by the end of FY 2010. Depending on actual county participation in pursuing E911 services for wireline phones and Phase I & II for wireless phones, the estimated amounts and time frame could fluctuate.

## **Analysis**

### 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 voice over internet services. In FY 2006, ETSF will receive an estimated \$27.8 million in revenues from the Emergency Telecommunications Services Tax. Interest income provides another \$751,000, for total fund revenues of \$28.5 million.

### FY 2006 Distribution Plan

ADOA works with county/city 911 administrators to distribute monies from ETSF for FCC-compliant telecommunications equipment, software, carrier services, and maintenance. The county/city 911 administrator is responsible for:

- Working with the Public Safety Answering Point (PSAP)
- Organizing and attending project meetings
- Making decisions relative to routing and network design
- Serving as the point of contact for the state's 911 office
- Negotiating service agreements
- Ensuring that PSAP personnel receive necessary training and information
- Completing state 911 service plan
- Managing the 911 program

ADOA is responsible for providing centralized oversight, administration, management, and guidance in developing project schedules to consider the greatest needs, especially in rural areas, and for maximizing 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.

ADOA distributes funds to the localities upon receiving copies of their invoices for emergency telecommunications services and equipment. In FY 2006, ADOA expects to distribute \$34.7 million from ETSF, including \$6.1 million from the existing fund balance. Of the \$34.7 million, \$13.4 million is for Phase I and Phase II wireless services. The following table summarizes the ETSF distribution.

<b>ADOA Emergency Telecommunications Services Revolving Fund FY 2006 Expenditure Plan</b>	
	<u><b>Allocation</b></u>
<b>Wireless Services</b>	
Equipment One Time Charge	\$ 4,395,000
Network One Time Charge	2,737,000
Recurring Network Maintenance	<u>6,236,000</u>
Wireless Services Subtotal	\$13,368,000
<b>Wireline Services</b>	\$20,464,000
<b>Administration</b>	<u>\$ 856,000</u>
ETSF Expenditure Plan Total	\$34,688,000

Of the \$13.4 million spent on wireless services, approximately \$6.2 million is for recurring charges. Of the \$20.5 million spent on wireline services, approximately \$7.6 is for recurring charges.

### 911 Wireless Service Improvements

Federal Communications Commission (FCC) Report and Order 96-204, issued in 1996, ordered the development and implementation of 911 services for wireless telecommunications systems in 2 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. The following list highlights the status of Arizona's wireless 911 deployments as of August 2005.

- Pima County completed Phase II deployment with all available carriers in April 2005
- Maricopa Region plans to complete Phase II deployment by October 2005
- Graham, Pinal, and Santa Cruz Counties have fully deployed Phase I with all available carriers
- Page-Lake Powell and Winslow areas have deployed Phase I

With the completion of Pima County and Maricopa Region (in October 2005), 80% of the access lines in Arizona will be Phase II compliant. The remaining sites that are Phase I compliant will be budgeted for mapping equipment during FY 2006. Completion of mapping in Phase I compliant regions is a major step in becoming Phase II ready. Additionally, Camp Verde, Cottonwood, Sedona, and the unincorporated areas of northern Yavapai County are conducting their mapping projects and will deploy Phase II during FY 2006. Most other areas of the state intend to meet Phase I requirements during FY 2006. For a more comprehensive description of emergency 911 deployments see the *State 9-1-1 Program FY 06 Project Plan* attachment.

### FY 2005 Stipulations

At its August 2004 meeting, the Committee requested that ADOA report back on its recommendations for preventing a future ETSF funding shortfall by July 31, 2005. ADOA responded by stating it will have a need to either delay the implementation of the wireless program or to raise the excise tax commencing in fiscal year 2008.

### Voice over Internet Protocol (VoIP)

The FCC has mandated that the voice over internet protocol (VoIP) providers be capable of delivering Enhanced 9-1-1 by late November, 2005. The network infrastructure will require upgrades to ensure that calls can be handled at the PSAP. Currently, advanced solutions are on the drawing board and have not totally been decided upon. Regardless, there will be costs associated with necessary network upgrades and changes to properly handle VoIP calls. Today, there are independent costs for calls being transported over existing technology. There is currently no funding mechanism in place to support VoIP technological advances for 9-1-1.

### Future Outlook

The ADOA ETSF Expenditure Plan contains fund balance projections through FY 2010. Although it is likely that wireless services and its 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 will begin running deficits from FY 2008 onward. Beginning in FY 2008, ADOA projects the end-of-year deficit to be \$9.0 million and growing to \$25.8 million by the end of FY 2010.

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 its Phase I counterparts. ADOA also has some concerns over the effectiveness of Emergency Telecommunications Tax enforcement. Additionally, wire service growth is stagnating, as customers choose instead wireless services (which are taxed), out-of-state wireless telephone numbers, or VoIP 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.

In August 2004, ADOA estimated that FY 2005 expenditures would be \$35.3 million; however, actual expenditures over the course of the year were only \$20.3 million. Some of this discrepancy may be attributed to lower levels of participation by rural counties than expected. Because the program is set up as a grant based program, counties and cities are responsible for implementing E911 services for wireline phones, and Phase I and II services for wireless phones. To date, ADOA has distributed fewer grants to rural counties than expected. If the trend continues, ADOA will be unable to meet its project plan for implementing E911 and Phase II throughout the state by FY 2010. The FY 2006 expenditure estimate, therefore, may be high, and the FY 2008 deficit estimate may be premature.

RS:TP:ck

JANET NAPOLITANO  
GOVERNOR



BETSEY BAYLESS  
DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION

100 N. 15<sup>th</sup> Ave., Suite 401  
PHOENIX, ARIZONA 85007

August 3, 2005

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



Dear Representative Pearce:

As stipulated in the Laws of 1998, 4<sup>th</sup> 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 2006 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 and Deployment Schedule for fiscal year 2006,
- A report on wireless expenditure information for fiscal years 2000 through 2005, 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 2008.

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 Robert Burns, Chairman, Joint Committee on Capital Review  
The Honorable Ken Bennett, Senate President  
The Honorable James P. Weiers, Speaker of the House of Representatives  
Mr. Richard Stavneak, Staff Director, JLBC

Enclosures (4)

**9-1-1 PROJECT PLAN (w/ \$15,000,000 Fund Transfers)**

Includes Capital Cost Recovery for Phase II

Assumes Change in Tax Rates

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; Wireless Tax and Excise Tax based on tax rate reduction					
	Actual FY03	Actual FY04	Actual FY05	Budgeted FY06	Budgeted FY07	Budgeted FY08	Budgeted FY09	Budgeted FY10	
Administration	\$ 253,532	\$ 296,513	\$ 435,382	\$ 570,838	\$ 437,744	\$ 315,550	\$ 315,863	\$ 316,182	
PSAP Network Management	\$ 237,059	\$ 258,625	\$ 277,529	\$ 285,419	\$ 218,872	\$ 157,775	\$ 157,932	\$ 158,091	
Sub-Total	\$ 490,591	\$ 555,138	\$ 712,911	\$ 856,257	\$ 656,616	\$ 473,326	\$ 473,795	\$ 474,273	
Wireline (Transition to VoIP)	\$ 13,001,668	\$ 11,087,417	\$ 9,941,718	\$ 20,463,565	\$ 21,486,743	\$ 22,561,080	\$ 23,689,134	\$ 24,873,591	
Phase I Wireless	\$ 1,566,822	\$ 1,948,627	\$ 2,512,964	\$ 1,508,553	\$ 1,583,981	\$ 1,663,180	\$ 1,746,339	\$ 1,833,656	
Phase II Wireless	\$ -	\$ 3,338,435	\$ 7,134,137	\$ 11,853,220	\$ 12,445,881	\$ 13,068,175	\$ 13,721,584	\$ 14,407,663	
<b>TOTAL PROGRAM COSTS</b>	\$ 15,059,080	\$ 16,929,617	\$ 20,301,729	\$ 34,681,595	\$ 36,173,221	\$ 37,765,761	\$ 39,630,852	\$ 41,589,183	
<b>FUNDS FROM PRIOR</b>	\$ 22,503,370	\$ 19,497,150	\$ 25,736,153	\$ 33,416,673	\$ 27,276,972	\$ 12,990,960	\$ -	\$ -	
WIRELESS TAX	\$ 9,596,186	\$ 11,972,954	\$ 12,927,897	\$ 13,186,455	\$ 10,021,706	\$ 7,115,411	\$ 7,115,411	\$ 7,115,411	
EXCISE TAX	\$ 13,914,520	\$ 13,748,484	\$ 14,317,661	\$ 14,604,015	\$ 11,099,051	\$ 7,880,326	\$ 7,880,326	\$ 7,880,326	
INTEREST INCOME	\$ 539,577	\$ 447,181	\$ 736,690	\$ 751,424	\$ 766,452	\$ 781,781	\$ 797,417	\$ 813,365	
<b>Total Collections</b>	\$ 24,050,284	\$ 26,168,620	\$ 27,982,249	\$ 28,541,894	\$ 21,887,210	\$ 15,777,519	\$ 15,793,155	\$ 15,809,103	
<b>TOTAL FUNDS</b>	\$ 46,553,654	\$ 45,665,770	\$ 53,718,402	\$ 61,958,566	\$ 49,164,181	\$ 28,768,479	\$ 15,793,155	\$ 15,809,103	
PRIOR PERIOD ADJ OR PROJECT CARRY-FORWARD	\$ 2,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TRANSFER TO GENERAL FUND	\$ 12,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
EXPENDITURES	\$ 15,059,080	\$ 16,929,617	\$ 20,301,729	\$ 34,681,595	\$ 36,173,221	\$ 37,765,761	\$ 39,630,852	\$ 41,589,183	
<b>FUNDS FORWARD</b>	\$ 19,497,150	\$ 25,736,153	\$ 33,416,673	\$ 27,276,972	\$ 12,990,960	\$ (8,997,282)	\$ (23,837,697)	\$ (25,780,080)	
Wireless Tax Rate	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.28	\$ 0.20	\$ 0.20	\$ 0.20	

**Arizona Department of Administration  
State 9-1-1 Office  
Wireless Program Report  
2005**

The Arizona Phase I & II Wireless Implementation Plan has been updated during FY05 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 FY06 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 most recently Phase II, with additional requests for service letters being sent to the affected carriers. Phase I has been fully deployed in Graham, Pima and Santa Cruz Counties with all carriers. Additionally, the Page-Lake Powell and Winslow areas have deployed Phase I.

Those sites that are deployed Phase I will be budgeted for mapping equipment in the FY06 budget. Additionally, the State 9-1-1 Office was awarded a \$1 million dollar grant from the PSAP Readiness Fund, for Geographic Information System (GIS) development for Phase II. The Scope of Work includes those counties that are Phase I, with the intent to move toward deployment of Phase II by end of FY06.

For Phase II deployment consideration, 9-1-1 Centers must have mapping installed with validated GIS data. Pima County completed deployment of Phase II with all eligible carriers in April 2005. Maricopa Region is currently deploying Phase II and the project is expected to be completed by October 2005. 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. Camp Verde, Cottonwood, Sedona and the unincorporated areas of northern Yavapai County are moving forward with their mapping projects and will deploy with Phase II in FY06. It is anticipated that

request for Phase II service letters will be sent to the wireless carriers the third week in August 2005.

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. The Northern Yavapai County area is scheduled for Phase II deployment by February 2006

Maricopa Regional is currently doing drive testing and has turned up four of the eight carriers.

### **Payment for Wireless Services**

During FY05, costs for Phase I services were negotiated and recurring charges rendered to all wireless carriers doing business in Graham, Pima, Pinal, Santa Cruz Counties and the Page-Lake Powell and Winslow areas. Through successful discussions with Qwest, a filing with the Arizona Corporation Commission early in FY05, 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 ensuring that the 9-1-1 Program had the funding capability 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. During 1<sup>st</sup> Quarter of FY05, 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
FY05	\$ 10,000,000
Total	\$ 17,405,238

The FY06 budget for Wireless Phase I and Phase II is projected at \$13,361,773.00.

State 9-1-1 Program  
FY06 Project Plan

[illegible]

STATE OF ARIZONA

**Joint Legislative Budget Committee**

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STEPHEN TULLY

DATE: August 23, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Leah Ruggieri, Fiscal Analyst

SUBJECT: Attorney General – Review of Uncollectible Debts

**Request**

Pursuant to A.R.S. § 35-150(E), the Attorney General requests that the Committee review its FY 2004 listing of \$10.7 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 request. A favorable review by the Committee will 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, some debts are uncollectible.

The Attorney General's Office reviewed the cases assigned to the Collection Enforcement Unit. Based on this review, the Attorney General advises that \$10.7 million owed to the state is uncollectible. Of this amount, the Attorney General lists:

- \$3.6 million due to defunct corporations and limited liability companies;
- \$2.6 million due to insufficient debtor resources;
- \$1.7 million due to settlement;
- \$1 million due to bankruptcy;
- \$0.9 million due to inability to locate the debtor.

The remaining \$0.9 million is listed as uncollectible due to the debtor being deceased, expiration of the statute of limitation, or because the cost of collection exceeds the amount of debt owed.

A debt amount is categorized as uncollectible due to insufficient debtor resources when the Attorney General determines that the debtor has no assets, no wages, and a negative credit report. Depending on the circumstances of the case, the Attorney General may wait anywhere from six months to ten years to determine a debt is uncollectible due to insufficient debtor resources. When a debt amount is determined to be uncollectible due to insufficient debtor resources and is removed by the State Comptroller from the state accounting system, the judgment remains recorded with the state and the lien imposed on the debtor is not expunged. Additionally, state income tax refunds will be offset by the amount of the debt.

Of the \$10.7 million, approximately 81% are debts that were owed to four agencies, the Registrar of Contractors, the Arizona Department of Revenue, the Industrial Commission, and the Motor Vehicle Division within the Arizona Department of Transportation (ADOT). The remaining 19% are debts owed to 34 other agencies.

<b><u>Uncollectible Debt Recommended for Write-Off by Client Agency</u></b>		
	<b><u>Amount Recommended for Write-Off</u></b>	<b><u>Percentage</u></b>
Registrar of Contractors	\$3,300,100	31%
Arizona Department of Revenue	2,833,500	26%
Industrial Commission	2,135,400	20%
ADOT – Motor Vehicle Division	444,200	4%
All Others	<u>1,999,100</u>	<u>19%</u>
Total	\$10,712,300	100%

By comparison, the state removed \$24.5 million in uncollectible debt from the accounting system in FY 2003 and \$9.5 million in FY 2002. The FY 2003 amount was much greater than FY 2002 and FY 2004 because of a small number of high value cases, including \$9.2 million from 3 cases involving defunct corporations, and \$5.9 million from 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/LR: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

July 11, 2005

HAND-DELIVERED

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



Re: **UNCOLLECTIBLE DEBT REPORT**

Dear Representative Pearce:

In accordance with A.R.S. § 35-150(E) 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, 2004.

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

Sincerely,

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

MFK/tmm  
Enclosures

cc: Senator Robert Burns, Vice Chairman, w/attachments  
Richard Stavneak, JLBC, w/attachments  
Gary Yaquinto, OSPB, w/attachments  
Leah Ruggieri, 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



STATE OF ARIZONA

## Joint Legislative Budget Committee

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RUSSELL K. PEARCE  
MARION L. PICKENS  
CHRISTINE WEASON

April 17, 2001

The Honorable Janet Napolitano  
Attorney General  
Office of the Attorney General  
1275 W. Washington  
Phoenix, AZ 85007-2926

Dear Ms. Napolitano:

A.R.S. § 35-150(E) requires that the Joint Legislative Budget Committee review the FY 2000 listing of uncollectible debts referred to the Attorney General for collection.

At its meeting on April 6, 2001, the Committee gave a favorable review of the report submitted by the Attorney General. The report appears to meet the requirements of A.R.S. § 35-150(E).

The Committee requests that for future reports, the Bankruptcy and Collection Enforcement Section provide more specific information on each debt regarding the reason each debt is uncollectible (e.g., bankruptcy, inability to locate debtor, etc.), rather than using the term "uncollectible." The Committee would like information on the date the debt was determined uncollectible, as well as the date collections work began, and the amount collected on each debt.

If you have any questions relative to actions of the Committee, please let me know.

