

House Engrossed Senate Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

CHAPTER 275

# SENATE BILL 1402

AN ACT

MAKING APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; AMENDING LAWS 2003, CHAPTER 262, SECTIONS 3, 11, 13, 14, 17, 58, 59, 63, 65, 70, 71 AND 75; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Subject to applicable laws, the sums or sources of revenue  
 3 set forth in this act are appropriated for the fiscal years indicated and  
 4 from the funding sources listed for the purposes and objects specified and  
 5 the performance measures are indicated as legislative intent.

6 Sec. 2. DEPARTMENT OF ADMINISTRATION

7		<u>2004-05</u>
8	<u>State general fund</u>	
9	FTE positions	303.5
10	Operating lump sum appropriation	\$ 17,386,900
11	ENSCO	5,310,300
12	Arizona financial information	
13	system	<u>927,500</u>
14	Total - general fund	\$ 23,624,700

15 The department may collect an amount of not to exceed \$1,762,600 from  
 16 other funding sources, excluding federal funds, to recover pro rata costs of  
 17 operating AFIS II. Any amounts left unspent from the Arizona financial  
 18 information system special line item shall revert to the state general fund.

19 Air quality fund

20	Lump sum appropriation	\$ 574,100
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21 The amounts appropriated for the state employee transportation service  
 22 subsidy shall be used for up to a one hundred per cent subsidy of charges  
 23 payable for transportation service expenses as provided in section 41-786,  
 24 Arizona Revised Statutes, of nonuniversity state employees in a vehicle  
 25 emissions control area as defined in section 49-541, Arizona Revised  
 26 Statutes, of a county with a population of more than four hundred thousand  
 27 persons.

28 Capital outlay stabilization fund

29	FTE positions	56.7
30	Operating lump sum appropriation	\$ 5,031,900
31	Utilities	5,733,800
32	Relocation	<u>60,000</u>
33	Total - capital outlay stabilization	
34	fund	\$ 10,825,700

35 Monies in the relocation special line item are exempt from the  
 36 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing  
 37 of appropriations until December 31, 2005.

38 Corrections fund

39	FTE positions	9.3
40	Lump sum appropriation	\$ 630,000

41 It is the intent of the legislature that the amount appropriated from  
 42 the corrections fund be expended solely for the oversight of construction  
 43 projects benefiting the state department of corrections or the department of  
 44 juvenile corrections.



1	<u>State surplus materials revolving</u>	
2	<u>fund</u>	
3	FTE positions	16.0
4	Operating lump sum appropriation	\$ 1,065,500
5	State surplus property sales	
6	proceeds	<u>3,000,000</u>
7	Total - state surplus materials	
8	revolving fund	\$ 4,065,500

9 All state surplus property sales proceeds received by the department  
 10 in excess of \$3,000,000 are appropriated. Before the expenditure of any  
 11 state surplus property sales proceeds in excess of \$3,000,000, the department  
 12 shall report the intended use of the monies to the joint legislative budget  
 13 committee.

14	<u>Federal surplus materials revolving</u>	
15	<u>fund</u>	
16	FTE positions	7.0
17	Lump sum appropriation	\$ <u>352,100</u>
18	Total appropriation - department of	
19	administration	\$199,144,300
20	Fund sources:	
21	State general fund	\$ 23,624,700
22	Other appropriated funds	175,519,600

23	Performance measures:	
24	Per cent of ADOA services receiving a good	
25	(6) or better rating from customers,	
26	based on annual survey (Scale 1-8)	70
27	Customer satisfaction with ADOA's	
28	facilitation of the flow of	
29	information from the agency, the	
30	public, community organizations and	
31	other governmental agencies (Scale 1-8)	6.3
32	Per cent of agency staff turnover	8.5
33	Administration as a per cent of total cost	1.0
34	Average cycle time for requests for	
35	proposal (RFP) (in days)	55
36	Customer satisfaction with establishing	
37	contracts (Scale 1-8)	6.0
38	Customer satisfaction with administering	
39	contracts (Scale 1-8)	6.0
40	Customer satisfaction with purchasing goods	
41	and services - internal (Scale 1-8)	6.5
42	Customer satisfaction rating for the	
43	administration of the payroll process	
44	(Scale 1-8)	6.6

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1	Customer satisfaction rating for the	
2	operation of AFIS (Scale 1-8)	6.2
3	Customer satisfaction with agency relocation	
4	process (Scale 1-8)	6.5
5	Customer satisfaction with tenant	
6	improvement process (Scale 1-8)	6.5
7	Customer satisfaction rating for building	
8	maintenance (Scale 1-8)	6.5
9	Ratio of preventative maintenance work orders	
10	to total maintenance requests	1:2.8
11	Customer satisfaction with benefit plans	
12	(Scale 1-8)	6.1
13	Customer satisfaction with the open	
14	enrollment process (Scale 1-8)	7.2
15	Average number of days to issue list of	
16	job applicants from Resumix to inquiring	
17	agency	2.0
18	Customer satisfaction rating for mainframe	
19	services based on annual survey (Scale 1-8)	6.5
20	Customer satisfaction rating for information	
21	technology security services (Scale 1-8)	6.5
22	Customer satisfaction rating for finance	
23	and planning services (Scale 1-8)	7.5
24	Customer satisfaction rating for Arizona	
25	telecommunications system (ATS) (Scale 1-8)	7.1
26	Per cent of enterprise application work	
27	requests completed by estimated target date	95
28	Average capitol police response time to	
29	emergency calls (in minutes and seconds)	2:00
30	Customer satisfaction by agency with GRRC	
31	rule making assistance (Scale 1-8)	6.5
32	Agency sites that achieved their travel	
33	reduction goals	23
34	Per cent of downtime of fleet management	
35	vehicles in total fleet	3.0
36	Number of settlements and judgments greater	
37	than \$250,000	15
38	Number of liability claims opened	3,800
39	Workers' compensation incidence rates/100	
40	FTE positions	5.4
41	Per cent of workers' compensation claims	
42	reported within 48 hours	75

## 1 Sec. 3. OFFICE OF ADMINISTRATIVE HEARINGS

	<u>2004-05</u>
2	
3 FTE positions	15.0
4 Lump sum appropriation	\$ 1,089,800
5 Fund sources:	
6 State general fund	\$ 1,075,900
7 AHCCCS donations fund	13,900
8 Performance measures:	
9 Number of hearings held	3,980
10 Average days from request for hearing to	
11 first date of hearing	51
12 Average days from the first scheduled	
13 hearing to its conclusion	9
14 Average days from the conclusion of the	
15 hearing to transmission of the decision	
16 to the agency	10
17 Evaluations rating the administrative law	
18 judge "excellent" or "good" in impartiality	98
19 Administration as a per cent of total cost	6.7

20 The office of administrative hearings shall enter into interagency  
 21 service agreements to provide services pursuant to title 41, chapter 6,  
 22 article 10, Arizona Revised Statutes.

## 23 Sec. 4. DEPARTMENT OF AGRICULTURE

	<u>2004-05</u>
24	
25 FTE positions	252.2
26 Operating lump sum appropriation	\$ 12,883,300
27 Agricultural employment relations	
28 board	23,300
29 Animal damage control	65,000
30 Red imported fire ant	<u>23,200</u>
31 Total appropriation - department of	
32 agriculture	\$ 12,994,800
33 Fund sources:	
34 State general fund	\$ 9,972,100
35 Aquaculture fund	9,200
36 Arizona protected native plant fund	249,600
37 Citrus, fruit and vegetable	
38 revolving fund	1,008,000
39 Commercial feed fund	405,400
40 Agricultural consulting and	
41 training fund	63,700
42 Dangerous plants, pests and	
43 diseases fund	21,400
44 Egg inspection fund	637,400
45 Fertilizer materials fund	257,700

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1	Livestock custody fund	79,400
2	Pesticide fund	240,000
3	Seed law fund	50,900
4	Performance measures:	
5	Per cent of industry stakeholders rating	
6	the department's quality of communication	
7	excellent or good	95
8	Per cent of meat and poultry product tests	
9	in compliance with bacteria, drug and	
10	chemical residue requirements	100
11	Per cent of inspected trucks rejected at	
12	all ports	12.0
13	Per cent of inspections within the state	
14	interior resulting in pest interceptions	32.0
15	Overall customer satisfaction rating for	
16	laboratory services (per cent)	98
17	Per cent of agency staff turnover	10.5
18	Administration as a per cent of total cost	8.0
19	Sec. 5. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
20		<u>2004-05</u>
21	<u>Administration</u>	
22	FTE positions	3,087.8
23	Operating lump sum appropriation	\$ 60,865,600
24	DOA data center charges	5,717,500
25	Indian advisory council	200,100
26	DES eligibility	44,249,600
27	DES title XIX pass-through	310,900
28	Healthcare group administration	
29	and reinsurance	6,272,700
30	Office of administrative hearings	191,900
31	Kidscare - administration	8,064,200
32	Proposition 204 - AHCCCS	
33	administration	<u>9,651,300</u>
34	Proposition 204 - pass through	
35	administration	<u>31,894,400</u>
36	Total appropriation and expenditure	
37	authority - administration	\$ 167,418,200
38	Fund sources:	
39	State general fund	\$ 71,611,900
40	Children's health insurance	
41	program fund	6,221,300

1	Budget neutrality compliance	
2	fund	5,566,700
3	Donations fund	2,272,700
4	Expenditure authority	81,745,600
5	Performance measures:	
6	Cost avoidance from fraud and abuse	
7	prevention program	\$ 10,000,000
8	Per cent of enrollees filing a grievance	0.2
9	Per cent of eligibility accuracy as	
10	measured by quality control sample	97
11	Per cent of AHCCCS employee turnover	13.0
12	Administration as a per cent of total cost	1.7
13	Customer satisfaction rating for eligibility	
14	determination clients (Scale 1-8)	6.0

15 If S.B. 1166, forty-sixth legislature, second regular session, or  
 16 similar legislation appropriating monies for the fiscal year 2004-2005  
 17 administrative costs of the healthcare group program is enacted, AHCCCS shall  
 18 not spend the \$2,272,700 appropriation from the donations fund and these  
 19 monies shall instead revert to the donations fund.

20 It is the intent of the legislature that the appropriation for the  
 21 department of administration data center charges be used only for the payment  
 22 of charges incurred by the department for the use of computing services  
 23 provided by the department of administration data center.

24 The amounts appropriated for the department of economic security  
 25 eligibility special line item shall be used for intergovernmental agreements  
 26 with the department of economic security for the purpose of eligibility  
 27 determination and other functions. The general fund share may be used for  
 28 eligibility determination for other programs administered by the division of  
 29 benefits and medical eligibility based on the results of the Arizona random  
 30 moment sampling survey.

31 The Arizona health care cost containment system administration shall  
 32 report to the joint legislative budget committee by January 1 of each year  
 33 on the agency's use of the cost savings that results from entering into an  
 34 agreement with another state as outlined in Laws 1999, chapter 313, section  
 35 27. The report shall also include detail on the source of all revenues and  
 36 expenditure of monies from the intergovernmental service fund.

37 The Arizona health care cost containment system shall report by  
 38 September 30 of each year to the joint legislative budget committee on the  
 39 services that receive reimbursement from the federal government under the  
 40 medicaid in public school initiative. The report shall include information  
 41 on the type of services, how those services meet the definition of medical  
 42 necessity and the total amount of federal dollars that the schools have  
 43 received under the medicaid in public school initiative.

1	<u>Acute care</u>	
2	Capitation	\$1,540,768,200
3	Fee-for-service	389,422,300
4	Medicare premiums	53,267,200
5	Graduate medical education	21,147,500
6	Disproportionate share payments	141,797,400
7	Critical access hospitals	1,700,000
8	Breast and cervical cancer	424,500
9	Ticket to work	3,927,800
10	Proposition 204 - capitation	900,606,100
11	Proposition 204 - fee-for-service	148,924,300
12	Proposition 204 - medicare	
13	premiums	13,133,700
14	Proposition 204 - county hold	
15	harmless	4,825,600
16	Kids care - children	69,291,700
17	Kids care - parents	<u>30,026,700</u>
18	Total appropriation and expenditure	
19	authority - acute care	\$3,319,263,000
20	Fund sources:	
21	State general fund	\$ 715,228,000
22	Children's health insurance	
23	program fund	76,545,600
24	Tobacco tax and health care	
25	fund - medically needy	
26	account	78,532,600
27	Tobacco products tax fund -	
28	emergency health services	
29	account	25,829,500
30	Expenditure authority	2,423,127,300
31	Performance measures:	
32	Per cent of two year old children enrolled	
33	in AHCCCS who have received age	
34	appropriate immunizations	83
35	Per cent of well child visits in the first	
36	15 months of life (EPSDT)	70
37	Per cent of children's access to primary	
38	care provider	80
39	Per cent of women receiving annual cervical	
40	screening	53
41	Member satisfaction as measured by	
42	percentage of enrollees that choose	
43	to change health plans	3.5

1 Before making fee-for-service program or rate changes that pertain to  
2 hospital, nursing facility or home and community based services rates or for  
3 any of the other fee-for-service rate categories that have increases that,  
4 in the aggregate, are two per cent above and \$1,500,000 from the state  
5 general fund greater than budgeted medical inflation in fiscal year  
6 2004-2005, the Arizona health care cost containment system administration  
7 shall report its expenditure plan to the joint legislative budget committee  
8 for review.

9 Before implementation of any changes in capitation rates, the Arizona  
10 health care cost containment system administration shall report its  
11 expenditure plan to the joint legislative budget committee for  
12 review. Unless required for compliance with federal law, before the  
13 administration implements any changes in policy affecting the amount,  
14 sufficiency, duration and scope of health care services and who may provide  
15 services, the administration shall prepare a fiscal impact analysis on the  
16 potential effects of this change on the following year's capitation rates.  
17 If the fiscal analysis demonstrates that these changes will result in  
18 additional state costs of \$500,000 or greater for a given fiscal year, the  
19 administration shall submit the policy changes to the joint legislative  
20 budget committee for review. The administration shall also report quarterly  
21 to the joint legislative budget committee itemizing all policy changes with  
22 fiscal impacts of less than \$500,000 in state costs.

23 The fiscal year 2004-2005 disproportionate share payment of  
24 \$141,797,400 is based on the federal fiscal year 2004-2005 authorized  
25 expenditure level of \$95,369,400. If the final federal expenditure  
26 authorization is an amount different from the estimate, the governor shall  
27 direct the Arizona health care cost containment system administration,  
28 subject to the availability of monies and subject to review of the joint  
29 legislative budget committee, to proportionately adjust authorization amounts  
30 among the identified recipients of the disproportionate share hospital  
31 payment. Before the final payment, the governor shall provide notification  
32 to the president of the senate, the speaker of the house of representatives,  
33 the chairmen of the house and senate appropriations committees and the staff  
34 director of the joint legislative budget committee of the adjusted federal  
35 authorized expenditure level and the proposed distribution plan for these  
36 monies.

37 The appropriation for disproportionate share payments for fiscal year  
38 2004-2005 made pursuant to section 36-2903.01, subsection P, Arizona Revised  
39 Statutes, includes \$87,174,800 for qualifying county operated hospitals,  
40 \$26,147,700 for private qualifying disproportionate share hospitals and  
41 \$28,474,900 for deposit in the Arizona state hospital fund.

1 Of the \$4,825,600 appropriated for the proposition 204 county hold  
 2 harmless line, \$234,200 is allocated to Graham county, \$234,400 to Greenlee  
 3 county, \$159,700 to La Paz county, \$3,817,800 to Pima county, \$214,800 to  
 4 Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in  
 5 revenue due to the implementation of proposition 204, and shall be used for  
 6 indigent health care costs.

7 Long-term care

8	Program lump sum appropriation	\$893,106,500
9	Board of nursing	<u>209,700</u>
10	Total appropriation and expenditure	
11	authority - long-term care	\$893,316,200
12	Fund sources:	
13	State general fund	\$ 71,614,900
14	County contribution fund	7,446,500
15	Expenditure authority	814,254,800
16	Performance measures:	
17	Per cent of diabetic members who receive	
18	a hemoglobin A1C test annually	50
19	Per cent of members utilizing home and	
20	community based services (HCBS)	54
21	Per cent of ALTCS applications processed on	
22	time (within 45 days)	94
23	Per cent of financial redeterminations	
24	processed on time (within 12 months)	96

25 Any federal funds that the Arizona health care cost containment system  
 26 administration passes through to the department of economic security for use  
 27 in long-term administration care for the developmentally disabled shall not  
 28 count against the long-term care expenditure authority above.

29 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the  
 30 county portion of the fiscal year 2004-2005 nonfederal portion of the costs  
 31 of providing long-term care system services is \$206,380,500. This amount is  
 32 included in the expenditure authority fund source.

33 Before making fee-for-service program or rate changes that pertain to  
 34 hospital, nursing facility or home and community based services rates or for  
 35 any of the other fee-for-service rate categories that have increases that,  
 36 in the aggregate, are two per cent above and \$1,500,000 from the state  
 37 general fund greater than budgeted medical inflation in fiscal year  
 38 2004-2005, the Arizona health care cost containment system administration  
 39 shall report its expenditure plan to the joint legislative budget committee  
 40 for review.

1 Before implementation of any changes in capitation rates, the Arizona  
 2 health care cost containment system administration shall report its  
 3 expenditure plan to the joint legislative budget committee for  
 4 review. Unless required for compliance with federal law, before the  
 5 administration implements any changes in policy affecting the amount,  
 6 sufficiency, duration and scope of health care services and who may provide  
 7 services, the administration shall prepare a fiscal impact analysis on the  
 8 potential effects of this change on the following year's capitation rates.  
 9 If the fiscal analysis demonstrates that these changes will result in  
 10 additional state costs of \$500,000 or greater for a given fiscal year, the  
 11 administration shall submit the policy changes to the joint legislative  
 12 budget committee for review. The administration shall also report quarterly  
 13 to the joint legislative budget committee itemizing all policy changes with  
 14 fiscal impacts of less than \$500,000 in state costs.

15	Total appropriation and expenditure	
16	authority - Arizona health care	
17	cost containment system	\$4,379,997,400
18	Appropriated fund sources:	
19	State general fund	\$ 858,454,800
20	Children's health insurance	
21	program fund	82,766,900
22	Budget neutrality compliance fund	5,566,700
23	Donations fund	2,272,700
24	Tobacco tax and health care	
25	fund - medically needy account	78,532,600
26	Tobacco products tax fund -	
27	emergency health services	
28	account	25,829,500
29	County contribution fund	<u>7,446,500</u>
30	Expenditure authority	\$3,319,127,700
31	Performance measures:	
32	Per cent of people under age 65 that	
33	are uninsured	24
34	Per cent of children (under 18 years)	
35	that are uninsured	22
36	Sec. 6. ARIZONA COMMISSION ON THE ARTS	
37		<u>2004-05</u>
38	FTE positions	11.5
39	Operating lump sum appropriation	\$ 536,900
40	Community service projects	1,263,100
41	Arts endowment fund	<u>2,000,000</u>
42	Total appropriation - Arizona commission	
43	on the arts	\$ 3,800,000

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1	Fund sources:	
2	State general fund	\$ 3,800,000
3	Performance measures:	
4	Audiences reached by programs sponsored	
5	by agency	8,500,000
6	Number of grants awarded	560
7	Cumulative private funds raised to match	
8	state arts endowment fund	\$ 26,700,000
9	Customer satisfaction rating (Scale 1-8)	7.5
10	Administration as a per cent of total cost	2.2
11	Sec. 7. ATTORNEY GENERAL - DEPARTMENT OF LAW	
12		<u>2004-05</u>
13	FTE positions	665.5
14	Operating lump sum appropriation	\$ 47,573,800
15	State grand jury	160,100
16	Victims' rights	<u>3,185,000</u>
17	Total appropriation - attorney general -	
18	department of law	\$ 50,918,900
19	Fund sources:	
20	State general fund	\$ 22,859,600
21	Antitrust enforcement revolving	
22	fund	170,500
23	Collection enforcement revolving	
24	fund	3,969,200
25	Consumer fraud revolving fund	2,855,500
26	Interagency service agreements	
27	fund	17,879,100
28	Victims' rights fund	3,185,000
29	Performance measures:	
30	Solicitor general - number of days to respond	
31	to a request for a legal opinion	60
32	Civil rights - per cent of cases resolved	
33	using voluntary settlement agreements	13.5
34	Per cent of death penalty and/or sentences	
35	affirmed by the Arizona supreme court	75
36	Per cent of agency staff turnover	14
37	Administrative cost as per cent of total cost	6.6
38	Customer satisfaction rating for client	
39	agencies (Scale 1-8)	7.1

40 The \$160,100 appropriated for state grand jury expenses is for costs  
41 incurred pursuant to section 21-428, subsection C, Arizona Revised Statutes.  
42 It is the intent of the legislature that state grand jury expenses be limited  
43 to the amount appropriated and that a supplemental appropriation will not be  
44 provided.

1 The attorney general shall notify the president of the senate, the  
 2 speaker of the house of representatives and the joint legislative budget  
 3 committee before entering into a settlement of \$100,000 or more that will  
 4 result in the receipt of monies by the attorney general or any other person.  
 5 The attorney general shall not allocate or expend these monies until the  
 6 joint legislative budget committee reviews the allocations or expenditures.  
 7 Settlements that pursuant to statute must be deposited in the state general  
 8 fund need not be reviewed by the joint legislative budget committee. This  
 9 paragraph does not apply to actions under title 13, Arizona Revised Statutes,  
 10 or other criminal matters.

11 In addition to \$17,879,100 appropriated from the interagency service  
 12 agreements fund, an additional \$800,000 and 11 FTE positions are appropriated  
 13 from the interagency service agreements fund for new or expanded interagency  
 14 service agreements. The attorney general shall report to the joint  
 15 legislative budget committee whenever an interagency service agreement is  
 16 established that will require expenditures from the additional amount. The  
 17 report shall include the name of the agency or entity with which the  
 18 agreement is made, the dollar amount of the contract by fiscal year and the  
 19 number of associated FTE positions.

20 All revenues received by the antitrust enforcement revolving fund in  
 21 excess of \$170,500 are appropriated. Expenditures from the fund may not  
 22 exceed \$750,000 in fiscal year 2004-2005. Before the expenditure of any  
 23 antitrust enforcement revolving fund receipts in excess of \$170,500 in fiscal  
 24 year 2004-2005, the attorney general shall submit the intended uses of the  
 25 monies for review by the joint legislative budget committee.

26 Sec. 8. BANKING DEPARTMENT

	<u>2004-05</u>
27	
28 FTE positions	48.1
29 Lump sum appropriation	\$ 2,812,400
30 Fund sources:	
31 State general fund	\$ 2,812,400
32 Performance measures:	
33 Per cent of examinations reports mailed	
34 within 25 days of examiner's completion	
35 of exam procedures	92.4
36 Per cent of license applications approved	
37 within 45 days of receipt	91.2
38 Per cent of examinations receiving	
39 satisfactory rating	91.0
40 Average days from receipt to resolution	
41 of regular complaints	23.0
42 Per cent of complainants indicating they	
43 received "good" or better service when	
44 filing a complaint	75.0
45 Administration as a per cent of total cost	10.9

1 The banking department shall assess and set fees to ensure that monies  
 2 deposited in the state general fund will equal or exceed its expenditure from  
 3 the state general fund.

