STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

July 1, 2009

The Honorable Ken Bennett
Secretary of State
Executive Tower, 7th Floor
1700 West Washington
Phoenix, AZ 85007

Dear Secretary of State Bennett:

Today I signed House Bill 2643, the "trailer" bill making revisions to Senate Bill 1188, the General Appropriations Act for FY 2009-10.

My signature on the bill, setting aside the line item actions I have taken, reflects my view that a shutdown of government services is not in the best interests of our State and its citizens. This bill reflects many improvements over Senate Bill 1188 but there are too many inadequacies in light of the legislature's failure to provide a comprehensive solution to the State's FY 2009-10 fiscal crisis. By refusing to turn over all the budget bills until early on July 1, 2009, I have been unable to express my concerns using my Constitutional powers in a timeframe in which a complete FY 2010 package could have been adopted. As a result, I am forced to cobble together a resolution that contains flaws, but is superior to Senate Bill 1188 or House Bill 2643 taken independently.

My line item vetoes and brief explanations follow:

A. Excessive Lump Sum Reductions

1. Department of Economic Security
   Page 38, lines 6-25
2. Department of Environmental Quality
   a. Page 46, lines 29-43
   b. Page 47, lines 1-14
3. Department of Health Services
   Page 61, lines 19-34
4. Universities
   Page 78, lines 20-39
5. Department of Economy Security
   Page 100, lines 8-13

B. Underfunded K-12 Budget. I have stated throughout my time in office that I am unwilling to agree to a K-12 Budget that does not adequately meet the needs of

1700 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007
602-542-4331 • FAX 602-542-7602

our public education system. While the extreme fiscal condition of our state makes some reductions necessary, the cuts enacted by the legislature in Senate Bill 1188 are significantly greater than those advanced in my budget. The possibility of revenues from the temporary sales tax would have helped mitigate the impacts of the proposed cuts to K-12 schools. Furthermore, the federal stimulus funds will be woefully inadequate to offset the impacts of these reductions for FY 2010, creating the specter of even larger unmitigated cuts for FY 2011 and beyond. Consequently, I am eliminating the proposed appropriation to K-12 in hopes that I can work with the legislature to enact an acceptable level of funding for the upcoming fiscal year.

1. Page 39, lines 21-29
   Page 39, lines 30-35
2. Page 40, line 5
   Page 40, lines 7-13

C. Inappropriate and Excessive Tax Distribution Change: I am vetoing the transfer of $43,170,600 in VLT monies to the State General Fund which is being done instead of the normal distribution to the State Highway Fund.

Page 94, lines 1-9

D. Legislative Attempts to Appropriate Federal Funds. These actions do not fall within the authority of the Legislature.

1. Page 26, lines 38-42
2. Page 29, lines 5-11
3. Page 32, lines 24-28
   Page 32, lines 35-39
4. Page 35, lines 41-45
5. Page 56, lines 13-17
6. Page 95, lines 22-41
7. Page 96, lines 1-40

Sincerely,

Janice K. Brewer
Governor

cc: The Honorable Robert Burns
The Honorable Kirk Adams

House Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

CHAPTER 12

HOUSE BILL 2643

AN ACT

AMENDING LAWS 2004, CHAPTER 275, SECTION 67; AMENDING LAWS 2006, CHAPTER 345, SECTION 7, AS AMENDED BY LAWS 2008, CHAPTER 53, SECTION 29 AND LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 2, SECTION 1; AMENDING LAWS 2009, CHAPTER 5, SECTION 1; AMENDING SENATE BILL 1188, SECTIONS 5, 7, 10, 12, 14, 19, 20, 21, 22, 23, 24, 27, 31, 32, 33, 34, 35, 36, 39, 41, 44, 45, 46, 47, 52, 53, 55, 59, 60, 73, 74, 83, 84, 91, 92, 93, 95, 97, 105, 109, 110, 112, 113, 120, 121, 122, 124, 125, 126 AND 132, FORTY-NINTH LEGISLATURE, FIRST REGULAR SESSION, AS TRANSMITTED TO THE GOVERNOR; RELATING TO MAKING TRANSFERS AND APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Laws 2004, chapter 275, section 67 is amended to read:

Sec. 67. Fiscal year 2004-2005 conditional appropriations

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

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

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

1. To the school facilities board, $30,000,000 for building renewal.

2. To the department of economic security, $5,000,000 for child care.

3. $15,000,000 for the employer share of state employee health insurance premiums. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency's or department's employee related expenditures an amount sufficient for the employer share of the employee health insurance increase. The joint legislative budget committee staff shall also determine and the department of

administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state employee health insurance adjustments.

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

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

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

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

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

5. $3,000,000 to the department of public safety for public safety communications systems to address interoperability issues. This appropriation to the department of public safety is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, EXCEPT THAT ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, $358,500 SHALL REVERT TO THE STATE GENERAL FUND.

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

1. Fifty per cent to the state general fund.

2. Fifty per cent to the budget stabilization fund established by section 35-144, Arizona Revised Statutes.

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

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

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

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

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

Sec. 2. Laws 2006, chapter 345, section 7, as amended by Laws 2008, chapter 53, section 29 and Laws 2009, first special session, chapter 2, section 1, is amended to read:

Sec. 7. Appropriations and distributions; microwave communications system; department of public safety; report; reversion

A. The sum of $1,500,000 is appropriated from the state general fund in fiscal year 2006-2007, the sum of $1,000,000 is appropriated in fiscal year 2007-2008 and the sum of $1,250,000 is appropriated in fiscal year

2008-2009 to the department of public safety for the design, construction and implementation of a microwave communications system upgrade.

B. The sum of $826,000 is appropriated from the state highway fund in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the department of transportation for distribution to the department of public safety for the design, construction and implementation of a microwave communications system upgrade.

C. The sum of $207,000 is appropriated from the game and fish fund in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the game and fish department for distribution to the department of public safety for the design, construction and implementation of a microwave communications system upgrade.

D. The department of public safety shall submit an expenditure plan and project timeline to the joint legislative budget committee for review before expending any monies appropriated for the microwave communications system upgrade. The submission shall include the results of the project investment justification approval by the information technology authorization committee. The department of public safety shall submit a report to the joint legislative budget committee for review regarding expenditures and progress by December 31, 2006 and June 30, 2007.

E. It is the intent of the legislature that $1,600,000 of federal homeland security monies be distributed in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to fund the department of public safety microwave communications system upgrade.

F. Of the appropriations made in this section for the microwave communications system, the department of public safety may use up to $295,600 annually for up to 4 FTE positions to provide project management.

G. OF THE APPROPRIATIONS MADE IN SUBSECTION A, $1,679,000 REVERTS TO THE STATE GENERAL FUND ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION.

Sec. 3. Laws 2009, chapter 5, section 1 is amended to read:

Section 1. Arizona board of regents; support and maintenance; supplemental appropriation reduction; transfer; appropriation

A. In addition to the reductions made pursuant to Laws 2009, first special session, chapter 1, section 3, the sum of $100,000,000 is reduced from the appropriation made from the state general fund in fiscal year 2008-2009 to the Arizona board of regents for the support and maintenance of institutions under its jurisdiction and IS DEFERRED TO PAYMENT IN FISCAL YEAR 2009-2010. THIS AMOUNT is transferred to the state general fund. The Arizona board of regents shall reduce funding to the institutions under its jurisdiction in proportion to the state general fund appropriation received by each institution.

B. In addition to any other amounts appropriated to the Arizona board of regents for fiscal year 2009-2010, the sum of $100,000,000 is appropriated

from the state general fund in fiscal year 2009-2010 to the Arizona board of regents to be distributed for the support and maintenance of institutions under its jurisdiction ~~in two equal payments on or before August 1, 2009 and September 1, 2009. The Arizona board of regents shall distribute the monies appropriated in this subsection to the institutions under its jurisdiction~~ FOR PAYMENTS DEFERRED FROM FISCAL YEAR 2008-2009. THE DEPARTMENT OF ADMINISTRATION SHALL DISTRIBUTE THESE MONIES NO LATER THAN OCTOBER 1, 2009. THE DISTRIBUTION SHALL OCCUR in an amount equal to the reduction made pursuant to subsection A of this section.

Sec. 4. Senate Bill 1188, section 5, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 5. BOARD OF ACCOUNTANCY

	2009-10
FTE positions	13.0
Lump sum appropriation	~~$ 2,350,100~~
	$ 1,892,100
Fund sources:	
Board of accountancy fund	~~$ 2,350,100~~
	$ 1,892,100
Performance measures:	
Average calendar days to resolve a complaint	180
Average calendar days to renew a license	1
Customer satisfaction rating (Scale 1-8)	7.0

Sec. 5. Senate Bill 1188, section 7, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 7. DEPARTMENT OF ADMINISTRATION

	2009-10
State general fund	
FTE positions	228.8
Operating lump sum appropriation	$ 19,214,300
ENSCO	2,867,300
County attorney immigration enforcement	2,430,000
Arizona financial information system	1,120,500
Statewide telecommunications management contract lease payment	851,800
Utilities	625,700
Lump sum reduction	~~(9,897,700)~~
	(8,066,100)
Total - general fund	~~$ 17,211,900~~
	$ 19,043,500

Performance measures:

Per cent of ADOA services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	85
Per cent of procurement plan award dates met for the RFP process	77
Customer satisfaction with establishing contracts (Scale 1-8)	6.9
Customer satisfaction with administering contracts (Scale 1-8)	6.7
Customer satisfaction rating for the operation of AFIS (Scale 1-8)	7.5
Average capitol police response time to emergency calls (in minutes and seconds)	1:52

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

The $2,430,000 appropriated to the county attorney immigration enforcement line item shall be distributed as follows: $1,430,000 to each county attorney of a county in this state with a population of one million five hundred thousand or more persons and $500,000 to each county attorney of a county in this state with a population of eight hundred thousand or more persons but less than one million five hundred thousand persons, and the remainder of the monies shall be distributed as equally as possible to each county attorney of counties in this state with a population of less than eight hundred thousand persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing section 23-212, Arizona Revised Statutes. These appropriations are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Air quality fund

Lump sum appropriation	$ 850,100
Lump sum reduction	(85,000)
Total - air quality fund	$ 765,100

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)	6.7

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund	
FTE positions	28.9
Operating lump sum appropriation	$ 5,590,700
Utilities	7,349,900
Relocation	60,000
Offset to state general fund reduction	5,200,700
~~Lump sum reduction~~	~~(1,616,900)~~
Total - capital outlay stabilization fund	~~$ 16,584,400~~
	$ 18,201,300

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8) 7.7

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2010.

Corrections fund	
FTE positions	6.6
Lump sum appropriation	$ 732,300
Lump sum reduction	(121,700)
Total - corrections fund	$ 610,600

The intent of the legislature is for the amount appropriated from the corrections fund to be expended solely for the oversight of construction projects benefiting the state department of corrections or the department of juvenile corrections.

Motor vehicle pool revolving fund	
FTE positions	19.0
Lump sum appropriation	$ 12,726,800
Lump sum reduction	(1,351,400)
Total - motor vehicle pool revolving fund	$ 11,375,400

Performance measures:

Customer satisfaction with short-term (day use) vehicle rental (Scale 1-8) 7.8

It is the intent of the legislature that the department not replace vehicles until an average of 120,000 miles, or more.

Telecommunications fund	
FTE positions	18.0
Lump sum appropriation	$ 3,178,100
Lump sum reduction	(1,268,500)
Total - telecommunications fund	$ 1,909,600

Performance measures:	
Customer satisfaction rating for the wide area network (MAGNET) (Scale 1-8)	6.4
Customer satisfaction rating for statewide telecommunications management contract services (Scale 1-8)	6.0
Telecommunications fund - infrastructure improvements account	
Lump sum appropriation	$ 4,713,700
Automation operations fund	
FTE positions	152.4
Lump sum appropriation	$ 24,087,500
Lump sum reduction	(3,401,500)
Total - automation operations fund	$ 20,686,000
Performance measures:	
Customer satisfaction rating for mainframe services based on annual survey (Scale 1-8)	7.0

The appropriation for the automation operations fund is an estimate representing all monies, including balance forward, revenue and transfers during fiscal year 2009-2010. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect receipts credited to the automation operations fund for automation operation center projects. Expenditures for all additional automation operation center projects above the $24,087,500 appropriation shall be subject to review by the joint legislative budget committee, following approval of the government information technology agency. Expenditures for each additional project shall not exceed the specific revenues of that project.