Sincerely,

Richard Stavneak  
Director

RS:ck

xc: Representative Laura Knaperek, Chairman  
Senator Ruth Solomon, Vice-Chairman  
Senate President Randall Gnant  
House Speaker Jim Weiers  
Elliott Hibbs, Director, ADOA  
Bob Rocha, State Comptroller, GAO, ADOA  
Tom Betlach, Director, OSPB

Client Agency

Arizona Corporation Commission  
Department of Agriculture  
State Board of Charter Schools  
Department of Building and Fire Safety  
Banking Department  
Consumer Protection and Advocacy, Arizona Office of the Attorney General  
Criminal Division, Arizona Office of the Attorney General  
Department of Environmental Quality  
Department of Health Service  
Department of Administration  
Department of Corrections  
Department of Transportation  
Department of Commerce  
Department of Education  
Arizona Game and Fish Commission  
Highway Division - Arizona Department of Transportation  
Industrial Commission of Arizona  
Arizona Insurance Guaranty Fund  
Department of Juvenile Corrections  
License and Enforcement Section, Arizona Office of the Attorney General  
Liability Management Section, Arizona Office of the Attorney General  
Arizona Lottery Commission  
Arizona Medical Board  
Motor Vehicle Division - Arizona Department of Transportation  
Northern Arizona University  
Commission of Post-Secondary Education  
Department of Real Estate  
Arizona State Retirement  
Arizona Department of Revenue  
Arizona Registrar of Contractors  
Risk Management - Arizona Department of Administration  
Right of Way Division, Arizona Department of Transportation  
Solicitor General's Office, Arizona Office of the Attorney General  
State Land Department  
Structural Pest Control Commission  
Transportation Division, Arizona Office of the Attorney General  
Veterans' Service Commission  
Workers Compensation, Arizona Department of Administration

Abbreviation

ACC  
AGR  
BCS  
BFS  
BNK  
CPA  
CRM  
DEQ  
DHS  
DOA  
DOC  
DOT  
EDC  
EDD  
GAF  
HGD  
ICA  
IGF  
JUC  
LES  
LMS  
LOT  
MED  
MVD  
NAU  
PEC  
RED  
RET  
REV  
ROC  
RSK  
RWD  
SGO  
SLD  
SPB  
TRN  
VSE  
WKR

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ACC	RIPPEE, ALAN LEE	8/14/2003	-	570.96	COSTS EXCEED IN-STATE DEBT UNDER \$500
ACC	MIDED, ADAM DBA STERLING CAPITAL	2/24/2004	-	2,000.00	DEBTOR IS DECEASED
ACC	ELZE, WALTER M. JR.	10/20/2003	-	10,000.00	DEBTOR IS INCARCERATED
ACC	FEDERAL FUNDING FOUNDATION	9/16/2003	-	20,000.00	DEFUNCT CORPORATION
ACC	HANOVER FINANCIAL CORPORATION	9/15/2003	-	50,000.00	DEFUNCT CORPORATION
ACC	LIUZZI, JAMES VINCENT III	9/24/2003	2,973.24	147,026.76	DISCHARGED IN BANKRUPTCY
ACC	FANZO, RONALD L.	8/25/2003	-	15,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	BALDWIN, HOWARD S.	4/21/2004	-	5,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	PROSPERITY INVESTORS GROUP	4/2/2004	-	50,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	LOOSCHEN, GEORGE & SHELLY	8/20/2003	-	20,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ACC	TAYLOR, LOWELL R.	6/10/2004	15,304.42	21,925.53	SETTLEMENT
<b>Arizona Corporation Commission</b>			<b>Total</b>	<b>341,523.25</b>	
AGR	ROGERS, FRANKLIN W. & BLENDIA	8/13/2003	-	26,951.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Department of Agriculture</b>			<b>Total</b>	<b>26,951.37</b>	
BCS	LAURENT CLERC ELEMENTARY SCHOOL INC.	5/28/2004	8,801.00	25,809.09	SETTLEMENT
<b>State Board of Charter Schools</b>			<b>Total</b>	<b>25,809.09</b>	
BFS	MADRID, MATTHEW	10/14/2003	-	138.25	COSTS EXCEED IN-STATE DEBT UNDER \$500
BFS	BULLHEAD INVESTMENT CORP.	7/8/2003	-	23,123.33	DEFUNCT CORPORATION
BFS	NET RESULTS BUILDERS, L.L.C.	7/23/2003	-	547.00	DEFUNCT LLC
BFS	DUNN INVESTMENTS DBA HEARTLAND	8/1/2003	-	500.00	DEFUNCT LLC
<b>Department of Building and Fire Safety</b>			<b>Total</b>	<b>24,308.58</b>	
BNK	ALTERNATIVE LENDING GROUP, INC.	7/21/2003	-	1,900.00	DEFUNCT CORPORATION
BNK	CORNELIUS, LLOYD	8/19/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
BNK	NICOLL, WILLIAM SCOTT DBA MAJESTIC MORTGAGE	10/1/2003	634.00	4,290.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Banking Department</b>			<b>Total</b>	<b>6,690.13</b>	
CPA	GOLUB, HOWARD J.	10/17/2003	12,916.00	37,084.00	DEBTOR IS DECEASED
CPA	HURT, J. MASON	10/1/2003	-	10,000.00	DEBTOR IS DECEASED
CPA	W.A.D.E. FLOWER SHOPS, INC.	8/19/2003	-	263,716.61	UNABLE TO LOCATE DEBTOR
<b>Consumer Protection and Advocacy, Arizona Office of the Attorney General</b>			<b>Total</b>	<b>310,800.61</b>	
CRM	WARNER, NOELLE FLANAGAN	10/1/2003	-	51,583.00	UNABLE TO LOCATE DEBTOR



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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
<b>Criminal Division, Arizona Office of the Attorney General</b>			<b>Total</b>	<b>51,583.00</b>	
DEQ	CDB CONSTRUCTION INC.	10/20/2003	-	2,679.59	CORPORATE CHAPTER 11
DEQ	MARDIAN INDUSTRIES NO. 1 LIMITED PARTNERSHIP	12/17/2003	-	556.84	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
DEQ	5 SMALL DOLLAR CASES AVG \$249.05	6/30/2004	-	1,245.27	COSTS EXCEED IN-STATE DEBT UNDER \$500
DEQ	SABROSA WATER COMPANY	12/24/2003	-	1,329.39	DEFUNCT CORPORATION
DEQ	HENSKE, ROBERT	10/29/2003	-	700.00	DEFUNCT CORPORATION
<b>Department of Environmental Quality</b>			<b>Total</b>	<b>6,511.09</b>	
DHS	ST. MARY'S HOSPITAL	6/30/2004	-	195.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
DHS	TLW/THE LIGHT WITHIN GROUP HOME	8/25/2003	-	1,000.00	DEFUNCT CORPORATION
DHS	TLW/THE LIGHT WITHIN GROUP HOME	8/25/2003	-	3,000.00	DEFUNCT CORPORATION
DHS	SHEPP, MICHAEL DBA AUDIO-TECH LABS	9/10/2003	3,026.60	407.89	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
DHS	LINDLEY, JANE MCNAMARA DBA HOSANNA ADULT CARE	7/29/2003	-	9,562.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Department of Health Service</b>			<b>Total</b>	<b>14,165.74</b>	
DOA	ANSLEY, VERONIQUE G.	5/28/2004	-	9,259.52	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Department of Administration</b>			<b>Total</b>	<b>9,259.52</b>	
DOC	7 SMALL DOLLAR CASES AVG \$258.15	6/30/2004	-	1,807.03	COSTS EXCEED IN-STATE DEBT UNDER \$500
<b>Department of Corrections</b>			<b>Total</b>	<b>1,807.03</b>	
DOT	ROYAL TRANSPORTATION, INC.	11/6/2003	-	56,737.00	DISCHARGED IN BANKRUPTCY
DOT	NATIONAL PETROLEUM MARKETING, INC.	10/9/2003	373,653.00	25,787.00	DISCHARGED IN BANKRUPTCY
DOT	OAK TRUCKING, INC.	9/30/2003	-	5,633.00	DISCHARGED IN BANKRUPTCY
<b>Department of Transportation</b>			<b>Total</b>	<b>88,157.00</b>	
EDC	UNIQUE TOOL & GAUGE DBA UNIQUE MOLDED PRODUCTS	1/14/2004	138,000.00	103,329.53	SETTLEMENT
<b>Department of Commerce</b>			<b>Total</b>	<b>103,329.53</b>	
EDD	THOMAS DAY CARE CORP.	11/7/2003	-	1,096.99	DEFUNCT CORPORATION
EDD	TWO STEPS CHILD CARE	6/3/2004	-	1,003.11	DEFUNCT CORPORATION
EDD	LILA'S PRESCHOOL	11/7/2003	-	10,837.10	DEFUNCT CORPORATION
EDD	CHILDREN OASIS DAY CARE	7/25/2003	-	28,452.00	DEFUNCT LLC
EDD	TITUS INVESTMENTS, INC.	7/24/2003	-	6,004.72	DEFUNCT LLC
EDD	ELIAS, BRITTNEY	5/20/2004	4,137.00	4,331.74	SETTLEMENT

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EDD	CHILDREN'S VILLAGE PRESCHOOL	7/24/2003	-	340.88	UNABLE TO LOCATE DEBTOR
	<b>Department of Education</b>		<b>Total</b>	<b>52,066.54</b>	
GAF	MANCHE, JOHN LEWIS	9/9/2003	-	1,543.23	COSTS EXCEED IN-STATE DEBT UNDER \$500
GAF	4 SMALL DOLLAR CASES AVG \$286.20	6/30/2004	-	1,144.78	COSTS EXCEED IN-STATE DEBT UNDER \$500
GAF	HORVATH, JOSEPH C. JR.	8/19/2003	540.00	812.85	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
GAF	BAILEY, JACK A.	11/13/2003	250.00	744.44	DISCHARGED IN BANKRUPTCY
GAF	GOMEZ, ROQUE JUAN	6/9/2004	-	1,278.72	INSUFFICIENT INFORMATION
GAF	PEARCE, MITCHELL E.	4/16/2004	-	714.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	SOLOMON, AARON J.	5/27/2004	-	714.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	NORZAGARAY, JESUS M.	6/7/2004	-	714.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
GAF	SEELEY, COLBY CREED	12/3/2003	-	672.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
	<b>Arizona Game and Fish Commission</b>		<b>Total</b>	<b>8,339.27</b>	
HGD	WEATHERFORD, BRANDON M.	8/6/2003	-	3,900.00	ACTIVE MILITARY
HGD	CORONA, SUSAN & GUSTAVO A.	7/9/2003	500.00	175.92	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	DAVIS, DAVID LEE	8/18/2003	-	486.05	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	HALLUM, KYLE L.	6/11/2004	2,700.00	181.88	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	WADNIZAK, ANN & JOHN	8/18/2003	-	831.86	COSTS EXCEED IN-STATE DEBT UNDER \$500
HGD	DOBBS, GREGORY D.	4/16/2004	-	800.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
HGD	HAWES, JAMES & MARY	11/13/2003	-	1,370.64	DEBTOR IS DECEASED
HGD	WILSON, PATRICIA M.	6/28/2004	-	5,742.09	DEBTOR IS DECEASED
HGD	PATTON, ROBERT L.	1/12/2004	-	2,011.50	DEBTOR IS INCARCERATED
HGD	HADD0, MIRIAM T. & JACKSON S.	2/11/2004	-	1,630.88	DEBTOR RESIDES ON INDIAN RESERVATION
HGD	TREVINO, FRANCISCO	11/13/2003	-	1,750.00	DISCHARGED IN BANKRUPTCY
HGD	MAY, DERRICK DEWAYNE	10/6/2003	1,080.00	2,477.38	DISCHARGED IN BANKRUPTCY
HGD	ALM AVIATION LABOR & FRY, NANCY	4/21/2004	-	8,471.85	DISCHARGED IN BANKRUPTCY
HGD	TORRES, LUIS H.	9/24/2003	-	1,042.65	INSUFFICIENT INFORMATION
HGD	CRECELIUS, DAVID	12/15/2003	-	1,000.00	INSUFFICIENT INFORMATION
HGD	MENDIAS, ROBERT	3/5/2004	-	1,205.34	INSUFFICIENT INFORMATION
HGD	THOMAS, BOBBY J.	12/22/2003	-	3,905.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	THOMAS, CHRISTOPHER G.	1/23/2004	-	6,900.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CAMPBELL, SHANNON K.	9/25/2003	-	1,900.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CANTONE, LOUIE & CARDONA, SHAWN	8/27/2003	-	3,410.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	KENSEY, NOBLE D.	4/21/2004	-	2,220.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	VAUGHN, GARY	6/4/2004	-	900.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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HGD	RENTERIA, RAUL P.	9/25/2003	-	2,461.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	VALDEZ, JACINTO R.	1/26/2004	-	3,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	FERNANDEZ, R. & DAVALLE, B.	8/5/2003	-	1,034.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	KONG, SAMMOB	4/23/2004	-	4,676.19	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	RAY, SHERRY M.	5/24/2004	-	1,600.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	HOFMANN, RICHARD A.	8/21/2003	-	1,075.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BULLARD, SEAN L.	5/18/2004	-	2,700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PINON, CARLOS J.	8/5/2003	905.00	1,025.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	CRUMLEY, BARBARA ANN	8/21/2003	-	843.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GARDNER, JOSEPH & CAROLINE DBA LA NORIA ENTERPRISES	6/2/2004	-	92,822.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	NUNEZ, DANIEL	10/9/2003	-	7,245.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	DIAZ, ADOLFO	8/28/2003	220.00	2,130.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	SWAIM, PATRICIA	2/2/2004	50.00	5,350.19	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GARCIA, ANTONIO	11/13/2003	150.00	682.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	EPPS, CHADWICK H.	10/6/2003	-	1,611.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	STRINGER, ROBERT L.	8/25/2003	-	4,796.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	GARCIA, YOLANDA H. & MICHAEL	11/24/2003	-	1,300.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	KELTY, WILLIAM J.	3/5/2004	-	4,200.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	KELLYWOOD, MATTHEW S.	3/15/2004	-	1,880.87	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ROJO, SANTOS	9/29/2003	-	656.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	PEEK, PATRICK	9/5/2003	-	1,611.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	COOPER, RICHARD ODELL	4/21/2004	-	2,900.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	WALKER, KENNETH S.	4/21/2004	-	823.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	LERNER, BRANDON J.	4/16/2004	-	2,506.53	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	LONCAR, NICHOLAS & SANDOVAL, CARL	10/30/2003	-	1,267.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	WILSON, KAREN L.	8/27/2003	-	628.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ASHBY, JACK HOWARD JR.	5/26/2004	-	823.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	BENALLY, JOHNSON & TELLER, MARY	8/13/2003	-	555.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
HGD	ALLIED VAN LINES & SMITH, ROY	8/5/2003	26,000.00	41,220.00	SETTLEMENT
HGD	BELTRAN, JACQUELINE	6/16/2004	439.06	585.57	SETTLEMENT
HGD	JUNE, CASEY	5/21/2004	-	1,020.47	STATUTE OF LIMITATIONS EXPIRED
HGD	KING, CURTIS	6/1/2004	-	1,300.00	UNABLE TO LOCATE DEBTOR
HGD	VELASQUEZ, CARMEN & RAMOS, JOSE	6/8/2004	-	1,633.34	UNABLE TO LOCATE DEBTOR
HGD	DRYE, ERIC P.	7/25/2003	-	1,652.21	UNABLE TO LOCATE DEBTOR
HGD	MILNER, BILL H. JR.	7/23/2003	-	794.35	UNABLE TO LOCATE DEBTOR
HGD	DEMARCO, JODY E.	1/9/2004	-	3,100.00	UNABLE TO LOCATE DEBTOR
HGD	RIVERO, FERNANDO A.	6/10/2004	-	653.00	UNABLE TO LOCATE DEBTOR