4 The state banking department shall report to the joint legislative  
 5 budget committee by March 1, 2005 comparing revenues generated in fiscal year  
 6 2004-2005 through February 1, 2005 with the comparable period in fiscal year  
 7 2003-2004. The report shall indicate how much of the department's additional  
 8 collections were specifically generated by the newly filled positions.

9 Sec. 9. DEPARTMENT OF BUILDING AND FIRE SAFETY

	<u>2004-05</u>
10	
11	FTE positions 52.0
12	Lump sum appropriation \$ 3,190,600
13	Fund sources:
14	State general fund \$ 3,190,600
15	Performance measures:
16	Per cent of manufactured homes complaints
17	closed vs. complaints filed 94
18	Area fire training sessions held 75
19	Administration as a per cent of total cost 9.5
20	Customer satisfaction rating (Scale 1-5) 4.7

21 Sec. 10. DEPARTMENT OF COMMERCE

	<u>2004-05</u>
22	
23	FTE positions 86.9
24	Operating lump sum appropriation \$ 3,520,700
25	International trade offices 1,301,000
26	Minority and women owned business 104,500
27	Small business advocate 103,700
28	Economic Development matching funds 104,000
29	Main street 130,000
30	REDI matching grants 45,000
31	Rural economic development 295,400
32	Advertising and promotion 659,200
33	Motion picture development 291,100
34	CEDC commission 248,200
35	National law center/free trade 200,000
36	Apprenticeship services 156,000
37	Oil overcharge administration <u>156,400</u>
38	Total appropriation - department of
39	commerce \$ 7,315,200
40	Fund sources:
41	State general fund \$ 3,864,000
42	Bond fund 120,200
43	CEDC fund 2,926,400
44	Oil overcharge fund 156,400
45	State lottery fund 248,200

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1	Performance measures:	
2	Number of jobs created	12,000
3	Number of workers trained	10,000
4	Number of new company locations or	
5	expansions	64
6	Average wage rate of new jobs created	\$19.50
7	Administration as a per cent of total cost	4.3
8	Customer satisfaction rating for economic	
9	development program	6.0

10 Of the \$2,926,400 appropriated from the CEDC fund, \$250,000 shall be  
 11 utilized for implementation of cross-industry business/infrastructure  
 12 development projects and related project coordination in support of regional  
 13 technology councils and high technology clusters operating in Arizona.

14 Sec. 11. ARIZONA COMMUNITY COLLEGES

15		<u>2004-05</u>
16	<u>Equalization aid</u>	
17	Cochise	\$ 3,151,300
18	Graham	9,588,000
19	Navajo	2,134,800
20	Yuma/La Paz	<u>606,000</u>
21	Total - equalization aid	\$ 15,480,100
22	<u>Operating state aid</u>	
23	Cochise	\$ 6,232,700
24	Coconino	3,025,000
25	Graham	5,252,400
26	Maricopa	51,290,500
27	Mohave	3,710,000
28	Navajo	4,412,300
29	Pima	19,593,500
30	Pinal	5,659,100
31	Yavapai	4,724,500
32	Yuma/La Paz	<u>5,447,800</u>
33	Total - operating state aid	\$109,347,800
34	<u>Capital outlay state aid</u>	
35	Cochise	\$ 912,200
36	Coconino	355,700
37	Graham	509,500
38	Maricopa	10,372,200
39	Mohave	492,000
40	Navajo	586,300
41	Pima	3,297,800
42	Pinal	711,100
43	Yavapai	683,800
44	Yuma/La Paz	<u>866,500</u>
45	Total - capital outlay state aid	\$ 18,787,100

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1	<u>Provisional community colleges</u>	
2	Gila	\$ 325,000
3	Total - provisional community colleges	\$ 325,000
4	Total appropriation - Arizona community	
5	colleges	\$143,940,000
6	Fund sources:	
7	State general fund	\$143,940,000
8	Performance measures:	
9	Per cent of upper-division students at	
10	universities who transfer from an Arizona	
11	community college with 12 or more credits	48
12	Per cent of students who transfer to Arizona	
13	public universities without loss of credits	96
14	Number of applied baccalaureate programs	
15	collaboratively developed with universities	8
16	Per cent of community college campuses that	
17	offer 2-way interactive TV courses	100
18	Sec. 12. CORPORATION COMMISSION	
19		<u>2004-05</u>
20	FTE positions	302.8
21	Operating lump sum appropriation	\$ 22,181,400
22	Utilities, audits, studies,	
23	investigations and hearings	<u>380,000*</u>
24	Total appropriation - corporation commission	\$ 22,561,400
25	Fund sources:	
26	State general fund	\$ 4,795,300
27	Arizona arts trust fund	38,800
28	Pipeline safety revolving fund	62,600
29	Investment management regulatory	
30	and enforcement fund	770,800
31	Public access fund	2,034,500
32	Securities regulatory and	
33	enforcement fund	3,424,000
34	Utility regulation revolving fund	11,435,400
35	Performance measures:	
36	Average turnaround time in weeks for processing	
37	of regular corporate filings	7.0
38	Average turnaround time in days for processing	
39	of expedited corporate filings	2.0
40	Average time in days to complete a utility	
41	rate case	200
42	Number of months required to review complaints	
43	received by securities division	1.5

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1	Per cent of agency staff turnover	13
2	Administration as a per cent of total cost	11.3
3	Customer satisfaction rating for corporations	
4	program (Scale 1-8)	7.4
5	Sec. 13. DEPARTMENT OF CORRECTIONS	
6		<u>2004-05</u>
7	FTE positions	10,322.4
8	Lump sum appropriation	\$651,856,700
9	Fund sources:	
10	State general fund	\$609,535,700
11	Corrections fund	28,644,700
12	Penitentiary land fund	869,200
13	State charitable, penal and	
14	reformatory institutions	
15	land fund	570,000
16	State education fund for	
17	correctional education	1,537,800
18	Alcohol abuse treatment fund	449,300
19	Prison construction and operations	
20	fund	10,250,000
21	Performance measures:	
22	Average yearly cost per inmate	\$ 20,100
23	Escapes from secure facilities	0
24	Number of inmates receiving GED	1,179
25	Number of inmate random positive	
26	urinalysis results	1,000
27	Per cent of agency staff turnover	14.6
28	Administration as a per cent of total cost	4.5
29	Customer satisfaction rating for employee	
30	satisfaction (Scale 1-8)	6.5

31 Twenty-five per cent of land earnings and interest from the state  
32 charitable, penal and reformatory institutions land fund shall be distributed  
33 to the state department of corrections in compliance with section 25 of the  
34 enabling act and the constitution to be used for the support of state penal  
35 institutions.

36 One hundred per cent of land earnings and interest from the  
37 penitentiary land fund shall be distributed to the department of corrections  
38 in compliance with section 25 of the enabling act and the constitution to be  
39 used for the support of state penal institutions.

40 Before the expenditure of any state education fund for correctional  
41 education receipts in excess of \$1,537,800, the department of corrections  
42 shall report the intended use of the monies to the director of the joint  
43 legislative budget committee.

1 Before altering its bed capacity by closing state-operated prison beds,  
 2 canceling or not renewing contracts for privately-operated prison beds, the  
 3 department of corrections shall submit a bed plan detailing the proposed bed  
 4 closures for approval by the joint legislative budget committee.

5 The Arizona department of corrections shall continue to proceed with  
 6 privatization of a prison for the female inmate population. The female  
 7 inmates would be relocated to a privately-operated facility during fiscal  
 8 year 2005-2006.

9 Sec. 14. ARIZONA CRIMINAL JUSTICE COMMISSION

	<u>2004-05</u>
10 FTE positions	7.0
11 Operating lump sum appropriation	\$ 1,531,200
12 Rural state aid to county attorneys	157,700
13 Rural state aid to indigent defense	150,100
14 State aid to county attorneys	706,500
15 State aid to indigent defense	670,800
16 Victim compensation and assistance	<u>3,900,000</u>
17 Total appropriation - Arizona criminal	
18 justice commission	\$ 7,116,300
19 Fund sources:	
20 State general fund	\$ 1,302,000
21 Criminal justice enhancement fund	537,000
22 Victim compensation and assistance	
23 fund	3,900,000
24 State aid to county attorneys fund	706,500
25 State aid to indigent defense fund	670,800
26 Performance measures:	
27 Per cent of crime victim program audits	
28 reflecting no deficiencies	100
29 Drug and violent crime arrests made by	
30 grant-funded task forces	3,886
31 Administration as a per cent of total cost	7.3
32 Customer satisfaction rating (Scale 1-10)	9.1

33 All victim compensation and victim assistance receipts received by the  
 34 Arizona criminal justice commission in excess of \$3,900,000 in fiscal year  
 35 2004-2005 are appropriated to the crime victims program. Before the  
 36 expenditure of any victim compensation and victim assistance receipts in  
 37 excess of \$3,900,000 in fiscal year 2004-2005, the Arizona criminal justice  
 38 commission shall submit the intended use of the monies for review by the  
 39 joint legislative budget committee.  
 40

1 Notwithstanding any other law, the amount appropriated for rural state  
 2 aid to county attorneys and rural state aid to indigent defense shall be  
 3 allocated to counties with populations of less than five hundred thousand  
 4 persons.

5 Sec. 15. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

6 2004-05

7 Phoenix day school for the deaf

8 FTE positions 175.2

9 Lump sum appropriation \$ 7,061,100

10 Fund sources:

11 State general fund \$ 1,732,600

12 Arizona schools for the deaf  
 13 and the blind fund 5,070,200

14 Telecommunications excise tax fund 258,300

15 Tucson campus

16 FTE positions 303.9

17 Lump sum appropriation \$ 14,242,200

18 Fund sources:

19 State general fund \$ 7,322,400

20 Arizona schools for the deaf  
 21 and the blind fund 5,888,300

22 Telecommunications excise tax fund 1,031,500

23 Administration/statewide programs

24 FTE positions 129.3

25 Lump sum appropriation \$ 7,080,600

26 Fund sources:

27 State general fund \$ 4,780,800

28 Arizona schools for the deaf  
 29 and the blind fund 1,634,200

30 Telecommunications excise tax  
 31 fund 665,600

32 Voucher fund adjustment

33 Lump sum appropriation \$ 511,500

34 Fund sources:

35 Arizona schools for the deaf and  
 36 the blind fund \$ 511,500

37 Total appropriation - Arizona state schools  
 38 for the deaf and the blind \$ 28,895,400

39 Fund sources:

40 State general fund \$ 13,835,800

41 Arizona schools for the deaf  
 42 and the blind fund 13,104,200

43 Telecommunications excise tax fund 1,955,400

1 Performance measures:

2	Per cent of parents rating overall quality of	
3	services as "good" or "excellent" based	
4	on annual survey	94
5	Per cent of certified positions filled	95
6	Per cent of agency staff turnover	15
7	Per cent of students demonstrating gains	
8	on the AIMS-A test	80
9	Per cent of students demonstrating gains	
10	on the norm-referenced test (grades 2 and 9)	80
11	Administration as a per cent of total cost	7.9

12 Before the expenditure of any Arizona schools for the deaf and the  
 13 blind fund monies in excess of \$12,592,700 in fiscal year 2004-2005, the  
 14 joint legislative budget committee shall review the intended use of the  
 15 funds.

16 All endowment earnings above \$162,900 in fiscal year 2004-2005 that are  
 17 received by the Arizona state schools for the deaf and the blind and  
 18 deposited into the Arizona schools for the deaf and the blind fund are  
 19 appropriated for operating expenditures.

20 Sec. 16. DENTAL EXAMINERS BOARD

21		<u>2004-05</u>
22	FTE positions	10.0
23	Lump sum appropriation	\$ 907,700
24	Fund sources:	
25	Board of dental examiners fund	\$ 907,700
26	Performance measures:	
27	Average calendar days to resolve a complaint	150
28	Number of investigations of licensees	500
29	Average calendar days to renew a license	
30	(from receipt of application to issuance)	10
31	Administration as a per cent of total cost	5.2
32	Customer satisfaction rating (Scale 1-5)	4.1

33 Sec. 17. DEPARTMENT OF ECONOMIC SECURITY

34		<u>2004-05</u>
35	<u>Administration</u>	
36	FTE positions	307.2
37	Operating lump sum appropriation	\$ 33,601,900
38	Finger imaging	778,100
39	Lease purchase equipment	2,247,700
40	Public assistance collections	407,900
41	Attorney general legal services	550,400
42	Triagency disaster recovery	742,300
43	Information and referral	<u>115,400</u>
44	Total - administration	\$ 38,443,700

1	Fund sources:	
2	State general fund	\$ 28,972,700
3	Risk management fund	742,300
4	Federal child care and development	
5	fund block grant	1,062,700
6	Federal temporary assistance for	
7	needy families block grant	5,587,800
8	Public assistance collections fund	446,800
9	Special administration fund	544,500
10	Spinal and head injuries trust fund	86,900
11	Statewide cost allocation plan fund	1,000,000

12	Performance measures:	
13	Customer satisfaction ratings based on	
14	annual survey (Scale 1-5)	
15	Office of personnel management	3.75
16	Office of management development	4.6
17	Office of appellate services administration	4.3
18	Office of technology services	4.4
19	Per cent of information technology service	
20	help calls requests resolved in 1 day	83.5
21	Cost per dollar to recover overpayments	.10
22	Per cent of agency staff turnover	15.2
23	Administration as a per cent of total cost	8.0

24 In accordance with section 35-142.01, Arizona Revised Statutes, the  
 25 department of economic security shall remit to the department of  
 26 administration any monies received as reimbursement from the federal  
 27 government or any other source for the operation of the department of  
 28 economic security west building and any other building lease-purchased by the  
 29 State of Arizona in which the department of economic security occupies space.  
 30 The department of administration shall deposit these monies in the state  
 31 general fund.

32 In accordance with section 38-654, Arizona Revised Statutes, the  
 33 department of economic security shall transfer to the department of  
 34 administration for deposit in the special employee health insurance trust  
 35 fund any unexpended state general fund monies at the end of each fiscal year  
 36 appropriated for employer health insurance contributions.

37	<u>Developmental disabilities</u>	
38	FTE positions	327.5
39	Operating lump sum appropriation	\$ 3,587,800
40	Case management	3,793,100
41	Home and community based services	31,584,500
42	Institutional services	294,900
43	Arizona training program at Coolidge	5,281,700
44	State-funded long-term care services	<u>21,795,800</u>
45	Total - developmental disabilities	\$ 66,337,800

1	Fund sources:	
2	State general fund	\$ 42,097,000
3	Long-term care system fund	24,240,800
4	Performance measures:	
5	Per cent of consumer satisfaction with	
6	case management services	95
7	Cost per member year - Arizona training	
8	program - Coolidge	\$ 114,000
9	Average number of Arizona training program -	
10	Coolidge clients	145
11	It is the intent of the legislature that any available surplus monies	
12	for developmental disability programs be applied toward the waiting list,	
13	unless there are insufficient monies to annualize these costs in the	
14	subsequent year. The children's waiting list shall receive first priority.	
15	The amount appropriated for developmental disabilities shall be used to	
16	provide for services for non-title XIX eligible clients. The amount shall	
17	not be used for other purposes, unless a transfer of monies is reviewed by	
18	the joint legislative budget committee.	
19	The department of economic security shall report all new placements	
20	into a state-owned ICF-MR or the Arizona training program at Coolidge campus	
21	in fiscal year 2004-2005 to the president of the senate, the speaker of the	
22	house of representatives, the chairmen of the senate and house of	
23	representatives appropriations committees and the director of the joint	
24	legislative budget committee and the reason why this placement, rather than	
25	a placement into a privately run facility for the developmentally disabled,	
26	was deemed as the most appropriate placement. The department should also	
27	report if no new placements were made. This report shall be made available	
28	by July 15, 2005.	
29	<u>Long-term care system fund</u>	
30	FTE positions	1,445.4
31	Operating lump sum appropriation	\$ 26,960,300
32	Case management	28,134,600
33	Home and community based services	419,822,700
34	Institutional services	15,290,000
35	Medical services	82,630,900
36	Arizona training program at	
37	Coolidge	<u>11,252,900</u>
38	Total appropriation and expenditure	
39	authority - long-term care	
40	system fund	\$ 584,091,400

1	Fund sources:	
2	State general fund	\$ 190,370,100
3	Expenditure authority	393,721,300
4	Performance measures:	
5	Per cent of consumer satisfaction with	
6	case management services	95
7	Cost per member year at Arizona training	
8	program - Coolidge	\$ 114,000
9	Average number of Arizona training program -	
10	Coolidge clients	145

11 All monies in the long-term care system fund unexpended and  
 12 unencumbered at the end of fiscal year 2004-2005 revert to the state general  
 13 fund, subject to approval by the Arizona health care cost containment system.

14 The department shall report to the joint legislative budget committee  
 15 by March 31 of each year on preliminary actuarial estimates of the capitation  
 16 rate increases for the following fiscal year. Before implementation of any  
 17 changes in capitation rates for the long term care program, the department  
 18 of economic security shall report its expenditure plan to the joint  
 19 legislative budget committee for its review. Unless required for compliance  
 20 with federal law, before the department implements any changes in policy  
 21 affecting the amount, sufficiency, duration and scope of health care services  
 22 and who may provide services, the department shall prepare a fiscal impact  
 23 analysis on the potential effects of this change on the following year's  
 24 capitation rates. If the fiscal analysis demonstrates that these changes  
 25 will result in additional state costs of \$500,000 or greater for a given  
 26 fiscal year, the department shall submit the policy changes to the joint  
 27 legislative budget committee for review. The department shall also report  
 28 quarterly to the joint legislative budget committee itemizing all policy  
 29 changes with fiscal impacts of less than \$500,000 in state costs.

30	<u>Benefits and medical eligibility</u>	
31	FTE positions	584.9
32	Operating lump sum appropriation	\$ 30,947,100
33	Temporary assistance for needy	
34	families cash benefits	168,235,400
35	FLSA supplement	1,008,900
36	Tribal pass-through funding	4,288,700
37	General assistance	4,260,800
38	Tuberculosis control payments	<u>32,200</u>
39	Total - benefits and medical	
40	eligibility	\$208,773,100
41	Fund sources:	
42	State general fund	\$ 94,882,900
43	Federal temporary assistance for	
44	needy families block grant	113,890,200

1	Performance measures:	
2	Per cent of cash benefits issued timely	98.6
3	Per cent of total cash benefits payments	
4	issued accurately	95.0
5	Per cent of total food stamps payments	
6	issued accurately	95.0
7	Per cent of clients satisfied with family	
8	assistance administration	93.0
9	The operating lump sum appropriation may be expended on Arizona health	
10	care cost containment system eligibility determinations based on the results	
11	of the Arizona random moment sampling survey.	
12	Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,	
13	any transfer to or from the \$168,235,400 appropriated for temporary	
14	assistance for needy families cash benefits requires review by the joint	
15	legislative budget committee.	
16	Of the amount appropriated for temporary assistance for needy families	
17	cash benefits, \$500,000 reflects appropriation authority only to ensure	
18	sufficient cashflow to administer cash benefits for tribes operating their	
19	own welfare programs. The department shall notify the joint legislative	
20	budget committee and the governor's office of strategic planning and	
21	budgeting staff before the use of any of the \$500,000 appropriation	
22	authority.	
23	<u>Child support enforcement</u>	
24	FTE positions	839.8
25	Operating lump sum appropriation	\$ 34,710,000
26	Genetic testing	723,600
27	Central payment processing	3,275,700
28	County participation	6,845,200
29	Attorney general legal services	<u>6,869,700</u>
30	Total appropriation and expenditure	
31	authority - child support	
32	enforcement	\$ 52,424,200
33	Fund sources:	
34	State general fund	\$ 5,161,600
35	Child support enforcement	
36	administration fund	12,263,400
37	Expenditure authority	34,999,200
38	Performance measures:	
39	Total IV-D collections	\$260,000,000
40	Per cent of IV-D caseload with a IV-D	
41	collection	40.0
42	Ratio of current IV-D support collected	
43	and distributed to current IV-D support	
44	due	46.6

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1	Per cent of IV-D court ordered cases with a	
2	collection during the year	62.9
3	Per cent of IV-D children in the paternity	
4	function for whom paternity was established	
5	during the year	21.5
6	Per cent of cases in the establishment	
7	function for which orders were established	
8	during the year	25.9
9	All state share of retained earnings, fees and federal incentives above	
10	\$12,263,400 received by the division of child support enforcement are	
11	appropriated for operating expenditures. New full-time equivalent positions	
12	may be authorized with the increased funding. The division of child support	
13	enforcement shall report the intended use of the monies to the speaker of the	
14	house of representatives, the president of the senate, the chairmen of the	
15	senate and house appropriations committees and the directors of the joint	
16	legislative budget committee and the governor's office of strategic planning	
17	and budgeting.	
18	<u>Aging and community services</u>	
19	FTE positions	80.6
20	Operating lump sum appropriation	\$ 5,019,700
21	Adult services	11,339,800
22	Community and emergency services	5,924,900
23	Coordinated hunger	1,786,600
24	Coordinated homeless	2,804,900
25	Domestic violence prevention	<u>9,328,600</u>
26	Total - aging and community services	\$ 36,204,500
27	Fund sources:	
28	State general fund	\$ 21,096,000
29	Domestic violence shelter fund	1,700,000
30	Federal temporary assistance for	
31	needy families block grant	12,908,500
32	Utility assistance fund	500,000
33	Performance measures:	
34	Average per cent of survey respondents	
35	indicating provision of services avoided	
36	premature institutionalization	92
37	Adult protective services investigation	
38	per cent rate	80
39	Per cent of participants in older workers	
40	program transitioned from subsidized to	
41	unsubsidized positions	25
42	Per cent of eligibility determination made	
43	within 48 hours for refugee medical	
44	assistance program	100

1 Per cent of clients surveyed who were  
 2 accurately referred by the information  
 3 and referral program

96.0

4 All domestic violence shelter fund monies above \$1,700,000 received by  
 5 the department of economic security are appropriated for the domestic  
 6 violence prevention special line item. The department of economic security  
 7 shall report the intended use of the monies above \$1,700,000 to the joint  
 8 legislative budget committee.

9 It is the intent of the legislature that the department use at least  
 10 \$1,038,900 of federal temporary assistance for needy families block grant  
 11 monies in the appropriation for community and emergency services to ensure  
 12 that councils of governments and tribal governments receive at least the same  
 13 amount of federal social services block grant monies that those entities  
 14 received in fiscal year 2000-2001.