Risk management fund	
FTE positions	96.0
Operating lump sum appropriation	$ 8,729,900
Risk management losses and premiums	45,371,300
Workers' compensation losses and premiums	30,112,300
External legal services	5,592,200
Nonlegal related expenditures	3,153,900
Lump sum reduction	(581,300)
Total - risk management fund	$ 92,378,300
Performance measures:	
Workers' compensation incidence rates/100 FTE positions	4.1
Customer satisfaction with self-insurance (Scale 1-8)	7.5

Personnel division fund	
FTE positions	124.0
Operating lump sum appropriation	$ 14,064,000
Human resources information solution certificate of participation	4,354,000
Lump sum reduction	(2,628,700)
Total - personnel division fund	$ 15,789,300
Performance measures:	
Customer satisfaction with employee training (Scale 1-8)	6.1
Special employee health insurance trust fund	
FTE positions	39.0
Operating lump sum appropriation	$ 5,187,300
Employee wellness program	300,000
Lump sum reduction	(251,100)
Total - special employee health insurance trust fund	$ 5,236,200
Performance measures:	
Customer satisfaction with benefit plans (Scale 1-8)	6.2
State surplus materials revolving fund	
FTE positions	16.0
Operating lump sum appropriation	$ 1,258,000
State surplus property sales proceeds	3,000,000
Lump sum reduction	(488,000)
Total - state surplus materials revolving fund	$ 3,770,000
Federal surplus materials revolving fund	
FTE positions	7.0
Lump sum appropriation	$ 449,300
Total appropriation - department of administration	~~$191,479,800~~ $194,928,300
Fund sources:	
State general fund	~~$ 17,211,900~~ $ 19,043,500
Other appropriated funds	~~174,267,900~~ 175,884,800

Sec. 6. Senate Bill 1188, section 10, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

	2009-10
Administration	
FTE positions	3,044.4
Operating lump sum appropriation	$ 70,082,400
DOA data center charges	5,717,500
Indian advisory council	232,900
DES eligibility	55,688,300
DES title XIX pass-through	357,800
Healthcare group administration and reinsurance	6,164,900
Office of administrative hearings	271,300
KidsCare - administration	~~6,690,900~~ 7,359,700
Proposition 204 - AHCCCS administration	9,402,900
Proposition 204 - DES eligibility	43,585,700
Total appropriation and expenditure authority - administration	~~$198,194,600~~ $198,863,400
Fund sources:	
State general fund	~~$ 85,207,000~~ $ 85,367,300
Budget neutrality compliance fund	2,993,500
Children's health insurance program fund	~~5,087,100~~ 5,595,600
Health care group fund	6,164,900
Expenditure authority	98,742,100
Performance measures:	
Per cent of applications processed on time	95
Customer satisfaction rating for eligibility determination clients (Scale 1-8)	7.0

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

Acute care	
Capitation	~~$2,391,405,000~~
	$2,418,280,900
Reinsurance	129,621,800
Fee-for-service	~~514,455,500~~
	522,776,700
Medicare premiums	104,550,000
Graduate medical education	42,075,300
~~Dual eligible part D copay subsidy~~	~~1,029,700~~
Disproportionate share payments	30,350,000
Critical access hospitals	1,700,000
Breast and cervical cancer	1,699,600
Ticket to work	6,944,300
Proposition 204 - capitation	2,146,078,300
Proposition 204 - reinsurance	~~81,730,000~~
	87,601,900
Proposition 204 - fee-for-service	~~209,821,500~~
	230,551,400
Proposition 204 - medicare premiums	33,051,400
Proposition 204 - county hold harmless	4,825,600
KidsCare - children	~~119,507,800~~
	134,516,500
KIDSCARE - PARENTS	6,967,500
Rural hospital reimbursement	12,158,100
Medicare clawback payments	31,925,600
Total appropriation and expenditure authority - acute care	~~$5,862,929,500~~
	$5,945,674,900
Fund sources:	
State general fund	~~$1,611,099,400~~
	$1,636,284,700
Children's health insurance program fund	~~92,621,900~~
	109,330,200
Tobacco tax and health care fund - medically needy account	53,738,100
Tobacco products tax fund - emergency health services account	23,331,800
Expenditure authority	~~4,082,138,300~~
	4,122,990,100

Performance measures:

Per cent of AHCCCS children receiving well child visits in the first 15 months of life (EPSDT)	60
Per cent of AHCCCS children's access to primary care provider	85
Per cent of AHCCCS women receiving annual cervical screening	60
Member satisfaction as measured by percentage of enrollees that choose to change health plans	2.0

The $30,350,000 appropriation for disproportionate share payments for fiscal year 2009-2010 made pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes, includes $4,202,300 for the Maricopa county health care district and $26,147,700 for private qualifying disproportionate share hospitals.

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

Long-term care

Program lump sum appropriation	$1,266,710,000
Medicare clawback payments	22,956,300
~~Dual eligible part D copay subsidy~~	~~470,300~~
Board of nursing	209,700
Total appropriation and expenditure authority - long-term care	~~$1,290,346,300~~ $1,289,876,000
Fund sources:	
State general fund	~~$ 181,129,200~~ $ 180,658,900
Expenditure authority	1,109,217,100

Performance measures:

Per cent of members utilizing home and community based services (HCBS)	67
Per cent of ALTCS eligibility as measured by quality control sample	99

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

The county portion of the fiscal year 2009-2010 nonfederal portion of the costs of providing long-term care system services is included in the expenditure authority fund source.

Agencywide lump sum reduction	~~$ (27,054,200)~~
	$ (23,508,000)
Fund sources:	
State general fund	~~$ (16,381,000)~~
	$ (16,850,500)
Expenditure authority	~~(10,673,200)~~
	(6,657,500)
Lump sum reduction deferral	$(344,201,700)
Fund sources:	
State general fund	$(117,889,100)
Expenditure authority	(226,312,600)
Total appropriation and expenditure authority - Arizona health care cost containment system	~~$6,980,214,500~~
	$7,066,704,600
Appropriated fund sources:	
State general fund	~~$1,743,165,500~~
	$1,767,571,300
Children's health insurance program fund	~~97,709,000~~
	114,925,800
Budget neutrality compliance fund	2,993,500
Health care group fund	6,164,900
Tobacco products tax fund - emergency health services account	23,331,800
Tobacco tax and health care fund - medically needy account	53,738,100
Expenditure authority	~~$5,053,111,700~~
	$5,097,979,200
Performance measures:	
Per cent of people under age 65 that are uninsured	18

Before making fee-for-service program or rate changes that pertain to fee-for-service rate categories, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee.

The Arizona health care cost containment system administration shall report to the joint legislative budget committee by March 1 of each year on the preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to

maximum shall be no more than two per cent. Before implementation of any changes in capitation rates, the Arizona health care cost containment system administration shall report its expenditure plan for review by the joint legislative budget committee. Before the administration implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

The lump sum reduction may not be taken against the appropriation made for rural hospital reimbursement.

It is the intent of the legislature that the Arizona health care cost containment system administration make the reductions associated with the agencywide lump sum reduction against administrative functions and, to the extent possible, not against programmatic functions.

Sec. 7. Senate Bill 1188, section 12, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 12. ARIZONA COMMISSION ON THE ARTS

	2009-10
FTE positions	10.5
Operating lump sum appropriation	$ 667,700
Community service projects	1,263,100
Lump sum reduction	~~(1,630,800)~~
	(974,700)
Total appropriation - Arizona commission on the arts	~~$ 300,000~~
	$ 956,100
Fund sources:	
State general fund	~~$ 300,000~~
	$ 956,100
Performance measures:	
Customer satisfaction rating (Scale 1-8)	7.5

Sec. 8. Senate Bill 1188, section 14, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 14. AUTOMOBILE THEFT AUTHORITY

	2009-10
FTE positions	6.0
Lump sum appropriation	$ 673,300
Automobile theft authority grants	5,293,400
Reimbursable programs	50,000
Lump sum reduction	(40,600)
Total appropriation - auto theft authority	$ 5,976,100

Fund sources:	
Automobile theft authority fund	$ 5,976,100
Performance measures:	
Felony auto theft arrests by auto theft task force	330
Per cent of stolen vehicles recovered (calendar year)	67.0
Number of vehicles stolen statewide (calendar year)	55,000
Customer satisfaction rating (Scale 1-3, 1 highest)	1.0

The automobile theft authority shall submit a report to the joint legislative budget committee for review before expending any monies for the reimbursable programs line item. The agency shall also show sufficient funds collected to cover the expenses indicated in the report.

Automobile theft authority grants shall be awarded with consideration given to areas with greater automobile theft problems and shall be used to combat economic automobile theft operations.

The automobile theft authority shall pay ~~eighty~~ SEVENTY-FIVE per cent of the personal services and employee related expenses for city and county sworn officers who participate in the Arizona vehicle theft task force.

Sec. 9. Senate Bill 1188, section 19, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 19. STATE BOARD OF CHIROPRACTIC EXAMINERS

	2009-10
FTE positions	5.0
Lump sum appropriation	$ 474,800
Fund sources:	
Board of chiropractic examiners fund	$ 474,800
Performance measures:	
Average calendar days to renew a license	22
Per cent of complaints resolved within 180 days with no hearing required	23
Per cent of survey responses that indicate that staff was knowledgeable and courteous in public communications	100

ON OR BEFORE NOVEMBER 1, 2009, THE STATE BOARD OF CHIROPRACTIC EXAMINERS SHALL SUBMIT A REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON THE FISCAL YEAR 2008-2009 ENDING BALANCE AND PROJECTED FISCAL YEAR 2009-2010 REVENUES AND EXPENDITURES BY MONTH, INCLUDING YEAR-TO-DATE ACTUALS, FOR THE BOARD OF CHIROPRACTIC EXAMINERS FUND. IT IS THE INTENT OF LEGISLATURE THAT THE BOARD HAVE SUFFICIENT RESOURCES TO CONTINUE ITS FISCAL YEAR 2009-2010 OPERATING LEVEL THROUGH FISCAL YEAR 2010-2011.

Sec. 10. Senate Bill 1188, section 20, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 20. DEPARTMENT OF COMMERCE

	2009-10
FTE positions	66.9
Operating lump sum appropriation	~~$ 4,289,900~~
	$ 5,289,900
Arizona trade office in Sonora	25,000
International trade offices	1,716,600
Economic development matching funds	104,000
Main street	130,000
REDI matching grants	45,000
Rural economic development	340,100
Advertising and promotion	659,200
CEDC commission	196,500
National law center/free trade	200,000
Oil overcharge administration	184,900
Minority and women owned business	129,600
Small business advocate	127,000
Apprenticeship services	189,900
Lump sum reduction	~~(3,360,200)~~
	(2,892,700)
Total appropriation - department of commerce	~~$ 4,977,500~~
	$ 6,445,000
Fund sources:	
State general fund	$ 1,780,000
Bond fund	144,700
CEDC fund	~~2,601,200~~
	4,068,700
Oil overcharge fund	184,900
State lottery fund	266,700
Performance measures:	
Number of workers trained	25,000
Per cent of job training fund monies distributed to small businesses	25
Customer satisfaction rating for business development program (percentage rating services as good or excellent)	88

Of the ~~$2,601,200~~ $4,068,700 appropriated from the CEDC fund in fiscal year 2009-2010, $250,000 shall be utilized for implementation of cross-industry business/infrastructure development projects and related project coordination in support of regional technology councils and high technology clusters operating in Arizona.

~~The department of commerce may use monies appropriated from the state general fund, bond fund, CEDC fund and state lottery fund to administer programs that attract and retain jobs in this state and to pay for associated direct, indirect and other costs.~~

Sec. 11. Senate Bill 1188, section 21, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 21. ARIZONA COMMUNITY COLLEGES

	2009-10
Equalization aid	
Cochise	$ 7,841,800
Graham	17,465,400
Navajo	6,624,000
Yuma/La Paz	2,938,300
Total - equalization aid	$ 34,869,500
Operating state aid	
Cochise	~~$ 7,430,300~~
	$ 7,488,700
Coconino	~~2,678,500~~
	2,679,400
Gila	~~601,000~~
	658,400
Graham	~~4,350,000~~
	4,243,900
Maricopa	~~45,293,500~~
	45,327,400
Mohave	~~3,596,000~~
	3,682,900
Navajo	~~3,432,900~~
	3,590,000
Pima	~~15,826,700~~
	15,942,100
Pinal	~~4,939,000~~
	4,935,100
Yavapai	~~4,122,800~~
	4,196,000
Yuma/La Paz	~~4,799,600~~
	4,812,900
Total - operating state aid	~~$ 97,070,300~~
	$ 97,556,800
Rural county reimbursement subsidy	$ 1,000,000
Total appropriation - Arizona community colleges	~~$132,939,800~~
	$133,426,300

Fund sources:
State general fund ~~$132,939,800~~ $133,426,300

Performance measures:
Number of applied baccalaureate programs collaboratively developed with universities 13

Of the $1,000,000 appropriated to the rural county reimbursement subsidy line item, Apache county will receive $523,500, Greenlee county $188,700 and Santa Cruz county $287,800.

The appropriated monies shall not be used to implement the centennial scholars program.

Sec. 12. Senate Bill 1188, section 22, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 22. REGISTRAR OF CONTRACTORS

	2009-10
FTE positions	144.8
Operating lump sum appropriation	$ 10,524,500
Office of administrative hearings costs	1,002,300
Incentive pay	113,700
Information management system	506,500
~~Lump sum reduction~~	~~(1,912,400)~~
Total appropriation - registrar of contractors	~~$ 10,234,600~~ $ 12,147,000
Fund sources:	
Registrar of contractors fund	~~$ 10,234,600~~ $ 12,147,000

Performance measures:
Average calendar days from receipt of complaint to jobsite inspection 25
Per cent of licensing customers indicating they received excellent service 93
Per cent of inspections customers indicating they received excellent service 89

Any transfer to or from the amount appropriated for the office of administrative hearings costs line item shall require review by the joint legislative budget committee.

Sec. 13. Senate Bill 1188, section 23, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 23. CORPORATION COMMISSION

	2009-10
FTE positions	308.3
Operating lump sum appropriation	$ 27,782,900

Corporation filings, same day service	400,400
Utilities audits, studies, investigations and hearings	380,000*
Lump sum reduction	~~(3,144,900)~~
	(1,165,700)
Total appropriation - corporation commission	~~$ 25,418,400~~
	$ 27,397,600
Fund sources:	
State general fund	~~$ 3,794,900~~
	$ 600,000
Arizona arts trust fund	51,100
Investment management regulatory and enforcement fund	762,200
Public access fund	~~4,122,300~~
	6,770,400
Securities regulatory and enforcement fund	~~3,258,400~~
	4,746,000
Utility regulation revolving fund	~~13,429,500~~
	14,467,900
Performance measures:	
Average turnaround time in days for processing of regular corporate filings	21.8
Average turnaround time in days for processing of expedited corporate filings	4
Number of months required to review applications received by securities division	1.5
Customer satisfaction rating for corporations program (Scale 1-8)	7.5

The $400,400 appropriated from the public access fund for the corporation filings, same day service line item shall revert to the public access fund at the end of fiscal year 2009-2010 if the commission cannot process all expedited services within five business days and all regular services within thirty business days in accordance with sections 10-122, 10-3122 and 29-851, Arizona Revised Statutes.

The corporation commission corporations division shall provide a report by the end of fiscal year 2009-2010 to the joint legislative budget committee on the total number of filings received by the corporations division pursuant to the services listed in sections 10-122, 10-3122 and 29-851, Arizona Revised Statutes, the total number of filings processed by the corporations division and the amount of time, in business days, to process each type of service.