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HGD	GREEN, DALTON	9/23/2003	-	2,400.00	UNABLE TO LOCATE DEBTOR
HGD	AVAROA, CESAR AGUILA	3/8/2004	-	1,811.50	UNABLE TO LOCATE DEBTOR
HGD	LUGARDO, ALFREDO P.	6/17/2004	-	1,601.92	UNABLE TO LOCATE DEBTOR
HGD	ANDERSON, GENE C.	10/14/2003	-	7,300.56	UNABLE TO LOCATE DEBTOR
HGD	LEEDOM, CRAIG P.	5/21/2004	-	3,277.32	UNKNOWN RESPONSIBLE PARTY
<b>Highway Division - Arizona Department of Transportation</b>			<b>Total</b>	<b>273,374.61</b>	
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	306.58	320.61	CORPORATE CHAPTER 7
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	301.25	314.30	CORPORATE CHAPTER 7
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	303.91	314.81	CORPORATE CHAPTER 7
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	309.25	324.63	CORPORATE CHAPTER 7
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	311.91	322.10	CORPORATE CHAPTER 7
ICA	SUN VALLEY COOLING & HEATING, INC.	10/10/2003	1,133.01	1,188.43	CORPORATE CHAPTER 7
ICA	SUPERIOR NATIONAL LIFE INSURANCE	11/6/2003	-	40,344.00	CORPORATE CHAPTER 7
ICA	GRIMES, ANDREW P. & DEBRA D. DBA ANDY GRIMES CONSTRUCTION	8/5/2003	401.70	194.53	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ICA	BRADFORD, JOHN & ATTOINETTE DBA BORST AUTO REPAIR	1/22/2004	-	539.04	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ICA	COX, GARY & DAWN	6/10/2004	500.00	29.79	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	BARDSLEY, JAMES S. JR.	10/8/2003	1,191.96	29.89	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	MARING RESTAURANT GROUP, INC.	6/10/2004	502.36	22.12	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	STM MOTELS, INC.	6/29/2004	500.00	22.88	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	RAMIREZ, ARMANDO	6/30/2004	-	400.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
ICA	MITCHELL, RANDY DBA ROUNDY'S	7/9/2003	-	500.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
ICA	MAHAN, LEE DBA MAHAN MATERIALS	8/12/2003	750.00	24,001.97	DEBTOR IS DECEASED
ICA	AV-ART OF ARIZONA, INC.	10/28/2003	-	2,126.27	DEFUNCT CORPORATION
ICA	DIAMOND TOWING & OFF ROAD	8/20/2003	-	32,877.59	DEFUNCT CORPORATION
ICA	MOLINA & SON GENERAL CONTRACTORS	4/7/2004	-	764.51	DEFUNCT CORPORATION
ICA	PHOENIX HOME BUILDERS GROUP, L.L.C.	5/24/2004	-	1,366.11	DEFUNCT CORPORATION
ICA	DISTINCT BUILDERS & DESIGN, INC.	5/17/2004	-	10,051.20	DEFUNCT CORPORATION
ICA	PHOENIX STONECUTTERS INC.	2/20/2004	-	500.00	DEFUNCT CORPORATION
ICA	MOLINA & SON GENERAL CONTRACTORS	4/7/2004	-	768.14	DEFUNCT CORPORATION
ICA	CRYSTAL CANYON, CORP. DBA NIFTY FIFTIES NITE CLUB	9/22/2003	-	500.00	DEFUNCT CORPORATION
ICA	CRYSTAL CANYON, CORP. DBA NIFTY FIFTIES NITE CLUB	9/22/2003	-	500.00	DEFUNCT CORPORATION
ICA	SHAKESPEARE SEDONA	4/2/2004	-	1,258.15	DEFUNCT CORPORATION
ICA	SHANEROCKS, L.L.C. DBA CORONADO STONECUTTERS	9/23/2003	-	85,771.61	DEFUNCT CORPORATION
ICA	ARIZONA'S FINEST COLLISION & TOWING	10/6/2003	-	500.00	DEFUNCT CORPORATION
ICA	GOOD DOORS & TRIM MAN L.L.C.	5/20/2004	-	500.00	DEFUNCT CORPORATION



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ICA	LEE PAUL, INC.	5/10/2004	-	500.00	DEFUNCT CORPORATION
ICA	JOAT, INC. DBA JACK OF ALL TRADES	10/22/2003	-	36,851.70	DEFUNCT CORPORATION
ICA	COPPER CANYON CUSTOM BUILDERS	11/7/2003	-	500.00	DEFUNCT CORPORATION
ICA	AT & ASSOCIATES, INC.	3/11/2004	-	500.00	DEFUNCT CORPORATION
ICA	SK SYSTEMS, INC.	2/20/2004	-	9,963.97	DEFUNCT CORPORATION
ICA	MELJOHN, CORP. DBA HORIZON ADULT CARE HOME	5/18/2004	-	500.00	DEFUNCT CORPORATION
ICA	MELJOHN, CORP. DBA HORIZON ADULT CARE HOME	5/18/2004	-	500.00	DEFUNCT CORPORATION
ICA	DELTA STEEL, L.L.C.	3/22/2004	-	1,164.41	DEFUNCT CORPORATION
ICA	J & L MARKETING CONSULTING SERVICE	1/9/2004	-	500.00	DEFUNCT CORPORATION
ICA	NUNEZ, ALFONSO & ROSA DBA TOTAL PERFORMANCE PAINT & BODY	3/12/2004	-	500.00	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	833.94	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	500.00	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	575.10	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	717.67	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	2,222.75	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/7/2003	-	8,373.94	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	722.00	DEFUNCT CORPORATION
ICA	RAY SUN ARIZONA, INC.	11/17/2003	-	4,524.70	DEFUNCT CORPORATION
ICA	FLASH TRANSPORTATION, INC.	1/27/2004	-	42,478.58	DEFUNCT CORPORATION
ICA	FIT MANAGEMENT, INC. DBA POWER HOUSE GYM	11/5/2003	-	500.00	DEFUNCT CORPORATION
ICA	FILMARK CONSTRUCTION, INC.	8/27/2003	-	926.14	DEFUNCT CORPORATION
ICA	1 FURNITURE COMPANY, L.L.C.	2/5/2004	-	1,356.24	DEFUNCT CORPORATION
ICA	1 FURNITURE COMPANY, L.L.C.	2/5/2004	-	7,805.59	DEFUNCT CORPORATION
ICA	PSYCHRO SYSTEMS, INC.	9/26/2003	-	9,000.00	DEFUNCT CORPORATION
ICA	A & F CUSTOM CABINETS, INC.	8/13/2003	-	16,781.03	DEFUNCT CORPORATION
ICA	PROFESSIONAL CARE FOR THE ELDERLY, INC.	1/29/2004	7,099.59	13,075.67	DEFUNCT CORPORATION
ICA	A & F CUSTOM CABINETS, INC.	8/13/2003	-	30,075.00	DEFUNCT CORPORATION
ICA	R & F DISTRIBUTION SERVICES, INC.	5/26/2004	-	3,388.46	DEFUNCT CORPORATION
ICA	R & L LEASING, L.L.C.	8/26/2003	-	500.00	DEFUNCT CORPORATION
ICA	R.D. CHILD LEARNING CENTER, INC.	8/5/2003	1,000.00	1,084.83	DEFUNCT CORPORATION
ICA	WINDJAMMER TRANSPORT SERVICES	9/30/2003	-	2,290.23	DEFUNCT CORPORATION
ICA	E3 SYSTEMS, INC.	10/24/2003	-	1,238.00	DEFUNCT CORPORATION
ICA	S.T.L.S. TOYOTA & LEXUS SPECIALIST	5/17/2004	-	500.00	DEFUNCT CORPORATION
ICA	S.T.L.S. TOYOTA & LEXUS SPECIALIST	5/17/2004	-	500.00	DEFUNCT CORPORATION
ICA	ADVECTION, INC.	8/1/2003	-	93,584.08	DEFUNCT CORPORATION
ICA	HONTECH, INC. DBA HONTECH HONDA	5/17/2004	-	24,461.74	DEFUNCT CORPORATION
ICA	HONTECH, INC. DBA HONTECH HONDA	5/17/2004	-	500.00	DEFUNCT CORPORATION

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ICA	HONTECH, INC. DBA HONTECH HONDA	5/17/2004	-	500.00	DEFUNCT CORPORATION
ICA	MCDERMOTT, DAVID K. DBA DAVE MCDERMOTT TRUCKING, INC.	10/20/2003	-	11,288.44	DEFUNCT CORPORATION
ICA	TEN X STEAL SERVICE, L.L.C.	3/26/2004	-	3,000.00	DEFUNCT CORPORATION
ICA	BORBOA, ROBERT & ESTRADA, JOSE DBA FOUR ACES EXPRESS	4/6/2004	-	500.00	DEFUNCT CORPORATION
ICA	BORBOA, ROBERT & ESTRADA, JOSE DBA FOUR ACES EXPRESS	4/6/2004	-	500.00	DEFUNCT CORPORATION
ICA	PAN AMERICAN ROOFING, L.L.C.	4/30/2004	-	1,500.00	DEFUNCT CORPORATION
ICA	TRADEWOOD CONSTRUCTION, INC.	10/8/2003	-	3,750.00	DEFUNCT CORPORATION
ICA	MC SMITH HOMES, INC.	2/19/2004	-	11,500.00	DEFUNCT CORPORATION
ICA	TINKER, DIANE DBA PACIFIC SECURITY & INVESTIGATIONS	4/29/2004	-	10,661.75	DEFUNCT CORPORATION
ICA	ATKINSON, JOSEPH DBA SUNNYSLOPE TIRE	5/17/2004	-	500.00	DEFUNCT CORPORATION
ICA	ATKINSON, JOSEPH DBA SUNNYSLOPE TIRE	5/17/2004	-	500.00	DEFUNCT CORPORATION
ICA	GREAT WESTERN REMODELING, L.L.C.	1/12/2004	400.00	2,736.67	DEFUNCT CORPORATION
ICA	VIKING STEEL ERECTORS, INC.	9/2/2003	1,000.00	10,298.30	DEFUNCT CORPORATION
ICA	COMMERCIAL CABINETS, INC.	5/21/2004	-	3,000.00	DEFUNCT CORPORATION
ICA	AT & ASSOCIATES, INC.	3/11/2004	-	500.00	DEFUNCT CORPORATION
ICA	BEL-AIR CARE, INC.	2/20/2004	-	500.00	DEFUNCT CORPORATION
ICA	DISTINCTLY DIFFERENT L.L.C.	8/28/2003	-	5,435.49	DEFUNCT LLC
ICA	MIKEN TRUCKING, INC. DBA MIKEN TRUCKING	6/8/2004	-	8,709.81	DEFUNCT LLC
ICA	R & L LEASING, L.L.C.	8/26/2003	-	500.00	DEFUNCT LLC
ICA	NOGALES TOWING, INC.	8/5/2003	-	500.00	DEFUNCT LLC
ICA	NOGALES TOWING, INC.	8/5/2003	-	500.00	DEFUNCT LLC
ICA	AKS SKILCRAFT, INC.	9/29/2003	-	1,687.00	DISCHARGED IN BANKRUPTCY
ICA	ALVAREZ, SERGIO & JOANNA	3/11/2004	5,103.49	105,682.04	DISCHARGED IN BANKRUPTCY
ICA	ROGERS, TODD AND GLORIA DBA GLORIA JEAN'S DELIVERY	3/4/2004	-	18,568.75	DISCHARGED IN BANKRUPTCY
ICA	CAPITAL ACADEMIC, L.L.C. DBA TUTOR TIME CHILD LEARNING CENTER	11/20/2003	-	1,008.17	DISCHARGED IN BANKRUPTCY
ICA	CAPITAL ACADEMIC, L.L.C. DBA TUTOR TIME CHILD LEARNING CENTER	11/20/2003	-	1,404.75	DISCHARGED IN BANKRUPTCY
ICA	BOYLE, THOMAS & DENISE DBA TOM'S AUTO REPAIR	2/2/2004	-	10,334.42	DISCHARGED IN BANKRUPTCY
ICA	CA-IV, L.L.C. DBA TUTOR TIME LEARNING CENTER	11/20/2003	-	1,032.40	DISCHARGED IN BANKRUPTCY
ICA	UKONU, MARTIN DBA CUSTOM QUALITY BUILDERS	10/29/2003	-	2,974.74	DISCHARGED IN BANKRUPTCY
ICA	UKONU, MARTIN DBA CUSTOM QUALITY BUILDERS	10/29/2003	197.75	810.84	DISCHARGED IN BANKRUPTCY
ICA	FERNANDEZ, ALEX DBA GOLDEN OAK FURNITURE	10/21/2003	-	500.00	INSUFFICIENT INFORMATION
ICA	FERNANDEZ, ALEX DBA GOLDEN OAK FURNITURE	10/21/2003	-	500.00	INSUFFICIENT INFORMATION
ICA	OKIATO, DEBBIE DBA DINO'S PIZZA	10/2/2003	-	500.00	INSUFFICIENT INFORMATION
ICA	OKIATO, DEBBIE DBA DINO'S PIZZA	10/2/2003	-	500.00	INSUFFICIENT INFORMATION
ICA	ANASAZI STONE CO., INC.	3/19/2004	15,444.73	10,982.57	JUDGMENT RELEASED IN ERROR
ICA	LINDLEY, JANE M.	11/6/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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ICA	HALSTEAD, CAROL L. DBA LIBERTY KENNELS	8/27/2003	-	4,993.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DEMAY, STEVEN EDWARD	11/20/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DEMAY, STEVEN E. DBA ADVANCED STEEL WORKS	11/20/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DEMAY, STEVEN E. DBA ADVANCED STEEL WORKS	11/20/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GIUSTO, SUE ANNE	8/28/2003	1,097.76	1,187.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SANDERS, ROSE	9/25/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SANDERS, ROSE	9/25/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GLORIA, MANUEL & MARIA	8/5/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GLORIA, MANUEL & MARIA	7/17/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SANTIAGO DE LA TORRE C. DBA SANTIAGO FLORES FARM LABOR	9/22/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SANTIAGO FLORES FARM LABOR	9/25/2003	-	600.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	HALSTEAD, CAROL L. DBA LIBERTY KENNELS	8/27/2003	-	32,248.61	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	GOMBAR, MARK A.	5/20/2004	16,062.85	1,284.52	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SCOTT, JACK DBA A-1 QUALITY TIRE & WHEEL	9/9/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SCOTT, JACK DBA A-1 QUALITY TIRE & WHEEL	9/9/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SCOTT, JEFF DBA AMBER VALLEY FARM	10/2/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MANCUSO, CODY & KETTLE, DONALD	9/25/2003	250.00	496.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	SCOTT, JEFF DBA AMBER VALLEY FARM	10/2/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MANCUSO, CODY DBA AAA FIREWOOD	9/25/2003	44.97	771.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LEIJA , ELEAZAR JR. & LARUE, B.	8/27/2003	-	1,300.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DANIELS, IDA DBA CAMPBELL PLAZA	7/30/2003	16.00	18,500.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	AQUILA MILLWORKS, INC.	9/25/2003	-	2,056.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ARGOMANIZ, CARLOS	8/1/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ZAPATA, ADOLFO M. & DANIEL DBA A & D PLASTERING	6/3/2004	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ZAPATA, ADOLFO M. & DANIEL DBA A & D PLASTERING	6/3/2004	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	NEWELL, ANITA DBA TOM'S BBQ	10/22/2003	78.00	641.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	FULLER, GERALD	11/13/2003	-	15,925.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	NEWELL, ANITA DBA TOM'S BBQ	10/22/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MORGAN, RICHARD	5/21/2004	-	4,137.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ELEAZAR LEIJA FARM LABOR CONTRACTOR	8/27/2003	-	4,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DUNCAN, JO MARIE DBA MY DAY RANCH	10/1/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	DUNCAN, JO MARIE DBA MY DAY RANCH	10/1/2003	67.00	643.19	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LINDLEY, GORDON DBA GOLDEN YEARS ADULT CARE HOME	11/6/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	REYES, SILVERIO & JANE DOE	7/17/2003	-	4,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LUJAN, RAY DBA TY CONCRETE	7/20/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LUJAN, RAY DBA TY CONCRETE	7/21/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	ROBERTO CASTILLO FARM LABOR CONTRACTOR	10/20/2003	-	1,325.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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ICA	POETTER, PAUL & WANDA	8/5/2003	200.00	6,264.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MANUEL VALENZUELA FARM LABOR CONTRACTOR	8/5/2003	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MANUEL VALENZUELA FARM LABOR CONTRACTOR	8/5/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MANUEL VALENZUELA FARM LABOR CONTRACTOR	8/5/2003	-	3,600.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CARL PETERSEN, SOLE PROPRIETOR	7/14/2003	-	9,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CARL PETERSEN, SOLE PROPRIETOR	7/14/2003	-	6,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BAGBY, DAVID DBA SOUTHWEST CABINET DESIGN	7/16/2003	-	2,481.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CASTRO, MANUEL	9/18/2003	-	2,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CASEBIER, LEN B. & MICHELLE M.	11/7/2003	-	345,125.43	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BRINKERHOFF, JAMES	1/30/2004	-	2,099.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BURKE, THOMAS & HANNAH, PAUL	5/24/2004	-	600.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	PALEN, JIM	10/14/2003	-	117,093.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	PAPERMASTER, IRVING	8/27/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CALLENDER, GLEN WARREN	10/20/2003	-	913.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	PAPERMASTER, IRVING	8/27/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BREHM, RICK DBA MOONLIGHT PRINTING	8/11/2003	520.00	988.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	LAMBERT, RICHARD	9/19/2003	-	32,228.52	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KINSLOW, JENELL DBA MAURITANA ADULT CARE HOME	8/27/2003	40.43	696.73	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CHICO, MICHAEL ANTHONY DBA DESERT WINDS LANDSCAPING	6/3/2004	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KASTNER, ROGER DBA ROGER'S AIR	8/18/2003	-	28,390.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	CLAWSON, CONNIE DBA ACE-XPRESS	3/1/2004	-	38,178.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MCNALLY, JOE	6/10/2004	-	14,104.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	WEATHERLY, WILLIAM	8/27/2003	-	12,901.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MCKALE, RICHARD DBA SPEEDWAY LEARNING CENTER	8/5/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	MCKALE, RICHARD DBA SPEEDWAY LEARNING CENTER	8/5/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VELEZ, CARLOS DBA WAX ON WAX	8/22/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BERMEJO, JOSE P.	8/27/2003	675.00	2,010.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VALENZUELA, MANUEL	8/5/2003	-	1,075.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	VELEZ, CARLOS DBA WAX ON WAX	8/22/2003	63.69	556.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KASTNER, ROGER DBA ROGER'S AIR	8/18/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	BOBO, EDWARD & PHYLLIS	5/19/2004	-	37,642.18	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	KASTNER, ROGER DBA ROGER'S AIR	8/18/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ICA	RAWHIDE TRAVEL, INC.	9/11/2003	2,000.00	17,568.07	SETTLEMENT
ICA	QUINN, MYRNA DBA COMB-QUINN NUT HOUSE & NURSERY	6/25/2004	44,200.00	43,317.09	SETTLEMENT
ICA	BAGEL NOSH	9/25/2003	250.00	450.00	SETTLEMENT
ICA	BAILEY, STEVEN K. & HELENA R.	6/10/2004	4,113.00	198,321.90	SETTLEMENT