15 Children, youth and families

16	FTE positions	1,361.6
17	Operating lump sum appropriation	\$ 63,735,800
18	Adoption services	25,946,800
19	Children services	52,302,700
20	Children services/temporary	
21	assistance for needy families	
22	deposit to social services	
23	block grant	22,613,100
24	Intensive family services	1,985,600
25	Healthy families	13,750,000
26	Family builders program	5,200,000
27	Child protective services appeals	623,400
28	Child abuse prevention	815,700
29	Comprehensive medical and dental	
30	program	2,057,000
31	Attorney general legal services	8,170,200
32	Temporary assistance for needy	
33	families deposit to joint	
34	substance abuse treatment fund	2,000,000
35	Joint substance abuse treatment	
36	fund - general fund	3,000,000
37	Homeless youth intervention	400,000
38	Permanent guardianship subsidy	3,003,800
39	Child protective services	
40	expedited substance abuse	
41	treatment fund deposit	<u>224,500</u>
42	Total - children, youth and families	\$205,828,600

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1	Fund sources:	
2	State general fund	\$133,032,700
3	Child abuse prevention fund	1,565,700
4	Children and family services	
5	training program fund	209,600
6	Federal temporary assistance for	
7	needy families block grant	71,020,600
8	Performance measures:	
9	Per cent of newly hired CPS specialists	
10	completing training within 7 months	
11	of hire	100
12	Per cent of children in out-of-home care	
13	who exit the child welfare system who	
14	achieve permanent placement through	
15	reunification, adoption or legal	
16	guardianship	37
17	Per cent of children in out-of-home care	
18	who have not returned to their families	
19	or been placed in another type of	
20	permanent placement for more than 24	
21	consecutive months since they were	
22	removed from their homes	26
23	Number of children with finalized adoption	909
24	Per cent of CPS reports responded to by CPS	
25	staff	100
26	Substantiated reports of child maltreatment	2,800
27	Average per cent rate at which CPS	
28	reports are substantiated	13
29	Per cent of CPS original dependencies	
30	cases where court denied or dismissed	3
31	Per cent of office of administrative hearings	
32	where CPS case findings are affirmed	90
33	Per cent of CPS complaints reviewed by	
34	the office of the ombudsman-citizens	
35	aide where allegations are reported	
36	as valid by the ombudsman	17
37	Per cent of calls to the family advocate	
38	that relate to CPS complaints	89
39	Per cent of CPS cases where the family	
40	advocate is involved and is successful	
41	in facilitating a solution	91
42	Per cent of CPS cases where most or all of the	
43	foster care review board recommendations	
44	are agreed on before court action as	
45	reported by the board	85

1 Average per cent of time spent on  
 2 administrative paperwork as reported by  
 3 CPS workers in an annual survey

4	District 1	5
5	District 2	4
6	District 3	4
7	District 4	1
8	District 5	1
9	District 6	1

10 It is the intent of the legislature that the \$22,613,100 appropriated  
 11 from the federal temporary assistance for needy families block grant to the  
 12 social services block grant for deposit in the children services/temporary  
 13 assistance for needy families deposit to social services block grant special  
 14 line item be allocated to the children services program.

15 The department of economic security shall provide training to any new  
 16 child protective services full-time equivalent positions before assigning to  
 17 any of these employees any client caseload duties.

18 It is the intent of the legislature that the department of economic  
 19 security shall use the funding in the division of children, youth and  
 20 families to achieve a one hundred per cent investigation rate.

21 Laws 2003, second special session, chapter 6, section 46 required the  
 22 department of economic security to pay each child protective services  
 23 investigator a monthly stipend equivalent to ten per cent of the caseworker's  
 24 monthly salary. The legislation specified that the stipend shall be paid  
 25 from monies currently available to the department. It is the intent of the  
 26 legislature that the department shall make the stipend payments in fiscal  
 27 year 2004-2005, whether or not the department projects a fund shortfall for  
 28 the fiscal year.

29 Employment and rehabilitation services

30	FTE positions	478.3
31	Operating lump sum appropriation	\$ 23,953,700
32	JOBS	22,610,100
33	Work-related transportation	302,200
34	Job search stipends	30,000
35	Day care subsidy	132,520,100
36	Transitional child care	32,911,900
37	Vocational rehabilitation services	3,489,800
38	Independent living rehabilitation	
39	services	2,491,900

1	Summer youth employment and training	1,000,000
2	Workforce investment act - local	
3	governments	45,088,100
4	Workforce investment act -	
5	discretionary	<u>3,266,600</u>
6	Total - employment and rehabilitation	
7	services	\$267,664,400
8	Fund sources:	
9	State general fund	\$ 81,330,200
10	Federal child care and development	
11	fund block grant	103,107,500
12	Federal temporary assistance for	
13	needy families block grant	23,132,300
14	Job training fund	3,829,400
15	Special administration fund	1,585,000
16	Spinal and head injuries trust fund	2,391,200
17	Workforce investment act grant	52,288,800
18	Performance measures:	
19	Number of TANF recipients who obtained	
20	employment	16,330
21	Average cost per JOBS participant in all	
22	work activities	\$ 895
23	Per cent of customer satisfaction with	
24	child care	94
25	Vocational rehabilitation individuals	
26	successfully rehabilitated	2,000

27 It is the intent of the legislature that the \$22,610,100 appropriated  
 28 for JOBS may be used to support nonpermanent and seasonal positions to  
 29 fulfill federal program requirements when contracts for services cannot be  
 30 established with outside parties. The use of such positions shall be  
 31 reviewed by the joint legislative budget committee.

32 It is the intent of the legislature that the department shall use  
 33 \$4,500,000 of the monies appropriated for the JOBS special line item for  
 34 contracts with education and training entities. These contracts shall focus  
 35 on assisting JOBS clients in obtaining jobs paying, on average, ten dollars  
 36 per hour or more. The department shall report to the joint legislative  
 37 budget committee by October 15, 2005 on these efforts. The report shall  
 38 include expenditure details and placement data.

39 Of the \$132,520,100 appropriated for day care subsidy, \$99,022,200 is  
 40 for a program in which the upper income limit is no more than one hundred  
 41 sixty-five per cent of the federal poverty level. This provision shall not  
 42 be construed to impose a duty on an officer, agent or employee of the state  
 43 to discharge a responsibility or to create any right in a person or group if  
 44 the discharge or right would require an expenditure of state monies in excess  
 45 of the \$99,022,200 appropriation.

1 The amounts appropriated for day care subsidy and transitional child  
 2 care shall be used exclusively for child care costs unless a transfer of  
 3 monies is reviewed by the joint legislative budget committee. Monies shall  
 4 not be used from these appropriated amounts for any other expenses of the  
 5 department of economic security unless a transfer of monies is reviewed by  
 6 the joint legislative budget committee.

7 All spinal and head injuries trust fund receipts received by the  
 8 department of economic security in excess of \$2,391,200 are appropriated to  
 9 the independent living rehabilitation services special line item. Before the  
 10 expenditure of any spinal and head injuries trust fund receipts in excess of  
 11 \$2,391,200, the department of economic security shall submit the intended use  
 12 of the monies for review by the joint legislative budget committee.

13 Monies appropriated to the workforce investment act - discretionary  
 14 special line item may not be expended until a proposed expenditure plan has  
 15 been reviewed by the joint legislative budget committee.

16 All federal workforce investment act discretionary funds that are  
 17 received by the state in excess of \$3,266,600 are appropriated to the  
 18 workforce investment act - discretionary special line item. Excess monies  
 19 may not be spent until a proposed expenditure plan for the excess monies has  
 20 been reviewed by the joint legislative budget committee.

21 All federal workforce investment act funds for local governments that  
 22 are received by the state in excess of \$45,088,100 are appropriated to the  
 23 workforce investment act - local governments special line item. Excess  
 24 monies may not be spent until a proposed expenditure plan for the excess  
 25 monies has been reviewed by the joint legislative budget committee.

26 Total appropriation and expenditure

27	authority - department of	
28	economic security	\$1,459,767,700
29	Fund sources:	
30	State general fund	\$ 596,943,200
31	Federal temporary assistance for	
32	needy families block grant	226,539,400
33	Federal child care and development	
34	fund block grant	104,170,200
35	Special administration fund	2,129,500
36	Public assistance collections fund	446,800
37	Long-term care system fund	24,240,800
38	Child support enforcement	
39	administration fund	12,263,400
40	Domestic violence shelter fund	1,700,000
41	Child abuse prevention fund	1,565,700
42	Children and family services	
43	training program fund	209,600
44	Spinal and head injuries trust fund	2,478,100

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1	Workforce investment act grant	52,288,800
2	Statewide cost allocation plan fund	1,000,000
3	Job training fund	3,829,400
4	Utility assistance fund	500,000
5	Risk management fund	742,300
6	Expenditure authority	428,720,500

7 Performance measures:

8	Agencywide customer satisfaction rating	
9	(Scale 1-5)	4.2
10	Employee satisfaction rating (Scale 1-5)	3.7

11 The amounts above include \$6,404,300 from the state general fund and  
12 \$12,517,200 from matching federal expenditure authority to implement a  
13 published rate system, pursuant to Laws 2002, chapter 329, for community  
14 service providers and independent service agreement providers contracting  
15 with the division of developmental disabilities. It is the intent of the  
16 legislature that the division request the Arizona health care cost  
17 containment system approve a capitation rate increase retroactive to July 1,  
18 2004 to make the provider rate increases effective July 1, 2004. By August  
19 1, 2004, and prior to implementing the system, the division shall present its  
20 implementation proposal to the joint legislative budget committee for its  
21 review.

22 The above appropriation is in addition to funds granted to the state  
23 by the federal government for the same purposes but shall be deemed to  
24 include the sums deposited in the state treasury to the credit of the  
25 department of economic security, pursuant to section 42-5029, Arizona Revised  
26 Statutes.

27 A monthly report comparing total expenditures for the month and  
28 year-to-date as compared to prior year totals shall be forwarded to the  
29 president of the senate, the speaker of the house of representatives, the  
30 chairmen of the senate and house appropriations committees and the director  
31 of the joint legislative budget committee by the thirtieth of the following  
32 month. The report shall include an estimate of (1) potential shortfalls in  
33 entitlement programs, (2) potential federal and other funds, such as the  
34 statewide assessment for indirect costs, and any projected surplus in state  
35 supported programs that may be available to offset these shortfalls and a  
36 plan, if necessary, for eliminating any shortfall without a supplemental  
37 appropriation, (3) shortfalls resulting from new leases or renegotiations  
38 of current leases and associated costs, and (4) total expenditure authority  
39 of the child support enforcement program for the month and year-to-date as  
40 compared to prior year totals.

41 The department of economic security shall report the receipt and  
42 intended use of all current and prior year reversions from nonappropriated  
43 sources to the joint legislative budget committee.

1 Sec. 18. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION  
 2 2004-05

3 State board of education

4 FTE positions 7.0  
 5 Lump sum appropriation \$ 595,300

6 The appropriated amount includes \$100,000 for administering a survey  
 7 to a random sample of parents of children in public schools statewide. The  
 8 survey shall consist of the following question: "Students are given the  
 9 grades A+, A, B, C, D and Fail to denote the quality of their work. Using  
 10 the same A+, A, B, C, D and Fail scale, what grade would you give the school  
 11 that your oldest child attends?"

12 The state board of education program may establish its own strategic  
 13 plan separate from that of the department of education and based on its own  
 14 separate mission, goals and performance measures.

15 Fund sources:

16 State general fund \$ 268,000  
 17 Teacher certification fund 327,300

18 Performance measures:

19 Per cent of parents who rate "A+" the public  
 20 school that their oldest school-age child  
 21 attends 8.0

22 General services administration

23 FTE positions 99.5  
 24 Operating lump sum appropriation \$ 6,531,200  
 25 FTE positions - achievement testing 3.0  
 26 Achievement testing 9,905,000

27 Fund sources:

28 State general fund \$ 7,564,700  
 29 Proposition 301 fund 2,340,300

30 Before making any changes to the achievement testing program that will  
 31 increase program costs, the state board of education shall report the  
 32 estimated fiscal impact of those changes to the joint legislative budget  
 33 committee.

34 FTE positions - Arizona teacher  
 35 evaluation 2.0  
 36 Arizona teacher evaluation 193,700

37 Fund source:

38 Teacher certification fund 193,700  
 39 FTE positions - special education  
 40 audit 2.5  
 41 Special education audit 290,500  
 42 FTE positions - teacher  
 43 certification 21.0  
 44 Teacher certification 1,110,700

1	Additional state aid to schools	\$296,669,700
2	Assistance to school districts for	
3	children of state employees	99,500
4	Certificates of educational	
5	convenience	269,900
6	FTE positions - special education	
7	fund	1.0
8	Special education fund	31,092,600
9	FTE positions - adult education	
10	assistance	4.0
11	Adult education assistance	4,438,200
12	The appropriated amount is for classes in adult basic education,	
13	general education development and citizenship on a statewide basis.	
14	It is the intent of the legislature that no more than ten per cent of	
15	the appropriation for adult education assistance be used by the department	
16	of education for operating the division of adult education. It is also the	
17	intent of the legislature that the greatest possible proportion of monies	
18	appropriated for adult education programs be devoted to instructional, rather	
19	than administrative, aspects of the programs.	
20	AIMS intervention; dropout prevention	550,000
21	FTE positions - chemical abuse	3.0
22	Chemical abuse	796,300
23	Extended school year	500,000
24	FTE positions - family literacy	1.0
25	Family literacy	1,002,100
26	FTE positions - gifted support	2.0
27	Gifted support	1,301,400
28	Optional performance incentive	
29	programs	120,000
30	Parental choice for reading	
31	success	1,000,000
32	Residential placement	10,000
33	FTE positions - school	
34	accountability	14.0
35	School accountability	4,678,100
36	Fund sources:	
37	State general fund	\$ 18,400
38	Proposition 301 fund	4,659,700
39	FTE positions - school report cards	3.0
40	School report cards	439,100
41	FTE positions - school safety	
42	program	3.0
43	School safety program	6,700,700
44	Small pass-through programs	581,600

1 Fund source:

2 Teacher certification fund \$ 1,110,700

3 Monies collected by the department of education for teacher

4 certification fees, as authorized by section 15-531, paragraphs 1 and 2,

5 Arizona Revised Statutes, shall be deposited in a teacher certification fund

6 for use in funding costs of the teacher certification program.

7 Total - general services

8 administration \$ 18,031,100

9 Fund sources:

10 State general fund \$ 14,386,400

11 Teacher certification fund 1,304,400

12 Proposition 301 fund 2,340,300

13 Performance measures:

14 Average number of days to process

15 applications for certification services 35

16 Per cent of customers satisfied with the

17 agency's service Baseline +2

18 Per cent of customers satisfied with

19 certification services 88

20 Assistance to schools

21 Basic state aid entitlement \$2,610,970,200

22 Fund sources:

23 State general fund \$2,564,461,100

24 Permanent state school fund 46,509,100

25 The above appropriation provides basic state support to school

26 districts for maintenance and operations funding as provided by section

27 15-973, Arizona Revised Statutes, and includes an estimated \$46,509,100 in

28 expendable income derived from the permanent state school fund and from state

29 trust lands pursuant to section 37-521, subsection B, Arizona Revised

30 Statutes, for fiscal year 2004-2005.

31 Receipts derived from the permanent state school fund and any other

32 nonstate general fund revenue source that is dedicated to fund basic state

33 aid will be expended, whenever possible, before expenditure of state general

34 fund monies.

35 Except as required by section 37-521, Arizona Revised Statutes, all

36 monies received during the fiscal year from national forests, interest

37 collected on deferred payments on the purchase of state lands, the income

38 from the investment of permanent funds as prescribed by the enabling act and

39 the constitution and all monies received by the superintendent of public

40 instruction from whatever source, except monies received pursuant to sections

41 15-237 and 15-531, Arizona Revised Statutes, when paid into the state

42 treasury are appropriated for apportionment to the various counties in

43 accordance with law. An expenditure shall not be made except as specifically

44 authorized above.

1 The appropriated amount includes \$50,000 for the academic contest fund,  
 2 \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance,  
 3 \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's  
 4 academy, \$234,000 for Arizona school service through education technology,  
 5 \$50,000 for project citizen and \$50,000 for the economic academic council.

6	FTE positions - state block grant	
7	for early childhood education	4.7
8	State block grant for early childhood	
9	education	19,408,600
10	FTE positions - state block grant	32.0
11	State block grant for vocational	
12	education	<u>11,154,100</u>

13 The appropriated amount is for block grants to charter schools and  
 14 school districts that have vocational education programs. It is the intent  
 15 of the legislature that monies appropriated in the general appropriation act  
 16 for the state block grant for vocational education be used to promote  
 17 improved student achievement by providing vocational education programs with  
 18 flexible supplemental funding that is linked both to numbers of students in  
 19 such programs and to numbers of program completers who enter jobs in fields  
 20 directly related to the vocational education program that they completed. It  
 21 is the intent of the legislature that the amount of the state block grant for  
 22 vocational education funding that is used for state level administration of  
 23 the program be limited to no more than the amount used for such costs during  
 24 the prior fiscal year plus the applicable amount of any pay raise that may  
 25 be provided for state employees through legislative appropriation.

26	Vocational education extended	
27	year	<u>600,000</u>
28	Total - assistance to schools	\$2,992,382,100
29	Fund sources:	
30	State general fund	\$2,941,213,300
31	Proposition 301 fund	4,659,700
32	Permanent state school fund	46,509,100
33	Performance measures:	
34	Per cent of students tested who perform	
35	at or above the national norm on the	
36	norm-referenced test (grades 2 and 9)	57
37	Per cent of schools with at least 75% of	
38	students meeting or exceeding standards in:	
39	-- reading	94
40	-- writing	81
41	-- math	82

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1	Per cent of Arizona high school students	
2	who enter 9 <sup>th</sup> grade and graduate within	
3	4 years	Baseline +1
4	Per cent of students in grade 3 meeting	
5	or exceeding state academic standards in:	
6	-- reading	81
7	-- writing	84
8	-- math	71
9	Per cent of students in grade 5 meeting	
10	or exceeding state academic standards in:	
11	-- reading	66
12	-- writing	66
13	-- math	55
14	Per cent of students in grade 8 meeting	
15	or exceeding state academic standards in:	
16	-- reading	64
17	-- writing	55
18	-- math	46
19	Per cent of students in grade 12 meeting	
20	or exceeding state academic standards in:	
21	-- reading	91
22	-- writing	82
23	-- math	73
24	Per cent of students in grades 3, 5 and 8	
25	meeting or exceeding state academic	
26	requirements in math and language arts	Baseline +2
27	Per cent of students in grades 10, 11 and	
28	12 meeting state academic requirements	
29	in reading, writing and math	Baseline +1
30	Per cent of students tested:	
31	-- norm-referenced test (grades 2 and 9)	100
32	-- AIMS	96
33	Total appropriation - state board of	
34	education and superintendent	
35	of public instruction	\$3,011,008,500
36	Fund sources:	
37	State general fund	\$2,955,867,700
38	Proposition 301 fund	7,000,000
39	Permanent state school fund	46,509,100
40	Teacher certification fund	1,631,700
41	Performance measures:	
42	Per cent of agency staff turnover	18
43	Administration as a per cent of total cost	0.2
44	Total cost of administration (\$ in millions)	6.8

1	Sec. 19. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS	
2		<u>2004-05</u>
3	<u>Administration</u>	
4	FTE positions	17.9
5	Lump sum appropriation	\$ 1,281,400
6	<u>Emergency management</u>	
7	FTE positions	14.5
8	Operating lump sum appropriation	\$ 966,100
9	Civil air patrol	<u>56,700</u>
10	Total - emergency management	\$ 1,022,800
11	Fund sources:	
12	State general fund	\$ 890,100
13	Emergency response fund	132,700
14	<u>Military affairs</u>	
15	FTE positions	86.2
16	Lump sum appropriation	<u>\$ 5,063,000</u>
17	The department of emergency and military affairs appropriation includes	
18	\$1,550,700 in fiscal year 2004-2005 for project challenge. These monies	
19	shall only be used to fund operating expenditures for project challenge.	
20	Total appropriation - department of	
21	emergency and military affairs	\$ 7,367,200
22	Fund sources:	
23	State general fund	\$ 7,234,500
24	Emergency response fund	132,700
25	Performance measures:	
26	Per cent of project challenge graduates	
27	either employed or in school	95
28	Administration as a per cent of total cost	2.5
29	Customer satisfaction rating for communities	
30	served during disasters (Scale 1-8)	6.0
31	The department of emergency and military affairs appropriation includes	
32	\$852,300 for service contracts. This amount is exempt from section 35-190,	
33	Arizona Revised Statutes, relating to lapsing of appropriations, except that	
34	all fiscal year 2004-2005 monies remaining unexpended and unencumbered on	
35	October 31, 2005 revert to the state general fund.	
36	Sec. 20. DEPARTMENT OF ENVIRONMENTAL QUALITY	
37		<u>2004-05</u>
38	FTE positions	495.1
39	Operating lump sum appropriation	\$ 21,825,700
40	Aquifer protection permit program	740,800
41	Hazardous waste program	695,600
42	Solid waste program	3,310,200
43	Waste tire program	206,600
44	Water quality program	3,736,900

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1	Air permits administration program	5,384,700
2	Emissions control program -	
3	administration	3,953,500
4	Emissions control contractor	
5	payment	31,739,600
6	Water infrastructure finance	
7	authority	2,445,100
8	Air quality program	4,496,000
9	Underground storage tank program	22,000
10	Pima county air quality programs	<u>165,000</u>
11	Total appropriation - department of	
12	environmental quality	\$ 78,721,700
13	Fund sources:	
14	State general fund	\$ 12,844,700
15	Solid waste fee fund	1,294,800
16	Water quality fee fund	3,736,900
17	Hazardous waste fund	695,600
18	Air permits administration fund	5,384,700
19	Emissions inspection fund	35,693,100
20	Air quality fund	4,661,000
21	Air quality - clean air subaccount	500,000
22	Indirect cost recovery fund	11,666,900
23	Used oil fund	130,900
24	Underground storage tank fund	22,000
25	Recycling fund	2,091,100
26	Performance measures:	
27	Per cent of contaminated sites closed	
28	requiring no further action (cumulative)	
29	versus known sites	73.0
30	Vehicles that have failed inspection and	
31	later brought into compliance	163,000
32	Per cent of statutorily set permit timelines	
33	met through licensing time frames rule	99
34	Number of days per year exceeding national	
35	ambient air quality standards for ozone,	
36	carbon monoxide or particulates	0
37	Per cent of agency staff turnover	8.6
38	Administration as a per cent of total cost	3.8
39	Customer satisfaction rating for citizens	
40	(Scale 1-8)	6.6

41 Up to \$1,250,000 of the state general fund appropriation may be used  
42 temporarily to maintain existing environmental programs for which an  
43 application for federal funds has been submitted.

44 When expenditures from the hazardous waste or environmental health  
45 reserves are authorized, the director of the department of environmental

1 quality shall report the nature of the emergency and the authorized  
2 expenditure amount to the president of the senate, the speaker of the house  
3 of representatives, the chairmen of the senate and house appropriations  
4 committees and the director of the joint legislative budget committee.