Sec. 14. Senate Bill 1188, section 24, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 24. DEPARTMENT OF CORRECTIONS

	2009-10
FTE positions	9,755.9
Correctional officer personal services	~~$118,560,700~~
	$253,646,500
Health care personal services	41,393,000
All other personal services	66,727,000
Employee-related expenditures	171,194,000
Personal services and employee-related expenditures for overtime/compensatory time	13,420,100
Health care all other operating expenditures	~~90,274,400~~
	69,470,900
Non-health care all other operating expenditures	125,866,200
Total - operating budget	~~$627,435,400~~
	$741,717,700
Fund sources:	
State general fund	~~$612,406,200~~
	$727,767,700
State education fund for correctional education	580,200
Alcohol abuse treatment fund	599,300
~~Penitentiary land fund~~	~~198,700~~
State charitable, penal and reformatory institutions land fund	~~1,240,500~~
	360,000
Corrections fund	380,500
Transition office fund	180,000
Transition program drug treatment fund	600,000
Prison construction and operations fund	11,250,000
County jail beds	$ 866,200
Fund sources:	
State general fund	$ 866,200
New state prison beds	$ 16,064,100
Fund sources:	
State general fund	$ 16,064,100
Private prison per diem	$ 93,464,300

Fund sources:	
State general fund	~~$ 62,990,000~~
	$ 64,790,000
Corrections fund	28,674,300
~~Penitentiary land fund~~	~~1,000,000~~
~~Prison construction and operations fund~~	~~800,000~~
Provisional beds	~~$103,549,800~~
	$103,549,900
Fund sources:	
State general fund	~~$ 99,493,600~~
	$101,388,900
Prison construction and operations fund	~~3,000,000~~
	1,181,800
Penitentiary land fund	~~1,056,200~~
	979,200
~~Lump sum appropriation~~	~~$185,085,800~~
~~Fund sources:~~	
~~Federal government services stabilization fund~~	~~$ 185,085,800~~
Lump sum reduction	~~$(25,922,500)~~
	$(34,645,900)
Fund sources:	
State general fund	~~$(25,849,600)~~
	$(34,573,000)
Corrections fund	(37,200)
State education fund for correctional education	(35,700)
Performance measures:	
Escapes from secure facilities	0
Number of inmates receiving GED	2,956
Number of inmate random positive urinalysis results	1,721

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

One hundred per cent of land earnings and interest from the penitentiary land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

Before the expenditure of any state education fund for correctional education receipts in excess of $544,500, the state department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

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

The personal services and employee-related expenditures for overtime/compensatory time line item includes monies for personal services and employee-related expenditure costs from overtime and compensatory time payouts accrued by department employees in fiscal year 2009-2010.

Before placing any additional inmates in out-of-state provisional beds, the department shall place inmates in all available prison beds in facilities that are located in Arizona and that house Arizona inmates, unless the out-of-state provisional beds are of a comparable security level and price.

Any transfer to or from the amounts appropriated for county jail beds, new state prison beds, personal services and employee-related expenditures for overtime/compensatory time, private prison per diem or provisional beds line items shall require review by the joint legislative budget committee.

A monthly report comparing state department of corrections expenditures for the month and year-to-date as compared to prior year expenditures shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include at least each line item of appropriation and the main components of all other operating expenditures. The report shall include an estimate of potential shortfalls, potential surpluses that may be available to offset these shortfalls and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation.

State department of corrections personnel in the correctional officer series who receive a geographic stipend shall not retain the geographic stipend associated with that facility when transferring to other department facilities.

~~It is the intent of the legislature that the personnel reduction of $12,267,700, included in the lump sum reduction special line item would be achieved through attrition and, to the extent possible, not reduce the number of filled correctional officer positions.~~

It is the intent of the legislature that the department contract with county jails for the purposes of housing inmates committed to the department if the county agrees to contract at a per diem rate that shall not exceed $50.00.

IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010, $50,000,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE STATE DEPARTMENT OF CORRECTIONS FOR CORRECTIONAL OFFICER PERSONAL SERVICES. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (P.L. 111-5).

Sec. 15. Senate Bill 1188, section 27, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 27. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

	2009-10
Administration/statewide	
FTE positions	70.5
Lump sum appropriation	$ 4,707,700
Fund sources:	
State general fund	$ 4,707,700
Phoenix day school for the deaf	
FTE positions	155.2
Operating lump sum appropriation	$ 8,698,200
School bus replacement	738,000
Total - Phoenix day school for the deaf	$ 9,436,200
Fund sources:	
State general fund	$ 4,409,200
Arizona state schools for the deaf and the blind fund	5,027,000
Tucson campus	
FTE positions	295.8
Lump sum appropriation	$ 16,997,600
Fund sources:	
State general fund	$ 10,383,000
Arizona state schools for the deaf and the blind fund	6,614,600
Regional cooperatives	
FTE positions	11.0
Lump sum appropriation	$ 1,447,600
Fund sources:	
State general fund	$ 1,008,700
Arizona state schools for the deaf and the blind fund	438,900
Preschool/outreach programs	
FTE positions	54.7
Lump sum appropriation	$ 4,118,000
Fund sources:	
State general fund	$ 1,503,100
Arizona state schools for the deaf and the blind fund	2,614,900

Lump sum reduction	~~$(2,597,100)~~
	$(2,350,600)
Fund sources:	
State general fund	~~$(2,597,100)~~
	$(2,350,600)
Total appropriation - Arizona state schools for the deaf and the blind	~~$ 34,110,000~~
	$ 34,356,500
Fund sources:	
State general fund	~~$ 19,414,600~~
	$ 19,661,100
Arizona state schools for the deaf and the blind fund	14,695,400
Performance measures:	
Per cent of parents rating overall quality of services as "good" or "excellent" based on annual survey	98
Per cent of students in grade 5 meeting or exceeding state academic standards in:	
Reading	4
Writing	14
Math	0
Per cent of students in high school meeting or exceeding state academic standards in:	
Reading	28
Writing	28
Math	24

Before the expenditure of any Arizona state schools for the deaf and the blind fund monies in excess of $14,695,400 in fiscal year 2009-2010, the joint legislative budget committee shall review the intended use of the funds.

Sec. 16. Senate Bill 1188, section 31, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 31. DEPARTMENT OF ECONOMIC SECURITY

	2009-10
Administration	
FTE positions	302.5
Operating lump sum appropriation	$ 33,342,400
Fund sources:	
State general fund	$ 26,540,900
Federal child care and development fund block grant	823,600
Federal temporary assistance for needy families block grant	4,271,400

Public assistance collections fund		407,800
Spinal and head injuries trust fund		39,500
Statewide cost allocation plan fund		1,000,000
Federal Reed act grant		259,200
Finger imaging	$	738,800
Fund sources:		
State general fund	$	461,300
Federal temporary assistance for needy families block grant		277,500
Attorney general legal services	$	1,042,000
Fund sources:		
State general fund	$	747,900
Federal child care and development fund block grant		17,300
Federal temporary assistance for needy families block grant		168,000
Public assistance collections fund		108,800
Triagency disaster recovery	$	271,500
Fund sources:		
Risk management fund	$	271,500

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

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

Developmental disabilities		
FTE positions		1,921.9
Operating lump sum appropriation	$	46,396,500
Fund sources:		
State general fund	$	17,883,400
Expenditure authority		28,513,100
Case management - title XIX	$	42,509,800

Fund sources:	
State general fund	$ 14,471,500
Expenditure authority	28,038,300
Home and community based services - title XIX	~~$650,550,900~~
	$671,950,900
Fund sources:	
State general fund	~~$226,852,000~~
	$236,252,000
Expenditure authority	~~423,698,900~~
	435,698,900
Institutional services - title XIX	$ 15,873,000
Fund sources:	
State general fund	$ 5,430,900
Expenditure authority	10,442,100
Medical services	$142,813,300
Fund sources:	
State general fund	$ 48,904,800
Expenditure authority	93,908,500
Arizona training program at Coolidge - title XIX	$ 17,018,800
Fund sources:	
State general fund	$ 5,783,200
Expenditure authority	11,235,600
Medicare clawback payments	$ 2,456,100
Fund sources:	
State general fund	$ 2,456,100
Case management - state-only	$ 4,496,000
Fund sources:	
State general fund	$ 4,496,000
Home and community based services - state-only	~~$ 36,697,500~~
	$ 21,697,500
Fund sources:	
State general fund	~~$ 35,849,400~~
	$ 20,849,400
Long-term care system fund	848,100

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010, $15,000,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE DEPARTMENT OF ECONOMIC SECURITY FOR STATE-ONLY HOME AND COMMUNITY-BASED SERVICES. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (P.L. 111-5).~~

VETO

Institutional services - state-only	$	294,900
Fund sources:		
State general fund	$	294,900
Arizona training program at Coolidge - state-only	$	566,400
Fund sources:		
State general fund	$	566,400
State-funded long-term care services	$	26,383,300
Fund sources:		
State general fund	$	762,900
Long-term care system fund		25,620,400
Developmental disabilities non-title XIX reduction	~~$(7,459,100)~~	
	$(2,959,100)	
Fund sources:		
State general fund	~~$(7,459,100)~~	
	$(2,959,100)	
Autism training and oversight	$	200,000
Fund sources:		
Tobacco tax and healthcare - health research account	$	200,000
~~Children's autism intensive behavioral treatment services~~	~~$ 1,800,000~~	
~~Fund sources:~~		
~~State general fund~~	~~$ 1,800,000~~	
~~Children's autism intensive early intervention services for toddlers~~	~~$ 500,000~~	
~~Fund sources:~~		
~~State general fund~~	~~$ 500,000~~	
ARIZONA EARLY INTERVENTION PROGRAM	$	2,041,700
FUND SOURCES:		
STATE GENERAL FUND	$	2,041,700
Performance measures:		
Per cent of consumer satisfaction with case management services		99
Per cent of relatives and caregivers of consumers stating the services received meet the consumers needs		95
Per cent of relatives and caregivers of consumers satisfied with the providers and services received		95

It is the intent of the legislature that any available surplus monies for developmental disability programs be applied toward the waiting list, unless there are insufficient monies to annualize these costs in the subsequent year. The children's waiting list shall receive first priority. The amount appropriated for developmental disabilities shall be used to provide for services for nontitle XIX eligible clients. The amount shall not be used for other purposes, unless a transfer of monies is reviewed by the joint legislative budget committee.

The department of economic security shall report all new placements into a state-owned ICF-MR or the Arizona training program at Coolidge campus in fiscal year 2009-2010 to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee and the reason why this placement, rather than a placement into a privately run facility for the developmentally disabled, was deemed as the most appropriate placement. The department shall also report if no new placements were made. This report shall be made available by July 15, 2010.

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2009-2010 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be not more than two per cent. Before implementation of any changes in capitation rates for the long-term care program, the department of economic security shall report for review the expenditure plan to the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

Prior to the implementation of any developmentally disabled or long term care statewide provider rate adjustments not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee. The report shall include, at a minimum, the estimated cost of the provider rate adjustment and the ongoing source of funding for the adjustment, if applicable.

For fiscal year 2009-2010, the department of economic security shall not increase reimbursement rates for community service providers and independent service agreement providers contracting with the division of developmental disabilities.

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010, $2,300,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE DEPARTMENT OF ECONOMIC SECURITY FOR CHILDREN'S AUTISM INTENSIVE BEHAVIORAL TREATMENT SERVICES AND FOR CHILDREN'S AUTISM INTENSIVE EARLY INTERVENTION SERVICES FOR TODDLERS. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (P.L. 111-5).~~

VETO

Benefits and medical eligibility

FTE positions	574.0
Operating lump sum appropriation	$ 40,657,000
Fund sources:	
State general fund	$ 25,716,800
Federal temporary assistance for needy families block grant	14,940,200
Temporary assistance for needy families cash benefits	$121,873,400
Fund sources:	
State general fund	$ 41,242,700
Federal temporary assistance for needy families block grant	80,630,700
Tribal pass-through funding	$ 5,192,300
Fund sources:	
State general fund	$ 5,192,300
Tuberculosis control payments	$ 32,200
Fund sources:	
State general fund	$ 32,200
Performance measures:	
Per cent of cash benefits issued timely	96.0
Per cent of total cash benefits payments issued accurately	95.0
Per cent of total food stamps payments issued accurately	96.0
Per cent of clients satisfied with family assistance administration	90.0

The operating lump sum appropriation may be expended on Arizona health care cost containment system eligibility determinations based on the results of the Arizona random moment sampling survey.

Any transfer to or from the $121,873,400 appropriated for temporary assistance for needy families cash benefits requires review by the joint legislative budget committee.

Of the amount appropriated for temporary assistance for needy families cash benefits, $500,000 reflects appropriation authority only to ensure sufficient cashflow to administer cash benefits for tribes operating their own welfare programs. The department shall notify the joint legislative budget committee and the governor's office of strategic planning and budgeting staff before the use of any of the $500,000 appropriation authority.

Child support enforcement	
FTE positions	863.8
Operating lump sum appropriation	$ 49,513,700
Fund sources:	
State general fund	$ 7,958,600
Child support enforcement administration fund	12,220,000
Expenditure authority	29,335,100
Genetic testing	$ 360,000
Fund sources:	
State general fund	$ 122,400
Expenditure authority	237,600
County participation	$ 8,645,200
Fund sources:	
Child support enforcement administration fund	$ 1,384,100
Expenditure authority	7,261,100
Attorney general legal services	$ 9,901,400
Fund sources:	
State general fund	$ 887,500
Child support enforcement administration fund	2,426,500
Expenditure authority	6,587,400
Performance measures:	
Total IV-D collections	$371,500,000
Ratio of current IV-D support collected and distributed to current IV-D support due	50.4

ALL STATE SHARE OF RETAINED EARNINGS, FEES AND FEDERAL INCENTIVES ABOVE $16,030,600 RECEIVED BY THE DIVISION OF CHILD SUPPORT ENFORCEMENT ARE APPROPRIATED FOR OPERATING EXPENDITURES. NEW FULL-TIME EQUIVALENT POSITIONS MAY BE AUTHORIZED WITH THE INCREASED FUNDING. THE DIVISION OF CHILD SUPPORT ENFORCEMENT SHALL REPORT THE INTENDED USE OF THE MONIES TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE CHAIRPERSONS OF THE SENATE AND HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEES AND THE

DIRECTORS OF THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING.