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ICA	MCCLAIN, GEORGE & CARMELA DBA HAPCO	4/21/2004	14,950.00	3,770.90	SETTLEMENT
ICA	MASON, ROBERT & BACON, BILINDA	9/30/2003	48,517.42	209.47	SETTLEMENT
ICA	HANCOCK, RAY	6/9/2004	-	1,287.11	UNABLE TO LOCATE DEBTOR
ICA	SALEM, MOHAMED DBA LIBERTY VAN LINES MOVERS AND TRANSPORT	7/10/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	GOOD DOORS & TRIM MAN, L.L.C.	5/20/2004	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	HARRY, TROY DBA ARBORICULTURE OF ARIZONA	8/6/2003	200.00	483.95	UNABLE TO LOCATE DEBTOR
ICA	SEGUNDO, RENO & MARIE DBA ARROWHEAD MANUFACTURING	8/19/2003	9,118.20	289,128.95	UNABLE TO LOCATE DEBTOR
ICA	RADINOVICH, SONJA DBA A BRIGHTER SPOT FLORAL ARTS OF SEDONA	8/6/2003	-	895.76	UNABLE TO LOCATE DEBTOR
ICA	GATES, ANNIE LOIS	9/9/2003	-	1,514.60	UNABLE TO LOCATE DEBTOR
ICA	ALVARADO, ANDY DBA AZ KOOLDECK	7/21/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	ALVARADO, ANDY DBA AZ KOOLDECK	7/21/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	ALVARADO, ANDY DBA AZ KOOLDECK	7/21/2003	-	1,049.89	UNABLE TO LOCATE DEBTOR
ICA	LOMBRONI, TED	4/20/2004	-	617.79	UNABLE TO LOCATE DEBTOR
ICA	ALLEN, RICHARD DBA BIRDS & REPTILES	9/10/2003	-	572.59	UNABLE TO LOCATE DEBTOR
ICA	PACIFIC WESTERN AVIATION	3/26/2004	-	1,006.69	UNABLE TO LOCATE DEBTOR
ICA	HALFORD, STONEY GREGG	3/1/2004	-	36,060.14	UNABLE TO LOCATE DEBTOR
ICA	KLEIN, KEN & JOAN	4/12/2004	-	823.37	UNABLE TO LOCATE DEBTOR
ICA	VARGA, MIKE DBA PREMIER BENEFIT SERVICES	12/9/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ICA	VARGA, MIKE DBA PREMIER BENEFIT SERVICES	12/9/2003	-	500.00	UNABLE TO LOCATE DEBTOR
<b>Industrial Commission of Arizona</b>			<b>Total</b>	<b>2,135,354.80</b>	
IGF	TIMMONS, TRACY D.	7/7/2003	-	1,275.38	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
IGF	ROD BEUS CUSTOM SPRAYING	5/15/2004	1,250.00	236.28	SETTLEMENT
<b>Arizona Insurance Guaranty Fund</b>			<b>Total</b>	<b>1,511.66</b>	
JUC	SPAHR, THOMAS & NANCY	12/17/2003	360.83	38.16	COSTS EXCEED IN-STATE DEBT UNDER \$500
JUC	MASON, RHONDA	12/23/2003	200.00	69.60	COSTS EXCEED IN-STATE DEBT UNDER \$500
JUC	84 SMALL DOLLAR CASES AVG \$245.25	6/30/2004	-	20,601.30	COSTS EXCEED IN-STATE DEBT UNDER \$500
JUC	WARNICK, KAREN	11/3/2003	-	520.00	DISCHARGED IN BANKRUPTCY
JUC	CARLISLE, LONDON & IAN L.	8/13/2003	-	760.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	REIF, TRACY & WILLIAMS	9/5/2003	-	610.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	BUCKLES, DEBRA A.	10/7/2003	-	520.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	OZUNA, FRANK M.	8/27/2003	196.00	657.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
JUC	GRACE, SANDRA K.	10/22/2003	-	700.00	UNABLE TO LOCATE DEBTOR
JUC	FORD, MICHAEL	8/6/2003	-	1,205.70	UNABLE TO LOCATE DEBTOR
JUC	SHANNON, HOLLY J.	5/27/2004	-	505.74	UNABLE TO LOCATE DEBTOR

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JUC	FERNANDEZ, MARGARET	5/18/2004	-	699.35	UNABLE TO LOCATE DEBTOR
	<b>Department of Juvenile Corrections</b>		<b>Total</b>	<b>26,887.39</b>	
LES	PARKS COLLEGE OF BUSINESS, INC.	10/1/2003	-	40,956.76	UNABLE TO LOCATE DEBTOR
	<b>License and Enforcement Section, Arizona Office of the Attorney General</b>		<b>Total</b>	<b>40,956.76</b>	
LMS	NOWAZEK, BRIAN	6/30/2004	-	75.60	COSTS EXCEED IN-STATE DEBT UNDER \$500
	<b>Liability Management Section, Arizona Office of the Attorney General</b>		<b>Total</b>	<b>75.60</b>	
LOT	2 SMALL DOLLAR CASES AVG \$275.32	6/30/2004	-	550.64	COSTS EXCEED IN-STATE DEBT UNDER \$500
LOT	STEIGER, BETTY J. DBA CORNER MARKET	9/30/2003	-	5,043.39	DISCHARGED IN BANKRUPTCY
LOT	NGUYEN, MINH DBA KC'S TEXACO	11/13/2003	-	2,945.88	DISCHARGED IN BANKRUPTCY
LOT	EXPRESS FOOD MART, INC.	7/16/2003	1,207.00	23,714.77	DISCHARGED IN BANKRUPTCY
LOT	RIMER, TAMI & ALLPHIN, DANIEL	9/24/2003	-	20,655.36	DISCHARGED IN BANKRUPTCY
LOT	RAY, NANCY DBA MULTI STAR SATELLITE	10/22/2003	140.00	2,209.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
	<b>Arizona Lottery Commission</b>		<b>Total</b>	<b>55,119.54</b>	
MED	O'DELL, BRUCE L.	6/2/2004	-	1,442.41	DEBTOR IS INCARCERATED
MED	SIEGEL, PHILIP	2/23/2004	-	9,270.25	UNABLE TO LOCATE DEBTOR
	<b>Arizona Medical Board</b>		<b>Total</b>	<b>10,712.66</b>	
MVD	17 SMALL DOLLAR CASES AVG \$185.36	6/30/2004	-	3,151.07	COSTS EXCEED IN-STATE DEBT UNDER \$500
MVD	PEMBROKE TRANSPORTATION CORP.	7/2/2003	-	907.00	DEFUNCT CORPORATION
MVD	FLORA BROTHERS TRUCKING CO., INC.	7/9/2003	-	29,805.05	DEFUNCT CORPORATION
MVD	EATON, NORBERTO & ROSARIO	3/24/2004	-	34,145.22	DEFUNCT CORPORATION
MVD	CIRCLE K CORPORATION	10/28/2003	-	1,191.96	DISCHARGED IN BANKRUPTCY
MVD	GEORGE TRANSFER, INC.	9/30/2003	-	5,064.67	DISCHARGED IN BANKRUPTCY
MVD	TINCAU, JOHN	8/15/2003	-	2,146.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	GARDNER, JOSEPH & CAROLINE DBA LA NORIA ENTERPRISES	5/24/2004	-	274,312.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	KUNSELMAN, TIM	3/5/2004	-	4,713.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	LARSEN, BRAD	5/17/2004	-	7,452.19	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	KEMP, BECKY S.	5/17/2004	-	37,325.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
MVD	AMIGO CHARTER	10/20/2003	-	845.02	UNABLE TO LOCATE DEBTOR
MVD	SALCIDO, RUBEN D.	8/20/2003	-	38,306.53	UNABLE TO LOCATE DEBTOR
MVD	FEDERAL SECURITY CORPORATION	10/1/2003	-	4,790.04	UNABLE TO LOCATE DEBTOR
	<b>Motor Vehicle Division - Arizona Department of Transportation</b>		<b>Total</b>	<b>444,155.73</b>	

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
NAU	GALE, CHRISTOPHER H.	1/20/2004	17,804.00	995.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
NAU	WHITE, LISA	4/23/2004	1,436.05	755.41	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
NAU	LINDSAY KATHRYN KEMP	8/27/2003	1,905.00	70.09	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
NAU	CARTER, LARRY JOE JR.	9/18/2003	-	7,530.61	DEBTOR IS DECEASED
NAU	EVANS, RITA D.	5/6/2004	29.85	9,821.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	KNOX, TRUDY L. AKA SMITH	8/21/2003	-	2,431.12	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MUNDELL, KENNETH WAYNE	6/10/2004	1,770.13	2,138.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	SHESTKO, EDWARD A. & CECELIA	3/11/2004	-	4,091.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	ULLRICH, HOWARD C. III	8/28/2003	1,031.00	7,956.86	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	JASSO, GILBERTO	10/22/2003	-	7,092.16	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	JOHNSON, ERICK JOSEPH	11/18/2003	-	5,757.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	MAURER, ETHEL M.	7/15/2003	-	6,545.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	PHIPPS, SIDNEY IV	9/10/2003	100.00	5,250.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	ALFORD, WHISPER	7/21/2003	2,306.02	1,079.06	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
NAU	SEARS, DAVID DBA AEROMAG CORP.	11/18/2003	-	33,054.25	NOT A COLLECTIBLE CLAIM BASED ON FINANCIALS
<b>Northern Arizona University</b>			<b>Total</b>	<b>94,570.50</b>	
PEC	THARP, CHARLES D.	3/1/2004	-	1,500.00	DEBTOR IS DECEASED
PEC	SCHULTZ, LELIA R.	6/10/2004	-	1,153.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
PEC	MCNEAL, ANTHONY C.	12/19/2003	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
PEC	THOMPSON, JOANN M.	3/9/2004	-	2,307.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Commission of Post-Secondary Education</b>			<b>Total</b>	<b>5,711.63</b>	
RED	PARAMOUNT REALTY, INC.	3/31/2004	-	8,000.00	DEFUNCT CORPORATION
RED	KLAVITTER, HAROLD L. & NANCY	10/20/2003	-	5,048.45	DISCHARGED IN BANKRUPTCY
RED	BAXTER, DENNIS E.	12/9/2003	1,341.60	84,156.60	JD EXPIRED PRIOR TO REFERRAL
RED	O'NEILL, DANIEL M.	11/18/2003	-	32,188.77	JD EXPIRED PRIOR TO REFERRAL
RED	O'NEILL, DANIEL M.	11/18/2003	3,186.55	29,580.30	JD EXPIRED PRIOR TO REFERRAL
RED	MCKEAN, THOMAS E.	7/15/2003	-	15,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	WAITS, MARY LEE	10/3/2003	-	28,195.06	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	BAKER, ROBERT P. & RDC HOMES, L.L.C.	10/22/2003	-	2,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	DIONNE, DALE KENNETH	10/1/2003	-	3,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	KLOTZ, RONALD DEAN	10/1/2003	-	3,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RED	KATZ, SYDNEY M. & SHIRLEY H.	6/10/2004	10,082.00	28,303.23	SETTLEMENT
<b>Department of Real Estate</b>			<b>Total</b>	<b>238,472.41</b>	

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RET	VARELA, REBA J.	2/2/2004	1,103.60	172.26	COSTS EXCEED IN-STATE DEBT UNDER \$500
RET	DUAB, RICK	1/9/2004	1,033.68	68.80	COSTS EXCEED IN-STATE DEBT UNDER \$500
RET	19 SMALL DOLLAR CASES AVG \$310.50	6/30/2004	-	5,899.58	COSTS EXCEED IN-STATE DEBT UNDER \$500
RET	EAST, JOHN D. JR.	2/20/2004	-	807.70	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
RET	ELLIOTT, LEON	8/20/2003	-	4,341.00	DEBTOR IS DECEASED
RET	MARMION, BLANCHE	7/29/2003	-	1,185.86	DEBTOR IS DECEASED
RET	COLLINS, LABERTA K.	3/11/2004	50.00	1,366.99	DEBTOR RESIDES ON INDIAN RESERVATION
RET	ESTATE OF KATIE MOTT	2/23/2004	-	3,247.45	DISCHARGED IN BANKRUPTCY
RET	DUSTMAN, THOMAS E.	6/10/2004	1,508.25	6,125.40	DISCHARGED IN BANKRUPTCY
RET	SAND, CLAIRE	9/9/2003	-	7,379.95	INSUFFICIENT INFORMATION
RET	DEAN, THOMAS III	2/2/2004	-	1,207.38	NO ASSETS IN ESTATE
RET	TACKITT, MARY M.	9/10/2003	-	988.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RET	REINHART, HARVEY D.	3/25/2004	-	1,154.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RET	MCCLEOD, DOUGLAS	4/21/2004	-	5,490.27	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RET	HANKOCY, ROBERT	2/2/2004	-	972.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RET	SOOP, GERALD D.	6/3/2004	3,939.25	919.16	SETTLEMENT
RET	WALTERS, GWEN	3/2/2004	828.00	418.33	SETTLEMENT
RET	KROOK, DARLENE	8/6/2003	-	842.70	UNABLE TO LOCATE DEBTOR
RET	STEVENS, PATRICIA & JENNIFER	8/25/2003	-	1,738.88	UNABLE TO LOCATE DEBTOR
RET	VA MEDICAL CENTER (CTR RECORDS)	12/9/2003	-	1,005.57	UNABLE TO LOCATE DEBTOR
RET	PARISH, CINDY L.	5/24/2004	-	742.83	UNABLE TO LOCATE DEBTOR
<b>Arizona State Retirement</b>			<b>Total</b>	<b>46,074.78</b>	
REV		12/18/2003	-	9,037.44	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		9/15/2003	2,330.21	23.34	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		11/21/2003	901.69	25.20	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		3/2/2004	300.00	24.85	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
REV		12/4/2003	200.00	312.40	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12/4/2003	150.00	367.49	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		10/6/2003	627.54	37.52	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12/4/2003	200.00	292.80	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		4/16/2004	-	41.69	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		11/19/2003	215.00	862.38	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		6/23/2004	8,675.29	45.02	COSTS EXCEED IN-STATE DEBT UNDER \$500



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REV		12/15/2003	5,360.00	29.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		8/5/2003	-	164.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		4/29/2004	70.21	386.89	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12/4/2003	229.41	300.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		5/17/2004	-	123.82	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12/23/2003	300.00	490.81	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		11/13/2003	225.00	293.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		1/15/2004	386.58	228.22	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		12/23/2003	803.20	50.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		6/30/2004	-	6,224.96	COSTS EXCEED IN-STATE DEBT UNDER \$500
REV		6/14/2004	-	343.72	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/12/2004	-	658.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/1/2004	-	255.72	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		8/22/2003	-	308.55	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		3/23/2004	-	374.15	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		12/4/2003	-	390.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/29/2004	10.00	197.58	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		10/29/2003	518.65	641.71	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		8/18/2003	-	423.26	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		6/3/2004	-	268.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		5/27/2004	-	475.06	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		6/18/2004	-	1,415.20	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		10/20/2003	-	123.80	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		6/10/2004	-	377.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		1/22/2004	-	418.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		1/9/2004	-	428.50	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		5/17/2004	-	490.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/16/2004	-	409.60	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/29/2004	101.10	409.07	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		7/15/2003	-	673.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		12/19/2003	-	378.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		5/21/2004	-	367.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		4/23/2004	-	307.06	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		10/14/2003	-	229.98	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		6/10/2004	-	343.70	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
REV		2/18/2004	-	10,187.45	DEBTOR IS DECEASED
REV		12/9/2003	-	742.22	DEBTOR IS DECEASED