5 The department of environmental quality shall report annually to the  
6 legislature in writing on the progress of WQARF activities, including  
7 emergency response, priority site remediation, cost recovery activity,  
8 revenue and expenditure activity and other WQARF-funded program  
9 activity. The department shall submit the report to the members of the joint  
10 legislative budget committee and to the director of the joint legislative  
11 budget committee staff by September 1, 2004.

12 The amounts appropriated for the water infrastructure finance authority  
13 in fiscal year 2004-2005 shall be used to provide a twenty per cent match of  
14 the fiscal year 2004-2005 federal safe drinking water and clean water  
15 revolving fund allocations to this state. Of the amount appropriated, any  
16 amount in excess of the required twenty per cent match reverts to the state  
17 general fund.

18 The monies appropriated in the Pima county air quality programs special  
19 line item are for use by Pima county to avoid being declared in  
20 non-attainment of particulate matter standards by establishing public  
21 notification and outreach programs, minimizing exposure to particulate matter  
22 concentrations and to abatement and minimization of controllable sources of  
23 particulate matter through best available control measures. Of the monies  
24 in the Pima county air quality programs special line item in fiscal year  
25 2004-2005, \$50,000 shall be used for carbon monoxide monitoring as required  
26 by the Pima county limited maintenance plan with the federal environmental  
27 protection agency.

28 The appropriation from the permit administration fund is an estimate  
29 representing all monies distributed to this fund, including balance forward,  
30 revenue and transfers during fiscal year 2004-2005. These monies are  
31 appropriated to the Arizona department of environmental quality for the  
32 purposes established in section 49-455, Arizona Revised Statutes. The  
33 appropriation shall be adjusted as necessary to reflect actual final receipts  
34 credited to the permit administration fund.

35 Pursuant to section 49-282, Arizona Revised Statutes, the department  
36 of environmental quality shall submit a fiscal year 2005-2006 budget for the  
37 water quality assurance revolving fund before September 1, 2004, for review  
38 by the house of representatives and senate appropriations committees.

39 Sec. 21. OFFICE OF EQUAL OPPORTUNITY

40			<u>2004-05</u>
41	FTE positions		4.0
42	Lump sum appropriation	\$	214,400
43	Fund sources:		
44	State general fund	\$	214,400

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1	Performance measures:	
2	Total training hours provided by the office	
3	of equal opportunity to state employees	1,500
4	Number of community organizations contacted	
5	to facilitate the dissemination of	
6	information	250
7	Number of persons assisted with employment	
8	related complaints	200
9	Administration as a per cent of total cost	95
10	Customer satisfaction rating for client	
11	agencies (Scale 1-8)	6.0
12	Sec. 22. BOARD OF EXECUTIVE CLEMENCY	
13		<u>2004-05</u>
14	FTE positions	15.0
15	Lump sum appropriation	\$ 884,200
16	Fund sources:	
17	State general fund	\$ 884,200
18	Performance measures:	
19	Scheduled hearings	5,801
20	Number of revocations of parole	3,234
21	Total victim and official notifications	14,301
22	Per cent of parole granted	37
23	Administration as a per cent of total cost	11.3
24	Customer satisfaction rating for victims	
25	(Scale 1-8)	6.0
26	Sec. 23. DEPARTMENT OF GAMING	
27		<u>2004-05</u>
28	FTE positions	105.0
29	Operating lump sum appropriation	\$ 9,550,200
30	Problem gambling	<u>1,812,800</u>
31	Total appropriation - department of gaming	\$ 11,363,000
32	Fund sources:	
33	Tribal state compact fund	\$ 1,550,200
34	Arizona benefits fund	9,512,800
35	State lottery fund	300,000
36	Performance measures:	
37	Per cent of tribes reviewed	100
38	Per cent of vendor customers satisfied	
39	with process	96
40	Administration as a per cent of cost	5.8

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1 Sec. 24. OFFICE OF THE GOVERNOR

2 2004-05  
 3 Lump sum appropriation \$ 6,023,600\*

4 Fund sources:

5 State general fund \$ 6,023,600

6 Included in the lump sum appropriation of \$6,023,600 for fiscal year  
 7 2004-2005 is \$10,000 for the purchase of mementos and items for visiting  
 8 officials.

9 Sec. 25. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

10 2004-05  
 11 FTE positions 22.0

12 Lump sum appropriation \$ 1,683,000

13 Fund sources:

14 State general fund \$ 1,683,000

15 Performance measures:

16 Per cent of state agencies loading budgets  
 17 into AFIS 93

18 Non-technical supplemental appropriations  
 19 dollars as a per cent of original  
 20 appropriations dollars (excludes any  
 21 separate appropriations) 0.5

22 Per cent of agencies submitting budgets  
 23 electronically 95

24 Per cent of agencies submitting master  
 25 list information electronically 100

26 Administration as a per cent of total cost 8.8

27 Per cent of participants rating budget and  
 28 planning training "good" or "excellent" 98

29 Sec. 26. DEPARTMENT OF HEALTH SERVICES

30 2004-05

31 Administration

32 FTE positions 406.6

33 Operating lump sum appropriation \$ 15,428,200

34 Assurance and licensure 9,050,900

35 Nursing care institution incentive  
 36 grants 600,000

37 Attorney general legal services 412,800

38 Newborn screening fund - indirect  
 39 costs 478,600

40 Indirect cost fund 6,908,500

41 Total appropriation and expenditure  
 42 authority - administration \$ 32,879,000

1	Fund sources:	
2	State general fund	\$ 21,573,400
3	Capital outlay stabilization fund	1,576,200
4	Newborn screening program fund	478,600
5	Indirect cost fund	6,908,500
6	Nursing care institution resident	
7	protection fund	638,000
8	Emergency medical services operating	
9	fund	226,600
10	Federal child care and development	
11	fund block grant	705,500
12	Expenditure authority	772,200

13 Contingent on federal approval of the use of these monies, the \$600,000  
14 appropriation for nursing care institution incentive grants shall be used to  
15 award a quality rating financial incentive grant to each nursing care  
16 institution that received a quality rating of excellent in two consecutive  
17 years on the annual facility compliance and licensure survey conducted  
18 pursuant to section 36-425.02, Arizona Revised Statutes, regardless of the  
19 actual date of the results of the survey. A nursing care institution is not  
20 eligible for a grant if the institution received a violation determined by  
21 the department to be widespread with potential for more than minimal harm,  
22 or a violation that resulted in actual harm or that constitutes immediate  
23 jeopardy to resident health and safety. A nursing care institution must use  
24 a grant awarded pursuant to this paragraph only for direct care  
25 nonadministrative staff to improve the quality of resident care. Each  
26 individual incentive grant equals the amount that results by dividing six  
27 hundred thousand dollars by the total number of census days for all  
28 facilities that received a rating of excellent for the applicable time period  
29 and multiplying the result by the total number of census days for the  
30 facility receiving the grant, except that the department may not award an  
31 incentive grant of more than one hundred thousand dollars to any one  
32 institution. The department may not award an incentive grant to a facility  
33 that was placed on a provisional license during the previous twelve months  
34 before the award of the incentive grant. If the facility transfers  
35 ownership, the department shall award the incentive grant to the licensee at  
36 the time of the award. A facility that ceases operation before the incentive  
37 grant distribution date is not eligible for an incentive grant. For the  
38 purposes of this paragraph, "census day" means each day an individual  
39 inpatient bed is occupied based on the most recently filed financial  
40 statement of a facility pursuant to section 36-125.04, Arizona Revised  
41 Statutes. Monies appropriated for nursing care institution incentive grants  
42 shall not be used for any other expenses of the department of health services  
43 without review by the joint legislative budget committee. Any transfer to  
44 or from the amounts appropriated for nursing care institution incentive  
45 grants shall require review by the joint legislative budget committee.

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1	Performance measures:	
2	Per cent of relicensure surveys completed	
3	on time	
4	Child care facilities	65
5	Health care facilities	45
6	Per cent of complaint investigations initiated	
7	later than investigative guidelines	
8	Child care facilities	5
9	Health care facilities	7
10	Days to process enforcement action	38
11	Administration as a per cent of total cost	3.2
12	<u>Public health</u>	
13	FTE positions	240.5
14	Operating lump sum appropriation	\$ 5,571,600
15	County tuberculosis provider care	
16	and control	1,010,500
17	Vaccines	3,784,300
18	Arizona statewide immunization	
19	information system	451,400
20	STD control subventions	26,300
21	AIDS reporting and surveillance	1,125,000
22	Laboratory services	3,778,900
23	Kidney program	50,500
24	Hepatitis C surveillance	350,000
25	Diabetes prevention and control	100,000
26	Renal and nonrenal disease management	468,000
27	Community health centers	10,400,000
28	Telemedicine	260,000
29	Direct grants	460,300
30	Reimbursement to counties	67,900
31	County public health	200,000
32	Loan repayment	250,000
33	Alzheimer disease research	1,000,000
34	University of Arizona poison center	
35	funding	1,050,000
36	Poison control center funding	800,000
37	Scorpion antivenom	150,000
38	EMS operations	2,910,200
39	Trauma advisory board	250,000
40	Total - public health	\$ 34,514,900
41	Fund sources:	
42	State general fund	\$ 27,431,900
43	Arizona medical board fund	100,000
44	Emergency medical services	
45	operating fund	3,310,200

1	Environmental laboratory licensure	
2	revolving fund	822,800
3	Health research fund	1,000,000
4	Poison control fund	1,850,000
5	Performance measures:	
6	Number of uninsured clients receiving	
7	primary care services through the	
8	community health centers grants	48,100
9	Number of clients receiving HIV medications	
10	through the Arizona drug assistance	
11	program (average per month)	750
12	Immunization rate among 2-year-old children	75
13	Per cent of high school youth who smoked	
14	in the last month	20.0
15	Exposure calls received at Arizona poison	
16	control centers	78,000
17	Customer waiting time in vital records lobby	25
18	Of the \$10,400,000 appropriated for community health centers, \$744,000	
19	shall be distributed as follows for county primary care programs: Pinal	
20	county, \$180,000; Yavapai county, \$564,000.	
21	The department of health services may use up to four per cent of the	
22	amounts appropriated for renal and nonrenal disease management, community	
23	health centers and telemedicine for the administrative costs to implement	
24	each program.	
25	No monies appropriated for AIDS reporting and surveillance and renal	
26	and nonrenal disease management may be spent for services for persons who are	
27	not residents of this state.	
28	The department of health services shall require the screening of	
29	potential recipients of vaccines for private insurance coverage, eligibility	
30	for the federal vaccines for children program and eligibility for the state	
31	children's health insurance program. This requirement applies to vaccines	
32	purchased with state monies appropriated for the vaccines special line item	
33	for both the federal 317 program and the state-only immunization program.	
34	The department of health services shall report to the joint legislative	
35	budget committee by February 1, 2005 on the amount of federal monies received	
36	for fiscal year 2004-2005 for the 317 vaccines program.	
37	The appropriation for direct grants is to provide for local health work	
38	and a portion of the cost of employing 1 public health nurse and 1 sanitarian	
39	in counties with populations of less than 500,000 persons. The monies are	
40	to be divided equally among eligible counties on a nonmatching basis. All	
41	monies that are received by a county under this appropriation and that are	
42	not used for the prescribed purposes revert to the state general fund.	

1 The \$67,900 appropriated for reimbursement to counties is to provide  
 2 matching monies to counties with populations of less than 500,000 persons for  
 3 local health work on an equal matching basis and shall be distributed based  
 4 on the proportion of funding each county received in fiscal year 2002-2003.

5 The \$1,050,000 appropriated in fiscal year 2004-2005 for the university  
 6 of Arizona poison control center shall not be used to support any poison  
 7 control center other than the one at the university of Arizona. The  
 8 department of health services shall transmit all of the appropriated amount  
 9 to the university of Arizona for this purpose.

10 The \$800,000 appropriated in fiscal year 2004-2005 for poison control  
 11 center funding shall only be expended for poison control services in counties  
 12 with a population of more than one million five hundred thousand persons.

13 The \$200,000 appropriated for county public health shall be distributed  
 14 as follows to the following counties to reimburse local health departments  
 15 pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220;  
 16 Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

17 Family health

18	FTE positions	89.8
19	Operating lump sum appropriation	\$ 5,094,500
20	Children's rehabilitative services	3,587,000
21	AHCCCS-children's rehabilitative	
22	services	42,872,600
23	Medicaid special exemption payments	937,200
24	Adult cystic fibrosis	105,200
25	Adult sickle cell anemia	33,000
26	Breast and cervical cancer screening	887,000
27	Health start	226,600
28	High risk perinatal services	3,630,600
29	County nutrition services	330,300
30	County prenatal services grant	1,148,500
31	Newborn screening program	3,239,800
32	Child fatality review team	<u>100,000</u>
33	Total appropriation and expenditure	
34	authority - family health	\$ 62,192,300
35	Fund sources:	
36	State general fund	\$ 26,972,300
37	Child fatality review fund	100,000
38	Emergency medical services	
39	operating fund	450,000
40	Newborn screening program fund	3,239,800
41	Expenditure authority	31,430,200
42	Performance measures:	
43	Number of newborns screened under newborn	
44	screening program	90,000

1 The amounts appropriated for children's rehabilitative services and for  
 2 AHCCCS-children's rehabilitative services are intended to cover all costs in  
 3 full for contracts for the provision of services to clients, unless a  
 4 transfer of monies is approved by the joint legislative budget committee.

5 Before implementation of any changes in capitation rates for the  
 6 AHCCCS-children's rehabilitative services special line item, the department  
 7 of health services shall report its expenditure plan to the joint legislative  
 8 budget committee for its review. Unless required for compliance with federal  
 9 law, before the department implements any changes in policy affecting the  
 10 amount, sufficiency, duration and scope of health care services and who may  
 11 provide services, the department shall prepare a fiscal impact analysis on  
 12 the potential effects of this change on the following year's capitation  
 13 rates. If the fiscal analysis demonstrates that these changes will result  
 14 in additional state costs of \$500,000 or greater for a given fiscal year, the  
 15 department shall submit the policy changes to the joint legislative budget  
 16 committee for review. The department shall also report quarterly to the  
 17 joint legislative budget committee itemizing all policy changes with fiscal  
 18 impacts of less than \$500,000 in state costs.

19 The department of health services may transfer up to \$350,000 in  
 20 revenues from the indirect cost fund to the Arizona health care cost  
 21 containment system for the purpose of meeting indirect cost state match  
 22 requirements related to AHCCCS - children's rehabilitative services program.

23 Of the \$3,630,600 appropriated for high risk perinatal services  
 24 \$583,000 shall be distributed to counties.

25 The department of health services shall distribute all monies  
 26 appropriated for the county prenatal services grant on a pass-through basis  
 27 with consideration to population, need and amount received in prior years.

28 Behavioral health

29	FTE positions	120.9
30	Operating lump sum appropriation	\$ 8,239,300
31	Proposition 204 - administration	6,126,500
32	Children's behavioral health	
33	services	9,351,800
34	Children's behavioral health state	
35	match for title XIX	203,896,200
36	Proposition 204 - children's	
37	behavioral health services	2,432,100
38	Seriously emotionally handicapped	
39	children	500,000
40	Seriously mentally ill state match	
41	for title XIX	130,621,000
42	Proposition 204 - seriously	
43	mentally ill services	124,474,700
44	Seriously mentally ill nontitle	
45	XIX	61,116,700

1	Court monitoring	197,500
2	Arnold v. Sarn	37,838,700
3	Mental health nontitle XIX	2,447,300
4	Substance abuse nontitle XIX	14,635,400
5	Mental health and substance abuse	
6	state match for title	
7	XIX	69,572,700
8	Proposition 204 - general mental	
9	health and substance abuse	61,710,000
10	Medicaid special exemption	
11	payments	<u>12,862,000</u>
12	Total appropriation and expenditure	
13	authority - behavioral health	\$ 746,021,900
14	Fund sources:	
15	State general fund	\$ 238,681,600
16	Tobacco tax and health care fund	
17	medically needy account	29,424,800
18	Substance abuse services fund	2,500,000
19	Expenditure authority	475,415,500
20	Performance measures:	
21	Per cent of SMI clients on antipsychotics	
22	receiving new generation psychotropic	
23	medications	70
24	Per cent of RBHA title XIX clients	
25	satisfied with services	88
26	Per cent of eligible title XIX population	
27	enrolled	9

28 The amount appropriated for children's behavioral health services shall  
 29 be used to provide services for nontitle XIX eligible children. The amount  
 30 shall not be used to pay for either federally or nonfederally reimbursed  
 31 services for title XIX eligible children, unless a transfer of monies is  
 32 reviewed by the joint legislative budget committee.

33 Before implementation of any changes in capitation rates in any title  
 34 XIX behavioral health special line item the department of health services  
 35 shall report its expenditure plan to the joint legislative budget committee  
 36 for its review. Unless required for compliance with federal law, before the  
 37 department implements any changes in policy affecting the amount,  
 38 sufficiency, duration and scope of health care services and who may provide  
 39 services, the department shall prepare a fiscal impact analysis on the  
 40 potential effects of this change on the following year's capitation rates.  
 41 If the fiscal analysis demonstrates that these changes will result in  
 42 additional state costs of \$500,000 or greater for a given fiscal year, the  
 43 department shall submit the policy changes to the joint legislative budget  
 44 committee for review. The department shall also report quarterly to the

1 joint legislative budget committee itemizing all policy changes with fiscal  
2 impacts of less than \$500,000 in state costs.

3 On a monthly basis, the department shall provide information to the  
4 joint legislative budget committee by program for all populations on the  
5 number of new and nontitle XIX clients reviewed for title XIX eligibility  
6 under the provisions of proposition 204 as well as the number that convert  
7 from nontitle XIX status or that are newly enrolled.

8 It is the intent of the legislature that the total amount available in  
9 the Arnold v. Sarn special line item be used for the population covered by  
10 the Arnold v. Sarn lawsuit in counties with a population of over two million  
11 or more persons and for seriously mentally ill persons that meet the same  
12 criteria as those covered by the Arnold v. Sarn lawsuit in counties with  
13 populations of less than two million persons.

14 Arizona state hospital

15	FTE positions	876.7
16	Operating lump sum appropriation	\$ 42,611,100
17	Community placement treatment	6,704,800
18	Sexually violent persons	<u>9,685,700</u>
19	Total - Arizona state hospital	\$ 59,001,600

20 Fund sources:

21	State general fund	\$ 50,351,600
22	Arizona state hospital fund	8,300,000
23	ASH land earnings fund	350,000

24 Performance measures:

25	Per cent of adult clients successfully	
26	placed in community who return for	
27	another stay within 1 year of discharge	5.0
28	Adult forensic patients year-end census	180
29	Civil adult patients year-end census	141
30	SVP program year-end census	130
31	Per cent of staff turnover during first	
32	12 months of employment	15

33 Total appropriation and expenditure

34	authority - department of	
35	health services	\$934,609,700

36 Fund sources:

37	State general fund	\$365,010,800
38	Arizona medical board fund	100,000
39	Arizona state hospital fund	8,300,000
40	ASH land earnings fund	350,000
41	Capital outlay stabilization fund	1,576,200
42	Child fatality review fund	100,000
43	Emergency medical services	
44	operating fund	3,986,800

1	Environmental laboratory licensure	
2	revolving fund	822,800
3	Federal child care and development	
4	block grant	705,500
5	Health research fund	1,000,000
6	Indirect cost fund	6,908,500
7	Newborn screening program fund	3,718,400
8	Nursing care institution resident	
9	protection fund	638,000
10	Poison control fund	1,850,000
11	Substance abuse services fund	2,500,000
12	Tobacco tax and health care fund	
13	medically needy account	29,424,800
14	Expenditure authority	507,617,900

15 Performance measures:

16	Per cent of agency staff turnover	9.0
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17 In addition to the appropriation for the department of health services,  
 18 earnings on state lands and interest on the investment of the permanent land  
 19 funds are appropriated to the state hospital in compliance with the enabling  
 20 act and the Constitution of Arizona.

21 A monthly report comparing total expenditures for the month and  
 22 year-to-date as compared to prior year totals shall be forwarded to the  
 23 president of the senate, the speaker of the house of representatives, the  
 24 chairmen of the senate and house appropriations committees and the director  
 25 of the joint legislative budget committee by the thirtieth of the following  
 26 month. The report shall include an estimate of (1) potential shortfalls in  
 27 programs, (2) potential federal and other funds, such as the statewide  
 28 assessment for indirect costs, that may be available to offset these  
 29 shortfalls, and a plan, if necessary, for eliminating any shortfall without  
 30 a supplemental appropriation, and (3) total expenditure authority of the  
 31 month and year-to-date for seriously mentally ill state match for title XIX,  
 32 seriously mentally ill nontitle XIX, children's behavioral health services,  
 33 children's behavioral health state match for title XIX, mental health  
 34 nontitle XIX, substance abuse nontitle XIX, seriously emotionally handicapped  
 35 children and children's rehabilitative services.

36 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,  
 37 any transfer to or from the amounts appropriated for seriously mentally ill  
 38 state match for title XIX, seriously mentally ill nontitle XIX, Arnold v.  
 39 Sarn, children's behavioral health services, children's behavioral health  
 40 state match for title XIX, mental health nontitle XIX, substance abuse  
 41 nontitle XIX, mental health and substance abuse state match for title XIX,  
 42 seriously emotionally handicapped children, children's rehabilitative  
 43 services, AHCCCS - children's rehabilitative services, adult cystic fibrosis,  
 44 adult sickle cell anemia, high risk perinatal services, county prenatal  
 45 services grant, community placement treatment, sexually violent persons,

1 county tuberculosis provider care and control, kidney program, county  
 2 nutrition services, community health centers, vaccines, renal and nonrenal  
 3 disease management, AIDS reporting and surveillance, telemedicine, university  
 4 of Arizona poison center funding and the poison control center funding shall  
 5 require review by the joint legislative budget committee. The department may  
 6 transfer monies between the amounts appropriated for proposition 204  
 7 children's behavioral health services, proposition 204 seriously mentally ill  
 8 services, and proposition 204 general mental health and substance abuse  
 9 without review by the joint legislative budget committee but may not transfer  
 10 monies to and from these line items to any other line item except as provided  
 11 above without review by the joint legislative budget committee. The amounts  
 12 appropriated for these items shall be used exclusively for contracts for the  
 13 provision of services to clients unless a transfer of monies is reviewed by  
 14 the joint legislative budget committee or unless otherwise permitted to be  
 15 expended for administrative costs as specified in this act. Monies shall not  
 16 be used from these appropriated amounts for any other expenses of the  
 17 department of health services, unless a transfer of monies is reviewed by the  
 18 joint legislative budget committee.