Aging and community services	
FTE positions	109.6
Operating lump sum appropriation	$ 7,296,100
Fund sources:	
State general fund	$ 7,048,500
Federal temporary assistance for needy families block grant	247,600
Adult services	$ 18,977,700
Fund sources:	
State general fund	$ 18,977,700
Aging and community services - 25% reduction	~~$(5,568,700)~~ $(1,131,400)
Fund sources:	
State general fund	~~$(5,568,700)~~ $(1,131,400)
Community and emergency services	$ 5,424,900
Fund sources:	
Federal temporary assistance for needy families block grant	$ 5,424,900
Coordinated hunger	$ 2,014,600
Fund sources:	
State general fund	$ 1,514,600
Federal temporary assistance for needy families block grant	500,000
Coordinated homeless	$ 2,804,900
Fund sources:	
State general fund	$ 1,155,400
Federal temporary assistance for needy families block grant	1,649,500
Domestic violence prevention	$ 16,647,400
Fund sources:	
State general fund	$ 7,626,700
Federal temporary assistance for needy families block grant	6,620,700
Domestic violence shelter fund	2,400,000

Performance measures:
Adult protective services investigation per cent rate 100

The department of economic security shall report to the joint legislative budget committee on the amount of state and federal monies available statewide for domestic violence funding by December 15, 2009. The report shall include, at a minimum, the amount of monies available and the state fiscal agent receiving those monies.

ALL DOMESTIC VIOLENCE SHELTER FUND MONIES ABOVE $2,400,000 RECEIVED BY THE DEPARTMENT OF ECONOMIC SECURITY ARE APPROPRIATED FOR THE DOMESTIC VIOLENCE PREVENTION LINE ITEM. THE DEPARTMENT OF ECONOMIC SECURITY SHALL REPORT THE INTENDED USE OF THE MONIES ABOVE $2,400,000 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE.

Children, youth and families

FTE positions	1,616.7
Operating lump sum appropriation	$102,378,000
Fund sources:	
State general fund	$ 64,056,100
Children and family services training program fund	209,600
Federal temporary assistance for needy families block grant	38,112,300

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010, $5,500,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE DEPARTMENT OF ECONOMIC SECURITY FOR CHILD PROTECTIVE SERVICES. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (P.L. 111-5).~~ VETO

Adoption services	$ 55,244,600
Fund sources:	
State general fund	$ 35,942,200
Federal temporary assistance for needy families block grant	19,302,400

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010, $2,500,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE DEPARTMENT OF ECONOMIC SECURITY FOR ADOPTION SERVICES CASELOAD GROWTH. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (P.L. 111-5).~~ VETO

Adoption services - family preservation projects	$ 700,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 700,000

Attorney general legal services	$ 12,168,800
Fund sources:	
State general fund	$ 12,116,600
Federal temporary assistance for needy families block grant	52,200
Child abuse prevention	$ 826,900
Fund sources:	
Child abuse prevention fund	$ 826,900
Children support services	$ 71,082,400
Fund sources:	
State general fund	$ 40,403,300
Child abuse prevention fund	750,000
Federal temporary assistance for needy families block grant	29,929,100
Comprehensive medical and dental program	$ 2,057,000
Fund sources:	
State general fund	$ 2,057,000
Child protective services appeals	$ 732,300
Fund sources:	
State general fund	$ 732,300
CPS emergency placement	$ 5,186,500
Fund sources:	
State general fund	$ 2,180,100
Federal temporary assistance for needy families block grant	3,006,400
Family support reduction	~~$(6,290,000)~~ $(2,620,800)
Fund sources:	
State general fund	~~$(6,290,000)~~ $(2,620,800)
Education and training vouchers	$ 700,000
Fund sources:	
State general fund	$ 700,000
Family builders program	$ 5,200,000
Fund sources:	
Federal temporary assistance for needy families block grant	$ 5,200,000
Foster care placement	$ 23,362,600

	Fund sources:	
	State general fund	$ 17,139,500
	Federal temporary assistance for needy families block grant	6,223,100
	Healthy families	$ 10,750,000
	Fund sources:	
	State general fund	$ 5,715,800
	Federal temporary assistance for needy families block grant	5,034,200
	Homeless youth intervention	$ 400,000
	Fund sources:	
	Federal temporary assistance for needy families block grant	$ 400,000
	Independent living maintenance	~~$ 2,136,000~~
		$ 2,719,300
	Fund sources:	
	State general fund	~~$ 2,136,000~~
		$ 2,719,300
	Intensive family services	$ 1,985,600
	Fund sources:	
	State general fund	$ 1,985,600
	Joint substance abuse - Arizona families in recovery succeeding together	$ 7,224,500
	Fund sources:	
	State general fund	$ 5,224,500
	Federal temporary assistance for needy families block grant	$ 2,000,000
	Permanent guardianship subsidy	$ 8,935,300
	Fund sources:	
	State general fund	$ 7,192,300
	Federal temporary assistance for needy families block grant	1,743,000
	CPS residential placement	$ 17,710,000
	Fund sources:	
	State general fund	$ 6,543,400
	Federal temporary assistance for needy families block grant	11,166,600
	Performance measures:	
Per cent of newly hired CPS specialists completing training within 7 months of hire		100

Per cent of children in out-of-home care who have not returned to their families or been permanently placed elsewhere for more than 24 consecutive months	19
Per cent of CPS reports responded to by CPS staff	100
Per cent of CPS original dependencies cases where court denied or dismissed the dependency	<1
Per cent of office of administrative hearings where CPS case findings are affirmed	90
Per cent of CPS complaints reviewed by the office of the ombudsman-citizens aide where allegations are reported as valid by the ombudsman	13
Average number of days spent in shelter placements	15
Number of children in shelter care more than 21 days	0
Number of children under 3 in shelter care	0
Number of children under 6 in group homes	0

Any transfer to or from the amounts appropriated for children support services, CPS emergency placement, CPS residential placement or foster care placement requires review by the joint legislative budget committee.

Of the amounts appropriated for children support services, CPS emergency placement, CPS residential placement and foster care placement, $22,613,100 is appropriated from the federal temporary assistance for needy families block grant to the social services block grant for deposit in the following line items in the following amounts:

Children support services	5,371,700
CPS emergency placement	2,333,700
CPS residential placement	9,833,300
Foster care placement	5,074,400

The department of economic security shall provide training to any new child protective services FTE positions before assigning to any of these employees any client caseload duties.

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

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010,~~ $18,000,000 WILL BE DISBURSED FROM THE STATE FISCAL STABILIZATION FUND TO THE DEPARTMENT OF ECONOMIC SECURITY FOR CHILDREN SERVICES. THESE MONIES SHALL BE DISBURSED IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY AND ~~REINVESTMENT ACT OF 2009 (P.L. 111-5).~~

VETO

Employment and rehabilitation services	
FTE positions	559.9
Operating lump sum appropriation	$ 33,957,600
Fund sources:	
State general fund	$ 10,259,700
Federal child care and development fund block grant	10,839,300
Federal temporary assistance for needy families block grant	6,650,200
Workforce investment act grant	2,283,700
Special administration fund	74,400
Spinal and head injuries trust fund	613,800
Federal Reed act grant	3,236,500
JOBS	~~$ 13,247,900~~
	$ 19,081,200
Fund sources:	
State general fund	$ 1,715,200
Federal temporary assistance for needy families block grant	~~8,032,700~~
	13,866,000
Workforce investment act grant	2,000,000
Special administration fund	1,500,000
Day care subsidy	$178,864,000
Fund sources:	
State general fund	$ 81,295,100
Federal child care and development fund block grant	82,485,800
Federal temporary assistance for needy families block grant	15,083,100
Transitional child care	$ 36,193,000
Fund sources:	
Federal child care and development fund block grant	$ 36,193,000
Vocational rehabilitation services	$ 4,719,100
Fund sources:	
State general fund	$ 4,514,400
Spinal and head injuries trust fund	204,700
Assistive technology	$ 200,000

Fund sources:	
State general fund	$ 200,000
Independent living rehabilitation services	$ 2,491,900
Fund sources:	
State general fund	$ 784,200
Spinal and head injuries trust fund	1,707,700
Workforce investment act - local governments	$ 48,040,600
Fund sources:	
Workforce investment act grant	$ 48,040,600
Workforce investment act - discretionary	$ 3,614,000
Fund sources:	
Workforce investment act grant	$ 3,614,000
Performance measures:	
Number of TANF recipients who obtained employment	18,000
Per cent of customer satisfaction with child care	95.0
Vocational rehabilitation individuals successfully rehabilitated	2,000

Of the $178,864,000 appropriated for day care subsidy, $115,199,900 is for a program in which the upper income limit is no more than one hundred sixty-five per cent of the federal poverty level.

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

Monies in the child care subsidy and transitional child care line items shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.

The department of economic security shall use the $200,000 appropriated for assistive technology to contract with a third party to create a statewide clearinghouse for assistive technology to be distributed to Arizona school districts.

ALL FEDERAL WORKFORCE INVESTMENT ACT DISCRETIONARY MONIES THAT ARE RECEIVED BY THIS STATE IN EXCESS OF $3,614,000 ARE APPROPRIATED TO THE WORKFORCE INVESTMENT ACT-DISCRETIONARY LINE ITEM. EXCESS MONIES MAY NOT BE SPENT UNTIL A PROPOSED EXPENDITURE PLAN FOR THE EXCESS MONIES HAS BEEN REVIEWED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE.

ALL FEDERAL WORKFORCE INVESTMENT ACT MONIES FOR LOCAL GOVERNMENTS THAT ARE RECEIVED BY THIS STATE IN EXCESS OF $48,040,600 ARE APPROPRIATED TO THE WORKFORCE INVESTMENT ACT-LOCAL GOVERNMENTS LINE ITEM. EXCESS MONIES MAY NOT BE SPENT UNTIL A PROPOSED EXPENDITURE PLAN FOR THE EXCESS MONIES HAS BEEN REVIEWED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE.

~~Lump sum FTE reduction (352.0)~~

Agencywide lump sum reduction ~~$(119,586,100)~~ $(107,198,300)

Fund sources:

State general fund	~~$(129,808,500)~~ $(115,040,000)
Child support enforcement administration fund	(796,900)
~~Domestic violence shelter fund~~	~~(480,000)~~
~~Long-term care system fund~~	~~(2,972,600)~~
Federal TANF block grant	~~15,468,000~~ 9,634,700
Public assistance collections fund	(92,200)
Special administration fund	(347,000)
Spinal and head injuries trust fund	(556,900)

Lump sum reduction deferral ~~$ (25,000,000)~~ $ (42,000,000)

Fund sources:

State general fund	~~$ (25,000,000)~~ $ (42,000,000)

VETO

Performance measures:

Agencywide customer satisfaction rating (Scale 1-5) 3.8

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

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

expenditure authority of the child support enforcement program for the month and year-to-date as compared to prior year totals.

The department of economic security shall not operate more welfare offices than it operated in fiscal year 2005-2006.

It is the intent of the legislature that the department of economic security make the reductions associated with the agencywide lump sum reduction against administrative functions and, to the extent possible, not against programmatic functions.

Sec. 17. Senate Bill 1188, section 32, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 32. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION

	2009-10
Administration	
FTE positions	72.5
Lump sum appropriation	$ 6,469,600
Fund sources:	
State general fund	$ 6,469,600

The lump sum appropriation includes $291,100 and 4 FTE positions for average daily membership auditing and $200,000 and 2 FTE positions for information technology security services.

~~Formula programs~~	
FTE positions	29.0
Operating lump sum appropriation	$ 2,096,800
Basic state aid	~~$2,795,599,400~~ $2,868,599,400
Fund sources:	
State general fund	~~$2,749,123,900~~ $2,822,123,900
~~Permanent state school fund~~	~~46,475,500~~

~~The above appropriation provides basic state support to school~~ districts for maintenance and operations funding as provided by section 15-973, Arizona Revised Statutes, and ~~includes~~ an estimated ~~$46,475,500~~ in expendable income ~~derived from~~ the permanent state school fund and from state trust ~~lands~~ pursuant to section 37-521, subsection B, Arizona Revised ~~Statutes, for fiscal year 2009-2010.~~

VETO VETO

Receipts derived from the permanent state school fund and any other nonstate general fund revenue source that is dedicated to fund basic state aid will be expended, whenever possible, before expenditure of state general fund monies.

Except as required by section 37-521, Arizona Revised Statutes, all monies received during the fiscal year from national forests, interest collected on deferred payments on the purchase of state lands, the income from the investment of permanent funds as prescribed by the enabling act and the Constitution of Arizona and all monies received by the superintendent of public instruction from whatever source, except monies received pursuant to

sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the state treasury are appropriated for apportionment to the various counties in accordance with law. An expenditure shall not be made except as specifically authorized above.

~~Additional state aid~~ Veto	~~$ 366,586,000~~
Special education fund	35,237,700
~~Other state aid to districts~~	~~983,900~~
Total - formula programs	~~$3,200,503,800~~
	~~3,2~~3,503,800
Fund sources:	
State ~~general~~ fund	~~$3,154,028,300~~
	$3,227,028,300
~~Permanent state school fund~~	~~46,475,500~~

VETO

Nonformula programs

FTE positions	149.4
Operating lump sum appropriation	$ 1,312,700
Achievement testing	10,236,900

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

AIMS intervention; dropout prevention	5,050,000
School accountability	4,699,100
Adult education and GED	4,477,900
Chemical abuse	817,100
English learner administration	4,805,800

The appropriated amount is to be used by the department of education to provide English language acquisition services for the purposes of section 15-756.07, Arizona Revised Statutes, and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the department of education to school districts and charter schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised Statutes. The department of education may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of section 15-756.07, Arizona Revised Statutes. Notwithstanding section 41-192, Arizona Revised Statutes, the superintendent of public instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

Compensatory instruction fund deposit	10,000,000
Arizona structured English immersion fund	8,791,400
Extended school year	500,000

Family literacy	1,008,700
Gifted support	3,377,000
School safety program	6,718,900
Small pass-through programs	100,000

The appropriated amount includes $50,000 for the academic contest fund and $50,000 for the economic academic council.