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REV		7/9/2003	-	10,726.68	DEBTOR IS DECEASED
REV		12/15/2003	-	348.19	DEBTOR IS DECEASED
REV		12/16/2003	-	1,580.48	DEBTOR IS DECEASED
REV		2/19/2004	-	310.60	DEBTOR IS DECEASED
REV		9/25/2003	-	276.25	DEBTOR IS DECEASED
REV		4/20/2004	-	337.00	DEBTOR IS DECEASED
REV		10/20/2003	-	968.60	DEBTOR IS DECEASED
REV		3/23/2004	-	988.40	DEBTOR IS DECEASED
REV		10/20/2003	-	633.10	DEBTOR IS DECEASED
REV		12/2/2003	-	343.61	DEBTOR IS DECEASED
REV		9/29/2003	-	3,452.87	DEBTOR IS DECEASED
REV		12/16/2003	-	309.90	DEBTOR IS DECEASED
REV		4/22/2004	-	362.98	DEBTOR IS DECEASED
REV		8/6/2003	30.00	5,997.02	DEBTOR IS DECEASED
REV		6/10/2004	-	427.90	DEBTOR IS DECEASED
REV		2/4/2004	-	74,455.00	DEBTOR IS DECEASED
REV		4/14/2004	632.10	484.68	DEBTOR IS DECEASED
REV		2/19/2004	-	7,877.75	DEBTOR IS DECEASED
REV		4/6/2004	-	380.00	DEBTOR IS DECEASED
REV		8/19/2003	1,676.17	333.46	DEBTOR IS DECEASED
REV		12/30/2003	-	908.66	DEBTOR IS DECEASED
REV		11/10/2003	-	2,614.00	DEBTOR IS DECEASED
REV		11/18/2003	-	543.55	DEBTOR IS DECEASED
REV		11/24/2003	-	319.45	DEBTOR IS INCARCERATED
REV		10/3/2003	-	341.00	DEBTOR IS INCARCERATED
REV		6/10/2004	-	311.71	DEBTOR IS INCARCERATED
REV		12/18/2003	-	746.00	DEBTOR IS INCARCERATED
REV		2/4/2004	-	765.04	DEBTOR IS INCARCERATED
REV		2/13/2004	-	264.14	DEBTOR IS INCARCERATED
REV		3/29/2004	-	585.00	DEBTOR IS INCARCERATED
REV		1/9/2004	-	348.06	DEBTOR IS INCARCERATED
REV		4/8/2004	-	357.94	DEBTOR IS INCARCERATED
REV		10/20/2003	-	493.00	DEBTOR RESIDES ON INDIAN RESERVATION
REV		10/20/2003	-	531.59	DEBTOR RESIDES ON INDIAN RESERVATION
REV		10/20/2003	-	525.00	DEBTOR RESIDES ON INDIAN RESERVATION
REV		12/12/2003	-	6,184.92	DEFUNCT CORPORATION
REV		8/21/2003	-	24,419.76	DEFUNCT CORPORATION

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REV		9/30/2003	-	3,541.08	DEFUNCT CORPORATION
REV		5/21/2004	-	16,710.71	DEFUNCT CORPORATION
REV		9/29/2003	-	51,253.58	DEFUNCT CORPORATION
REV		3/3/2004	-	3,727.71	DEFUNCT CORPORATION
REV		6/23/2004	-	14,611.64	DEFUNCT CORPORATION
REV		9/9/2003	-	790.50	DEFUNCT CORPORATION
REV		5/12/2004	-	47,706.00	DEFUNCT CORPORATION
REV		11/24/2003	-	312,171.62	DEFUNCT CORPORATION
REV		11/18/2003	-	104,196.47	DEFUNCT CORPORATION
REV		1/24/2004	196.18	9,674.00	DISCHARGED IN BANKRUPTCY
REV		11/13/2003	-	796.86	DISCHARGED IN BANKRUPTCY
REV		3/10/2004	-	157,882.91	DISCHARGED IN BANKRUPTCY
REV		11/3/2003	-	10,287.00	DISCHARGED IN BANKRUPTCY
REV		4/6/2004	5,350.00	10,659.03	DISCHARGED IN BANKRUPTCY
REV		11/18/2003	-	798.31	DISCHARGED IN BANKRUPTCY
REV		12/15/2003	-	4,155.70	DISCHARGED IN BANKRUPTCY
REV		11/13/2003	303.00	293.00	DISCHARGED IN BANKRUPTCY
REV		4/13/2004	-	9,722.80	DISCHARGED IN BANKRUPTCY
REV		8/13/2003	-	2,177.00	DISCHARGED IN BANKRUPTCY
REV		1/14/2004	-	1,010.73	DISCHARGED IN BANKRUPTCY
REV		9/8/2003	-	1,243.33	DISCHARGED IN BANKRUPTCY
REV		2/24/2004	-	2,940.00	DISCHARGED IN BANKRUPTCY
REV		4/15/2004	-	525.20	INSUFFICIENT INFORMATION
REV		8/14/2003	-	364.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/27/2004	-	1,798.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/15/2003	-	2,515.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5/17/2004	-	559.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/17/2004	-	1,579.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	-	992.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	610.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/10/2004	-	472.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/2003	-	752.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/13/2003	-	333.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	440.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/10/2003	-	916.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/18/2003	-	288.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/14/2003	-	621.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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REV		5/17/2004	-	1,372.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/1/2004	-	507.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/21/2004	-	769.48	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	588.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/9/2003	-	497.54	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/25/2004	-	6,652.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	354.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/25/2003	-	959.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	337.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/15/2003	-	2,825.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/18/2003	-	721.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/2/2003	-	351.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/17/2003	-	1,543.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	333.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/2003	-	1,566.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	-	472.52	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/2/2004	-	1,806.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/10/2003	-	310.64	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/10/2003	7,319.20	7,178.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/23/2004	-	532.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/15/2003	-	351.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/27/2003	-	637.89	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	1,200.00	2,206.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/21/2003	-	1,105.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/9/2003	5,400.00	5,800.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/23/2004	-	1,106.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	252.78	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/2/2003	-	478.02	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/9/2004	-	6,448.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	-	398.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	861.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/23/2004	-	1,669.70	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/12/2003	-	1,301.75	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/25/2003	-	539.40	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/3/2003	-	555.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	4,004.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT



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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		10/7/2003	-	4,282.03	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	3,070.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	237.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	1,858.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/13/2004	1,000.00	182.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/22/2004	-	257.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/15/2003	-	2,694.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/15/2004	-	3,647.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	-	290.74	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/19/2004	-	818.88	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/1/2004	-	728.43	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/7/2003	-	745.60	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/9/2003	-	1,013.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/7/2003	-	785.51	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/13/2003	-	1,241.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/9/2003	-	402.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/17/2003	-	1,218.55	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/17/2004	-	408.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/17/2003	-	1,046.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/23/2003	-	1,406.17	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	2,585.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	100.00	423.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/9/2003	-	595.85	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	1,603.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	5,621.31	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/18/2004	-	838.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/5/2003	-	369.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/16/2004	-	430.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/13/2003	-	580.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/20/2003	-	2,730.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/10/2003	-	2,230.56	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/11/2004	-	403.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/16/2003	150.00	1,534.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/10/2004	-	1,126.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/25/2004	-	948.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/22/2003	-	439.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5/17/2004	-	1,289.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		10/8/2003	-	698.14	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/13/2003	-	353.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5/17/2004	-	2,110.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/27/2003	-	374.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	1,494.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/11/2003	60.00	654.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/8/2003	-	782.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/15/2004	-	1,218.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/19/2003	-	1,449.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/23/2004	-	254.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5/17/2004	-	683.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/8/2003	-	5,028.39	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/22/2003	-	1,566.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/3/2004	-	1,782.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	1,250.00	1,548.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/8/2004	-	270.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/9/2004	-	811.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/8/2004	-	366.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/2/2003	-	407.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	552.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/6/2003	-	426.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	286.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/22/2004	-	479.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	512.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		2/19/2004	-	1,444.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	2,057.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/25/2004	-	1,380.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/9/2003	-	405.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	6,055.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/5/2003	-	525.82	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/3/2003	-	98.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1/22/2004	-	295.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1/22/2004	-	708.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/23/2004	-	1,598.25	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/16/2003	-	700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/1/2004	-	364.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/12/2004	-	659.18	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		8/26/2003	1,175.00	8,402.69	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		5/24/2004	-	345.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/18/2003	-	326.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/3/2004	-	7,887.46	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/26/2003	4,000.00	28,772.95	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/1/2003	-	981.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/2/2004	-	540.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/16/2003	-	1,460.45	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/15/2003	236.40	362.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/23/2004	-	561.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/10/2004	-	533.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/20/2003	-	435.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/10/2003	-	5,157.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		1/26/2004	607.20	263.27	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/6/2003	-	3,791.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/1/2003	-	1,042.71	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	-	153.42	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/2/2004	-	239.57	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/20/2003	-	261.44	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/5/2003	-	863.90	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	1,807.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/21/2003	-	2,378.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/8/2004	-	328.41	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/18/2003	-	39,211.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/13/2003	-	881.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/7/2003	-	1,086.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/15/2004	-	514.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	596.19	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	-	623.58	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/21/2004	1,998.95	7,565.43	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/29/2003	-	3,170.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		12/1/2003	-	571.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/9/2003	-	7,688.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/9/2003	-	1,174.04	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/10/2004	-	1,370.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/2/2004	-	611.65	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/21/2003	-	562.33	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		10/20/2003	-	803.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/2/2003	-	708.90	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/15/2003	-	275.66	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/27/2003	1,600.00	2,496.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/21/2003	-	1,297.61	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/28/2003	-	464.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/15/2003	-	646.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/23/2004	-	205.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/20/2004	-	651.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/5/2003	-	852.63	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/2/2003	-	546.94	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/26/2003	-	2,257.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/8/2003	-	381.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/11/2003	-	1,073.53	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/13/2003	-	1,230.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/25/2004	-	418.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/12/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/13/2003	-	30,921.91	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/17/2003	-	1,189.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/29/2003	3,800.00	13,654.26	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/16/2003	-	1,128.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		7/9/2003	-	1,131.36	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/20/2003	-	2,306.29	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		11/17/2003	-	1,991.10	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/20/2003	-	6,518.76	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		8/27/2003	-	1,873.67	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/31/2004	-	370.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/16/2004	-	452.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/28/2003	-	7,408.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/7/2003	-	1,093.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		3/22/2004	-	3,263.37	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		4/9/2004	-	312.68	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		10/21/2003	190.00	3,753.15	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/12/2003	-	2,623.96	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		6/10/2004	-	1,006.79	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
REV		9/10/2003	500.00	1,580.52	SETTLEMENT
REV		3/22/2004	1,500.00	6,564.09	SETTLEMENT



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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		12/3/2003	25,000.00	31,704.74	SETTLEMENT
REV		6/10/2004	1,500.00	17,053.75	SETTLEMENT
REV		10/20/2003	4,938.00	809.38	SETTLEMENT
REV		1/15/2004	2,500.00	36,924.42	SETTLEMENT
REV		1/15/2004	2,500.00	4,227.59	SETTLEMENT
REV		2/19/2004	10,650.00	3,733.42	SETTLEMENT
REV		8/21/2003	50,000.00	1,001,322.12	SETTLEMENT
REV		7/13/2003	49,999.92	0.08	SETTLEMENT
REV		3/8/2004	22,000.00	19,509.88	SETTLEMENT
REV		1/20/2004	1,924.74	1,934.74	SETTLEMENT
REV		5/28/2004	2,200.00	6,498.61	SETTLEMENT
REV		9/9/2003	500.00	2,782.98	SETTLEMENT
REV		9/9/2003	500.00	1,226.70	SETTLEMENT
REV		3/15/2004	922.33	749.46	SETTLEMENT
REV		3/15/2004	6,193.64	5,032.83	SETTLEMENT
REV		3/15/2004	13,075.04	10,624.50	SETTLEMENT
REV		3/15/2004	1,594.00	1,295.25	SETTLEMENT
REV		3/15/2004	2,567.71	2,086.47	SETTLEMENT
REV		5/11/2004	2,000.00	4,348.52	SETTLEMENT
REV		5/11/2004	868.00	288.27	SETTLEMENT
REV		12/9/2003	1,561.96	1,051.76	SETTLEMENT
REV		8/6/2003	2,185.34	6,174.06	SETTLEMENT
REV		1/21/2004	8,700.00	2,945.60	SETTLEMENT
REV		9/15/2003	-	293.00	STATUTE OF LIMITATIONS EXPIRED
REV		9/15/2003	-	3,732.97	STATUTE OF LIMITATIONS EXPIRED
REV		3/3/2004	260.00	679.80	STATUTE OF LIMITATIONS EXPIRED
REV		1/26/2004	-	369.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	184.19	STATUTE OF LIMITATIONS EXPIRED
REV		12/15/2003	-	2,264.03	STATUTE OF LIMITATIONS EXPIRED
REV		9/17/2003	-	2,170.04	STATUTE OF LIMITATIONS EXPIRED
REV		12/1/2003	-	1,374.19	STATUTE OF LIMITATIONS EXPIRED
REV		4/2/2004	-	357.90	STATUTE OF LIMITATIONS EXPIRED
REV		11/18/2003	-	886.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	326.54	STATUTE OF LIMITATIONS EXPIRED
REV		2/12/2004	-	261.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	403.78	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	277.00	STATUTE OF LIMITATIONS EXPIRED

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
REV		12/12/2003	-	4,038.35	STATUTE OF LIMITATIONS EXPIRED
REV		9/4/2003	79.00	532.68	STATUTE OF LIMITATIONS EXPIRED
REV		12/23/2003	-	286.40	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	171.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/19/2004	-	288.72	STATUTE OF LIMITATIONS EXPIRED
REV		8/27/2003	317.33	271.49	STATUTE OF LIMITATIONS EXPIRED
REV		4/12/2004	-	591.31	STATUTE OF LIMITATIONS EXPIRED
REV		12/22/2003	-	56.93	STATUTE OF LIMITATIONS EXPIRED
REV		9/12/2003	-	2,809.44	STATUTE OF LIMITATIONS EXPIRED
REV		4/19/2004	-	390.87	STATUTE OF LIMITATIONS EXPIRED
REV		12/23/2003	-	677.46	STATUTE OF LIMITATIONS EXPIRED
REV		3/17/2004	-	179.00	STATUTE OF LIMITATIONS EXPIRED
REV		12/15/2003	-	790.15	STATUTE OF LIMITATIONS EXPIRED
REV		3/31/2004	-	276.39	STATUTE OF LIMITATIONS EXPIRED
REV		10/5/2003	150.30	4,278.98	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	216.83	STATUTE OF LIMITATIONS EXPIRED
REV		12/11/2003	-	394.42	STATUTE OF LIMITATIONS EXPIRED
REV		2/4/2004	-	704.37	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	308.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	256.59	STATUTE OF LIMITATIONS EXPIRED
REV		4/21/2004	-	369.65	STATUTE OF LIMITATIONS EXPIRED
REV		9/15/2003	-	2,067.99	STATUTE OF LIMITATIONS EXPIRED
REV		9/15/2003	-	2,632.11	STATUTE OF LIMITATIONS EXPIRED
REV		4/21/2004	-	270.00	STATUTE OF LIMITATIONS EXPIRED
REV		10/1/2003	-	2,093.63	STATUTE OF LIMITATIONS EXPIRED
REV		3/31/2004	-	291.88	STATUTE OF LIMITATIONS EXPIRED
REV		10/6/2003	-	148.60	STATUTE OF LIMITATIONS EXPIRED
REV		1/16/2004	-	700.59	STATUTE OF LIMITATIONS EXPIRED
REV		6/15/2004	1,172.30	10.76	STATUTE OF LIMITATIONS EXPIRED
REV		4/21/2004	-	690.00	STATUTE OF LIMITATIONS EXPIRED
REV		11/20/2003	-	1,717.13	STATUTE OF LIMITATIONS EXPIRED
REV		6/10/2004	37.00	576.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/20/2004	-	324.36	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	65.00	STATUTE OF LIMITATIONS EXPIRED
REV		8/11/2003	-	886.21	STATUTE OF LIMITATIONS EXPIRED
REV		4/2/2004	-	627.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/5/2004	-	274.51	STATUTE OF LIMITATIONS EXPIRED