19 Sec. 27. ARIZONA HISTORICAL SOCIETY

	<u>2004-05</u>
21 FTE positions	59.9
22 Operating lump sum appropriation	\$ 1,879,400
23 Field services and grants	80,000
24 Papago park museum	<u>1,601,300</u>
25 Total appropriation - Arizona historical	
26 society	\$ 3,560,700
27 Fund sources:	
28 State general fund	\$ 3,367,000
29 Capital outlay stabilization fund	193,700
30 Performance measures:	
31 Museum visitors and researchers	175,000
32 Number of volunteer hours	60,000
33 Private funds raised from	
34 grants and donations	\$ 1,200,000
35 Customer satisfaction rating (Scale 1-8)	7.0
36 Administration as a per cent of total cost	15.0

37 Of the \$80,000 appropriation for field services and grants, \$50,000  
 38 reverts if the city of Phoenix does not make its agreed upon cash  
 39 contribution pursuant to the memorandum of understanding executed between the  
 40 city of Phoenix and the Arizona historical society.

S.B. 1402

1	Sec. 28. DEPARTMENT OF INSURANCE	
2		<u>2004-05</u>
3	FTE positions	114.9
4	Operating lump sum appropriation	\$ 5,688,800
5	Managed care and dental plan	
6	oversight	<u>517,000</u>
7	Total appropriation - department of insurance	\$ 6,205,800
8	Fund sources:	
9	State general fund	\$ 6,205,800
10	Performance measures:	
11	Average calendar days to complete a	
12	consumer complaint investigation	64
13	Average days required to complete fraud	
14	investigations	100
15	Per cent of survey licensees respondents	
16	indicating "satisfied" or "better"	88
17	Per cent of consumer services survey	
18	respondents indicating "satisfied"	
19	or "better"	80
20	Average days to issue license after receiving	
21	all required information from applicant	16
22	Per cent of agency staff turnover	15.0
23	Administration as a per cent of total cost	4.9
24	Sec. 29. ARIZONA JUDICIARY	
25		<u>2004-05</u>
26	<u>Supreme court</u>	
27	FTE positions	233.1
28	Operating lump sum appropriation	\$ 13,961,800
29	State aid	4,955,900
30	Rural state aid to courts	418,500
31	County reimbursements	246,000
32	Automation	14,490,000
33	Foster care review board	2,099,800
34	Court appointed special advocate	2,652,700
35	Model court	514,300
36	Domestic relations	708,500
37	Judicial nominations and	
38	performance review	281,300
39	Commission on judicial conduct	<u>343,700</u>
40	Total appropriation - supreme court	\$ 40,672,500
41	Fund sources:	
42	State general fund	\$ 12,053,200
43	Confidential intermediary and	
44	fiduciary fund	428,300

1	Court appointed special advocate	
2	fund	3,402,700
3	Criminal justice enhancement fund	3,031,100
4	Defensive driving school fund	5,225,300
5	Judicial collection enhancement	
6	fund	14,691,800
7	State aid to the courts fund	1,840,100
8	Performance measures:	
9	Annual per cent increase in court revenues	8.0
10	New supreme court case filings	1,250
11	Supreme court cases pending at end of year	400
12	Average calendar days to issue an opinion	Baseline
13	Per cent of agency staff turnover	13.4
14	Administration as a per cent of total cost	4.3
15	Customer satisfaction rating for defensive	
16	driving schools (Scale 1-8)	7.8

17 By September 1, 2004, the supreme court shall report to the joint  
18 legislative budget committee on current and future automation projects  
19 coordinated by the administrative office of the courts. The report shall  
20 include a list of court automation projects that receive state monies and  
21 shall include projects occurring in the current fiscal year, as well as  
22 projects planned for the next two fiscal years. The report shall provide a  
23 description of each project as well as the funding source, estimated cost for  
24 each fiscal year, number of FTE positions, the entities involved, and the  
25 goals and anticipated results for each automation project. The report shall  
26 be submitted in one summary document.

27 Included in the appropriation for the supreme court program is \$1,000  
28 for the purchase of mementos and items for visiting officials.

29 By November 1, 2004, the administrative office of the courts shall  
30 report to the joint legislative budget committee on the total receipts and  
31 expenditures in each account of the adult probation services fund established  
32 by section 12-267, Arizona Revised Statutes, and the juvenile probation fund  
33 established by section 12-268, Arizona Revised Statutes. The report shall  
34 present the information by county and include the amount of personal services  
35 expended from each revenue source of each account.

36 All case processing assistance fund receipts received by the  
37 administrative office of the courts in excess of \$3,031,100 in fiscal year  
38 2004-2005 are appropriated to the supreme court. Before the expenditure of  
39 any case processing assistance fund receipts in excess of \$3,031,100 in  
40 fiscal year 2004-2005, the administrative office of the courts shall submit  
41 the intended use of the monies for review by the joint legislative budget  
42 committee.

1 All defensive driving school fund receipts received by the  
 2 administrative office of the courts in excess of \$5,225,300 in fiscal year  
 3 2004-2005 are appropriated to the supreme court. Before the expenditure of  
 4 any defensive driving school fund receipts in excess of \$5,225,300, the  
 5 administrative office of the courts shall submit the intended use of the  
 6 monies for review by the joint legislative budget committee.

7 Notwithstanding any other law, the amount appropriated for rural state  
 8 aid to courts shall be allocated to counties with populations of less than  
 9 500,000 persons.

10 All judicial collection enhancement fund receipts received by the  
 11 administrative office of the courts in excess of \$14,691,800 in fiscal year  
 12 2004-2005 are appropriated to the supreme court. Before the expenditure of  
 13 judicial collection enhancement fund receipts in excess of \$14,691,800 in  
 14 fiscal year 2004-2005, the administrative office of the courts shall submit  
 15 the intended use of the monies for review by the joint legislative budget  
 16 committee.

17 By September 1, 2004, the supreme court shall report to the joint  
 18 legislative budget committee on the total receipts and expenditures for the  
 19 judicial collection enhancement fund. The report shall include a list of all  
 20 FTE positions funded from the judicial collection enhancement fund and a  
 21 brief job description for each position. The report shall identify total  
 22 prior fiscal year expenditures and shall identify the amount spent on direct  
 23 grants to courts and the amount spent by the administrative office of the  
 24 courts on administrative expenses or for other purposes.

25 The administrative office of the courts shall not transfer monies  
 26 between the supreme court operating budget and the automation line item  
 27 without review by the joint legislative budget committee.

28 Court of appeals

29	FTE positions	133.3
30	Division I	\$ 7,536,800
31	Performance measures:	
32	Cases pending at the end of the year	2,000
33	Cases upheld upon review	2,000
34	Customer satisfaction rating for	
35	settlement program (scale 1-8)	7.0
36	Division II	\$ 3,295,400
37	Performance measures:	
38	Cases pending at the end of the year	1,000
39	Cases upheld upon review	820
40	Customer satisfaction rating for	
41	settlement program (scale 1-8)	6.1
42	Total appropriation - court of appeals	\$ 10,832,200
43	Fund sources:	
44	State general fund	\$ 10,832,200

1 Of the 133.3 full-time equivalent positions for fiscal year 2004-2005,  
 2 98.8 FTE positions are for Division I and 34.5 FTE positions are for  
 3 Division II.

4	<u>Superior court</u>	
5	FTE positions	199.3
6	Judges compensation	\$ 14,623,400
7	Adult standard probation	11,110,200
8	Adult intensive probation	10,170,800
9	Community punishment	2,721,900
10	Interstate compact	558,600
11	Juvenile standard probation	7,457,300
12	Juvenile intensive probation	13,020,700
13	Juvenile treatment services	22,066,700
14	Juvenile family counseling	660,400
15	Progressively increasing	
16	consequences	9,268,100
17	Juvenile crime reduction	5,136,100
18	Special water master	<u>20,000</u>
19	Total appropriation - superior court	\$ 96,814,200
20	Fund sources:	
21	State general fund	\$ 89,847,700
22	Criminal justice enhancement fund	6,966,500
23	Performance measures:	
24	Customer satisfaction rating by states	
25	participating in the interstate compact	
26	(Scale 1-8)	7.7
27	<u>Juvenile standard probation:</u>	
28	Per cent of probationers successfully	
29	completing probation without a referral	
30	(a notice of misbehavior)	80
31	Average annual state cost per probation slot	\$1,090
32	<u>Juvenile intensive probation (JIPS):</u>	
33	Per cent of probationers successfully	
34	completing probation without a referral	
35	(a notice of misbehavior)	75
36	Average annual state cost per probation slot	\$7,511
37	<u>Adult standard probation:</u>	
38	Per cent of probationers successfully	
39	completing probation without a new	
40	conviction	90
41	Average annual state cost per probation slot	\$929

1 Adult intensive probation (AIPS):

2 Per cent of probationers successfully  
3 completing probation without a new  
4 conviction

75

5 Average annual state cost per probation slot \$6,235

6 Of the 199.3 FTE positions, 158 FTE positions represent superior court  
7 judges. One-half of their salaries are provided by state general fund  
8 appropriations pursuant to section 12-128, Arizona Revised Statutes. This  
9 is not meant to limit the counties' ability to add additional judges pursuant  
10 to section 12-121, Arizona Revised Statutes.

11 Up to 4.6 per cent of the amounts appropriated for juvenile probation  
12 services - treatment services and progressively increasing consequences may  
13 be retained and expended by the supreme court to administer the programs  
14 established by section 8-322, Arizona Revised Statutes, and to conduct  
15 evaluations as needed. The remaining portion of the treatment services and  
16 progressively increasing consequences programs shall be deposited in the  
17 juvenile probation services fund established by section 8-322, Arizona  
18 Revised Statutes.

19 Receipt of state probation monies by the counties is contingent on the  
20 county maintenance of fiscal year 2003-2004 expenditure levels for each  
21 probation program. State probation monies are not intended to supplant  
22 county dollars for probation programs.

23 All community punishment program receipts received by the  
24 administrative office of the courts in excess of \$2,721,900 in fiscal year  
25 2004-2005 are appropriated to the community punishment line item. Before the  
26 expenditure of any community punishment receipts in excess of \$2,721,900 in  
27 fiscal year 2004-2005, the administrative office of the courts shall submit  
28 the intended use of the monies for review by the joint legislative budget  
29 committee.

30 All juvenile crime reduction fund receipts received by the  
31 administrative office of the courts in excess of \$5,136,100 in fiscal year  
32 2004-2005 are appropriated to the juvenile crime reduction line item. Before  
33 the expenditure of any juvenile crime reduction fund receipts in excess of  
34 \$5,136,100 in fiscal year 2004-2005, the administrative office of the courts  
35 shall submit the intended use of the monies for review by the joint  
36 legislative budget committee.

37 The administrative office of the courts shall not allocate any monies  
38 appropriated for adult probation services to Maricopa county. It is the  
39 intent of the legislature that Maricopa county will pay for adult probation  
40 programs in that county.

41 Total appropriation - Arizona judiciary \$148,318,900

1	Fund sources:	
2	State general fund	\$112,733,100
3	Confidential intermediary and	
4	fiduciary fund	428,300
5	Court appointed special advocate	
6	fund	3,402,700
7	Criminal justice enhancement fund	9,997,600
8	Defensive driving school fund	5,225,300
9	Judicial collection enhancement	
10	fund	14,691,800
11	State aid to the courts fund	1,840,100
12	Sec. 30. DEPARTMENT OF JUVENILE CORRECTIONS	
13		<u>2004-05</u>
14	FTE positions	1,247.9
15	Lump sum appropriation	\$ 70,736,500
16	Fund sources:	
17	State general fund	\$ 67,132,400
18	State charitable, penal and	
19	reformatory institutions	
20	land fund	360,000
21	Criminal justice enhancement fund	585,300
22	State education fund for committed	
23	youth	2,658,800
24	Performance measures:	
25	Average yearly cost per juvenile in secure care	\$72,260
26	Escapes from DJC secure care facilities	0
27	Juveniles passing the GED language test	92
28	Per cent of juveniles who show progress in	
29	their primary treatment problem area	80
30	Per cent of juveniles returned to custody	
31	within 12 months of release	26
32	Customer satisfaction rating for employee	
33	satisfaction (Scale 1-8)	7.0
34	Per cent of agency staff turnover	27
35	Administration as a per cent of total cost	6.7

36 The department shall provide a travel stipend to all southwest regional  
 37 juvenile correction complex staff whose residence is at least twenty miles  
 38 from work.

39 Twenty-five per cent of land earnings and interest from the state  
 40 charitable, penal and reformatory institutions land fund shall be distributed  
 41 to the department of juvenile corrections, in compliance with section 25 of  
 42 the enabling act and with the Constitution of Arizona, to be used for the  
 43 support of state juvenile institutions and reformatories.

1 Before the expenditure of any state education fund for committed youth  
 2 receipts in excess of \$2,658,800, the department of juvenile corrections  
 3 shall report the intended use of the monies to the director of the joint  
 4 legislative budget committee.

5 Sec. 31. STATE LAND DEPARTMENT

	<u>2004-05</u>
6	
7 FTE positions	188.4
8 Operating lump sum appropriation	\$ 12,270,200
9 Natural resource conservation	
10 districts	430,000
11 Environmental county grants	125,000
12 CAP user fees	1,026,400
13 Inmate fire crews	782,900
14 Fire equipment	<u>1,200,000</u>
15 Total appropriation - state land department	\$ 15,834,500
16 Fund sources:	
17 State general fund	\$14,314,500
18 Environmental special plate fund	320,000
19 ADOA risk management fund	1,200,000
20 Performance measures:	
21 Average land sales processing time	
22 (application to auction, in months)	23.1
23 Per cent of customers giving the department	
24 a rating above 4 (5 = very satisfied)	90
25 Per cent of fires controlled at 100 acres	
26 or less	98
27 Per cent of agency staff turnover	13.0
28 Administration as a per cent of total cost	5.8

29 The appropriation includes \$1,026,400 for central Arizona project user  
 30 fees in fiscal year 2004-2005. For every dollar received as reimbursement  
 31 to the state in fiscal year 2004-2005, from cities that assume their  
 32 allocation of central Arizona project water for past central Arizona water  
 33 conservation district payments, one dollar reverts to the state general fund  
 34 in the year that the reimbursement is collected.

35 Of the amount appropriated for natural resource conservation districts  
 36 in fiscal year 2004-2005, \$30,000 shall be used to provide grants to NRCO  
 37 environmental education centers.

38 Sec. 32. LEGISLATURE

	<u>2004-05</u>
39	
40 <u>Senate</u>	
41 Lump sum appropriation	\$ 6,619,800*
42 Fund sources:	
43 State general fund	\$ 6,619,800

1 Included in the lump sum appropriation of \$6,619,800 for fiscal year  
 2 2004-2005 is \$1,000 for the purchase of mementos and items for visiting  
 3 officials.

4 House of representatives

5 Lump sum appropriation \$ 11,597,700\*

6 Fund sources:

7 State general fund \$ 11,597,700

8 Included in the lump sum appropriation of \$11,597,700 for fiscal year  
 9 2004-2005 is \$1,000 for the purchase of mementos and items for visiting  
 10 officials.

11 Legislative council

12 FTE positions 47.8

13 Operating lump sum appropriation \$ 4,184,800\*

14 Ombudsman-citizens aide office 363,400\*

15 Total appropriation - legislative  
 16 council \$ 4,548,200\*

17 Fund sources:

18 State general fund \$ 4,548,200

19 Performance measures:

20 Per cent of customers rating accuracy of bill  
 21 drafting "good" or "excellent" based on  
 22 annual survey 97

23 Per cent of customers rating timeliness  
 24 of bill drafting "good" or "excellent"  
 25 based on annual survey 97

26 Per cent of customers rating accuracy of  
 27 computer help desk "good" or "excellent"  
 28 based on annual survey 96

29 Individuals assisted by office of the  
 30 ombudsman-citizens aide 3,200

31 Investigations completed within 3 months by  
 32 office of the ombudsman-citizens aide 91

33 Administration as a per cent of total cost 6.4

34 Joint legislative budget committee

35 FTE positions 31.0

36 Lump sum appropriation \$ 2,146,100\*

37 Fund sources:

38 State general fund \$ 2,146,100

39 Performance measures:

40 Survey of legislator satisfaction (4=high) 3.62

41 Errors in budget bills 0

42 Maximum per cent actual revenues vary  
 43 from forecasted revenues +-3.0

44 Days to transmit fiscal notes 14

45 Administration as a per cent of total cost 11.9

1	<u>Auditor general</u>	
2	FTE positions	179.4
3	Lump sum appropriation	\$ 11,442,000*
4	Fund sources:	
5	State general fund	\$ 11,442,000
6	Performance measures:	
7	Per cent of administrative recommendations	
8	implemented or adopted within 1 year for	
9	financial audits	65
10	Per cent of administrative recommendations	
11	implemented or adopted within 2 years for	
12	performance audits	92
13	Legislative recommendations implemented or	
14	adopted within 3 years for performance	
15	audits	60
16	Average hours per performance audit	2,483
17	Per cent of agency staff turnover	19
18	Administration as a per cent of total cost	8.0
19	Customer satisfaction rating (Scale 1-8)	6.83
20	<u>Library, archives and public records</u>	
21	FTE positions	114.8
22	Operating lump sum appropriation	\$ 6,458,000
23	Grants-in-aid	651,400
24	Statewide radio reading service	
25	for the blind	<u>97,000</u>
26	Total appropriation - library,	
27	archives and public records	\$ 7,206,400*
28	Fund sources:	
29	State general fund	\$ 6,546,600
30	Records services fund	659,800
31	Performance measures:	
32	Tour participants and program attendees	154,735
33	Number of volunteers hours	34,800
34	Outside funds raised (grants and donations)	\$ 3,551,800
35	Customer satisfaction rating (Scale 1-8)	7.4
36	Per cent of agency staff turnover	10.0
37	Administration as a per cent of total cost	3.6

38 All records services fund receipts, including prior year fund balances,  
39 received by the Arizona state library, archives and public records in excess  
40 of \$659,800 in fiscal year 2004-2005 are appropriated to the Arizona state  
41 library, archives and public records. Before the expenditure of records  
42 services fund receipts in excess of \$659,800 in fiscal year 2004-2005, the  
43 Arizona state library, archives and public records shall submit the intended  
44 use of the monies for review by the joint legislative budget committee.

1	Sec. 33. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
2		<u>2004-05</u>
3	FTE positions	42.2
4	Lump sum appropriation	\$ 2,742,700
5	Fund sources:	
6	State general fund	\$ 2,742,700
7	Performance measures:	
8	Investigations and routine liquor	
9	inspections completed	3,000
10	Average calendar days to complete an	
11	investigation	35
12	New licenses, transferred licenses and	
13	renewals issued	10,800
14	Per cent of customers who responded to the	
15	survey reporting "very good" or "excellent"	
16	service	87
17	Administration as a per cent of total cost	9.3
18	Sec. 34. STATE MINE INSPECTOR	
19		<u>2004-05</u>
20	FTE positions	17.0
21	Lump sum appropriation	\$ 1,085,400
22	Fund sources:	
23	State general fund	\$ 1,085,400
24	Performance measures:	
25	Per cent of mandated inspections completed	75
26	Number of miners and contractors trained	6,000
27	Number of inspections	530
28	Administration as a per cent of total cost	7.7
29	Customer satisfaction rating for mines	
30	(Scale 1-8)	6.5
31	Sec. 35. STATE PARKS BOARD	
32		<u>2004-05</u>
33	FTE positions	245.3
34	Operating lump sum appropriation	\$ 12,264,500
35	Kartchner caverns	<u>1,905,300</u>
36	Total appropriation - Arizona state parks	
37	board	\$ 14,169,800
38	Fund sources:	
39	State general fund	\$ 2,310,500
40	State parks enhancement fund	10,117,900
41	Law enforcement and boating	
42	safety fund	1,092,700
43	Reservation surcharge fund	298,700
44	Land conservation fund -	
45	administration account	<del>350,000</del>

**VETO**  
60 -

1	Performance measures:	
2	Annual park attendance	2,600,000
3	Per cent of park visitors rating their	
4	experience "good" or "excellent"	96
5	Average cost per state park visitors	\$ .17
6	New acres of open space and parkland	
7	dedicated in Arizona	1,500
8	Per cent of agency staff turnover	10.0
9	Administration as a per cent of total cost	4.8

10 The appropriation for law enforcement and boating safety fund projects  
 11 is an estimate representing all monies distributed to this fund, including  
 12 balance forward, revenue and transfers during fiscal year 2004-2005. These  
 13 monies are appropriated to the Arizona state parks board for the purposes  
 14 established in section 5-383, Arizona Revised Statutes. The appropriation  
 15 shall be adjusted as necessary to reflect actual final receipts credited to  
 16 the law enforcement and boating safety fund.

17 All other operating expenditures include \$26,000 from the state parks  
 18 enhancement fund for Fool Hollow state park revenue sharing. If receipts to  
 19 Fool Hollow exceed \$260,000 in fiscal year 2004-2005, an additional ten per  
 20 cent of this increase of Fool Hollow receipts is appropriated from the state  
 21 parks enhancement fund to meet the revenue sharing agreement with the city  
 22 of Show Low and the United States forest service.

23 All reservation surcharge revolving fund receipts received by the  
 24 Arizona state parks board in excess of \$298,700 in fiscal year 2004-2005 are  
 25 appropriated to the reservation surcharge revolving fund special line  
 26 item. Before the expenditure of any reservation surcharge revolving fund  
 27 monies in excess of \$298,700 in fiscal year 2004-2005, the Arizona state  
 28 parks board shall submit the intended use of the monies for review by the  
 29 joint legislative budget committee.

30 During fiscal year 2004-2005, no appropriated or nonappropriated monies  
 31 may be used for the purposes of out-of-state travel expenses by state parks  
 32 board staff.

33 The state parks board shall submit to the joint legislative budget  
 34 committee, on a quarterly basis, the operating expenditures of each state  
 35 park.

36 Sec. 36. PIONEERS' HOME

37		<u>2004-05</u>
38	FTE positions	115.8
39	Personal services	\$ 3,104,600
40	Employee related expenditures	1,090,000
41	Professional and outside services	129,300
42	Travel in-state	25,000

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1	Food	202,200
2	Other operating expenditures	474,700
3	Equipment	12,000
4	Prescription drugs	<u>436,400</u>
5	Total appropriation - pioneers' home	\$ 5,474,200
6	Fund sources:	
7	State general fund	\$ 3,087,800
8	Miners' hospital fund	1,421,500
9	State charitable fund	964,900

10	Performance measures:	
11	Per cent of residents rating services as	
12	"good" or "excellent"	98
13	Monthly cost per resident	\$3,615
14	Average monthly payment per resident	\$650
15	Per cent of agency staff turnover	16
16	Administration as a per cent of total cost	4.3

17 In addition to the amounts appropriated, earnings on state lands and  
 18 interest on the investment of the permanent land funds are appropriated for  
 19 the pioneers' home and the hospital for disabled miners in compliance with  
 20 the enabling act and the Constitution of Arizona.

21 The pioneers' home shall not exceed its expenditure authority for  
 22 monies appropriated from the miners' hospital for disabled miners' land fund.