State block grant for early childhood education	19,438,100
State block grant for vocational education	11,467,700
Vocational education extended year	600,000
Teacher certification	1,971,400

Monies collected by the department of education for teacher certification fees, as authorized by section 15-531, paragraphs 1 and 2, Arizona Revised Statutes, shall be deposited in a teacher certification fund for use in funding costs of the teacher certification program.

Parental choice for reading success	1,000,000
Optional performance incentive programs	120,000
Total - nonformula programs	$ 96,492,700
Fund sources:	
State general fund	$ 87,303,600
Proposition 301 fund	7,000,000
Teacher certification fund	2,189,100

Performance measures:

Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 2)	
-- reading	49
-- math	54
Per cent of students tested who perform at or above the national norm on the norm-referenced test (grade 9)	
-- reading	54
-- math	53
Per cent of schools with at least 75% of students meeting or exceeding standards in:	
-- reading	37
-- writing	34
-- math	34
Per cent of Arizona high school students who enter grade 9 and graduate within 4 years	74

Per cent of students in grade 3 meeting or exceeding state academic standards in:	
-- reading	70
-- writing	77
-- math	72
Per cent of students in grade 5 meeting or exceeding state academic standards in:	
-- reading	69
-- writing	66
-- math	71
Per cent of students in grade 8 meeting or exceeding state academic standards in:	
-- reading	68
-- writing	77
-- math	62
Per cent of students in grade 12 meeting or exceeding state academic standards in:	
-- reading	40
-- writing	42
-- math	29
Per cent of students tested:	
-- norm-referenced test (grades 2 and 9)	94
-- AIMS	99
Per cent of Arizona schools receiving an underperforming label	10
Maximum number of days to process complete certification applications	14
Per cent of customers satisfied with certification services	94

State board of education

FTE positions	11.0
Lump sum appropriation	$ 1,146,200
Fund sources:	
State general fund	$ 692,500
Teacher certification fund	453,700
Performance measures:	
Per cent of parents who rate "A+" the public school that their oldest school-age child attends	9.0

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

Lump sum FTE reduction	(20.0)
Lump sum reduction	$(13,204,900)
Fund sources:	
State general fund	$(13,017,600)
Teacher certification fund	(187,300)

The department shall not take its lump sum reduction against the vocational education extended year line item.

Total appropriation - state board of education and superintendent of public instruction	
	~~$3,291,407,400~~
	$3,364,407,400
Fund sources:	
State general fund	~~$3,235,476,400~~
	$3,308,476,400
Proposition 301 fund	7,000,000
Permanent state school fund	46,475,500
Teacher certification fund	2,455,500

The department shall provide an updated report on its budget status every two months for the first half of each fiscal year and every month thereafter to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting. Each report shall include, at a minimum, the department's current funding surplus or shortfall projections for basic state aid and other major formula-based programs and shall be due thirty days after the end of the applicable reporting period.

Within fifteen days of each apportionment of state aid that occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes, the department shall provide the joint legislative budget committee staff and the governor's office of strategic planning and budgeting with an electronic spreadsheet or database copy of data included in the apor55-1 report for that apportionment for each school district and the char55-1 report for that apportionment for each charter school.

Sec. 18. Senate Bill 1188, section 33, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 33. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

	2009-10
Administration	
FTE positions	13.9
Lump sum appropriation	$ 2,152,300
Military gift package postage	100,000
Total - administration	$ 2,252,300

Fund sources:	
State general fund	$ 2,252,300
Emergency management	
FTE positions	12.0
Operating lump sum appropriation	$ 1,078,100
Civil air patrol	54,700
Total - emergency management	$ 1,132,800
Fund sources:	
State general fund	$ 1,000,100
Emergency response fund	132,700
Military affairs	
FTE positions	66.2
Operating lump sum appropriation	$ 2,769,600
Guardsmen tuition reimbursement	1,446,000
Project challenge	1,770,100
National guard uniform allowance	250,000
~~Border security~~	~~928,800~~
Total - military affairs	~~$ 7,164,500~~
	$ 6,235,700
Fund sources:	
State general fund	~~$ 7,164,500~~
	$ 6,235,700
Lump sum FTE reduction	(10.0)
Lump sum reduction	~~$(2,403,800)~~
	$(2,248,300)
Fund sources:	
State general fund	~~$(2,403,800)~~
	$(2,248,300)
Total appropriation - department of emergency and military affairs	~~$ 8,145,800~~
	$ 7,372,500
Fund sources:	
State general fund	~~$ 8,013,100~~
	$ 7,239,800
Emergency response fund	132,700
Performance measures:	
Per cent of project challenge graduates either employed or in school	95
Customer satisfaction rating for communities served during disasters (Scale 1-8)	6.0

The department of emergency and military affairs appropriation includes $1,215,000 for service contracts. This amount is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2009-2010 monies remaining

unexpended and unencumbered on October 31, 2010, revert to the state general fund.

It is the intent of the legislature that the department of emergency and military affairs submit a request to the United States department of defense on or before September 30, 2009 to allow the department of emergency and military affairs to conduct training exercises for Arizona national guard units at the Arizona-Mexico border. The department of emergency and military affairs shall report to the joint legislative budget committee on or before December 31, 2009 on the response of the United States department of defense to this request.

Sec. 19. Senate Bill 1188, section 34, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 34. DEPARTMENT OF ENVIRONMENTAL QUALITY

	2009-10
Administration	
FTE positions	144.6
Lump sum appropriation	$ 15,880,300
Fund sources:	
State general fund	$ 3,132,100
Indirect cost recovery fund	12,748,200
Air programs	
FTE positions	124.9
Air quality management and analysis	11,436,200
Emissions control contractor payment	27,639,600
Emissions control program - administration	4,231,100
Transfers to counties program	165,000
Maricopa, Pima and Pinal counties travel reduction plan	1,676,900
Total - air programs	$ 45,148,800
Fund sources:	
State general fund	$ 381,400
Air quality fund	5,227,500
Air permits administration fund	5,992,300
Emissions inspection fund	33,547,600
Waste programs	
FTE positions	48.4
Waste control and management	6,446,100
Underground storage tank program	22,000
Waste tire program	53,600
Total - waste programs	$ 6,521,700

	Fund sources:	
	State general fund	$ 1,149,700
	Air quality fund	588,300
	Hazardous waste management fund	795,000
	Recycling fund	2,325,800
	Solid waste fee fund	1,503,100
	Underground storage tank revolving fund	22,000
	Used oil fund	137,800
	Water programs	
	FTE positions	155.5
	Arizona pollutant discharge elimination system	1,524,700
	Drinking water regulation program	2,499,800
	Surface water regulation program	1,137,100
	Underground water regulation program	7,032,100
	Total - water programs	$ 12,193,700
	Fund sources:	
	State general fund	$ 2,151,800
	Water quality fee fund	5,887,000
	Clean water revolving fund	4,154,900
	WIFA	
	Drinking water revolving loan program	845,100
	Total - WIFA	$ 845,100
	Fund sources:	
	Clean water revolving fund	$ 845,100
~~29~~	~~Lump-sum reduction~~	~~$(7,860,100)~~
30		$(6,189,300)
31	Fund sources:	
32	State general fund	~~$(2,259,500)~~
33		$ (588,700)
34	Air permits administration fund	(339,900)
35	Air quality fund	(679,000)
36	Emissions inspection fund	(138,400)
37	Indirect cost recovery fund	(1,575,500)
38	Recycling fund	(2,325,800)
39	Solid waste fee fund	(260,200)
40	Water quality fee fund	(281,800)
41	Total appropriation - department of	
42	environmental quality	~~$ 72,729,500~~
~~43~~		~~$ 74,400,300~~

VETO

~~Fund sources:~~	
State general fund	~~$ 4,555,500~~
	$ 6,226,300
Air permits administration fund	5,652,400
Air quality fund	5,136,800
Clean water revolving fund	5,000,000
Emissions inspection fund	33,409,200
Hazardous waste management fund	795,000
Indirect cost recovery fund	11,172,700
Solid waste fee fund	1,242,900
Underground storage tank revolving fund	22,000
Used oil fund	137,800
~~Water quality fee fund~~	~~5,605,200~~
Performance measures:	
Per cent of contaminated sites closed requiring no further action (cumulative) versus known sites	84.5
Number of nonattainment areas exceeding national ambient air quality standards	5
Per cent of statutorily set permit timelines met through licensing time frames rule	100
Number of days per year exceeding national ambient air quality standards for ozone, carbon monoxide or particulates	0
Per cent of facilities from drinking water priority log assigned to enforcement staff	100
Customer satisfaction rating for citizens (Scale 1-8)	7.7

VETO

Of the monies appropriated to the Maricopa, Pima and Pinal counties travel reduction plan line item in fiscal year 2009-2010, $948,600 shall be allocated to Maricopa county, $373,000 shall be allocated to the Pima association of governments, $87,000 shall be allocated to Pinal county and $268,300 shall be allocated to Pima county.

When expenditures from the hazardous waste or environmental health reserves are authorized, the director of the department of environmental quality shall report the nature of the emergency and the authorized expenditure amount to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee.

Any transfer from the amount appropriated for the Arizona pollutant discharge elimination system line item shall require prior joint legislative budget committee review.

Pursuant to section 49-282, Arizona Revised Statutes, the department of environmental quality shall submit a fiscal year 2010-2011 budget for the water quality assurance revolving fund before September 1, 2009, for review by the senate and house of representatives appropriations committees.

The department of environmental quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. This report shall also include a budget for the WQARF program that is developed in consultation with the WQARF advisory board. The fiscal year 2009-2010 report shall be submitted to the joint legislative budget committee by September 1, 2009. This budget shall specify the monies budgeted for each listed site during fiscal year 2009-2010. In addition, the department and the advisory board shall prepare and submit to the joint legislative budget committee, by October 2, 2009, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of fiscal year 2008-2009, whether the current stage of remediation is anticipated to be completed in fiscal year 2009-2010 and the anticipated stage of remediation at each listed site at the end of fiscal year 2009-2010, assuming fiscal year 2009-2010 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

The monies appropriated in the transfers to counties program line item are for use by Arizona counties to avoid being declared in nonattainment of particulate matter standards by establishing public notification and outreach programs, minimizing exposure to particulate matter concentrations, and abating and minimizing controllable sources of particulate matter through best available control measures. Of the monies in the transfers to counties program line item in fiscal year 2009-2010, $50,000 shall be used by Pima county for carbon monoxide monitoring as required by the Pima county limited maintenance plan with the United States environmental protection agency.

ALL AIR PERMITS ADMINISTRATION REVENUES RECEIVED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY IN EXCESS OF $5,652,400 IN FISCAL YEAR 2009-2010 ARE APPROPRIATED TO THE DEPARTMENT. BEFORE THE EXPENDITURE OF AIR PERMITS ADMINISTRATION RECEIPTS IN EXCESS OF $5,652,400 IN FISCAL YEAR 2009-2010, THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL SUBMIT THE INTENDED USE OF THE MONIES FOR REVIEW BY THE JOINT LEGISLATIVE BUDGET COMMITTEE.

The department of environmental quality shall submit a written report detailing the maximum, minimum and average water quality permit processing times for fiscal year 2008-2009 by December 1, 2009, for review by the joint legislative budget committee. The fiscal year 2008-2009 data shall contain the year-to-date actual data and projected totals for each year. This report shall also include total number of staff hours devoted to water quality permit processing in fiscal year 2008-2009, the total costs to process these

permits and the progress made in reducing water quality permit processing times.

ALL INDIRECT COST FUND RECOVERY REVENUES RECEIVED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY IN EXCESS OF $11,172,700 IN FISCAL YEAR 2009-2010 ARE APPROPRIATED TO THE DEPARTMENT. BEFORE THE EXPENDITURE OF INDIRECT COST RECOVERY FUND RECEIPTS IN EXCESS OF $11,172,700 IN FISCAL YEAR 2009-2010, THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL SUBMIT THE INTENDED USE OF THE MONIES FOR REVIEW BY THE JOINT LEGISLATIVE BUDGET COMMITTEE.

Sec. 20. Senate Bill 1188, section 35, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 35. STATE BOARD OF EQUALIZATION

	2009-10
FTE positions	7.0
Lump sum appropriation	~~$ 556,800~~
	$ 602,500
Fund sources:	
State general fund	~~$ 556,800~~
	$ 602,500
Performance measures:	
Average calendar days to process a property tax appeal from receipt to issuance	28
Per cent of rulings upheld in tax courts	100
Customer satisfaction rating (Scale 1-8)	6.1

Sec. 21. Senate Bill 1188, section 36, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 36. BOARD OF EXECUTIVE CLEMENCY

	2009-10
FTE positions	15.0
Lump sum appropriation	~~$ 857,200~~
	$ 951,600
Fund sources:	
State general fund	~~$ 857,200~~
	$ 951,600
Performance measures:	
Customer satisfaction rating for victims (Scale 1-8)	6.0

Sec. 22. Senate Bill 1188, section 39, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 39. DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

	2009-10
FTE positions	49.0
Lump sum appropriation	~~$ 2,808,900~~
	$ 2,362,200

Fund sources:	
State general fund	~~$ -2,808,900~~
	$ 2,362,200
Performance measures:	
Per cent of manufactured homes complaints closed vs. complaints filed	98
Customer satisfaction rating (Scale 1-5)	4.7

Sec. 23. Senate Bill 1188, section 41, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 41. GAME AND FISH DEPARTMENT

	2009-10
FTE positions	273.5
Operating lump sum appropriation	~~$ 32,850,300~~
	$33,811,200
Pittman - Robertson/Dingell - Johnson act	3,808,000
Performance incentive pay program	346,800*
Lower Colorado multispecies conservation	350,000
Watercraft grant program	250,000
Watercraft safety education program	1,175,000
~~Lump sum reduction~~	~~(1,410,900)~~
Total appropriation - game and fish department	~~$ 37,369,200~~
	$39,741,000
Fund sources:	
Game and fish fund	$ 34,899,100
Waterfowl conservation fund	43,400
Wildlife endowment fund	16,000
Watercraft licensing fund	~~2,080,800~~
	4,452,600
Game, nongame, fish and endangered species fund	329,900
Performance measures:	
Per cent of the public surveyed rating watercraft safety as "good" or "excellent"	80
Per cent of anglers surveyed reporting they were satisfied with their angling experiences	81

In addition to the $3,808,000 for the Pittman - Robertson/Dingell - Johnson act line item, the lump sum appropriation includes $50,000 for cooperative fish and wildlife research which may be used for the purpose of matching federal and apportionment funds.