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REV		4/13/2004	-	258.02	STATUTE OF LIMITATIONS EXPIRED
REV		1/6/2004	-	1,635.63	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	362.00	STATUTE OF LIMITATIONS EXPIRED
REV		3/12/2004	-	370.00	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	179.87	STATUTE OF LIMITATIONS EXPIRED
REV		7/17/2003	-	694.37	STATUTE OF LIMITATIONS EXPIRED
REV		8/12/2003	-	3,883.23	STATUTE OF LIMITATIONS EXPIRED
REV		12/22/2003	-	5,603.00	STATUTE OF LIMITATIONS EXPIRED
REV		12/8/2003	-	223.15	STATUTE OF LIMITATIONS EXPIRED
REV		12/8/2003	-	207.60	STATUTE OF LIMITATIONS EXPIRED
REV		4/20/2004	-	242.33	STATUTE OF LIMITATIONS EXPIRED
REV		12/8/2003	1,500.00	2,361.73	STATUTE OF LIMITATIONS EXPIRED
REV		1/15/2004	-	264.48	STATUTE OF LIMITATIONS EXPIRED
REV		9/18/2003	-	4,136.90	STATUTE OF LIMITATIONS EXPIRED
REV		10/15/2003	-	259.05	STATUTE OF LIMITATIONS EXPIRED
REV		4/20/2004	-	461.80	STATUTE OF LIMITATIONS EXPIRED
REV		8/20/2003	-	10,005.95	STATUTE OF LIMITATIONS EXPIRED
REV		3/25/2004	-	264.94	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	2,094.36	STATUTE OF LIMITATIONS EXPIRED
REV		1/8/2004	-	385.36	STATUTE OF LIMITATIONS EXPIRED
REV		4/21/2004	-	302.00	STATUTE OF LIMITATIONS EXPIRED
REV		8/18/2003	-	3,230.11	STATUTE OF LIMITATIONS EXPIRED
REV		10/9/2003	-	12,474.00	STATUTE OF LIMITATIONS EXPIRED
REV		6/25/2004	4,500.00	6,074.22	STATUTE OF LIMITATIONS EXPIRED
REV		10/9/2003	-	261.84	STATUTE OF LIMITATIONS EXPIRED
REV		4/13/2004	-	267.00	STATUTE OF LIMITATIONS EXPIRED
REV		5/17/2004	-	128,926.37	TAX PROTESTOR
REV		12/4/2003	-	2,237.09	TAX PROTESTOR
REV		12/9/2003	-	15,787.77	TAX PROTESTOR
REV		12/9/2003	-	11,623.85	TAX PROTESTOR
REV		1/13/2004	-	1,034.00	UNABLE TO LOCATE DEBTOR
REV		1/6/2004	-	635.64	UNABLE TO LOCATE DEBTOR
REV		7/7/2003	-	1,694.00	UNABLE TO LOCATE DEBTOR
REV		3/4/2004	213.45	4,960.25	UNABLE TO LOCATE DEBTOR
REV		3/25/2004	-	3,485.73	UNABLE TO LOCATE DEBTOR
REV		3/25/2004	-	327.51	UNABLE TO LOCATE DEBTOR
REV		9/23/2003	-	1,300.79	UNABLE TO LOCATE DEBTOR

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REV		3/23/2004	-	507.00	UNABLE TO LOCATE DEBTOR
REV		5/27/2004	-	772.50	UNABLE TO LOCATE DEBTOR
REV		5/14/2004	-	1,174.59	UNABLE TO LOCATE DEBTOR
REV		3/2/2004	2,900.00	1,427.17	UNABLE TO LOCATE DEBTOR
REV		6/10/2004	-	422.73	UNABLE TO LOCATE DEBTOR
REV		11/25/2003	-	2,818.52	UNABLE TO LOCATE DEBTOR
REV		4/22/2004	-	222.22	UNABLE TO LOCATE DEBTOR
REV		6/17/2004	798.25	613.97	UNABLE TO LOCATE DEBTOR
REV		9/9/2003	-	3,403.32	UNABLE TO LOCATE DEBTOR
REV		1/6/2004	-	1,376.88	UNABLE TO LOCATE DEBTOR
REV		12/1/2003	-	361.00	UNABLE TO LOCATE DEBTOR
REV		7/15/2003	-	446.76	UNABLE TO LOCATE DEBTOR
REV		10/21/2003	-	4,187.28	UNABLE TO LOCATE DEBTOR
REV		6/9/2004	-	266.25	UNABLE TO LOCATE DEBTOR
REV		12/11/2003	50.00	940.18	UNABLE TO LOCATE DEBTOR
REV		9/2/2003	-	961.22	UNABLE TO LOCATE DEBTOR
REV		12/2/2003	-	826.18	UNABLE TO LOCATE DEBTOR
REV		4/16/2004	-	366.00	UNABLE TO LOCATE DEBTOR
REV		12/2/2003	-	959.00	UNABLE TO LOCATE DEBTOR
REV		4/16/2004	-	453.81	UNABLE TO LOCATE DEBTOR
REV		4/2/2004	-	1,819.61	UNABLE TO LOCATE DEBTOR
REV		2/3/2004	-	847.98	UNABLE TO LOCATE DEBTOR
REV		12/8/2003	-	610.98	UNABLE TO LOCATE DEBTOR
REV		7/21/2003	-	2,354.05	UNABLE TO LOCATE DEBTOR
REV		4/16/2004	-	477.72	UNABLE TO LOCATE DEBTOR
REV		6/25/2004	-	7,118.34	UNABLE TO LOCATE DEBTOR
REV		5/17/2004	-	554.00	UNABLE TO LOCATE DEBTOR
REV		4/15/2004	-	1,788.18	UNABLE TO LOCATE DEBTOR
REV		1/9/2004	-	362.52	UNABLE TO LOCATE DEBTOR
REV		5/11/2004	-	489.26	UNABLE TO LOCATE DEBTOR
REV		5/12/2004	-	292.73	UNABLE TO LOCATE DEBTOR
REV		8/27/2003	-	518.00	UNABLE TO LOCATE DEBTOR
REV		12/16/2003	-	278.94	UNABLE TO LOCATE DEBTOR
REV		5/3/2004	-	394.78	UNABLE TO LOCATE DEBTOR
REV		5/18/2004	-	957.23	UNABLE TO LOCATE DEBTOR
REV		6/22/2004	-	313.82	UNABLE TO LOCATE DEBTOR
REV		4/16/2004	-	315.00	UNABLE TO LOCATE DEBTOR



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Arizona Department of Revenue			Total	2,833,508.17	
ROC	HOLLAND, JACK D DBA CERAMIC MARBLE & TILE	12/5/2003	-	3,500.00	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
ROC	WARD, JON RANDALL DBA DESERT CREEK WELDING	9/10/2003	950.00	50.00	COSTS EXCEED IN-STATE DEBT UNDER \$500
ROC	COOK, FRED NORMAN DBA LANDSCAPING BY FREDERICK	5/24/2004	257.50	242.50	COSTS EXCEED IN-STATE DEBT UNDER \$500
ROC	PALM, STEVEN R.	10/22/2003	256.87	343.13	COSTS EXCEED IN-STATE DEBT UNDER \$500
ROC	THOMAS, PAUL HENRY	6/30/2004	-	220.98	COSTS EXCEED IN-STATE DEBT UNDER \$500
ROC	SABIN, MICKEY R.	8/19/2003	300.00	200.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
ROC	FIELDS, KEVIN JOSEPH DBA K & S CONTRACTING	8/19/2003	5,086.69	348.31	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
ROC	DANG, DUC	9/12/2003	-	1,500.00	DEBTOR IS DECEASED
ROC	CALLAHAN, DENNIS HENRY	4/20/2004	-	8,950.00	DEBTOR IS DECEASED
ROC	FORD, ALEX D. JR.	10/14/2003	-	1,200.00	DEBTOR IS INCARCERATED
ROC	KITCHEN OPTIONS, INC.	2/11/2004	-	1,545.87	DEFUNCT CORPORATION
ROC	A D A REMODELING, INC.	7/17/2003	-	69,000.00	DEFUNCT CORPORATION
ROC	A & R PLUMBING, INC.	6/10/2004	-	16,840.59	DEFUNCT CORPORATION
ROC	MASTERTech, INC.	5/7/2004	-	3,741.97	DEFUNCT CORPORATION
ROC	L G A CONSTRUCTION, L.L.C.	10/6/2003	-	47,557.00	DEFUNCT CORPORATION
ROC	BETTER HOMES CONSTRUCTION, INC.	11/30/2003	-	14,698.00	DEFUNCT CORPORATION
ROC	BLACK DIAMOND PAINTING, INC.	2/5/2004	-	5,022.00	DEFUNCT CORPORATION
ROC	BLACKHAWK CUSTOM HOME BUILDERS	3/12/2004	-	3,465.18	DEFUNCT CORPORATION
ROC	BLUE VALLEY, INC.	9/5/2003	-	2,816.66	DEFUNCT CORPORATION
ROC	A-1 AFFORDABLE CONSTRUCTION	4/16/2004	-	37,830.15	DEFUNCT CORPORATION
ROC	A STUCCO CO. & SON'S, INC.	5/19/2004	-	19,000.00	DEFUNCT CORPORATION
ROC	RAMIREZ ROOFING, INC.	6/10/2004	-	1,065.00	DEFUNCT CORPORATION
ROC	RED EAGLE MASONRY, INC.	12/22/2003	-	2,928.00	DEFUNCT CORPORATION
ROC	TILE BY TERI, INC.	7/24/2003	-	2,000.00	DEFUNCT CORPORATION
ROC	FIVE STAR PAVING, INC.	12/24/2003	-	2,842.06	DEFUNCT CORPORATION
ROC	FILMARK CONSTRUCTION, INC.	8/19/2003	-	87,505.88	DEFUNCT CORPORATION
ROC	C S C CONSTRUCTION SERVICES	1/12/2004	-	36,251.00	DEFUNCT CORPORATION
ROC	U S POOL AND DECK, L.L.C.	7/14/2003	-	6,545.78	DEFUNCT CORPORATION
ROC	JURASSIC LANDSCAPE, INC.	10/1/2003	-	78,900.67	DEFUNCT CORPORATION
ROC	JURASSIC LANDSCAPE, INC.	10/1/2003	-	3,280.00	DEFUNCT CORPORATION
ROC	ALL METAL FRAMING, INC.	10/9/2003	-	35,000.00	DEFUNCT CORPORATION
ROC	PRESTONE, L.L.C.	7/18/2003	-	59,250.00	DEFUNCT CORPORATION
ROC	AKAYLA CUSTOM HOMES, INC.	4/12/2004	-	10,000.00	DEFUNCT CORPORATION
ROC	AKAYLA CUSTOM HOMES, INC.	1/15/2004	-	82,565.61	DEFUNCT CORPORATION
ROC	LOG CREATIONS, INC.	9/2/2003	-	18,544.04	DEFUNCT CORPORATION

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ROC	WASHBURN DEVELOPMENT, INC.	10/28/2003	-	55,000.00	DEFUNCT CORPORATION
ROC	AMWEST DEVELOPMENT, INC.	2/2/2004	-	25,516.54	DEFUNCT CORPORATION
ROC	AMERICAN STEEL BUILDERS	9/2/2003	-	18,802.24	DEFUNCT CORPORATION
ROC	PREMIER REMODELERS & BUILDERS	2/11/2004	-	10,000.00	DEFUNCT CORPORATION
ROC	LM CONCRETE, INC.	6/10/2004	-	1,000.00	DEFUNCT CORPORATION
ROC	WHITESEAL, INC.	3/16/2004	-	102,171.46	DEFUNCT CORPORATION
ROC	APCS CONSTRUCTION, L.L.C.	5/18/2004	-	1,382.79	DEFUNCT CORPORATION
ROC	ARIZONA CUSTOM EXTERIORS	5/19/2004	-	7,209.87	DEFUNCT CORPORATION
ROC	GRAND CANYON FLOORS, INC.	4/5/2004	-	3,760.07	DEFUNCT CORPORATION
ROC	W. L. T. BUILDERS	5/12/2004	-	8,923.00	DEFUNCT CORPORATION
ROC	ACEDO CONSTRUCTION, INC.	2/20/2004	-	11,259.08	DEFUNCT CORPORATION
ROC	VISUAL LIMITED, INC.	3/3/2004	-	2,056.91	DEFUNCT CORPORATION
ROC	VISTA DEL ORO CONSTRUCTION, INC.	2/5/2004	-	14,197.57	DEFUNCT CORPORATION
ROC	LAIRD DEVELOPMENT, INC.	2/18/2004	-	3,730.00	DEFUNCT CORPORATION
ROC	R L E CONSULTANTS, L.L.C.	2/26/2004	-	4,000.00	DEFUNCT CORPORATION
ROC	RAAD ENTERPRISES, INC. DBA C T I BY R AND D CONCRETE DESIGN	6/10/2004	-	518.94	DEFUNCT CORPORATION
ROC	PROGRESSIVE PAINTING CONTRACTORS	6/7/2004	-	3,328.54	DEFUNCT CORPORATION
ROC	AFTER EIGHT INTERIORS, INC.	9/12/2003	-	8,836.57	DEFUNCT CORPORATION
ROC	ADVANTAGE WELL DRILLING, INC.	2/20/2004	-	11,720.01	DEFUNCT CORPORATION
ROC	LOY E. COTTREL CONSTRUCTION	6/10/2004	-	3,487.50	DEFUNCT CORPORATION
ROC	LASSO CONTRACTING, INC.	5/11/2004	-	56,449.38	DEFUNCT CORPORATION
ROC	G & J RESIDENTIAL CONSTRUCTION	4/1/2004	-	3,122.43	DEFUNCT CORPORATION
ROC	SIERRA VISTA LANDSCAPING, INC.	9/5/2003	-	21,266.22	DEFUNCT CORPORATION
ROC	COSCO HOME IMPROVEMENTS, INC.	6/16/2004	-	24,285.77	DEFUNCT CORPORATION
ROC	COZAD CONSTRUCTION, INC.	6/25/2004	-	2,200.00	DEFUNCT CORPORATION
ROC	CRESTED BUTTE CONSTRUCTION, L.L.C.	9/12/2003	-	96,000.00	DEFUNCT CORPORATION
ROC	SHAWN'S DEVELOPMENT AND DESIGN	7/21/2003	-	12,963.33	DEFUNCT CORPORATION
ROC	CRINER CONSTRUCTION CO., INC.	4/6/2004	-	5,274.81	DEFUNCT CORPORATION
ROC	HIGH TECH CONSTRUCTION, INC.	8/25/2003	-	7,275.85	DEFUNCT CORPORATION
ROC	CSC CONSTRUCTION SERVICES CORP.	3/2/2004	-	10,000.00	DEFUNCT CORPORATION
ROC	EXQUISITE FLOOR DESIGN, INC.	5/28/2004	-	2,989.69	DEFUNCT CORPORATION
ROC	COOK ROOFING CORPORATION	10/6/2003	-	1,564.00	DEFUNCT CORPORATION
ROC	HOGAN MANAGEMENT GROUP, INC.	1/13/2004	-	12,268.10	DEFUNCT CORPORATION
ROC	HOFFMAN AND SONS DEVELOPMENT	11/21/2003	-	5,694.79	DEFUNCT CORPORATION
ROC	EAST VALLEY HEATING & COOLING	3/11/2004	-	8,407.99	DEFUNCT CORPORATION
ROC	O F R BUILDERS, L. L. C.	8/18/2003	-	15,000.00	DEFUNCT CORPORATION