23 Sec. 37. COMMISSION FOR POSTSECONDARY EDUCATION

24		<u>2004-05</u>
25	FTE positions	4.0
26	Operating lump sum appropriation	\$ 335,700
27	Leveraging educational assistance	
28	partnership	3,364,500
29	Private postsecondary education	
30	student financial assistance	
31	program	170,500
32	Family college savings program	86,900
33	Arizona college and career guide	21,200
34	Arizona minority educational policy	
35	analysis center	150,000
36	Twelve plus partnership	<u>119,600</u>
37	Total appropriation - commission for	
38	postsecondary education	\$ 4,248,400
39	Fund sources:	
40	State general fund	\$ 1,391,300
41	Postsecondary education fund	2,857,100

1	Performance measures:	
2	Student grants awarded	3,800
3	Family college savings program account	
4	holders	34,000
5	Per cent of customers rating commission	
6	services as "good" or "excellent"	95
7	Administration as a per cent of total cost	3.8

8 The appropriation for leveraging educational assistance partnership is  
9 to be used to make grants under the Arizona state student incentive grant  
10 program administered by the Arizona commission for postsecondary education.  
11 Grants may be made according to the provisions of applicable federal and  
12 state laws and regulations relating to this program to Arizona residents who  
13 demonstrate financial need and who are attending, on at least a half-time  
14 basis, an approved program at a properly accredited Arizona postsecondary  
15 educational institution.

16 Each participating institution, public or private, in order to be  
17 eligible to receive state matching funds under the state student incentive  
18 grant program for grants to students, shall provide an amount of  
19 institutional matching funds that equals the amount of funds provided by the  
20 state to the institution for the state student incentive grant program.  
21 Administrative expenses incurred by the commission for postsecondary  
22 education shall be paid from institutional matching funds and shall not  
23 exceed twelve per cent of the funds in fiscal year 2004-2005.

24 For fiscal year 2004-2005, any unencumbered balance remaining in the  
25 postsecondary education fund on June 30, 2004 and all grant monies and other  
26 revenues received by the commission for postsecondary education during this  
27 fiscal year, when paid into the state treasury, are appropriated for the  
28 explicit purposes designated by special line items and for additional  
29 responsibilities prescribed in sections 15-1851 and 15-1852, Arizona Revised  
30 Statutes.

31 Of the total amount appropriated for the private postsecondary  
32 education student financial assistance program, no more than ten per cent may  
33 be used for program administrative costs.

34 The appropriations for Arizona college and career guide, Arizona  
35 minority educational policy analysis center and twelve plus partnership are  
36 estimates representing all monies distributed to this fund, including balance  
37 forward, revenue and transfers, during fiscal year 2004-2005. The  
38 appropriations shall be adjusted as necessary to reflect actual final  
39 receipts credited to the postsecondary education fund.

1	Sec. 38. DEPARTMENT OF PUBLIC SAFETY	
2		<u>2004-05</u>
3	FTE positions	1,872.0
4	Operating lump sum appropriation	\$147,322,900
5	GITEM	4,271,700
6	Statewide interoperability design	2,000,000
7	Sworn officer salary adjustments	4,325,400
8	Triagency disaster recovery	<u>296,200</u>
9	Total appropriation - department of public	
10	safety	\$158,216,200
11	Fund sources:	
12	State general fund	\$ 28,113,100
13	Highway user revenue fund	51,597,300
14	State highway fund	32,288,300
15	Arizona highway patrol fund	20,294,500
16	Criminal justice enhancement fund	2,297,200
17	Safety enforcement and transportation	
18	infrastructure fund	1,207,800
19	Crime laboratory assessment fund	3,859,000
20	Arizona deoxyribonucleic acid	
21	identification fund	2,525,100
22	Automated fingerprint identification	
23	fund	2,194,900
24	Motorcycle safety fund	205,000
25	Sex offender monitoring fund	331,000
26	County transportation contribution	
27	fund	13,006,800
28	Risk management fund	296,200
29	Performance measures:	
30	Per cent of scientific analysis cases over	
31	30 calendar days old	5
32	Per cent of system reliability of the Arizona	
33	automated fingerprint identification network	99
34	Clandestine labs dismantled	125
35	Per cent of agency staff turnover	4.0
36	Administration as a per cent of total cost	22.3
37	Customer satisfaction rating for citizens	
38	(Scale 1-8)	6.1
39	Any monies remaining in the department of public safety joint account	
40	on June 30, 2005 shall revert to the funds from which they were appropriated.	
41	The reverted monies shall be returned in direct proportion to the amounts	
42	appropriated.	
43	It is the intent of the legislature that monies appropriated to the	
44	GITEM special line item shall not be allocated by the department of public	
45	safety to any county with a population greater than seven hundred fifty	

1 thousand or to any city or town located within a county with a population  
 2 greater than seven hundred fifty thousand.

3 The department of public safety shall monitor the performance of the  
 4 federal bureau of investigation's national instant criminal background check  
 5 system (NICS) in fiscal year 2004-2005 and submit a report to the joint  
 6 legislative budget committee by February 1, 2005 regarding the results of  
 7 performance monitoring. Performance monitoring shall include, but is not  
 8 limited to, the average response time, rejection rates, the number of default  
 9 proceeds, the number of guns sold to disqualified individuals and NICS  
 10 availability.

11 Monies appropriated to the statewide interoperability design special  
 12 line item shall be used for statewide interoperability system design costs  
 13 and the department of public safety shall submit its expenditure plan to the  
 14 joint legislative budget committee for review prior to expenditure.

15 Distribution of the monies appropriated for sworn officer salary  
 16 adjustments shall be determined by the department.

17 Sec. 39. ARIZONA DEPARTMENT OF RACING

18		<u>2004-05</u>
19	FTE positions	46.5
20	Lump sum appropriation	\$ 2,880,500
21	Fund sources:	
22	State general fund	\$ 2,442,500
23	County fair racing fund	362,500
24	Racing administration fund	75,500
25	Performance measures:	
26	Per cent of horse racing customers reporting	
27	"very good" or "excellent" service	99
28	Per cent of greyhound racing customers	
29	reporting "very good" or "excellent" service	99
30	Per cent of positive horse drug tests	1.5
31	Per cent of positive greyhound drug tests	0.08
32	Administration as a per cent of total cost	16.9

33 The department of racing shall report to the president of the senate,  
 34 the speaker of the house of representatives, the chairpersons of the senate  
 35 and house of representatives appropriations committees and the director of  
 36 the joint legislative budget committee on a semiannual basis on boxing  
 37 related activities. The report shall contain the number of boxing events,  
 38 gross receipts, state revenues and license fee collections.

39 Sec. 40. RADIATION REGULATORY AGENCY

40		<u>2004-05</u>
41	FTE positions	25.0
42	Lump sum appropriation	\$ 1,307,300

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1	Fund sources:	
2	State general fund	\$ 1,067,400
3	State radiologic technologist	
4	certification fund	239,900
5	Performance measures:	
6	Per cent of x-ray tubes inspected	22
7	Per cent of x-ray tubes overdue for inspection	21
8	Radiological incidents (non-Palo Verde related)	15
9	Radiological incidents (Palo Verde)	0
10	Administration as a per cent of total cost	13.1
11	Customer satisfaction rating (Scale 1-8)	7.3
12	Sec. 41. REAL ESTATE DEPARTMENT	
13		<u>2004-05</u>
14	FTE positions	65.4
15	Lump sum appropriation	\$ 3,104,900
16	Fund sources:	
17	State general fund	\$ 3,104,900
18	Performance measures:	
19	Average days from receipt to approval of	
20	continuing education course	7.4
21	Average days from receipt to issuance of	
22	license reports	3.1
23	Per cent of surveys from licensees indicating	
24	"good" to "excellent" service	99.0
25	Average days from receipt of complaint to	
26	resolution	104.5
27	Per cent of licensees with disciplinary action	0.3
28	Administration as a per cent of total cost	17.4
29	Sec. 42. DEPARTMENT OF REVENUE	
30		<u>2004-05</u>
31	FTE positions	1,148.0
32	Operating lump sum appropriation	\$ 56,737,700
33	Revenue generating program	<u>6,537,000</u>
34	Total appropriation - department of revenue	\$ 63,274,700
35	Fund sources:	
36	State general fund	\$ 61,006,100
37	Estate and unclaimed property fund	1,450,400
38	Liability setoff fund	382,800
39	Tobacco tax and health care fund	435,400
40	Performance measures:	
41	Average calendar days to refund income tax	13
42	Per cent of non-audit revenue to total	
43	revenue	95.9

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1	Per cent of written taxpayer inquiries	
2	answered within 30 calendar days	
3	of receipt	70
4	Per cent that collector contacts taxpayer	
5	within 30 calendar days of being	
6	assigned a delinquent account	51
7	Per cent of delinquent accounts collected	11
8	Per cent of agency staff turnover	11
9	Administration as a per cent of total cost	6.4
10	Customer satisfaction rating for taxpayer	
11	information section (Scale 1-5)	4.6

12 Included in the total appropriation of \$63,274,700 for fiscal year  
13 2004-2005 is \$6,537,000 from the state general fund and 153 FTE positions for  
14 the revenue generating program. This program is expected to generate  
15 \$53,249,000 for the state general fund in fiscal year 2004-2005. The  
16 department shall provide quarterly progress reports to the joint legislative  
17 budget committee as to the effectiveness of the revenue generating program  
18 and the department's overall enforcement and collections program. The  
19 reports shall include a comparison of projected and actual revenue  
20 enforcement collections for fiscal year 2004-2005. The reports are due  
21 within thirty days after the end of each calendar quarter.

22 The appropriations in this section do not include funding for a North  
23 Phoenix office.

24 Sec. 43. SCHOOL FACILITIES BOARD

25		<u>2004-05</u>
26	FTE positions	18.0
27	Operating lump sum appropriation	\$ 1,577,500
28	New school facilities debt service	<u>43,009,600</u>
29	Total appropriation - school facilities	
30	board	\$ 44,587,100
31	Fund sources:	
32	State general fund	\$ 44,587,100
33	Performance measures:	
34	Number of schools inspected	300
35	Per cent of cumulative critical deficiency	
36	correction projects completed	100
37	Per cent of cumulative noncritical	
38	deficiency correction projects completed	100
39	Per cent of school districts rating the	
40	board's services as "good" or "excellent"	
41	in an annual survey	92
42	Administration as a per cent of total	
43	cost (excluding deficiencies correction)	0.4

1	Sec. 44. DEPARTMENT OF STATE - SECRETARY OF STATE	
2		<u>2004-05</u>
3	FTE positions	40.3
4	Operating lump sum appropriation	\$ 2,066,600
5	Election services	3,619,500
6	Help America vote act	<u>28,400,000</u>
7	Total appropriation - secretary of state	\$ 34,086,100
8	Fund sources:	
9	State general fund	\$ 7,086,100
10	Election systems improvement fund	27,000,000
11	Performance measures:	
12	Per cent of documents returned to public	
13	filer in 48 hours (business services	
14	division)	97
15	Per cent of election law complaints reviewed	
16	and acted on within 7 days	100
17	Administration as a per cent of total cost	10.0
18	Customer satisfaction rating for county election	
19	officials (Scale 1-8)	8.0
20	The secretary of state shall report to the joint legislative budget	
21	committee by December 31, 2004 the actual amount and purpose of expenditures	
22	from the election systems improvement fund in fiscal year 2003-2004 and the	
23	expected amounts and purpose of expenditures from the fund for fiscal years	
24	2004-2005 and 2005-2006.	
25	Sec. 45. DEPARTMENT OF TRANSPORTATION	
26		<u>2004-05</u>
27	<u>Administration</u>	
28	FTE positions	406.0
29	Lump sum appropriation	\$ 37,980,000
30	Fund sources:	
31	State highway fund	\$ 37,980,000
32	Performance measures:	
33	External customer satisfaction rating	
34	based on annual survey (Scale 1-10)	8.7
35	Per cent of agency staff turnover	14.0
36	Administration as a per cent of total cost	12.0
37	<u>Highways</u>	
38	FTE positions	2,522.0
39	Lump sum appropriation	\$253,010,900
40	Fund sources:	
41	State general fund	\$ 67,700
42	Safety enforcement and	
43	transportation	
44	infrastructure fund	558,700

1	State highway fund	218,865,800
2	Transportation department	
3	equipment fund	33,518,700
4	Performance measures:	
5	Per cent of Maricopa regional freeway miles	
6	completed	79
7	Per cent of overall highway construction	
8	projects completed on schedule	100
9	Per cent of highway maintenance level of	
10	service - roads meeting minimum standards	83
11	Of the total amount appropriated for the highways program, \$104,932,700	
12	in fiscal year 2004-2005 for highway maintenance is exempt from the	
13	provisions of section 35-190, Arizona Revised Statutes, relating to lapsing	
14	of appropriations, except that all unexpended and unencumbered monies of the	
15	appropriation revert to their fund of origin, either the state highway fund	
16	or the safety enforcement and transportation infrastructure fund, on August	
17	31, 2005.	
18	<u>Motor vehicle</u>	
19	FTE positions	1,661.0
20	Lump sum appropriation	\$ 87,639,000
21	Fund sources:	
22	Air quality fund	\$ 55,700
23	Highway user revenue fund	383,300
24	Motor vehicle liability insurance	
25	enforcement fund	1,148,000
26	Safety enforcement and	
27	transportation infrastructure	
28	fund	2,100,400
29	State highway fund	82,832,200
30	Vehicle inspection and title	
31	enforcement fund	<u>1,119,400</u>
32	Performance measures:	
33	Average office wait time (minutes)	15 to 20
34	Average telephone wait time (minutes)	3.5
35	Per cent of business processed by third	
36	parties	31
37	Per cent of alternative vehicle	
38	registration renewal methods	
39	(mail, internet, third party)	72

40 It is the intent of the legislature that all monies appropriated for

41 the motor vehicle division field offices and electronic services are combined

42 resources designed to improve customer services and that the department

43 should pursue increased efforts to further the utilization of electronic

44 services (e-business transactions) to enhance customer services and create

45 efficiencies, enhanced customer service and security issues.

1 The appropriation for the motor vehicle division includes an increase  
 2 of \$495,200 and 12 FTE positions for increased staff at the ports of entry.  
 3 By September 1, 2004, the department shall report to the joint legislative  
 4 budget committee for its review information on how the 12 new FTE positions  
 5 were distributed among the ports of entry. For each fixed port of entry, the  
 6 report shall include the total number of authorized and filled FTE positions,  
 7 the total number of hours open and closed, the number of trucks processed  
 8 manually, by prepass and waved through, and the amount of revenue collected.

9 Aeronautics

10	FTE positions	33.0
11	Lump sum appropriation	\$ 1,898,500
12	Fund sources:	
13	State aviation fund	\$ 1,898,500
14	Performance measures:	
15	Per cent of airport development projects	
16	completed on schedule	95
17	Working days to complete aircraft	
18	registration	2.0
19	Total appropriation - department of	
20	transportation	\$380,528,400
21	Fund sources:	
22	State general fund	\$ 67,700
23	Air quality fund	55,700
24	Highway user revenue fund	383,300
25	Motor vehicle liability insurance	
26	enforcement fund	1,148,000
27	Safety enforcement and	
28	transportation infrastructure	
29	fund	2,659,100
30	State aviation fund	1,898,500
31	State highway fund	339,678,000
32	Transportation department	
33	equipment fund	33,518,700
34	Vehicle inspection and title	
35	enforcement fund	1,119,400

36 By September 1, 2004, the department shall report to the joint  
 37 legislative budget committee information on unit cost measures for the  
 38 committee's review. The report shall include measures for fiscal year  
 39 2003-2004 for highway maintenance landscape in-house unit cost per centerline  
 40 mile and highway maintenance landscape contract unit cost per centerline  
 41 mile. The highway maintenance landscape in-house unit cost per centerline  
 42 mile shall include the department's direct costs and the costs of training  
 43 and supervision, administrative overhead, employee related expenditures and  
 44 all other operating expenditures such as risk management, building  
 45 depreciation and rent. The highway maintenance landscape contract unit cost

1 per centerline mile shall include the department's actual contract costs and  
 2 the costs for bidding and administering the contract, inspecting and  
 3 approving the work, training and supervision of purchasing and other involved  
 4 department employees, administrative overhead, employee related expenditures  
 5 and all other operating expenditures such as risk management, building  
 6 depreciation and rent. For the highway maintenance landscape contract unit  
 7 cost per centerline mile, the report shall identify the amount of transaction  
 8 privilege taxes included in the contract costs. The report shall explain the  
 9 methodology used to derive each unit cost measure, including the dollar  
 10 amounts for each cost item and how each dollar amount was used in the  
 11 calculation of the unit cost measure.

12 Sec. 46. STATE TREASURER

13		<u>2004-05</u>
14	FTE positions	33.4
15	Operating lump sum appropriation	\$ 2,727,500
16	Justice of the peace salaries	<u>2,775,500</u>
17	Total appropriation - state treasurer	\$ 5,503,000
18	Fund sources:	
19	State general fund	\$ 5,353,000
20	Capital outlay stabilization fund	150,000
21	Performance measures:	
22	Ratio of yield of LGIP to Standard	
23	and Poor's LGIP index	1.2
24	Ratio of yield of endowment pools to	
25	Salomon Big Bond Index	1.09
26	Administration as a per cent of total cost	2.8
27	Customer satisfaction rating for local	
28	government investment pool participants	
29	(Scale 1-8)	6.0

30 It is the intent of the legislature that the investment management fee  
 31 on monies managed by the state treasurer be set at eight basis points.

32 Sec. 47. ARIZONA COMMISSION ON UNIFORM STATE LAWS

33		<u>2004-05</u>
34	Lump sum appropriation	\$ 52,300
35	Fund sources:	
36	State general fund	\$ 52,300
37	Performance measures:	
38	National conference committees staffed	9.0
39	Uniform acts approved and adopted by	
40	national conference	6.0
41	Uniform laws introduced in Arizona	3.0
42	Uniform laws enacted in Arizona	3.0
43	Administration as a per cent of total cost	0

## 1 Sec. 48. ARIZONA BOARD OF REGENTS

2			<u>2004-05</u>
3	FTE positions		27.9
4	Operating lump sum appropriation	\$	2,085,900
5	Student financial assistance		2,251,200
6	Western interstate commission		
7	office		103,000
8	WICHE student subsidies		2,908,100
9	Arizona transfer articulation		
10	support system		213,700
11	University pay plan		<u>16,100,000</u>

12	Total appropriation - Arizona board of		
13	regents	\$	23,661,900

## 14 Fund sources:

15	State general fund	\$	23,661,900
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## 16 Performance measures:

17	Per cent of graduating seniors who rate		
18	their overall university experience		
19	as "good"/"excellent"		95

20	Per cent of full-time undergraduate students		
21	enrolled per semester in three or more primary		
22	courses with ranked faculty		75

23	Average number of years taken to graduate		
24	for student who began as freshman		4.7

25	Per cent of agency staff turnover		15.8
----	-----------------------------------	--	------

26	Administration as a per cent of total cost		1.6
----	--	--	-----

27 The Arizona board of regents shall transfer monies appropriated for the  
28 university pay plan to each university for distribution according to employee  
29 pay plans developed by the president of each university and report to the  
30 director of the joint legislative budget committee staff by July 31, 2004 on  
31 how monies were distributed by campus.

## 32 Sec. 49. ARIZONA STATE UNIVERSITY

33			<u>2004-05</u>
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34 Main campus

35	FTE positions		6,044.7
36	Lump sum appropriation	\$	413,673,700

## 37 Fund sources:

38	State general fund	\$	273,473,700
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39	University collections fund		140,200,000
----	-----------------------------	--	-------------

## 40 Performance measures:

41	Per cent of graduating seniors who rate		
42	their overall university experience		
43	as "good"/"excellent"		95

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1	Per cent of full-time undergraduate	
2	students enrolled per semester in 3 or	
3	more primary courses with ranked faculty	74
4	Average number of years taken to graduate	
5	for student who began as freshman	4.7
6	External dollars for research and creative	
7	activity	\$150,000,000
8	Per cent of agency staff turnover	13.9
9	Administration as a per cent of total cost	1.3
10	<u>East campus</u>	
11	FTE positions	315.0
12	Operating lump sum appropriation	\$ 21,466,700
13	Lease-purchase payment	<u>2,000,000</u>
14	Total - East campus	\$ 23,466,700
15	Fund sources:	
16	State general fund	\$ 12,594,100
17	University collections fund	8,872,600
18	Technology and research initiative	
19	fund	2,000,000
20	Performance measures:	
21	Per cent of graduating seniors who rate	
22	their overall university experience	
23	as "good"/"excellent"	94
24	Per cent of full-time undergraduate students	
25	enrolled per semester in 3 or more primary	
26	courses with ranked faculty	71
27	Average number of years taken to graduate	
28	for student who began as freshman	5.1
29	Per cent of agency staff turnover	10
30	Administration as a per cent of total cost	3.9
31	<u>West campus</u>	
32	FTE positions	739.0
33	Operating lump sum appropriation	\$ 51,220,400
34	Lease-purchase payment	<u>1,600,000</u>
35	Total - West campus	\$ 52,820,400
36	Fund sources:	
37	State general fund	\$ 39,283,900
38	University collections fund	11,936,500
39	Technology and research initiative	
40	fund	1,600,000
41	Performance measures:	
42	Per cent of graduating seniors who rate	
43	their overall university experience	
44	as "good"/"excellent"	98

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1	Per cent of full-time undergraduate students	
2	enrolled per semester in 3 or more primary	
3	courses with ranked faculty	72
4	Fall semester enrollment (FTE)	5,800
5	Per cent of agency staff turnover	14.7
6	Administration as a per cent of total cost	3.6
7	Total appropriation - Arizona state	
8	university	\$489,960,800
9	Fund sources:	
10	State general fund	\$325,351,700
11	University collections fund	161,009,100
12	Technology and research initiative	
13	fund	3,600,000

14 The state general fund appropriations shall not be used for alumni  
15 association funding.

16 The appropriated monies are not to be used for scholarships.

17 The appropriated monies shall not be used by the Arizona state  
18 university college of law legal clinic for any lawsuits involving inmates of  
19 the state department of corrections in which the state is the adverse party.

20 Any unencumbered balances remaining in the collections account on June  
21 30, 2004 and all collections received by the university during the fiscal  
22 year, when paid into the state treasury, are appropriated for operating  
23 expenditures, capital outlay and fixed charges. Earnings on state lands and  
24 interest on the investment of the permanent land funds are appropriated in  
25 compliance with the enabling act and the Constitution of Arizona. No part  
26 of this appropriation may be expended for supplemental life insurance or  
27 supplemental retirement. Receipts from summer session, when deposited in the  
28 state treasury, together with any unencumbered balance in the summer session  
29 account, are hereby appropriated for the purpose of conducting summer  
30 sessions but are excluded from the amounts enumerated above. Within ten days  
31 of the acceptance of the universities' semiannual all funds budget reports,  
32 the Arizona board of regents shall inform the joint legislative budget  
33 committee of any tuition revenue amounts that are different from the amounts  
34 appropriated by the legislature and shall submit an expenditure plan for any  
35 tuition revenue amounts that are greater than the appropriated amounts to the  
36 joint legislative budget committee for its review. The expenditure plan  
37 shall also include as an informational item, any additional local retention  
38 amounts above the amounts estimated in the original fiscal year 2004-2005  
39 budget request.