The $300,000 from the game and fish fund and $46,800 from the watercraft licensing fund in fiscal year 2009-2010 for the performance incentive pay program line item shall be used for personal services and employee-related expenditures associated with the department's performance incentive pay program. This appropriation is a continuing appropriation and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 24. Senate Bill 1188, section 44, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 44. GOVERNMENT INFORMATION TECHNOLOGY AGENCY

	2009-10
FTE positions	23.0
Operating lump sum appropriation	$ 7,815,100
Statewide information security and privacy office	870,300
Public safety communications	880,600
Lump sum reduction	~~(1,865,200)~~
	(1,377,300)
Total appropriation - government information technology agency	~~$ 7,700,800~~
	$ 8,188,700
Fund sources:	
State general fund	~~$ 734,400~~
	$ 803,200
Information technology fund	~~3,066,400~~
	3,485,500
State web portal fund	3,900,000
Performance measures:	
Per cent of information technology (IT) projects completed on schedule	96
Per cent of IT projects completed within budget	96
Per cent of agency IT managers rating GITA performance as excellent	60
Per cent of IT projects that are compliant with state enterprise architecture standards	90

Sec. 25. Senate Bill 1188, section 45, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 45. OFFICE OF THE GOVERNOR

	2009-10
~~Operating~~ Lump sum appropriation	~~$ 6,784,900*~~
	$ 7,384,900*
~~County fairs livestock and agricultural promotion fund~~	~~1,779,500~~
~~Total appropriation - office of the governor~~	~~$ 8,564,400~~

Fund sources:
State general fund ~~$ 8,564,400~~ $ 7,384,900

Included in the ~~operating~~ lump sum appropriation of ~~$6,784,900~~ $7,384,900 for fiscal year 2009-2010 is $10,000 for the purchase of mementos and items for visiting officials.

Sec. 26. Senate Bill 1188, section 46, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 46. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

	2009-10
FTE positions	23.0
Lump sum appropriation	~~$ 1,899,600~~ $ 2,149,600*
Fund sources:	
State general fund	~~$ 1,899,600~~ $ 2,149,600

Performance measures:

Per cent of participants rating budget and planning training "good" or "excellent"	94

Sec. 27. Senate Bill 1188, section 47, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 47. DEPARTMENT OF HEALTH SERVICES

	2009-10
Administration	
FTE positions	432.8
Operating lump sum appropriation	$ 17,039,000
Fund sources:	
State general fund	$ 14,251,600
Capital outlay stabilization fund	1,578,000
Emergency medical services operating fund	209,400
Indirect cost fund	1,000,000
Assurance and licensure	~~$ 11,302,300~~ $ 6,808,900
Fund sources:	
State general fund	~~$ 9,144,700~~ $ 4,651,300
Federal child care and development fund block grant	829,200
Hearing and speech professionals fund	340,200

Nursing care institution resident protection revolving fund		38,000
Expenditure authority		950,200
Attorney general legal services	$	444,900
Fund sources:		
State general fund	$	394,900
Emergency medical services operating fund		50,000
Newborn screening program fund - indirect costs	$	478,600
Fund sources:		
Newborn screening program fund	$	478,600
Indirect cost fund	$	8,075,700
Fund sources:		
Indirect cost fund	$	8,075,700
Performance measures:		
Per cent of relicensure surveys completed on time:		
Child care facilities		97
Health care facilities		77
Per cent of complaint investigations initiated later than investigative guidelines:		
Child care facilities		0
Health care facilities		30
Public health		
FTE positions		245.1
Operating lump sum appropriation	$	6,217,000
Fund sources:		
State general fund	$	5,379,700
Emergency medical services operating fund		837,300
AIDS reporting and surveillance	$	1,125,000
Fund sources:		
State general fund	$	1,125,000
Alzheimer's disease research	$	2,250,000
Fund sources:		
State general fund	$	2,250,000
Arizona statewide immunization information system	$	477,600
Fund sources:		
State general fund	$	477,600
Community health centers	~~$ 13,481,400~~	
	$	1,881,400

Fund sources:		
State general fund	~~$ 8,981,400~~	
	$	981,400
Tobacco tax and health care fund - medically needy account		~~4,500,000~~
		900,000
County tuberculosis provider care and control	$	1,210,500
Fund sources:		
State general fund	$	1,210,500
Diabetes prevention and control	$	100,000
Fund sources:		
State general fund	$	100,000
Direct grants	$	460,300
Fund sources:		
State general fund	$	460,300
EMS operations	$	3,233,800
Fund sources:		
Emergency medical services operating fund	$	3,233,800
Hepatitis C surveillance	$	309,400
Fund sources:		
State general fund	$	309,400
Laboratory services	$	5,059,200
Fund sources:		
State general fund	$	4,088,600
Environmental laboratory licensure revolving fund		970,600
Loan repayment	$	750,000
Fund sources:		
State general fund	$	100,000
Emergency medical services operating fund		650,000
Poison control centers funding	$	1,950,000
Fund sources:		
State general fund	$	1,950,000
Reimbursement to counties	$	67,900
Fund sources:		
State general fund	$	67,900
Renal and nonrenal disease management	$	198,000
Fund sources:		
State general fund	$	198,000
Scorpion antivenom	$	150,000

Fund sources:		
State general fund	$	150,000
Telemedicine	$	260,000
Fund sources:		
State general fund	$	260,000
Teratogen program	$	60,000
Fund sources:		
State general fund	$	60,000
Trauma advisory board	$	405,400
Fund sources:		
Emergency medical services operating fund	$	405,400
Vaccines	$	6,132,900
Fund sources:		
State general fund	$	6,132,900
Vital records maintenance	$	499,700
Fund sources:		
Vital records electronic systems fund	$	499,700
Public health appropriation	$	1,000,000
Fund sources:		
Tobacco tax and health care fund - health research account	$	1,000,000
Public health reduction		$(1,000,000)
Fund sources:		
State general fund		$(1,000,000)
Performance measures:		
Immunization rate among two-year-old children		84
Per cent of high school youth who smoked in the last month		18
Customer waiting time in vital records lobby (in minutes)		15

Of the ~~$13,481,400~~ $1,881,400 appropriated for community health centers, at least $564,000 shall be distributed to Yavapai county for county primary care programs.

The department of health services may use up to four per cent of the amounts appropriated for renal and nonrenal disease management, community health centers and telemedicine for the administrative costs to implement each program.

Monies appropriated for AIDS reporting and surveillance and renal and nonrenal disease management shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.

The appropriation for direct grants is to provide for local health work and a portion of the cost of employing one public health nurse and one sanitarian in counties with populations of less than five hundred thousand persons. The monies are to be divided equally among eligible counties on a nonmatching basis. All monies that are received by a county under this appropriation and that are not used for the prescribed purposes revert to the state general fund.

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

~~IT IS THE INTENT OF THE LEGISLATURE THAT IN FISCAL YEAR 2009-2010~~, $11,600,000 WILL BE DISBURSED FROM THE STATE FISCAL ~~STABILIZATION~~ FUND TO THE DEPARTMENT OF HEALTH SERVICES FOR COMMUNITY HEALTH CENTERS. THESE MONIES SHALL BE ~~DISBURSED~~ IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN RECOVERY ~~AND REINVESTMENT ACT OF 2009 (P.L. 111-5)~~.

VETO

The department of health services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal vaccines for children program and eligibility for the state children's health insurance program. This requirement applies to vaccines purchased with state monies appropriated for the vaccines line item for both the federal 317 program and the state-only immunization program.

The department of health services shall distribute the entire appropriation for Alzheimer's disease research to grant recipients by September 30, 2009.

Family health	
FTE positions	96.8
Operating lump sum appropriation	$ 5,803,500
Fund sources:	
State general fund	$ 3,622,500
Expenditure authority	2,181,000
Adult cystic fibrosis	$ 105,200
Fund sources:	
State general fund	$ 105,200
Adult sickle cell anemia	$ 33,000
Fund sources:	
State general fund	$ 33,000
AHCCCS - children's rehabilitative services	$ 74,677,100
Fund sources:	
State general fund	$ 25,576,900
Expenditure authority	49,100,200
Breast and cervical cancer and bone density screening	$ 1,015,800

Fund sources:		
State general fund	$	1,015,800
Child fatality review team	$	246,300
Fund sources:		
Child fatality review fund	$	99,100
Emergency medical services operating fund		147,200
Children's rehabilitative services	$	3,587,000
Fund sources:		
State general fund	$	3,587,000
County prenatal services grant	$	1,033,600
Fund sources:		
State general fund	$	1,033,600
Folic acid	$	400,000
Fund sources:		
Tobacco tax and health care fund - medically needy account	$	400,000
High risk perinatal services	$	5,230,600
Fund sources:		
State general fund	$	4,780,600
Emergency medical services operating fund		450,000
Medicaid special exemption payments	$	1,659,500
Fund sources:		
State general fund	$	568,400
Expenditure authority		1,091,100
Newborn screening program	$	6,326,700
Fund sources:		
Newborn screening program fund	$	6,326,700
Senior food programs	$	500,000
Fund sources:		
State general fund	$	500,000
Performance measures:		
Number of newborns screened under newborn screening program		101,810

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

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

Of the $5,230,600 appropriated for high risk perinatal services $583,000 shall be distributed to counties.

Behavioral health	
FTE positions	166.0
Operating lump sum appropriation	$ 9,518,100
Fund sources:	
State general fund	$ 4,454,200
Expenditure authority	5,063,900
Arnold v. Sarn	$ 37,100,600
Fund sources:	
State general fund	$ 27,500,000
Expenditure authority	9,600,600
Children's behavioral health services	$ 8,851,800
Fund sources:	
State general fund	$ 8,851,800
Children's behavioral health state match for title XIX	$407,201,800
Fund sources:	
State general fund	$139,446,300
Expenditure authority	267,755,500
Court monitoring	$ 197,500
Fund sources:	
State general fund	$ 197,500
Dual eligible part D copay subsidy	$ 802,600
Fund sources:	
State general fund	$ 802,600
Medicaid special exemption payments	$ 23,096,500
Fund sources:	
State general fund	$ 7,909,400
Expenditure authority	15,187,100
Medicare clawback payments	$ 11,932,800
Fund sources:	
State general fund	$ 11,932,800
Mental health and substance abuse state match for title XIX	$121,065,400

Fund sources:	
State general fund	~~$ 41,458,800~~
	$ 37,858,800
TOBACCO TAX AND HEALTH CARE FUND - MEDICALLY NEEDY ACCOUNT	3,600,000
Expenditure authority	79,606,600
Mental health nontitle XIX	$ 2,447,300
Fund sources:	
State general fund	$ 1,947,300
Tobacco tax and health care fund medically needy account	500,000
Proposition 204 - administration	$ 6,534,800
Fund sources:	
State general fund	$ 2,130,200
Expenditure authority	4,404,600
Proposition 204 - children's behavioral health services	$ 5,097,600
Fund sources:	
State general fund	$ 1,745,700
Expenditure authority	3,351,900
Proposition 204 - general mental health and substance abuse	$121,138,500
Fund sources:	
State general fund	$ 41,483,900
Expenditure authority	79,654,600
Proposition 204 - seriously mentally ill services	$233,660,900
Fund sources:	
State general fund	$ 80,017,200
Expenditure authority	153,643,700
Seriously mentally ill nontitle XIX	$ 61,116,700
Fund sources:	
State general fund	$ 30,191,900
Tobacco tax and health care fund medically needy account	30,924,800
Seriously mentally ill state match for title XIX	$231,174,000
Fund sources:	
State general fund	$ 79,165,500
Expenditure authority	152,008,500
Substance abuse nontitle XIX	$ 13,635,400

Fund sources:	
State general fund	$ 11,135,400
Substance abuse services fund	2,500,000
Contract compliance	$5,523,500
Fund sources:	
State general fund	$ 1,856,100
Expenditure authority	3,667,400
Performance measures:	
Per cent of RBHA title XIX clients satisfied with services	90
Per cent of title XIX population that is enrolled in a behavioral health service	12

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

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

It is the intent of the legislature that the per cent attributable to administration/profit for the regional behavioral health authority in Maricopa county is nine per cent of the overall capitation rate.