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ROC	HEALY HOMES, INC.	12/22/2003	-	7,668.09	DEFUNCT CORPORATION
ROC	ROW L.L.C.	5/28/2004	-	3,000.00	DEFUNCT CORPORATION
ROC	ROXXON CONSTRUCTION, INC.	8/24/2003	-	22,571.20	DEFUNCT CORPORATION
ROC	DUNCKLEE CONSTRUCTION, INC.	8/6/2003	-	45,318.13	DEFUNCT CORPORATION
ROC	S AND T SERVICE CONTRACTING	7/14/2003	-	4,454.00	DEFUNCT CORPORATION
ROC	ELITE ARCHITECTURAL MILLWORK	1/29/2004	-	11,165.00	DEFUNCT CORPORATION
ROC	DENNISTON AND COMPANY, INC.	8/25/2003	-	30,000.00	DEFUNCT CORPORATION
ROC	HARRIS CUSTOM HOMES, INC.	3/5/2004	-	25,246.13	DEFUNCT CORPORATION
ROC	DIAMOND KEY HOMES, INC.	10/20/2003	-	56,215.91	DEFUNCT CORPORATION
ROC	HELLER CONSTRUCTION, INC.	2/11/2004	-	72,471.23	DEFUNCT CORPORATION
ROC	NORTHLAND FENCE, INC.	2/12/2004	-	1,774.24	DEFUNCT CORPORATION
ROC	DISTINCTIVE BACKYARD CONCEPTS	12/24/2003	-	18,757.00	DEFUNCT CORPORATION
ROC	DISTINCTIVE CUSTOM HOMES, INC.	2/19/2004	-	48,223.13	DEFUNCT CORPORATION
ROC	TAYLOR MADE KITCHENS, INC.	3/22/2004	-	51,557.73	DEFUNCT CORPORATION
ROC	CARSON CUSTOM HOMES & COMMUNITY, INC.	1/6/2004	-	10,000.00	DEFUNCT CORPORATION
ROC	H & C DEVELOPERS, INC.	5/27/2004	-	69,581.36	DEFUNCT CORPORATION
ROC	J BURGART, INC.	1/27/2004	-	21,285.03	DEFUNCT CORPORATION
ROC	J AND J POOLS, INC.	4/6/2004	-	1,983.37	DEFUNCT CORPORATION
ROC	J A FRYER CONSTRUCTION, INC.	5/12/2004	-	4,929.00	DEFUNCT CORPORATION
ROC	SUDERMANN HOMES, INC.	10/29/2003	-	8,956.47	DEFUNCT CORPORATION
ROC	THE GREATEST CUSTOM CONCRETE, INC.	4/27/2004	-	580.00	DEFUNCT CORPORATION
ROC	CALDWELLS, L.L.C.	2/11/2004	-	2,700.00	DEFUNCT CORPORATION
ROC	PARK VIEW CUSTOM HOMES, L.L.C.	2/5/2004	-	3,978.62	DEFUNCT CORPORATION
ROC	FICUS DEVELOPMENT CORPORATION	2/11/2004	-	30,000.00	DEFUNCT CORPORATION
ROC	TEMPERATURE CONTROLS	10/7/2003	-	784.22	DEFUNCT CORPORATION
ROC	CARA HOMES, INC.	9/17/2003	-	2,515.00	DEFUNCT CORPORATION
ROC	MONTIEL CONSTRUCTION, INC.	5/19/2004	-	20,000.00	DEFUNCT CORPORATION
ROC	STEVEN CARR CUSTOM BUILDING, INC.	10/6/2003	-	20,000.00	DEFUNCT CORPORATION
ROC	CIRCLE 2 CONSTRUCTION, INC.	7/23/2003	-	10,354.35	DEFUNCT CORPORATION
ROC	CLASSIC AMERICAN BARNs, L.L.C.	10/20/2003	-	16,729.40	DEFUNCT CORPORATION
ROC	PALMCROFT BUILDERS, INC.	8/12/2003	-	40,000.00	DEFUNCT CORPORATION
ROC	RIDGE WAY HOMES, INC.	9/9/2003	-	3,735.00	DEFUNCT CORPORATION
ROC	H & D SERVICES, INC.	12/30/2003	-	20,000.00	DEFUNCT CORPORATION
ROC	MISSION GARDENS NURSERY, INC.	3/15/2004	-	17,115.00	DEFUNCT CORPORATION
ROC	IDEAL BUILDERS, INC.	3/12/2004	-	11,424.64	DEFUNCT CORPORATION
ROC	STONE DESIGN CONCEPTS MASONRY	5/27/2004	-	960.00	DEFUNCT CORPORATION
ROC	ALWAYS CONSTRUCTION	1/29/2004	-	45,895.85	DEFUNCT CORPORATION

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ROC	MATSEN BUILDING AND DEVELOPMENT	7/17/2003	-	20,000.00	DEFUNCT LLC
ROC	TILE PRO, INC.	8/4/2003	-	2,757.00	DEFUNCT LLC
ROC	FLEMMING'S REMODELING	8/22/2003	-	20,000.00	DEFUNCT LLC
ROC	BRYCE PETERSON DESIGN GROUP	3/4/2004	-	24,097.25	DEFUNCT LLC
ROC	GEBBIA WOOD ASSOCIATES, L.L.C.	7/21/2003	-	26,439.23	DEFUNCT LLC
ROC	ART HAYDU CONSTRUCTION, INC.	4/29/2004	-	9,563.40	DEFUNCT LLC
ROC	ALCO REMODELING, INC.	8/13/2003	-	2,319.18	DEFUNCT LLC
ROC	MAGNOLIA CONSTRUCTION, INC.	7/23/2003	-	2,250.00	DEFUNCT LLC
ROC	G C CONCRETE, INC.	8/24/2003	-	2,540.10	DEFUNCT LLC
ROC	R H DAGEN HOMES, L.L.C.	10/21/2003	-	36,537.40	DEFUNCT LLC
ROC	HEY-PEP ERECTORS, L.L.C.	8/29/2003	-	3,735.52	DEFUNCT LLC
ROC	D L I LANDSCAPES, L.L.C.	8/22/2003	-	1,776.87	DEFUNCT LLC
ROC	MOUNTAIN VIEW SUNROOMS, INC.	8/29/2003	-	11,502.04	DEFUNCT LLC
ROC	ROBERT EDWARD HOMES, L.L.C.	2/16/2004	-	22,800.00	DEFUNCT LLC
ROC	EFIS, INC.	4/20/2004	-	30,000.00	DEFUNCT LLC
ROC	SCHOLZ CREATIVE POOLS AND SPAS	8/25/2003	-	20,018.52	DEFUNCT LLC
ROC	DIGNIFIED ROOFING, L.L.C.	9/12/2003	-	11,908.04	DEFUNCT LLC
ROC	SUN SHADE BUILDERS, INC.	8/8/2003	-	20,518.72	DEFUNCT LLC
ROC	SUN MOUNTAIN BUILDERS, INC.	8/29/2003	-	19,497.62	DEFUNCT LLC
ROC	CHAPP, THOMAS ALLEN II	7/21/2003	-	2,096.85	DEFUNCT LLC
ROC	BEANS, MICHAEL S.	1/6/2004	50.00	13,512.66	DISCHARGED IN BANKRUPTCY
ROC	LICH, ARNOLD EUGENE & JERRY	10/7/2003	5,140.62	7,344.76	DISCHARGED IN BANKRUPTCY
ROC	LINDERS, JOHN E. JR.	10/31/2003	-	3,762.00	DISCHARGED IN BANKRUPTCY
ROC	GILBERTSON, MICHAEL A.	2/4/2004	-	16,934.65	DISCHARGED IN BANKRUPTCY
ROC	KIRKPATRICK, MICHAEL WAYNE	10/17/2003	-	11,416.05	DISCHARGED IN BANKRUPTCY
ROC	MC GRATH, EDWARD GORDON DBA TUCSON PUTTING GREENS	4/19/2004	900.00	2,646.83	DISCHARGED IN BANKRUPTCY
ROC	MATTESON, JOHN LARS DBA CUSTOM BUILDERS	11/3/2003	-	13,676.00	DISCHARGED IN BANKRUPTCY
ROC	LA ROSE, DUNCAN ERIC	11/21/2003	-	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	REEDER, SEAN MICHAEL DBA ARTISTRY IN TILE	5/17/2004	1,106.76	5,429.54	DISCHARGED IN BANKRUPTCY
ROC	UETRECHT, THOMAS ALAN	6/22/2004	125.42	19,874.58	DISCHARGED IN BANKRUPTCY
ROC	GROSVENOR, DONALD G.	2/12/2004	-	50,000.00	DISCHARGED IN BANKRUPTCY
ROC	TRANSON, PAUL SCOTT & MARGARET	9/3/2003	-	30,000.00	DISCHARGED IN BANKRUPTCY
ROC	BROWN, THOMAS A.	2/3/2004	-	14,550.00	DISCHARGED IN BANKRUPTCY
ROC	LUSSIER, DONALD ALFRED DBA DONALD K DONALD BUILDERS	10/1/2003	-	20,000.00	DISCHARGED IN BANKRUPTCY
ROC	ANTOLICH, PETER	11/13/2003	-	2,200.00	DISCHARGED IN BANKRUPTCY
ROC	LA ROSE, DUNCAN ERIC	3/2/2004	-	10,000.00	DISCHARGED IN BANKRUPTCY
ROC	DANA ECKLES & KRISTIE WEAVER DBA PREMIER WATER FEATURES	4/20/2004	-	17,768.53	DISCHARGED IN BANKRUPTCY



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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ROC	FAIRES, RANDY J.	4/20/2004	-	2,738.49	DISCHARGED IN BANKRUPTCY
ROC	O'LAUGHLIN, CHARLES LEE DBA ABOVE ALL ROOFING	11/3/2003	-	4,495.53	DISCHARGED IN BANKRUPTCY
ROC	GUERRERO, ESTHER GONZALES DBA GUERRERO'S LANDSCAPING	11/13/2003	-	2,153.58	DISCHARGED IN BANKRUPTCY
ROC	MICHAELS, JEFFREY	2/24/2004	-	17,874.67	DISCHARGED IN BANKRUPTCY
ROC	JANECEK, RONALD DBA III DUNES CONSTRUCTION & DEVELOPMENT	10/6/2003	-	2,050.00	DISCHARGED IN BANKRUPTCY
ROC	HUSSEY, SCOTT THOMAS DBA SOUTHWEST CUSTOM HOMES	12/2/2003	455.20	24,607.30	DISCHARGED IN BANKRUPTCY
ROC	PRICE, GARY	10/9/2003	-	37,334.10	DISCHARGED IN BANKRUPTCY
ROC	SMITH, RICKY E.	9/29/2003	-	16,850.00	DISCHARGED IN BANKRUPTCY
ROC	JERRIS, GARY	9/24/2003	-	2,500.00	INSUFFICIENT INFORMATION
ROC	LEPORE BUILDERS, INC.	2/19/2004	1,169.36	10,147.78	JUDGMENT EXPIRED UNABLE TO RENEW
ROC	RATHBUN, WESLEY EUGENE	3/4/2004	-	20,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	RATLIFF, BLAKE ALAN DBA BLAKE & SONS REFRIGERATION	5/28/2004	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	VARGAS, MARIO ANTONIO	8/19/2003	-	750.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FLANNERY, RANDALL	5/19/2004	-	1,850.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JONES, GARY DEAN	8/1/2003	-	3,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	TIDWELL, AMBER LYNN DBA AMBER HOMES & DEVELOPMENT	10/24/2003	-	3,621.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	TIDWELL, AMBER LYNN DBA AMBER HOMES & DEVELOPMENT	4/23/2004	-	61,979.35	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BURKE, WILLIAM ALVIS	9/10/2003	-	800.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	REDDEN, WALTER HAROLD DBA REDCO CONSTRUCTION	10/6/2003	-	99,447.09	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JOHNSON, RICHARD ALAN DBA CARPET CRITICS OF ARIZONA	8/19/2003	-	2,300.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JOHNSON, EDWARD DBA NATIONWIDE COATING SPECIALISTS	8/14/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MCDERMOTT, MARK	8/26/2003	-	800.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	KEELER, THOMAS RICHARD	7/14/2003	-	9,711.21	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BRYANT, JOHN DBA THE BUILDERS ASSOCIATION CONTRACTORS, INC.	8/19/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	JORDAN DEVELOPMENT GROUP, L.L.C.	2/24/2004	-	50,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ASH, KEVIN LAWRENCE DBA ASH ROOFING AND REMODEL	12/19/2003	-	22,479.01	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ANDERSON, RICKY M.	8/19/2003	258.00	2,785.08	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WHITMORE, DERIC JAY DBA SHOWCASE MARBLE & TILE	10/22/2003	-	500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	WHITMORE, DERIC J.	10/22/2003	-	700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ALTLAND, JON ROGER	3/15/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LOCKE, STEPHEN E DBA LOCKE CONSTRUCTION	5/17/2004	-	6,413.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MARTIN, STEPHEN CHARLES DBA DESIGNER BUILDERS	8/6/2003	-	20,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LAMB, STEVE GERARD DBA STEVE LAMB BUILDERS	10/1/2003	-	19,896.72	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BEHM DEVELOPMENT COMPANY, INC.	10/15/2003	-	2,845.80	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	LAMB, STEVE DBA STEVE LAMB BUILDERS	10/1/2003	-	15,383.28	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FROMHERZ, LELAND JOSEPH	10/22/2003	-	2,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ADAMS, STEVEN I.	11/4/2003	-	2,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT

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CLIENT AGENCY	DEBTOR	CLOSE DATE	AMOUNT RECEIVED	AMOUNT UNCOLLECTED	REASON
ROC	GAMEZ, ALFONSO M.	5/21/2004	123.00	377.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	BASHAM, KEVIN CHARLES	8/20/2003	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	PACE, WILLIAM SHERMAN DBA PACE BUILDERS	8/20/2003	-	20,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CORRAL, MARSHAL M.	10/21/2003	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SHETZEN, ALEXANDER DBA A & S PAINTING & WALL COVERING	9/25/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	NAVARRETTE FELIPE SARZOZA JR	8/19/2003	-	7,008.24	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CRINER, DELBERT LEE DBA SUPERIOR PLUMBING	4/20/2004	-	2,345.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	NAVARRETTE, FELIPE SARZOZA JR.	8/19/2003	-	6,679.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	NAVARRETTE, FELIPE SARZOZA JR.	8/19/2003	-	907.50	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SCOTT, JENNIE L. DBA SCOTT'S ASPHALT PAVING	10/1/2003	-	3,699.92	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	DIX, CHRISTOPHER LEE	8/15/2003	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HARRIS, ANDREW DBA ACCURACY AIR CONDITIONING & HEATING	10/7/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SALMON, TIMOTHY F.	3/15/2004	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ROSEQUIST, SHANE MAX	3/11/2004	-	1,300.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HAYCOCK, MARK ELLIOTT DBA MARK'S PAINTING	9/25/2003	-	700.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	NEWTON, JESSE DBA NEWTON'S EXCAVATING CONSTRUCTION	6/29/2004	-	18,832.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ELKINS, ROBERT DEAN	9/17/2003	-	15,833.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	ROMERO, ALEX & MANUEL, MELISSA	8/12/2003	-	40,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	DIGUISEPPE, JOSEPH M.	6/7/2004	-	1,250.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SARGENT ARCES	6/10/2004	103.00	6,955.11	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CARABEO, WILLIAM MENDOZA DBA W CARABEO CONSTRUCTION	10/30/2003	-	10,908.49	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	TAQUIL, TONY F.	8/26/2003	-	20,705.90	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	FENECK, DOUGLAS J. & BRUMFIELD	7/17/2003	-	1,050.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SWICK, BRAD J.	11/25/2003	-	6,510.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	GUTIERREZ, FRANCISCO JAVIER	9/11/2003	-	2,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CAVANAUGH, STEPHEN H.	3/16/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	SULLIVAN, BOBBY DBA B & J & SONS BUILDERS	9/15/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	REYES, MANUEL ESTEVAN DBA MANUEL REYES DEVELOPMENT	8/19/2003	-	12,678.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	TAYLOR, TODD LANE	2/11/2004	80.00	1,318.32	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HULL, PAUL T.	4/13/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HUFF, MICHAEL DEAN JR. DBA CABINET CONCEPTS	10/1/2003	-	1,500.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	STANDAGE, CHARLES A.	7/21/2003	-	16,894.97	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	CLARK, WAYNE J. DBA ARTISTIC INTERIORS AND CONCEPTS	10/20/2003	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	HOULE, CHRISTOPHER A.	4/8/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	INGERSON, MICHAEL JAY	8/5/2003	180.00	820.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	RHOTON, RICKY N. DBA PAINTMASTERS	9/9/2003	-	4,160.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
ROC	MC GUIRE, GARY DBA TRAV COR CONSTRUCTION OF ARIZONA	10/6/2003	-	9,119.00	UNABLE TO LOCATE DEBTOR