1 Sec. 50. NORTHERN ARIZONA UNIVERSITY

2		<u>2004-05</u>
3	FTE positions	2,060.7
4	Operating lump sum appropriation	\$145,374,300
5	NAU - Yuma	<u>2,308,200</u>

6 Total appropriation - Northern Arizona  
7 university \$147,682,500

8 Fund sources:  
9 State general fund \$113,537,800  
10 University collections fund 34,144,700

11 Performance measures:  
12 Per cent of graduating seniors who rate  
13 their overall university experience  
14 as "good"/"excellent" 97

15 Per cent of full-time undergraduate students  
16 enrolled per semester in 3 or more primary  
17 courses with ranked faculty 93

18 Average number of years taken to graduate  
19 for student who began as freshman 4.5

20 Degrees granted to statewide students 1,700

21 Per cent of agency staff turnover 15.0

22 Administration as a per cent of total cost 1.9

23 The state general fund appropriations shall not be used for alumni  
24 association funding.

25 The appropriated monies are not to be used for scholarships.

26 Any unencumbered balances remaining in the collections account on June  
27 30, 2004 and all collections received by the university during the fiscal  
28 year, when paid into the state treasury, are appropriated for operating  
29 expenditures, capital outlay and fixed charges. Earnings on state lands and  
30 interest on the investment of the permanent land funds are appropriated in  
31 compliance with the enabling act and the Constitution of Arizona. No part  
32 of this appropriation may be expended for supplemental life insurance or  
33 supplemental retirement. Receipts from summer session, when deposited in the  
34 state treasury, together with any unencumbered balance in the summer session  
35 account, are hereby appropriated for the purpose of conducting summer  
36 sessions but are excluded from the amounts enumerated above. Within ten days  
37 of the acceptance of the universities' semiannual all funds budget reports,  
38 the Arizona board of regents shall inform the joint legislative budget  
39 committee of any tuition revenue amounts that are different from the amounts  
40 appropriated by the legislature and shall submit an expenditure plan for any  
41 tuition revenue amounts that are greater than the appropriated amounts to the  
42 joint legislative budget committee for its review. The expenditure plan  
43 shall also include as an informational item, any additional local retention  
44 amounts above the amounts estimated in the original fiscal year 2004-2005  
45 budget request.

1	Sec. 51. UNIVERSITY OF ARIZONA	
2		<u>2004-05</u>
3	<u>Main campus</u>	
4	FTE positions	5,674.4
5	Operating lump sum appropriation	\$324,574,800
6	Agriculture	45,545,600
7	Sierra Vista campus	<u>3,413,100</u>
8	Total - Main campus	\$373,533,500
9	Fund sources:	
10	State general fund	\$270,659,000
11	University collections fund	102,874,500
12	Performance measures:	
13	Per cent of graduating seniors who rate	
14	their overall university experience	
15	as "good"/"excellent"	95
16	Per cent of full-time undergraduate students	
17	enrolled per semester in 3 or more primary	
18	courses with ranked faculty	80
19	Average number of years taken to graduate	
20	for students who began as freshman	4.6
21	Gifts, grants and contracts	\$290,000,000
22	Per cent of agency staff turnover	17.0
23	Administration as a per cent of total cost	1.7
24	<u>Health sciences center</u>	
25	FTE positions	667.2
26	Operating lump sum appropriation	\$ 53,152,400
27	Clinical rural rotation	458,300
28	Clinical teaching support	9,434,500
29	Liver research institute	486,100
30	Telemedicine network	<u>1,167,200</u>
31	Total - health sciences center	\$ 64,698,500
32	Fund sources:	
33	State general fund	\$ 53,813,900
34	University collections fund	10,884,600
35	Performance measures:	
36	Per cent of graduating seniors who rate	
37	their overall university experience	
38	as "good"/"excellent"	99
39	Gifts, grants and contracts	\$155,000,000
40	Per cent of agency staff turnover	15.0
41	Administration as a per cent of total cost	1.3
42	Total appropriation - university of	
43	Arizona	\$438,232,000

1 Fund sources:  
 2 State general fund \$324,472,900  
 3 University collections fund 113,759,100  
 4 The state general fund appropriations shall not be used for alumni  
 5 association funding.

6 The appropriated monies are not to be used for scholarships.

7 Any unencumbered balances remaining in the collections account on June  
 8 30, 2004 and all collections received by the university during the fiscal  
 9 year, when paid into the state treasury, are appropriated for operating  
 10 expenditures, capital outlay and fixed charges. Earnings on state lands and  
 11 interest on the investment of the permanent land funds are appropriated in  
 12 compliance with the enabling act and the Constitution of Arizona. No part  
 13 of this appropriation may be expended for supplemental life insurance or  
 14 supplemental retirement. Receipts from summer session, when deposited in the  
 15 state treasury, together with any unencumbered balance in the summer session  
 16 account, are hereby appropriated for the purpose of conducting summer  
 17 sessions but are excluded from the amounts enumerated above. Within ten days  
 18 of the acceptance of the universities' semiannual all funds budget reports,  
 19 the Arizona board of regents shall inform the joint legislative budget  
 20 committee of any tuition revenue amounts that are different from the amounts  
 21 appropriated by the legislature and shall submit an expenditure plan for any  
 22 tuition revenue amounts that are greater than the appropriated amounts to the  
 23 joint legislative budget committee for its review. The expenditure plan  
 24 shall also include as an informational item, any additional local retention  
 25 amounts above the amounts estimated in the original fiscal year 2004-2005  
 26 budget request.

27 Sec. 52. DEPARTMENT OF VETERANS' SERVICES

28		<u>2004-05</u>
29	FTE positions	299.3
30	Operating lump sum appropriation	\$ 13,966,000
31	Southern Arizona cemetery	129,000
32	Telemedicine project	10,000
33	Veterans' organizations contracts	<u>29,200</u>
34	Total appropriation - department of	
35	veterans' services	\$ 14,134,200
36	Fund sources:	
37	State general fund	\$ 2,165,100
38	State home for veterans' trust	
39	fund	11,360,400
40	State veterans' conservatorship fund	608,700
41	Performance measures:	
42	DHS quality rating of the veterans' home	
43	("excellent", "standard" or "substandard")	Excellent
44	Per cent of customers rating department's	
45	services as "good" or "excellent"	95

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1	Social worker to client ratio	1:50
2	Per cent of agency staff turnover	25
3	Administration as a per cent of total cost	8
4	Sec. 53. DEPARTMENT OF WATER RESOURCES	
5		<u>2004-05</u>
6	FTE positions	189.7
7	Operating lump sum appropriation	\$ 13,375,300
8	Arizona water protection fund	
9	deposit	- 0 -
10	Rural water studies	<u>500,000</u>
11	Total appropriation - department of water	
12	resources	\$ 13,875,300
13	Fund sources:	
14	State general fund	\$ 13,875,300
15	Performance measures:	
16	Per capita water use in active management	
17	areas (acre feet)	2.74
18	Per cent of Colorado River entitlement used	100
19	Per cent of Arizona's unused Colorado	
20	River entitlement that is recharged	
21	via the water banking authority	95
22	Number of dams in a nonemergency	
23	unsafe condition	13
24	Per cent of rural watershed studies	
25	contract deliverables completed	
26	and accepted	100
27	Per cent of agency staff turnover	6
28	Administration as a per cent of total cost	4.7
29	Customer satisfaction rating for hydrology	
30	program (Scale 1-8)	8.0
31	Sec. 54. DEPARTMENT OF WEIGHTS AND MEASURES	
32		<u>2004-05</u>
33	<u>General services</u>	
34	FTE positions	23.4
35	Lump sum appropriation	\$ 1,426,400
36	Fund source:	
37	State general fund	\$ 1,426,400
38	<u>Vapor recovery</u>	
39	FTE positions	7.5
40	Lump sum appropriation	\$ 477,600

1	Fund source:		
2	Air quality fund	\$	477,600
3	<u>Oxygenated fuel</u>		
4	FTE positions		6.0
5	Lump sum appropriation	\$	762,500
6	Fund source:		
7	Air quality fund	\$	762,500
8	Total appropriation - department		
9	of weights and measures	\$	2,666,500
10	Fund source:		
11	State general fund	\$	1,426,400
12	Air quality fund		1,240,100
13	Performance measures:		
14	Average customer satisfaction rating		
15	(Scale 1-5)		5
16	Per cent of retail stores' price		
17	scanning devices in compliance		
18	(i.e., cash register shows correct price)		65
19	Per cent of cleaner burning gas		
20	(required in the Phoenix area)		
21	samples in compliance with oxygenated		
22	fuel standards		100
23	Per cent of gasoline dispensing facilities		
24	inspected annually that are in compliance		
25	with vapor recovery standards		85
26	Administration as a per cent of total cost		9.0

27 The department of weights and measures shall report to the joint  
 28 legislative budget committee by March 1, 2005 on the amount of increased  
 29 revenue generated by the agency through civil penalties, and the licensing  
 30 of timing devices and meters. This report shall compare revenues generated  
 31 in fiscal year 2004-2005 through February 1, 2005 with the comparable period  
 32 in fiscal year 2003-2004 and shall indicate how much of the additional  
 33 revenue was specifically generated by the newly filled positions.

34 Sec. 55. Laws 2003, chapter 262, section 3 is amended to read:

35 Sec. 3. ACUPUNCTURE BOARD OF EXAMINERS

		<u>2003-04</u>	<u>2004-05</u>
36			
37	FTE positions	1.0	1.0
38	Lump sum appropriation	\$ 72,700**	<del>\$ 72,700</del>
39			\$ 81,900
40	Fund sources:		
41	Acupuncture board of examiners fund	\$ 72,700	<del>\$ 72,700</del>
42			\$ 81,900

1	Performance measures:		
2	Average calendar days to resolve a complaint	90	90
3	Average calendar days to renew a license		
4	(from receipt of application to issuance)	5	5
5	Administration as a per cent of total cost	10	10
6	Customer satisfaction rating (Scale 1-8)	7.0	7.0
7	Sec. 56. Laws 2003, chapter 262, section 11 is amended to read:		
8	Sec. 11. AUTO THEFT AUTHORITY		
9		<u>2003-04</u>	<u>2004-05</u>
10	FTE positions	5.0	5.0
11	Lump sum appropriation	\$ 519,500	\$ 519,500
12	Auto theft authority grants	<u>3,499,500</u>	<u>3,602,000</u>
13			<u>4,002,000</u>
14	Total appropriation - auto theft authority	\$ 4,019,000	<del>\$ 4,121,500</del>
15			\$ 4,521,500
16	Fund sources:		
17	Auto theft authority fund	\$ 4,019,000	<del>\$ 4,121,500</del>
18			\$ 4,521,500
19	Performance measures:		
20	Per cent reduction in auto thefts	2.5	2.5
21	Felony auto theft arrests by auto theft		
22	task force	275	275
23	Per cent of stolen vehicles recovered	5.2	5.2
24	Chop shops closed	36	36
25	Administration as a per cent of total cost	7.6	7.6
26	Customer satisfaction rating (Scale 1-3,		
27	1 highest)	1.1	1.1
28	Sec. 57. Laws 2003, chapter 262, section 13 is amended to read:		
29	Sec. 13. BARBER EXAMINERS BOARD		
30		<u>2003-04</u>	<u>2004-05</u>
31	FTE positions	4.0	4.0
32	Lump sum appropriation	\$ 213,700**	<del>\$ 207,000</del>
33			\$ 220,300
34	Fund sources:		
35	Board of barbers fund	\$ 213,700	<del>\$ 207,000</del>
36			\$ 220,300
37	Performance measures:		
38	Average calendar days to resolve a complaint	21	21
39	Average calendar days to renew a license		
40	(from receipt of application to issuance)	<7	<7
41	Administration as a per cent of total cost	10	10
42	Customer satisfaction rating (Scale 1-8)	6.1	6.1

1           Sec. 58. Laws 2003, chapter 262, section 14 is amended to read:  
 2   Sec. 14. BOARD OF BEHAVIORAL HEALTH EXAMINERS

	<u>2003-04</u>	<u>2004-05</u>
3           FTE positions	13.0	13.0
4           Lump sum appropriation	<del>\$ 771,600**</del>	<del>\$ 771,600</del>
5	\$ 773,900**	\$ 773,900
6		
7           Fund sources:		
8            Board of behavioral health		
9            examiners fund	<del>\$ 771,600</del>	<del>\$ 771,600</del>
10	\$ 773,900	\$ 773,900
11           Performance measures:		
12           Average days to resolve a complaint	180	180
13           Average days to renew a license (from receipt		
14           of application to issuance)	19	19
15           Administration as a per cent of total cost	10	10
16           Customer satisfaction rating (Scale 1-8)	6.1	6.1

17           Sec. 59. Laws 2003, chapter 262, section 17 is amended to read:  
 18   Sec. 17. BOARD OF CHIROPRACTIC EXAMINERS

	<u>2003-04</u>	<u>2004-05</u>
19           FTE positions	5.0	5.0
20           Lump sum appropriation	\$ 439,600**	<del>\$ 439,600</del>
21		\$ 444,700
22		
23           Fund sources:		
24            Board of chiropractic examiners		
25            fund	\$ 439,600	<del>\$ 439,600</del>
26		\$ 444,700
27           Performance measures:		
28           Average calendar days to renew a license		
29            (from receipt of application to issuance)	15	15
30           Administration as a per cent of total cost	16	16
31           Per cent of complaints resolved within 180		
32           days with no hearing required	92	92
33           Per cent of survey responses which indicate		
34           that staff was knowledgeable and courteous		
35           in public communications	97	97

36           Sec. 60. Laws 2003, chapter 262, section 58 is amended to read:  
 37   Sec. 58. ARIZONA STATE LOTTERY COMMISSION

	<u>2003-04</u>	<u>2004-05</u>
38           FTE positions	110.0	110.0
39           Operating lump sum appropriation	\$ 7,149,300	<del>\$ 7,084,800</del>
40		\$ 6,501,400
41		
42           Sales incentive program	50,000	50,000

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1	Telecommunications	2,814,400	2,814,400
2	Compulsive gambling treatment		
3	and information	<u>300,000</u>	<u>300,000</u>
4			<u>0</u>
5	Total appropriation - Arizona state		
6	lottery commission	\$ 10,313,700	<del>\$ 10,249,200</del>
7			\$ 9,365,800
8	Fund source:		
9	State lottery fund	\$ 10,313,700	<del>\$ 10,249,200</del>
10			\$ 9,365,800
11	Performance measures:		
12	Amount of estimated on-line sales	\$132,600,000	\$132,000,000
13	Amount of estimated instant ticket sales	\$152,500,000	\$160,500,000
14	Per cent of active retailer accounts in		
15	good standing	99.8	99.8
16	Per cent of agency staff turnover	11.4	11.4
17	Administration as a per cent of total cost	8.3	8.3
18	Customer satisfaction rating for retailers		
19	(Scale 1-8)	6.1	6.1
20	Per cent of lottery ticket sales		
21	distributed to state beneficiaries	27.95	27.95
22	An amount equal to 3.1 per cent of actual instant ticket sales is		
23	appropriated for the printing of instant tickets or for contractual		
24	obligations concerning instant ticket distribution. This amount is currently		
25	estimated to be \$4,727,500 in fiscal year 2003-2004 and <del>\$4,975,500 in fiscal</del>		
26	<del>year 2004-2005.</del>		
27	AN AMOUNT EQUAL TO 3.6 PER CENT OF ACTUAL INSTANT TICKET SALES IS		
28	APPROPRIATED FOR THE PRINTING OF INSTANT TICKETS OR FOR CONTRACTUAL		
29	OBLIGATIONS CONCERNING INSTANT TICKET DISTRIBUTION. THIS AMOUNT IS CURRENTLY		
30	ESTIMATED TO BE \$5,778,000 IN FISCAL YEAR 2004-2005.		
31	An amount equal to a percentage of actual on-line game sales as		
32	determined by contract is appropriated for payment of on-line vendor fees.		
33	This amount is currently estimated to be \$6,616,800 in fiscal year 2003-2004		
34	and \$6,586,900 in fiscal year 2004-2005 or 4.99 per cent of actual on-line		
35	ticket sales.		
36	An amount equal to 2.7 per cent of gross lottery game sales, but no		
37	more than \$11,000,000, is appropriated for advertising in accordance with		
38	section 5-505, Arizona Revised Statutes, that states that not more than four		
39	per cent of the annual gross revenues shall be expended for		
40	advertising. This amount is currently estimated to be \$7,697,700 in fiscal		
41	year 2003-2004 and \$7,897,500 in fiscal year 2004-2005.		

1 An amount equal to 6.5 per cent of gross lottery game sales is  
 2 appropriated for payment of sales commissions to ticket retailers. In  
 3 accordance with Laws 1997, chapter 214, an additional amount of not to exceed  
 4 0.5 per cent of gross lottery game sales is appropriated for payment of sales  
 5 commissions to ticket retailers. The combined amount is currently estimated  
 6 to be 6.7 per cent of total ticket sales, or \$19,101,700 in fiscal year  
 7 2003-2004 and \$19,597,500 in fiscal year 2004-2005.

8 ~~Of the amount appropriated for compulsive gambling treatment and~~  
 9 ~~information, fifty per cent shall be used to contract for a statewide toll~~  
 10 ~~free crisis hotline to promote public education and awareness about~~  
 11 ~~compulsive gambling problems and to provide public information on gambling~~  
 12 ~~addiction. The remaining fifty per cent of the appropriated amount shall be~~  
 13 ~~used to contract for the treatment of individuals who are compulsive~~  
 14 ~~gamblers.~~

15 Sec. 61. Laws 2003, chapter 262, section 59 is amended to read:

16 Sec. 59. ARIZONA MEDICAL BOARD

	<u>2003-04</u>	<u>2004-05</u>
FTE positions	58.5	58.5
Lump sum appropriation	\$ 4,631,800**	<del>\$ 4,591,200</del>
		\$ 4,705,500
Fund sources:		
Arizona medical board fund	\$ 4,631,800	<del>\$ 4,591,200</del>
		\$ 4,705,500
Performance measures:		
Average calendar days to resolve a complaint		
M.D.	180	180
P.A.	140	140
Average calendar days to renew a license		
(from receipt of application to issuance)	1	1
Per cent of open investigations greater than		
6 months old		
M.D.	20	20
P.A.	1	1
Administration as a per cent of total cost	12.9	12.9
Customer satisfaction rating (Scale 1-8)	7.5	7.5

36 The board of medical examiners may use up to seven per cent of the  
 37 board of medical examiners fund balance remaining at the end of each fiscal  
 38 year for a performance based incentive program the following fiscal year  
 39 based on the program established by section 38-618, Arizona Revised Statutes.

1           Sec. 62. Laws 2003, chapter 262, section 63 is amended to read:

2   Sec. 63. NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

	<u>2003-04</u>	<u>2004-05</u>
3		
4           FTE positions	3.0	3.0
5		6.0
6           Operating lump sum appropriation	<del>\$ 192,600</del>	<del>\$ 193,800</del>
7	\$ 208,600	\$ 383,300
8           Inspection and evaluation	<u>19,600</u>	<u>19,600</u>
9   Total appropriation - naturopathic		
10           physicians board of medical examiners	<del>\$ 212,200**</del>	<del>\$ 213,400</del>
11	\$ 228,200**	\$ 402,900
12           Fund sources:		
13           Naturopathic physicians board of		
14           medical examiners fund	<del>\$ 212,200</del>	<del>\$ 213,400</del>
15	\$ 228,200	\$ 402,900
16           Performance measures:		
17           Average calendar days to resolve a complaint	80	80
18           Average calendar days to renew a license		
19            (from receipt of application to issuance)	45	45
20           Administration as a per cent of total cost	15	15
21           Customer satisfaction rating (Scale 1-8)	7.3	7.3

22           The naturopathic physicians board of medical examiners shall report all  
 23   expenditures in the prior fiscal year from the inspection and evaluation  
 24   special line item to the joint legislative budget committee by August 1, 2004  
 25   and August 1, 2005.

26           Sec. 63. Laws 2003, chapter 262, section 65 is amended to read:

27   Sec. 65. NURSING BOARD

	<u>2003-04</u>	<u>2004-05</u>
28		
29           FTE positions	46.2	39.2
30           Lump sum appropriation	<del>\$ 3,175,100**</del>	<del>\$ 2,713,600</del>
31	\$ 3,472,700**	\$ 2,903,400
32           Fund sources:		
33           State general fund	\$ 134,900	\$ 134,900
34           Board of nursing fund	<u>3,040,200</u>	<u>2,578,700</u>
35	3,337,800	2,768,500
36           Performance measures:		
37           Average calendar days to resolve a complaint	210	210
38           Number of investigations of licensees	1,650	1,650
39           Average calendar days to renew a license		
40            (from receipt of application to issuance)	5	5
41           Administration as a per cent of total cost	11.9	11.9
42           Customer satisfaction rating (Scale 1-8)	6.0	6.0

1           Sec. 64. Laws 2003, chapter 262, section 70 is amended to read:  
 2   Sec. 70. STATE BOARD OF OPTOMETRY

	<u>2003-04</u>	<u>2004-05</u>
3		
4           FTE positions	2.0	2.0
5           Lump sum appropriation	<del>\$ 157,400**</del>	<del>\$ 153,400</del>
6	\$ 170,200**	\$ 166,200
7           Fund sources:		
8           Board of optometry fund	<del>\$ 157,400</del>	<del>\$ 153,400</del>
9	\$ 170,200	\$ 166,200
10          Performance measures:		
11         Average calendar days to resolve a complaint	80	80
12         Average calendar days to renew a license		
13           (from receipt of application to issuance)	10	10
14         Administration as a per cent of total cost	5.0	5.0
15         Customer satisfaction rating (Scale 1-8)	6.9	6.9

16           Sec. 65. Laws 2003, chapter 262, section 71 is amended to read:  
 17   Sec. 71. OSTEOPATHIC EXAMINERS BOARD

	<u>2003-04</u>	<u>2004-05</u>
18		
19          FTE positions	5.5	5.5
20          Lump sum appropriation	\$ 459,000**	<del>\$ 434,000</del>
21		\$ 478,500
22          Fund sources:		
23          Board of osteopathic examiners fund	\$ 459,000	<del>\$ 434,000</del>
24		\$ 478,500
25          Performance measures:		
26         Average calendar days to resolve a complaint	180	180
27         Average calendar days to renew a license		
28           (from receipt of application to issuance)	15	15
29         Administration as a per cent of total cost	25	25
30         Customer satisfaction rating (Scale 1-8)	6.0	6.0
31         Average calendar days to process license		
32           (from receipt of application to issuance)	65	65

33           Sec. 66. Laws 2003, chapter 262, section 75 is amended to read:  
 34   Sec. 75. BOARD OF PHYSICAL THERAPY

	<u>2003-04</u>	<u>2004-05</u>
35		
36          FTE positions	3.0	3.0
37          Lump sum appropriation	<del>\$ 230,600**</del>	<del>\$ 230,600</del>
38	\$ 235,600**	\$ 252,600
39          Fund sources:		
40          Board of physical therapy fund	<del>\$ 230,600</del>	<del>\$ 230,600</del>
41	\$ 235,600	\$ 252,600

## 1 Performance measures:

2	Average calendar days to resolve a complaint	129	129
3	Average calendar days to renew a license		
4	(from receipt of application to issuance)	3	3
5	Administration as a per cent of total cost	8.0	8.0
6	Customer satisfaction rating (Scale 1-8)	7.0	7.0

7 Sec. 67. Fiscal year 2004-2005 conditional appropriations

8 A. State general fund revenue for fiscal year 2003-2004, not including  
9 the beginning balance and including one-time revenues, is forecasted to be  
10 \$6,548,821,000. The state general fund revenue forecast for fiscal year  
11 2003-2004 includes \$2,644,100 from judicial collections as part of one-time  
12 revenue and \$129,830,200 for disproportionate share revenue. The staff  
13 director of the joint legislative budget committee and the governor's office  
14 of strategic planning and budgeting may adjust the state general fund revenue  
15 forecast for fiscal year 2003-2004 to reflect changes in the actual amount  
16 of judicial collections and disproportionate share revenue.