The department of health services shall report to the joint legislative budget committee thirty days after the end of each calendar quarter on the progress the department is making toward settling the Arnold v. Sarn lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

Arizona state hospital	
FTE positions	877.7
Operating lump sum appropriation	$ 56,762,900
Fund sources:	
State general fund	~~$ 49,111,000~~
	$ 47,733,600
Arizona state hospital fund	~~6,501,900~~
	7,879,300
Arizona state hospital land earnings fund	1,150,000
Arizona state hospital forensic unit debt service	$ 3,111,700

Fund sources:	
State general fund	$ 3,111,700
Community placement treatment	$ 6,704,800
Fund sources:	
State general fund	$ 5,574,100
Arizona state hospital fund	1,130,700
Sexually violent persons	$ 10,630,200
Fund sources:	
State general fund	~~$ 10,630,200~~
	$ 8,480,700
ARIZONA STATE HOSPITAL FUND	2,149,500
Electronic medical records	$ 300,000
Fund sources:	
State general fund	$ 300,000
Performance measures:	
Per cent of adult clients successfully placed in community who return for another stay within one year of discharge	6.0
~~Agencywide FTE positions reduction~~	~~(161.0)~~
Agencywide lump sum reduction	~~$(66,424,800)~~
	$(49,424,800)
Fund sources:	
State general fund	~~$(63,909,100)~~
	$(46,909,100)
Emergency medical services operating fund	(847,600)
Environmental laboratory licensure revolving fund	(41,300)
Hearing and speech professionals fund	(20,900)
Indirect cost fund	(1,289,900)
Substance abuse services fund	(250,000)
Vital records electronic systems fund	~~(66,000)~~

VETO

The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates for the AHCCCS - children's rehabilitative services line item and any title XIX behavioral health line items, the department of health services shall report its expenditure plan for review by the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide

services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of $500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent land funds are appropriated to the state hospital in compliance with the enabling act and the Constitution of Arizona.

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

Any transfer to or from the amounts appropriated for seriously mentally ill state match for title XIX, seriously mentally ill nontitle XIX, Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral health services, children's behavioral health state match for title XIX, mental health nontitle XIX, substance abuse nontitle XIX, mental health and substance abuse state match for title XIX, children's rehabilitative services, AHCCCS - children's rehabilitative services, adult cystic fibrosis, adult sickle cell anemia, high risk perinatal services, county prenatal services grant, community placement treatment, dual eligible copay subsidy, sexually violent persons, county tuberculosis provider care and control, community health centers, vaccines, renal and nonrenal disease management, AIDS reporting and surveillance, telemedicine, university of Arizona poison center funding and poison control center funding shall require review by the joint legislative budget committee. The department may transfer monies between the amounts appropriated for proposition 204 children's behavioral health services, proposition 204 seriously mentally ill services and proposition 204 general mental health and substance abuse without review by the joint legislative budget committee but may not transfer monies to and from these line items to any other line item except as provided above without

review by the joint legislative budget committee. The amounts appropriated for these items shall be used exclusively for contracts for the provision of services to clients unless a transfer of monies is reviewed by the joint legislative budget committee or unless otherwise permitted to be expended for administrative costs as specified in this act. Monies shall not be used from these appropriated amounts for any other expenses of the department of health services, unless a transfer of monies is reviewed by the joint legislative budget committee.

It is the intent of the legislature that the department of health services make the reductions associated with the agencywide lump sum reduction against administrative functions and, to the extent possible, not against programmatic functions.

The lump sum reduction may not be taken against the appropriation made for Alzheimer's disease research.

Sec. 28. Senate Bill 1188, section 52, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 52. INDUSTRIAL COMMISSION OF ARIZONA

	2009-10
FTE positions	279.0
Lump sum appropriation	~~$ 16,614,900~~
	$19,859,700
Fund sources:	
Industrial commission administrative fund	~~$ 16,614,900~~
	$19,859,700
Performance measures:	
Average number of days to resolve a case by the administrative law judge division	118
Per cent of workers' compensation claims processed within five days	97
Elevator inspections conducted	5,847
Customer satisfaction rating for workers' compensation program (Scale 1-8)	7.1

Sec. 29. Senate Bill 1188, section 53, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 53. DEPARTMENT OF INSURANCE

	2009-10
FTE positions	95.5
Operating lump sum appropriation	~~$ 6,731,700~~
	$ 7,369,700
~~Managed care and dental plan oversight~~	~~638,000~~

Lump sum reduction	~~(1,624,400)~~
	(1,287,700)
Total appropriation - department of insurance	~~$ 5,745,300~~
	$ 6,082,000
Fund sources:	
State general fund	~~$ 5,745,300~~
	$ 6,082,000
Performance measures:	
Average calendar days to complete a consumer complaint investigation	75
Per cent of survey licensees respondents indicating "satisfied" or "better"	93
Per cent of consumer services survey respondents indicating "satisfied" or "better"	77
Average number of days to issue a license	42

~~It is the intent of the legislature that $294,000 in fiscal year 2009-2010 shall be for new agreements to prosecute fraud cases and shall be funded by the department from revenues from fraud unit fees.~~

Sec. 30. Senate Bill 1188, section 55, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 55. DEPARTMENT OF JUVENILE CORRECTIONS

	2009-10
FTE positions	1,050.7
Lump sum appropriation	~~$ 78,297,500~~
	$ 70,776,600
Fund sources:	
State general fund	~~$ 73,499,400~~
	$ 66,629,500
State charitable, penal and reformatory institutions land fund	~~1,749,600~~
	1,098,600
Criminal justice enhancement fund	601,100
State education fund for committed youth	2,447,400
Performance measures:	
Escapes from DJC secure care facilities	0
Per cent of juveniles passing the GED language test	56
Per cent of juveniles who show progress in their primary treatment problem area	75
Per cent of juveniles returned to custody within 12 months of release	36

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

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

Sec. 31. Senate Bill 1188, section 59, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 59. DEPARTMENT OF LIQUOR LICENSES AND CONTROL

	2009-10
FTE positions	42.2
Lump sum appropriation	~~$ 2,724,000~~
	$ 700,000
Fund sources:	
State general fund	~~$ 2,724,000~~
	$ 700,000
Performance measures:	
Investigations and routine liquor inspections completed	3,750
Average calendar days to complete an investigation	14
Per cent of customers who responded to the survey reporting "very good" or "excellent" service	86

Sec. 32. Senate Bill 1188, section 60, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 60. ARIZONA STATE LOTTERY COMMISSION

	2009-10
FTE positions	104.0
Operating lump sum appropriation	$ 7,996,600
Sales incentive program	50,000
Telecommunications	629,400
Advertising	~~$ 11,000,000~~
	$ 16,000,000
Lump sum reduction	~~(1,394,400)~~
	(1,000,000)
Total appropriation - Arizona state lottery commission	~~$ 18,281,600~~
	$ 23,676,000
Fund source:	
State lottery fund	~~$ 18,281,600~~
	$ 23,676,000

Performance measures:	
Increase in online sales from prior year	$ 5,922,100
Increase in instant ticket sales from prior year	$ 3,380,500
Customer satisfaction rating for retailers (Scale 1-8)	7.5

An amount equal to 3.6 per cent of actual instant ticket sales is appropriated for the printing of instant tickets or for contractual obligations concerning instant ticket distribution. This amount is currently estimated to be $9,209,800 in fiscal year 2009-2010.

An amount equal to a percentage of actual online game sales as determined by contract is appropriated for payment of online vendor fees. This amount is currently estimated to be $9,129,300, or 4.0322 per cent of actual online ticket sales in fiscal year 2009-2010.

An amount equal to 6.5 per cent of gross lottery game sales is appropriated for payment of sales commissions to ticket retailers. An additional amount of not to exceed 0.5 per cent of gross lottery game sales is appropriated for payment of sales commissions to ticket retailers. The combined amount is currently estimated to be 6.7 per cent of total ticket sales, or $32,310,100 in fiscal year 2009-2010.

Sec. 33. Senate Bill 1188, section 73, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 73. STATE PARKS BOARD

	2009-10
FTE positions	232.3
Operating lump sum appropriation	$ 14,599,900
Arizona trail	125,000
Kartchner caverns state park	2,638,000
Lump sum reduction	~~(5,097,100)~~
	(7,402,300)
Total appropriation - Arizona state parks board	~~$ 12,265,800~~
	$ 9,960,600
Fund sources:	
~~State general fund~~	~~$ 2,305,200~~
State parks enhancement fund	8,416,500
Law enforcement and boating safety fund	1,092,700
Reservation surcharge revolving fund	451,400
Performance measures:	
Annual park attendance	2,500,000
Per cent of park visitors rating their experience "good" or "excellent"	95

The appropriation for law enforcement and boating safety fund projects is an estimate representing all monies distributed to this fund, including balance forward, revenue and transfers during fiscal year 2009-2010. These monies are appropriated to the Arizona state parks board for the purposes established in section 5-383, Arizona Revised Statutes. The appropriation shall be adjusted as necessary to reflect actual final receipts credited to the law enforcement and boating safety fund.

All other operating expenditures include $26,000 from the state parks enhancement fund for Fool Hollow state park revenue sharing. If receipts to Fool Hollow exceed $260,000 in fiscal year 2009-2010, an additional ten per cent of this increase of Fool Hollow receipts is appropriated from the state parks enhancement fund to meet the revenue sharing agreement with the city of Show Low and the United States forest service.

All reservation surcharge revolving fund receipts received by the Arizona state parks board in excess of $451,400 in fiscal year 2009-2010 are appropriated to the reservation surcharge revolving fund. Before the expenditure of any reservation surcharge revolving fund monies in excess of $451,400 in fiscal year 2009-2010, the Arizona state parks board shall submit the intended use of the monies for review by the joint legislative budget committee.

During fiscal year 2009-2010, no more than $5,000 each year from appropriated or nonappropriated monies may be used for the purposes of out-of-state travel expenses by state parks board staff. No appropriated or nonappropriated monies may be used for out-of-country travel expenses. The state parks board shall submit by June 30, 2010, a report to the joint legislative budget committee on out-of-state travel activities and expenditures for that fiscal year.

Sec. 34. Senate Bill 1188, section 74, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 74. PERSONNEL BOARD

	2009-10
FTE positions	3.0
Lump sum appropriation	~~$ 302,000~~
	$ 329,100
Fund sources:	
~~State general fund~~	~~$ 302,000~~
PERSONNEL BOARD ACCOUNT OF THE PERSONNEL DIVISION FUND	$ 329,100
Performance measures:	
Average number of calendar days from receipt of appeal/complaint to final	113
Per cent of customers rating service as "good" or "excellent"	90

Sec. 35. Senate Bill 1188, section 83, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 83. DEPARTMENT OF PUBLIC SAFETY

	2009-10
FTE positions	~~2,114.8~~
	2,099.8
Operating lump sum appropriation	~~$198,398,600~~
	$197,032,600
GIITEM	~~32,306,200~~
	21,397,400
Motor vehicle fuel	3,935,500
Photo radar enforcement	22,534,300
Lump sum reduction	~~(9,198,500)~~
	(8,246,100)
Total appropriation - department of public safety	~~$247,976,100~~
	$236,653,700
Fund sources:	
State general fund	~~$ 56,889,800~~
	$ 43,967,400
Highway user revenue fund fees	78,169,500
State highway fund	41,050,500
Arizona highway patrol fund	19,947,500
Criminal justice enhancement fund	3,077,100
Safety enforcement and transportation infrastructure fund	1,615,600
Crime laboratory assessment fund	5,500,300
Crime laboratory operations fund	~~8,800,000~~
	10,400,000
Arizona deoxyribonucleic acid identification system fund	3,357,500
Automated fingerprint identification system fund	3,264,400
Motorcycle safety fund	205,000
Photo enforcement fund	22,534,300
Risk management fund	296,200
Parity compensation fund	3,268,400
Performance measures:	
Per cent of scientific analysis cases over 30 calendar days old	4.0
Per cent of system reliability of the Arizona automated fingerprint identification network	98
Clandestine labs dismantled	30

Of the ~~$32,306,200~~ $21,397,400 appropriated to GIITEM, ~~$10,000,000~~ $2,603,400 shall be used for the multijurisdictional task force known as the gang and immigration intelligence team enforcement mission (GIITEM). If the department of public safety uses any of the monies appropriated for GIITEM for an agreement or contract with a city, town, county or other entity to provide services for the GIITEM program, the city, town, county or other entity shall provide not less than ~~twenty~~ TWENTY-FIVE per cent of the cost of the services and the department of public safety shall provide not more than eighty per cent of personal services and employee related expenditures for each agreement or contract but may fund all capital related equipment. Recognizing that states have inherent authority to arrest for any immigration violation, there continues to be a benefit with a 287G, including additional training and a partnership with immigration and customs enforcement and the federal government. The distribution of these monies are contingent on the department of public safety making all reasonable efforts to enter into a 287G memorandum of understanding with the United States department of homeland security. The ~~$10,000,000~~ $2,603,400 shall be used for functions relating to immigration enforcement, including border security and border personnel, including any previously authorized allocations made in Laws 2008, chapter 285, section 14, as amended by Laws 2009, first special session, chapter 1, section 2. As state or local law enforcement officers come into any lawful contact with a suspected illegal alien or with a gang or suspected gang member the use of these monies is contingent on law enforcement agencies making every reasonable effort to determine the person's legal status and taking appropriate action that will not jeopardize an ongoing investigation. The ~~$10,000,000~~ $2,603,400 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to the lapsing of appropriations. The department shall submit an expenditure plan to the joint legislative budget committee for review before expending any monies not identified in the department's previous expenditure plans. Within thirty days after the last day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures and progress to the joint legislative budget committee including any prior year appropriations that were nonlapsing.

Of the ~~$32,306,200~~ $21,397,400 appropriated to GIITEM, ~~$10,358,900~~ $9,400,900 shall be used for one hundred department of public safety GIITEM personnel. The additional staff shall include at least fifty sworn department of public safety positions to be used for immigration enforcement and border security and fifty department of public safety positions to assist GIITEM in various efforts, including: 1) arresting illegal aliens, 2) responding to or assisting any county sheriff or attorney in investigating complaints of employment of illegal aliens, 3) investigating crimes of identity theft in the context of hiring illegal aliens and the unlawful entry into the country and 4) taking enforcement action, as permitted under federal law and the United States Constitution. As state and local law enforcement

officers come into contact with gang or suspected gang members the use of these monies is contingent on law enforcement agencies verifying the immigration status of these individuals and taking appropriate action that will not jeopardize an ongoing investigation. The department shall submit an expenditure plan to the joint legislative budget committee for review before expending any monies not identified in the department's previous expenditure plans. Within thirty days after the last day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures and progress to the joint legislative budget committee including any prior year appropriations that were nonlapsing.