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ROC	USSERY, RANDY SCOTT	8/12/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ROC	BLAIR, THOMAS JACOB	8/13/2003	-	3,925.70	UNABLE TO LOCATE DEBTOR
ROC	MALOUFF, ED P.	3/9/2004	-	750.00	UNABLE TO LOCATE DEBTOR
ROC	WATKINS, DONALD RUSSELL COLEMAN	7/18/2003	-	9,599.55	UNABLE TO LOCATE DEBTOR
ROC	MAERCKLIEN, LONNY D.	1/15/2004	-	1,500.00	UNABLE TO LOCATE DEBTOR
ROC	BELL, DEDRICE	12/24/2003	-	1,500.00	UNABLE TO LOCATE DEBTOR
ROC	HACKEMACK, BILLIE S.	6/2/2004	-	500.00	UNABLE TO LOCATE DEBTOR
ROC	HALEY, JAMES RUSSELL	7/18/2003	-	2,360.00	UNABLE TO LOCATE DEBTOR
ROC	MUNRO, GERALD WINFORD	10/21/2003	-	500.00	UNABLE TO LOCATE DEBTOR
ROC	CAWLEY, IAN MARK	8/26/2003	-	750.00	UNABLE TO LOCATE DEBTOR
ROC	RICHARDS, DENNIS W.	4/8/2004	-	2,000.00	UNABLE TO LOCATE DEBTOR
ROC	CILLEY, ALAN EUGENE	8/8/2003	-	15,812.71	UNABLE TO LOCATE DEBTOR
ROC	HACKEMACK, BILLIE S.	6/2/2004	-	500.00	UNABLE TO LOCATE DEBTOR
ROC	HUSTON, BRANDON D.	5/3/2004	-	1,000.00	UNABLE TO LOCATE DEBTOR
<b>Arizona Registrar of Contractors</b>			<b>Total</b>	<b>3,300,079.73</b>	
RSK	LOPEZ, ROBERT	6/30/2004	-	390.93	COSTS EXCEED IN-STATE DEBT UNDER \$500
RSK	GILDER, DORIS J.	6/10/2004	717.06	766.58	DISCHARGED IN BANKRUPTCY
RSK	EUZARRAGA, ALFRED LIONEL	8/28/2003	323.00	435.47	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	BINNS, REGINALD MORTIMER	2/11/2004	50.00	4,211.13	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	BOSQUEZ, JOSE LEWIS	5/17/2004	163.00	5,443.05	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	PARRA, TONY DORIN & SALVADOR	4/9/2004	207.00	12,886.84	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	TEBBE, JOHN L.	10/22/2003	722.63	25,939.62	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RSK	PERALTA, GUADALUPE	9/10/2003	-	17,388.88	NO BASIS FOR OWNER LIABILITY
RSK	RHODE, JULIE	7/17/2003	-	3,808.20	UNABLE TO LOCATE DEBTOR
<b>Risk Management - Arizona Department of Administration</b>			<b>Total</b>	<b>71,270.70</b>	
RWD	MORRIS, JANIE S.	8/25/2003	-	1,915.83	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
RWD	LAGEMANN, NORA	4/21/2004	3,800.00	1,501.62	SETTLEMENT
<b>Rigt of Way Division, Arizona Department of Transportation</b>			<b>Total</b>	<b>3,417.45</b>	
SGO	LUMBERT FOR ATTORNEY GENERAL	6/1/2004	-	1,000.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Solicitor General's Office, Arizona Office of the Attorney General</b>			<b>Total</b>	<b>1,000.00</b>	
SLD	CROSBY, ROY	6/10/2004	-	16,724.00	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>State Land Department</b>			<b>Total</b>	<b>16,724.00</b>	

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SPB	PETERSON, JERRE	8/29/2003	500.00	34.57	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
SPB	LEWIS, THOMAS R.	8/11/2003	-	500.00	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
SPB	FORSTNER, JOHN	8/5/2003	-	1,100.00	DEBTOR IS DECEASED
SPB	JACKSON, TODD	4/22/2004	1,261.00	4,486.23	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
SPB	BRADFORD, JOE	9/29/2003	300.00	2,994.62	SEVERE ECONOMIC HARDSHIP
<b>Structural Pest Control Commission</b>			<b>Total</b>	<b>9,115.42</b>	
TRN	RODE, BRENDA S.	6/29/2004	809.70	33.73	COST OF COLLECTION WOULD EXCEED AMOUNT OWED
<b>Transportation Division, Arizona Office of the Attorney General</b>			<b>Total</b>	<b>33.73</b>	
VSE	STRANGE, DIANA K.	8/29/2003	627.00	59.07	COSTS EXCEED OUT-OF-STATE DEBT UNDER \$1000
VSE	PRATHER, HOWARD M. & ROSEMARY	4/21/2004	-	6,267.35	DISCHARGED IN BANKRUPTCY
<b>Veterans' Service Commission</b>			<b>Total</b>	<b>6,326.42</b>	
WKR	YANEZ, MARK ANTHONY & FELAZ	8/11/2003	488.32	26,492.81	NO ASSETS/NO WAGES/NEGATIVE CREDIT REPORT
<b>Workers Compensation, Arizona Department of Administration</b>			<b>Total</b>	<b>26,492.81</b>	
<b>TOTAL</b>				<b>10,712,248.25</b>	



STATE OF ARIZONA

**Joint Legislative Budget Committee**

STATE  
SENATE

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MARSHA ARZBERGER  
TIMOTHY S. BEE  
ROBERT CANNELL  
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1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

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HOUSE OF  
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STEVE HUFFMAN  
LINDA J. LOPEZ  
STEPHEN TULLY

DATE: August 18, 2005

TO: Representative Russell Pearce, Chairman  
Members, Joint Legislative Budget Committee

THRU: Richard Stavneak, Director

FROM: Leatta McLaughlin, Fiscal Analyst

SUBJECT: Arizona Commission on the Arts – Review of the Arizona Arts  
Endowment Fund and Private Contributions

**Request**

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

**Recommendation**

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

Since the advent of public funding in CY 1998, the Commission grants have helped to generate private donations. From CY 1998 to CY 2000, annual private contributions ranged from \$4.4 to \$6.6 million. The slowdown in the economy reduced annual contributions to between \$2.0 and \$2.7 million from CY 2001 to CY 2003. Private contributions rebounded in CY 2004 with, \$5.4 million donated. Private contributions increased due to an improving economy and better communication with arts organizations, which allowed the Commission to encourage the arts organizations to raise more private funds for the endowment.

**Analysis**

Pursuant to A.R.S. § 41-986F, the Committee shall annually review the Commission's records regarding private monies that are donated for use in conjunction with public monies from the Arizona Arts Endowment Fund. The Committee is to compare the level of private contributions to the state's annual \$2 million contribution to the Arizona Arts Endowment Fund. There is no statutory requirement that private donations match public appropriations for the Arizona Arts Endowment Fund. At the time of the endowment's enactment, however, there was an expectation that additional state funding would leverage private contributions.

The public component of the legislation began in FY 1998 and consists of an annual appropriation of up to \$2,000,000 to the Arizona Arts Endowment Fund from the General Fund. These monies are then invested by the State Treasurer, who distributes the interest income to the Arts Commission to fund arts programs across the state. Laws 2002, Chapter 1, 3<sup>rd</sup> Special Session suspended the FY 2002 and FY 2003 deposit to the Arts Endowment Fund and extended the final deposit to FY 2009 when the fund will have accrued \$19,000,000.

Since FY 1998, the fund has earned approximately \$1,544,500 in interest, \$1,480,300 of which has been expended. In FY 2006, the Commission has committed \$309,200 of these monies in the form of grants. The Arts Endowment Fund will have a principal balance of \$13,000,000 in FY 2006.

The private component of the legislation allows the Arts Commission to partner with non-profits such that the non-profit may receive, invest, and manage private donations: 1) to its own endowment, 2) to the endowment of other arts organizations or 3) to the non-designated portion of the Arizona Arts Endowment Fund. Donors who wish to support endowments of a specific arts organization, such as the Phoenix Symphony, may do so. Such donations are administered by the individual arts organization but must conform to the rules adopted by the Arts Commission to qualify as a contribution to the Arizona Arts Endowment Fund. Several smaller arts organizations have arranged for the Arizona Community Foundation to administer endowments on their behalf. The Arizona Community Foundation is a tax-exempt charitable organization, which manages more than 700 funds with 11 affiliate organizations across the state.

Donors who wish to endow the arts generally, without designating a particular arts organization, may do so by giving to the private non-designated portion of the Arizona Arts Endowment Fund. The Arts Commission receives the interest income from these non-designated donations and distributes the earnings according to its policy.

The table below summarizes private contributions that have been collected since the establishment of the Arizona Arts Endowment Fund. Private contributions were less from 2001 to 2003 than in previous years due to the slowing economy. Contributions increased in CY 2004 due to the improving economy and better communication practices by the Arts Commission with their arts organizations.

<b>Private Donations to the Arizona Arts Endowment Fund, by Calendar Year</b>					
	<u>1996</u> <sup>1/</sup>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Designated	\$1,682,700	\$2,973,200	\$5,799,600	\$3,887,300	\$6,559,000
Non-Designated	<u>0</u>	<u>76,500</u>	<u>545,300</u>	<u>475,900</u>	<u>69,300</u>
<b>Totals</b>	\$1,682,700	\$3,049,700	\$6,344,900	\$4,363,200	\$6,628,300
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Total</u>
Designated	\$2,044,000	\$2,728,500	\$1,819,200	\$5,066,600	\$32,560,100
Non-Designated	<u>(24,400)</u> <sup>2/</sup>	<u>(44,500)</u> <sup>2/</sup>	<u>191,000</u>	<u>162,100</u>	<u>1,451,200</u>
<b>Totals</b>	\$2,019,600	\$2,684,000	\$2,010,200	\$5,228,700	\$34,011,300
<sup>1/</sup> 1996 reporting period is from April 15, when the legislation was passed, to December 31.					
<sup>2/</sup> Losses in 2001 and 2002 were a result of overall losses in investments at the Arizona Community Foundation.					



DATE: August 10, 2005

TO: Leatta McLaughlin  
Richard Stavneak

FROM: Shelley Cohn

SUBJECT: Arizona Commission on the Arts-Review of the Arizona Arts Endowment Fund and Private Contributions

### **Request**

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

### **Analysis**

Pursuant to A.R.S. § 41-986F, the Committee shall annually review the Commission's records regarding private monies that are donated for use in conjunction with public monies from the Arizona Arts Endowment Fund. The Committee is to compare the level of private contributions to the state's annual \$2 million contribution to the Arizona Arts Endowment Fund. There is no statutory requirement that private donations match public appropriations for the Arizona Arts Endowment Fund. At the time of the endowment's enactment, however, there was an expectation that additional state funding would leverage private contributions.

The public component of the legislation began in FY 1998 and consists of an annual appropriation of up to \$2,000,000 to the Arizona Arts Endowment Fund from the General Fund. These monies are then invested by the State Treasurer, who distributes the interest income to the Arts Commission to fund arts programs across the state. Laws 2002, Chapter 1, 3<sup>rd</sup> Special Session suspended the FY 2002 and FY 2003 deposit to the Arts Endowment Fund and extended the final deposit to FY 2009 when the fund will have accrued \$19,000,000.

Since FY 1998, the fund has earned approximately \$1,544,540 in interest, \$1,480,270 of which has been expended. For FY 2006, the Commission has committed \$309,222 of these monies in the form of grants. The Arts Endowment Fund will have a principal balance of \$13,000,000 in FY 2006.

The private component of the legislation allows the Arts Commission to partner with non-profits such that the non-profit may receive, invest and manage private donations 1) to its own endowment, 2) to the endowment of other arts organizations or 3) to the non-designated portion of the Arizona Arts Endowment Fund. Donors who wish to support endowments of a specific arts organization, such as the Phoenix Symphony, may do so. Such donations are administered by the individual arts organization, but must conform to the rules adopted by the Arts Commission to qualify as a contribution to the Arizona Arts Endowment Fund. Several smaller arts organizations have arranged for the Arizona Community Foundation to administer endowments on their behalf. The Arizona Community Foundation is a tax-exempt charitable organization, which manages more than 700 funds with 11 affiliate organizations across the state.

Donors who wish to endow the arts generally, without designating a particular arts organization, may do so by giving to the private non-designated portion of the Arizona Arts Endowment Fund. The Arts Commission receives the interest income from these non-designated donations and distributes the earning according to its policy.

The table below summarizes private contributions that have been collected since the establishment of the Arizona Arts Endowment Fund. Private contributions were less in 2001, 2002 and 2003 than in previous years due to the slowing economy.

<b><u>Private Donations to the Arizona Arts Endowment Fund, by Calendar Year</u></b>										
	<b><u>1996*</u></b>	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>Total</u></b>
Designated	\$1,682,685	\$2,973,245	\$5,799,633	\$3,887,349	\$6,559,045	\$2,044,004	\$2,728,474	\$1,819,208	\$5,066,582	\$32,560,226
Non-Designated	0	76,481	545,336	475,921	69,266	(24,446)	(44,518)	190,968	162,130	1,451,185
<b>Totals</b>	<b>\$1,682,685</b>	<b>\$3,049,726</b>	<b>\$6,344,969</b>	<b>\$4,363,270</b>	<b>\$6,628,311</b>	<b>\$6,628,311</b>	<b>\$2,683,956</b>	<b>\$2,010,176</b>	<b>\$5,228,712</b>	<b>\$34,011,411</b>

\*1996 reporting period is from April 15, when the legislation was passed, to December 31.

# ARIZONA ARTSHARE

## Summary of Endowment Contributions by Calendar Year

Arts Organization	1996*	1997	1998	1999	2000	2001	2002	2003	2004	Total
Arizona Opera	11,642	7,207	25,350	5,070	69,376	231,870	0	0	0	350,515
Ballet Arizona	50,000	50,000	--	--	--	--	0	0	100,000	200,000
Flagstaff Symphony	--	--	16,085	--	--	--	200	0	4,020	20,305
Heard Museum	329,591	1,880	817	2,742	35,845	6,309	0	0	266,000	643,184
Museum of Northern Arizona	--	15,000	--	--	1,165,645	--	0	100	0	1,180,745
Orpheus Male Chorus of Phx	--	--	--	--	--	33,674	39,806	16,450	70,000	159,930
Phippen Museum	--	--	--	--	420,000	--	0	0	0	420,000
Phoenix Art Museum	549,000	1,116,635	718,230	559,912	122,244	416,000	35,000	1,379,524	4,209,945	9,106,490
Phoenix Boys Choir	--	--	818,673	--	143,057	184,067	86,094	0	9,462	1,241,353
Phoenix Symphony	30,000	--	3,125,000	1,311,680	3,363,968	418,890	2,413,395	66,707	148,122	10,877,762
Scottsdale Cultural Council	275,651	375,390	1,008,277	1,661,490	1,111,585	3,005	0	0	5,000	4,440,398
Sierra Vista Symphony Assc.	--	--	--	--	--	9,817	0	80,775	550	91,142
Tucson Arizona Boys Chorus									50,000	50,000
Tucson Museum of Art	5,500	33,131	42,109	27,910	32,298	19,139	34,684	5,000	36,840	236,611
Tucson Symphony	23,455	316,380	41,500	223,500	95,027	228,282	90,296	170,652	156,755	1,345,847
<b>Subtotal:</b>	<b>1,274,839</b>	<b>1,915,623</b>	<b>5,796,041</b>	<b>3,792,304</b>	<b>6,559,045</b>	<b>1,551,053</b>	<b>2,699,474</b>	<b>1,719,208</b>	<b>5,056,694</b>	<b>30,364,282</b>
<b>Community Foundations</b>	<b>1996*</b>	<b>1997</b>	<b>1998*</b>	<b>1999*</b>	<b>2000</b>	<b>2001*</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
Arizona Community Foundation	407,846	957,622	3,592	95,045	--	492,951		100,000	0	2,057,056
Community Foundation for Southern Arizona	--	100,000	--	--	--	--	29,000	0	9,888	138,888
<b>Subtotal:</b>	<b>407,846</b>	<b>1,057,622</b>	<b>3,592</b>	<b>95,045</b>	<b>0</b>	<b>492,951</b>	<b>29,000</b>	<b>100,000</b>	<b>9,888</b>	<b>2,195,944</b>
<b>Arizona ArtShare (designated)</b>		<b>76,481</b>	<b>545,336</b>	<b>475,921</b>	<b>69,266</b>	<b>(24,446)</b>	<b>(44,518)</b>	<b>190,968</b>	<b>162,130</b>	<b>1,451,185</b>
<b>TOTALS:</b>	<b>1,682,685</b>	<b>3,049,726</b>	<b>6,344,969</b>	<b>4,363,270</b>	<b>6,628,311</b>	<b>2,019,558</b>	<b>2,683,956</b>	<b>1,910,176</b>	<b>5,228,712</b>	<b>34,011,411</b>

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

\*1998 Atlatl

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

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

\*\*Investment losses

Through December 31, 2004

08/10/05