17 B. State general fund revenue for fiscal year 2004-2005, not including  
18 the beginning balance and including one-time revenues, is forecasted to be  
19 \$7,115,223,800. The state general fund revenue for fiscal year 2004-2005  
20 includes as one-time revenue: \$11,700,000 from fund transfers enacted in  
21 previous legislative sessions, \$32,034,500 from the anticipated enactment of  
22 fund transfers by the forty-sixth legislature, second regular session,  
23 \$118,000,000 from the anticipated enactment of a vehicle license tax transfer  
24 by the forty-sixth legislature, second regular session and \$76,000,000 from  
25 the anticipated enactment of adjustments to income tax withholding rates by  
26 the forty-sixth legislature, second regular session. The state general fund  
27 revenue forecast for fiscal year 2004-2005 also includes \$111,447,400 for  
28 disproportionate share revenue. The staff director of the joint legislative  
29 budget committee and the governor's office of strategic planning and  
30 budgeting may adjust the state general fund revenue forecast for fiscal year  
31 2004-2005 to reflect changes in disproportionate share revenue. The state  
32 general fund revenue estimates do not include any transfers from the school  
33 facilities board building renewal fund to the state general fund that may be  
34 enacted by the forty-sixth legislature, second regular session.

35 C. If, as determined by the staff director of the joint legislative  
36 budget committee and the governor's office of strategic planning and  
37 budgeting pursuant to subsections F, G, H and I of this section, the actual  
38 state general fund revenue from fiscal year 2003-2004 and fiscal year  
39 2004-2005 combined, exceeds the forecast by \$50,000,000 or more, the sum of  
40 \$50,000,000 is appropriated from the state general fund for fiscal year  
41 2004-2005 as follows:

- 42 1. To the school facilities board, \$30,000,000 for building renewal.
- 43 2. To the department of economic security, \$5,000,000 for child care.

1           3. \$15,000,000 for the employer share of state employee health  
2 insurance premiums. The joint legislative budget committee staff shall  
3 determine and the department of administration shall allocate to each  
4 agency's or department's employee related expenditures an amount sufficient  
5 for the employer share of the employee health insurance increase. The joint  
6 legislative budget committee staff shall also determine and the department  
7 of administration shall allocate adjustments, as necessary, in expenditure  
8 authority to allow implementation of state employee health insurance  
9 adjustments.

10           D. If the appropriations listed in subsection C of this section occur  
11 and the actual state general fund revenue from fiscal year 2003-2004 and  
12 fiscal year 2004-2005 combined, as reported pursuant to subsections G, H and  
13 I of this section exceeds the forecast by \$102,000,000 or more, in addition  
14 to the appropriations in subsection C of this section, the sum of \$52,000,000  
15 is appropriated from the state general fund for fiscal year 2004-2005 as  
16 follows:

17           1. To the school facilities board, \$10,000,000 for building renewal.

18           2. \$8,000,000 for the employer share of state employee health  
19 insurance premiums. The joint legislative budget committee staff shall  
20 determine and the department of administration shall allocate to each  
21 agency's or department's employee related expenditures an amount sufficient  
22 for the employer share of the employee health insurance increase. The joint  
23 legislative budget committee staff shall also determine and the department  
24 of administration shall allocate adjustments, as necessary, in expenditure  
25 authority to allow implementation of state employee health insurance  
26 adjustments.

27           3. \$6,000,000 to the budget stabilization fund established by section  
28 35-144, Arizona Revised Statutes.

29           4. \$25,000,000 to the school facilities board deficiencies correction  
30 fund. If these monies are appropriated and Laws 2003, chapter 264, sections  
31 22, 23 and 35 are amended to authorize school trust revenue bonds for fiscal  
32 year 2004-2005 by the forty-sixth legislature, second regular session and  
33 those amendments become law and the school facilities board has not issued  
34 bonds pursuant to that authorization, that authorization shall not be  
35 exercised. If the school facilities board has issued bonds pursuant to that  
36 authorization, no appropriation shall be made to the deficiencies correction  
37 fund pursuant to this paragraph.

38           5. \$3,000,000 to the department of public safety for public safety  
39 communications systems to address interoperability issues. This  
40 appropriation to the department of public safety is exempt from the  
41 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing  
42 of appropriations.

1 E. If the appropriations listed in subsections C and D of this section  
2 occur, any forecast amounts above the actual state general fund revenue from  
3 fiscal year 2003-2004 and fiscal year 2004-2005 combined, as reported  
4 pursuant to subsections G, H and I of this section that exceed the forecast  
5 by \$102,000,000 shall be distributed in fiscal year 2004-2005 as follows:

- 6 1. Fifty per cent to the state general fund.
- 7 2. Fifty per cent to the budget stabilization fund established by  
8 section 35-144, Arizona Revised Statutes.

9 F. On or before July 26, 2004, the staff director of the joint  
10 legislative budget committee and the governor's office of strategic planning  
11 and budgeting shall agree on a monthly forecast for fiscal year 2004-2005  
12 state general fund revenue through December 31, 2004. After July 26, 2004,  
13 the staff director of the joint legislative budget committee and the  
14 governor's office of strategic planning and budgeting may jointly agree to  
15 adjust the monthly revenue forecast to reflect technical revisions.

16 G. On or before July 31, 2004, the staff director of the joint  
17 legislative budget committee and the governor's office of strategic planning  
18 and budgeting shall jointly notify the governor, the president of the senate  
19 and the speaker of the house of representatives whether the total fiscal year  
20 2003-2004 state general fund revenue, excluding the beginning balance,  
21 exceeded the fiscal year 2003-2004 forecast, and, if so, the total revenue  
22 amount and the amount above the forecast.

23 H. On or before December 10, 2004, the staff director of the joint  
24 legislative budget committee and the governor's office of strategic planning  
25 and budgeting shall jointly notify the governor, the president of the senate  
26 and the speaker of the house of representatives whether actual fiscal year  
27 2004-2005 state general fund revenue through October 31, 2004, excluding the  
28 beginning balance, exceeded the aggregate monthly forecast through October  
29 31, 2004 and, if so, the total revenue amount and the amount above the  
30 forecast.

31 I. On or before February 11, 2005, the staff director of the joint  
32 legislative budget committee and the governor's office of strategic planning  
33 and budgeting shall jointly notify the governor, the president of the senate  
34 and the speaker of the house of representatives whether actual fiscal year  
35 2004-2005 state general fund revenue through December 31, 2004, excluding the  
36 beginning balance, exceeded the aggregate monthly forecast through December  
37 31, 2004 and, if so, the total revenue amount and the amount above the  
38 forecast.

39 J. If the state general fund revenue amounts above the forecast that  
40 are reported pursuant to subsections G, H and I of this section, alone or in  
41 combination, exceed the amounts specified in subsection C, D or E of this  
42 section, ten days after the previous reporting date, the governor shall issue  
43 a public notice stating the amounts appropriated from the state general fund  
44 at the levels indicated and for the purposes provided.



1	Sec. 73. <u>Appropriation; operating adjustments</u>	
2		<u>2004-05</u>
3	Salary adjustments	\$ 39,500,000
4	Fund sources:	
5	State general fund	\$ 26,500,000
6	Other appropriated funds	13,000,000
7	State employee health insurance adjustments	\$ 10,000,000
8	Fund sources:	
9	State general fund	\$ 0
10	Other appropriated funds	\$ 10,000,000
11	State employee retirement adjustments	\$ 3,000,000
12	Fund sources:	
13	State general fund	\$ 0
14	Other appropriated funds	\$ 3,000,000
15	Arizona financial information system	
16	operating adjustments	\$ 100,000
17	Fund sources:	
18	State general fund	\$ 0
19	Other appropriated funds	\$ 100,000

20 The other appropriated funds may be allocated from the following funds:  
 21 board of accountancy fund, acupuncture board of examiners fund, air permits  
 22 administration fund, air quality fund, antitrust enforcement revolving fund,  
 23 board of appraisal fund, Arizona arts trust fund, Arizona benefits fund,  
 24 Arizona health care cost containment system donations fund, Arizona medical  
 25 board fund, Arizona protected native plant fund, automated fingerprint  
 26 identification fund, auto theft authority fund, state aviation fund, board  
 27 of barbers fund, board of behavioral health examiners fund, bond fund,  
 28 capital outlay stabilization fund, child abuse prevention fund, child  
 29 fatality review fund, child support enforcement administration fund,  
 30 children's health insurance program fund, board of chiropractic examiners  
 31 fund, citrus, fruit and vegetable revolving fund, collection enforcement  
 32 revolving fund, commerce and economic development commission fund, commercial  
 33 feed fund, confidential intermediary and fiduciary fund, agricultural  
 34 consulting and training fund, consumer fraud revolving fund, corrections  
 35 fund, board of cosmetology fund, county transportation contribution fund,  
 36 crime laboratory assessment fund, criminal justice enhancement fund, county  
 37 fair racing fund, court appointed special advocate fund, defensive driving  
 38 school fund, dental board fund, Arizona deoxyribonucleic acid identification  
 39 fund, board of dispensing opticians fund, drug and gang prevention resource  
 40 center fund, state education fund for committed youth, state education fund  
 41 for correctional education, egg inspection fund, emergency medical services  
 42 operating fund, emissions inspection fund, environmental laboratory licensure  
 43 fund, estate and unclaimed property fund, Arizona exposition and state fair  
 44 fund, federal child care and development fund block grant, federal surplus  
 45 materials revolving fund, federal temporary assistance for needy families

1 block grant, fertilizer materials fund, board of funeral directors and  
2 embalmers fund, game and fish fund, game, nongame, fish and endangered  
3 species fund, hazardous waste fund, state highway fund, Arizona highway  
4 patrol fund, highway user revenue fund, board of homeopathic medical  
5 examiners fund, housing trust fund, DHS indirect cost fund, ADEQ indirect  
6 cost recovery fund, industrial commission administrative fund, information  
7 technology fund, interagency service agreements fund, intergovernmental  
8 agreements and grants, investment management regulatory and enforcement fund,  
9 job training fund, judicial collection enhancement fund, land conservation  
10 fund administration account, lease-purchase building operating and  
11 maintenance fund, liability set-off fund, long term care system fund,  
12 long-term disability administration account, state lottery fund, board of  
13 medical examiners fund, the miners' hospital for disabled miners land fund,  
14 motor vehicle liability insurance enforcement fund, motor vehicle pool  
15 revolving fund, naturopathic physicians board of medical examiners fund,  
16 newborn screening program fund, board of nursing fund, nursing care  
17 institution administrators' licensing and assisted living facility managers'  
18 certification fund, occupational therapy fund, oil overcharge fund, board of  
19 optometry fund, board of osteopathic examiners fund, state parks enhancement  
20 fund, penitentiary land fund, personnel division fund, pesticide fund, board  
21 of pharmacy fund, board of physical therapy fund, podiatry fund,  
22 postsecondary education fund, prison construction and operations fund, board  
23 for private postsecondary education fund, Arizona protected native plant  
24 fund, board of psychologist examiners fund, public access fund, public  
25 assistance collections fund, racing administration fund, state radiologic  
26 technologist certification fund, records services fund, recycling fund,  
27 registrar of contractors fund, reservation surcharge revolving fund,  
28 residential utility consumer office revolving fund, board of respiratory care  
29 examiners fund, state retirement system administration account, risk  
30 management revolving fund, safety enforcement and transportation  
31 infrastructure fund, Arizona schools for the deaf and the blind fund,  
32 securities regulatory and enforcement fund, seed law fund, sex offender  
33 monitoring fund, solid waste fee fund, special administration fund, special  
34 employee health insurance trust fund, special services revolving fund, spinal  
35 and head injuries trust fund, state aid to the courts fund, Arizona state  
36 hospital fund, state board of equalization fund, state surplus materials  
37 revolving fund, structural pest control commission fund, substance abuse  
38 services fund, teacher certification fund, technical registration fund,  
39 technology and telecommunication fund, telecommunication fund for the deaf,  
40 telecommunications excise tax fund, tobacco tax and health care fund,  
41 transportation department equipment fund, tribal state compact fund, tourism  
42 fund, used oil fund, utility regulation revolving fund, vehicle inspection  
43 and title enforcement fund, state veterans' conservatorship fund, state home  
44 for veterans' trust fund, veterinary medical examining board fund, victims'

1 rights fund, watercraft licensing fund, waterfowl conservation fund, water  
2 quality fee fund, and workforce investment act grant.

3 Salary adjustments

4 The amount appropriated for salary adjustments includes personal  
5 services and employee related expenditures for state officers and employees  
6 in accordance with the compensation plans provided by this act.

7 For fiscal year 2004-2005, the joint legislative budget committee staff  
8 shall determine and the department of administration shall allocate to each  
9 agency or department an amount sufficient to increase the annual salary level  
10 of each employee, as required by this section.

11 The joint legislative budget committee staff shall also determine and  
12 the department of administration shall allocate adjustments, as necessary,  
13 in expenditure authority to allow implementation of salary adjustments.

14 University employees, department of public safety sworn officers, board  
15 and commission members who are paid on a per diem basis, agency heads who are  
16 appointed for a fixed term of office and employees that are otherwise noted  
17 in this act are not eligible for the salary adjustments required by this  
18 section. Department of public safety sworn officers shall receive salary  
19 adjustments pursuant to section 38 of this act. University employees shall  
20 receive salary adjustments pursuant to section 48 of this act.

21 The annual salary level of each employee shall be increased by \$1,000  
22 with the following exceptions. The exceptions are in lieu of the \$1,000  
23 salary adjustment. All adjustments are effective July 1, 2004 and shall  
24 apply to less than full-time employees on a prorated basis.

25 Each state department of corrections, department of juvenile  
26 corrections, department of economic security, department of health services,  
27 Arizona pioneers' home and department of veterans' services employee in the  
28 registered nurse, registered nurse supervisor or licensed practical nurse  
29 classification who provide direct patient care and services in a clinical  
30 environment shall receive a salary adjustment in their annual salary level  
31 of \$2,000.

32 Arizona financial information system operating adjustments

33 The amount appropriated for Arizona financial information system  
34 operating adjustments shall be for annualization of fiscal year 2003-2004  
35 increases for the costs of operation of the Arizona financial information  
36 system. The joint legislative budget committee staff shall determine and the  
37 department of administration shall allocate to each agency or department an  
38 amount sufficient for the fiscal year 2003-2004 Arizona financial information  
39 system operating cost increase.

40 The joint legislative budget committee staff shall determine and the  
41 department of administration shall allocate adjustments, as necessary, in  
42 expenditure authority to allow implementation of Arizona financial  
43 information system adjustments.

1 State employee health insurance adjustments

2 The amount appropriated for state employee health insurance adjustments  
3 shall be for annualization of fiscal year 2003-2004 increases and new fiscal  
4 year 2004-2005 increases in the employer share of state employee health  
5 insurance premiums. The joint legislative budget committee staff shall  
6 determine and the department of administration shall allocate to each  
7 agency's or department's employee related expenditures an amount sufficient  
8 for the employer share of the employee health insurance increases.

9 The joint legislative budget committee staff shall also determine and  
10 the department of administration shall allocate adjustments, as necessary,  
11 in expenditure authority to allow implementation of state employee health  
12 insurance adjustments.

13 State employee retirement adjustments

14 The amount appropriated for state employee retirement contribution  
15 adjustments shall be for annualization of fiscal year 2003-2004 increases in  
16 the employer share of state employee retirement contributions. The joint  
17 legislative budget committee staff shall determine and the department of  
18 administration shall allocate to each agency's or department's employee  
19 related expenditures an amount sufficient for the employer share of the  
20 employee retirement contribution increase.

21 The joint legislative budget committee staff shall also determine and  
22 the department of administration shall allocate adjustments, as necessary,  
23 in expenditure authority to allow implementation of state employee retirement  
24 contribution adjustments.

25 Sec. 74. Legislative intent; expenditure reporting

26 It is the intent of the legislature that all departments, agencies or  
27 budget units receiving appropriations under the terms of this act shall  
28 continue to report actual, estimated and requested expenditures by budget  
29 programs and budget classes in a format that is similar to the budget  
30 programs and budget classes used for budgetary purposes in prior years. A  
31 different format may be used if deemed necessary to implement the provisions  
32 of section 35-113, Arizona Revised Statutes, agreed to by the director of the  
33 joint legislative budget committee, and incorporated into the budget  
34 preparation instructions adopted by the governor's office of strategic  
35 planning and budgeting pursuant to section 35-112, Arizona Revised Statutes.

36 Sec. 75. FTE positions; reporting

37 Full-time equivalent (FTE) positions contained in this act are subject  
38 to appropriation. The director of the department of administration shall  
39 account for the use of all appropriated FTE positions excluding those in the  
40 department of economic security, the universities and the department of  
41 environmental quality. The director shall submit fiscal year 2004-2005  
42 reports by February 1, 2005 and August 1, 2005 to the director of the joint  
43 legislative budget committee. The reports shall compare the level of FTE  
44 usage in each fiscal year to the appropriated level. The director of the  
45 department of administration shall notify the director of each budget unit

1 if the budget unit has exceeded its number of appropriated FTE  
2 positions. The above excluded agencies shall each report to the director of  
3 the joint legislative budget committee in a manner comparable to the  
4 department of administration reporting.

5 Sec. 76. Filled FTE positions; reporting

6 By October 1, 2004, each agency, including the judiciary and  
7 universities, shall submit a report to the director of the joint legislative  
8 budget committee on the number of filled, appropriated full-time equivalent  
9 positions by fund source. The number of filled, appropriated full-time  
10 equivalent positions reported shall be as of September 1, 2004.

11 Sec. 77. Transfer of spending authority

12 The department of administration shall report monthly to the director  
13 of the joint legislative budget committee on any transfers of spending  
14 authority made pursuant to section 35-173, subsection C, Arizona Revised  
15 Statutes, during the prior month.

16 Sec. 78. Interim reporting requirements

17 A. The executive branch shall provide to the joint legislative budget  
18 committee a preliminary estimate of the fiscal year 2003-2004 state general  
19 fund ending balance by September 15, 2004. The preliminary estimate of the  
20 fiscal year 2004-2005 state general fund ending balance shall be provided by  
21 September 15, 2005. The estimate shall include projections of total  
22 revenues, total expenditures and ending balance. The department of  
23 administration shall continue to provide the final report for the fiscal year  
24 in its annual financial report pursuant to section 35-131, Arizona Revised  
25 Statutes.

26 B. Based on the information provided by the executive branch, the  
27 staff of the joint legislative budget committee shall report to the joint  
28 legislative budget committee by October 15 of 2004 and 2005 as to whether  
29 that fiscal year's revenues and ending balance are expected to change by more  
30 than \$50,000,000 from the budgeted projections. The executive branch may  
31 also provide its own estimates to the joint legislative budget committee by  
32 October 15 of each year.

33 Sec. 79. Homeland security reporting

34 The governor's office of homeland security shall report to the joint  
35 legislative budget committee by August 1, 2004 on the allocation and  
36 expenditure plans for homeland security grant monies in fiscal year 2003-2004  
37 and fiscal year 2004-2005. The report shall provide allocation and  
38 expenditure information by year, by activity and by entity, including state  
39 and local entities.

40 Sec. 80. Office of strategic planning and budgeting; federal  
41 revenue maximization reporting

42 The office of strategic planning and budgeting shall report to the  
43 joint legislative budget committee by July 1, 2004 and the beginning of each  
44 subsequent calendar quarter in the fiscal year on the status of the federal  
45 revenue maximization initiative. The report, at a minimum, shall include an

1 update on contracts awarded as a result of the "RevMax" request for  
2 proposals, a summary of projects and the potential savings from each project.  
3 Any reported savings shall distinguish between potential reductions in  
4 current funding levels and foregone future spending increases.

5 Sec. 81. Definition

6 For the purposes of this act, "\*" means this appropriation is a  
7 continuing appropriation and is exempt from the provisions of section 35-190,  
8 Arizona Revised Statutes, relating to lapsing of appropriations.

9 Sec. 82. Definition

10 For the purposes of this act, "\*\*\*" means this appropriation is  
11 available for use pursuant to the provisions of section 35-143.01, subsection  
12 C, Arizona Revised Statutes, and is exempt from the provisions of section  
13 35-190, Arizona Revised Statutes, relating to lapsing of appropriations until  
14 June 30, 2005.

15 Sec. 83. Definition

16 For purposes of this act, "review by the joint legislative budget  
17 committee" means a review by a vote of a majority of a quorum of the members.

18 Sec. 84. Definition

19 For purposes of this act, "expenditure authority" means that the fund  
20 sources are continuously appropriated monies that are included in the  
21 individual line items of appropriations.

APPROVED BY THE GOVERNOR MAY 28, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 28, 2004.

Passed the House May 20, 20 04,

by the following vote: 35 Ayes,

25 Nays, 0 Not Voting

Jake Flake  
Speaker of the House

Norman L. Joyce  
Chief Clerk of the House

Passed the Senate May 5, 20 04,

by the following vote: 20 Ayes,

10 Nays, 0 Not Voting

Ken Bennett  
President of the Senate

Cherrin Bellington  
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

S.B. 1402

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate May 24, 2004,

by the following vote: 21 Ayes,

8 Nays, 1 Not Voting

[Signature]  
President of the Senate  
[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24<sup>th</sup> day of May, 2004,

at 3:49 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 28 day of

May, 2004,

at 11<sup>30</sup> o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of May, 2004,

at 1:47 o'clock P. M.

[Signature]  
Secretary of State

S.B. 1402