For fiscal year 2009-2010, within thirty days after the last day of each calendar quarter, the department shall report to the joint legislative budget committee the following quarterly and year-to-date photo radar enforcement information:

1. The total number of issued citations or notices of violation, paid citations or notices of violation, notices of violation that were referred to courts and mobile or stationary cameras in operation.

2. The total amount of citation and notice of violation revenue generated, including how much revenue was distributed for DPS staff expenses, for DPS vendor payments to the administrative office of the courts for processing of citations and to the state general fund.

Any monies remaining in the department of public safety joint account on June 30, 2010 shall revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated.

It is the intent of the legislature that the reductions included in the lump sum reduction special line item shall not be taken against ~~GITEM or~~ sworn personnel.

Sec. 36. Senate Bill 1188, section 84, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 84. ARIZONA DEPARTMENT OF RACING

	2009-10
FTE positions	42.5
Lump sum appropriation	$ 2,035,500
County fairs racing betterment	900,000
Arizona breeders' award	800,000
Arizona stallion award	100,000
County fair racing	400,000
Racing administration	67,000
COUNTY FAIRS LIVESTOCK AND AGRICULTURAL PROMOTION	1,779,500
Total appropriation - department of racing	~~$ 4,302,500~~ $ 6,082,000

Fund sources:
State general fund ~~$ 4,302,500~~
$ 6,082,000

THE AMOUNT APPROPRIATED TO THE COUNTY FAIRS LIVESTOCK AND AGRICULTURAL PROMOTION LINE ITEM IS FOR DEPOSIT IN THE COUNTY FAIRS LIVESTOCK AND AGRICULTURAL PROMOTION FUND.

Performance measures:

Per cent of horse racing customers reporting "very good" or "excellent" service	95
Per cent of greyhound racing customers reporting "very good" or "excellent" service	100
Per cent of positive horse drug tests	1.2
Per cent of positive greyhound drug tests	0.02

Sec. 37. Senate Bill 1188, section 91, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 91. DEPARTMENT OF REVENUE

	2009-10
FTE positions	863.0
Operating lump sum appropriation	$ 72,749,700
BRITS operational support	3,623,700
TEMPORARY COLLECTORS	$ 3,000,000
Unclaimed property administration and audit	2,963,200
Lump sum reduction	(16,144,000)
Total appropriation - department of revenue	~~$ 63,192,600~~ $ 66,192,600

Fund sources:

State general fund	~~$ 62,131,500~~ $ 40,631,500
DEPARTMENT OF REVENUE ADMINISTRATIVE FUND	24,500,000
Liability setoff fund	398,300
Tobacco tax and health care fund	662,800

Performance measures:

Average calendar days to refund income tax	7.6
Per cent of written taxpayer inquiries answered within 30 calendar days of receipt	65
Customer satisfaction rating for taxpayer information section (Scale 1-5)	4.7

The department shall provide the department's general fund revenue enforcement goals for fiscal year 2009-2010 for review by the joint legislative budget committee by July 31, 2009. The department shall provide an annual progress report to the joint legislative budget committee as to the effectiveness of the department's overall enforcement and collections program

for fiscal year 2009-2010 by July 31, 2010. The reports shall include a comparison of projected and actual general fund revenue enforcement collections for fiscal year 2009-2010.

THE $3,000,000 APPROPRIATED FROM THE STATE GENERAL FUND FOR TEMPORARY COLLECTORS IS TO COLLECT ESTABLISHED DEBT. THE DEPARTMENT SHALL REPORT ITS RESULTS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE JANUARY 31, 2010.

Sec. 38. Senate Bill 1188, section 92, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 92. SCHOOL FACILITIES BOARD

	2009-10
FTE positions	18.0
Operating lump sum appropriation	$ 1,948,800
New school facilities debt service	108,683,300
BUILDING RENEWAL GRANT	3,000,000
Lump sum reduction	~~(1,031,300)~~ (551,700)
Total appropriation - school facilities board	~~$109,600,800~~ $113,080,400
Fund sources:	
State general fund	~~$109,600,800~~ $113,080,400
Performance measures:	
Per cent of school districts inspected meeting minimum adequacy standards	22
Per cent of school districts rating the board's services as "good" or "excellent" in an annual survey	95

Sec. 39. Senate Bill 1188, section 93, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 93. DEPARTMENT OF STATE - SECRETARY OF STATE

	2009-10
FTE positions	43.3
Operating lump sum appropriation	$ 2,717,900
Election services	1,011,000
Help America vote act	7,722,800
SPECIAL ELECTION	$ 8,346,900
Lump sum reduction	(150,000)
Total appropriation - secretary of state	~~$ 11,301,700~~ $ 19,648,600
Fund sources:	
State general fund	~~$ 3,480,700~~ $ 11,827,600

Election systems improvement fund	7,722,800
Professional employer organization fund	98,200

Performance measures:

Per cent of documents returned to public filer in 48 hours (business services division)	75
Per cent of election law complaints reviewed and acted on within 7 days	100

The secretary of state shall report to the joint legislative budget committee and the governor's office of strategic planning and budgeting by December 31, 2009 the actual amount and purpose of expenditures from the election systems improvement fund in fiscal year 2008-2009 and the expected amount and purpose of expenditures from the fund for fiscal year 2009-2010.

Any transfer to or from the amount appropriated for the election services line item shall require review by the joint legislative budget committee.

The fiscal year 2009-2010 appropriation from the election systems improvement fund for HAVA is available for use pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2011.

Sec. 40. Senate Bill 1188, section 95, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 95. STATE BOARD OF TAX APPEALS

	2009-10
FTE positions	4.0
Lump sum appropriation	~~$ 261,300~~
	$ 278,300

Fund sources:

State general fund	~~$ 261,300~~
	$ 278,300

Performance measures:

Months to process appeal	4.5
Per cent of rulings upheld in tax courts	90.0
Customer satisfaction rating (Scale 1-8)	7.0

Sec. 41. Senate Bill 1188, section 97, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 97. DEPARTMENT OF TRANSPORTATION

	2009-10
~~Administration~~	
FTE positions	~~412.0~~
	4,548.0

~~Operating~~ Lump sum appropriation	~~$ 42,437,400~~	
	$433,991,700	
~~Attorney general legal services~~	~~3,052,600~~	
~~Total appropriation - administration~~	~~$ 45,490,000~~	
~~Fund sources:~~		
~~State highway fund~~	~~$ 45,490,000~~	

~~It is the intent of the legislature that the department not include any administrative overhead expenditures in duplicate drivers' license fees charged to the public.~~

~~Highways~~		
~~FTE positions~~	~~2,548.0~~	
~~Operating lump sum appropriation~~	~~$137,950,400~~	
~~Highway maintenance~~	~~136,566,300~~	
~~Vehicles and heavy equipment~~	~~32,154,700~~	
~~Total - highways~~	~~$306,671,400~~	
~~Fund sources:~~		
~~State general fund~~	~~$ 63,100~~	
~~Safety enforcement and transportation infrastructure fund~~	~~558,700~~	
~~State highway fund~~	~~273,894,900~~	
~~Transportation department equipment fund~~	~~32,154,700~~	
FUND SOURCES:		
STATE GENERAL FUND	$ 63,100	
AIR QUALITY FUND	71,700	
DRIVING UNDER THE INFLUENCE ABATEMENT FUND	143,300	
HIGHWAY USER REVENUE FUND FEES	617,000	
MOTOR VEHICLE LIABILITY INSURANCE ENFORCEMENT FUND	2,177,500	
SAFETY ENFORCEMENT AND TRANSPORTATION INFRASTRUCTURE FUND	2,158,000	
STATE AVIATION FUND	1,862,400	
STATE HIGHWAY FUND	395,580,000	
TRANSPORTATION DEPARTMENT EQUIPMENT FUND	29,636,200	
VEHICLE INSPECTION AND TITLE ENFORCEMENT FUND	1,682,500	
Performance measures:		
Per cent of Maricopa regional freeway travel lane miles completed for the twenty-year half cent sales tax extension effective January 1, 2006	10.5	

Per cent of overall highway construction projects completed on schedule	97
AVERAGE MVD OFFICE WAIT TIME FROM ARRIVING AT MVD OFFICE TO RECEIVING NUMBERED TICKET (MINUTES)	2.0
AVERAGE MVD OFFICE WAIT TIME FROM RECEIVING NUMBERED TICKET TO ARRIVING AT COUNTER (MINUTES)	12.5
PER CENT OF MVD OFFICE CUSTOMERS RATING SERVICES "GOOD" OR "EXCELLENT"	83
AVERAGE TELEPHONE WAIT TIME TO SPEAK TO AN MVD EMPLOYEE (MINUTES)	15.2
PER CENT OF ALTERNATIVE VEHICLE REGISTRATION RENEWAL METHODS (MAIL, INTERNET, THIRD PARTY)	80
PER CENT OF AIRPORT DEVELOPMENT PROJECTS COMPLETED ON SCHEDULE	95

IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT NOT INCLUDE ANY ADMINISTRATIVE OVERHEAD EXPENDITURES IN DUPLICATE DRIVER LICENSE FEES CHARGED TO THE PUBLIC.

Of the total amount appropriated ~~for the highways program~~, $136,566,300 in fiscal year 2009-2010 for highway maintenance is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to their fund of origin, either the state highway fund or the safety enforcement and transportation infrastructure fund, on August 31, 2010.

Of the total amount appropriated ~~for the highways program~~, $2,663,000 in fiscal year 2009-2010 is for performance pay for participants in the department's engineer pay plan. The department shall establish performance measures with measurable quality and quantity objectives for participants in the engineer pay plan that are designed to result in increased productivity and improved quality of the delivery of state services or products. The department shall either apply these performance measures to the entire engineer pay plan or apply relevant performance measures to subsets within the engineer pay plan either on a group or individual basis. Every quarter or month, the department shall review the participants' performance to determine if the performance measures were met. If the performance measures are met or exceeded, the applicable participants are entitled to receive the performance pay for the corresponding quarter.

~~Motor vehicle~~

~~FTE positions~~	~~1,755.0~~
~~Operating lump sum appropriation~~	~~$107,966,800~~
~~Abandoned vehicle administration~~	~~1,039,800~~

~~Fraud investigation 788,300~~
~~New third party funding 933,500~~
~~Total appropriation - motor vehicle $110,728,400~~
~~Fund sources:~~
~~Air quality fund $ 71,700~~
~~Driving under the influence abatement fund 143,300~~
~~Highway user revenue fund fees 617,000~~
~~Motor vehicle liability insurance enforcement fund 2,419,500~~
~~Safety enforcement and transportation infrastructure fund 1,599,300~~
~~State highway fund 104,195,100~~
~~Vehicle inspection and title enforcement fund 1,682,500~~
~~Performance measures:~~
~~Average office wait time from arriving at MVD office to receiving numbered ticket (minutes) 2.0~~
~~Average office wait time from receiving numbered ticket to arriving at counter (minutes) 12.5~~
~~Per cent of office customers rating services "good" or "excellent" 83~~
~~Average telephone wait time to speak to an MVD employee (minutes) 15.2~~
~~Per cent of alternative vehicle registration renewal methods (mail, internet, third party) 80~~

~~The department shall not transfer any funds to or from the motor vehicle division without the review by the joint legislative budget committee.~~

The department of transportation shall submit quarterly progress reports to the joint legislative budget committee on progress in improving motor vehicle division wait times and vehicle registration renewal by mail turnaround times. The reports shall document the monthly averages for the total time customers spent at the office and the reasons for changes in these times for each motor vehicle division field office equipped with electronic customer monitoring devices. The reports shall document the wait time to get a numbered ticket from a motor vehicle division employee, the time between receiving the numbered ticket and arriving at the counter and the transaction time at the counter. The reports shall document the number of customers who arrived at motor vehicle division offices but who did not complete their transaction, and the motor vehicle division's average turnaround time for

vehicle registration renewal by mail. The reports shall include details by office for all offices in the metropolitan areas that are defined to include all of Maricopa county, Apache Junction, Tucson and Flagstaff, and summarized for the nonmetropolitan areas. In addition to documenting wait times, the reports shall document the number of primary transactions (driver licenses, titles and vehicle registrations) and secondary transactions (all others), the number of counter positions assigned and filled and the productivity levels (the average number of primary transactions completed by staff and the average number of secondary transactions completed by staff). The reports shall document the number of primary and secondary transactions completed by third parties by metropolitan and nonmetropolitan area offices. The reports are due within thirty days after the end of each calendar quarter.

~~Aeronautics~~

~~FTE positions~~	~~33.0~~
~~Lump sum appropriation~~	~~$ 2,247,000~~
~~Fund sources:~~	
~~State aviation fund~~	~~$ 2,247,000~~
~~Performance measures:~~	
~~Per cent of airport development projects completed on schedule~~	~~95~~
~~Lump sum FTE position reduction~~	~~(200.0)~~
~~Lump sum reduction~~	~~$(47,027,800)~~
~~Fund sources:~~	
~~Motor vehicle liability insurance enforcement fund~~	~~$ (242,000)~~
~~State aviation fund~~	~~(384,600)~~
~~State highway fund~~	~~(42,003,600)~~
~~Transportation department equipment fund~~	~~(4,397,600)~~
~~Total appropriation - Arizona department of transportation~~	~~$418,109,000~~
~~Fund sources:~~	
~~State general fund~~	~~$ 63,100~~
~~Air quality fund~~	~~71,700~~
~~Driving under the influence abatement fund~~	~~143,300~~
~~Highway user revenue fund fees~~	~~617,000~~
~~Motor vehicle liability insurance enforcement fund~~	~~2,177,500~~

~~Safety enforcement and transportation infrastructure fund 2,158,000~~
~~State aviation fund 1,862,400~~
~~State highway fund 381,576,400~~
~~Transportation department equipment fund 27,757,100~~
~~Vehicle inspection and title enforcement fund 1,682,500~~

Of the ~~$418,109,000~~ $433,991,700 appropriation to the department of transportation, the department of transportation shall pay $16,773,800 in fiscal year 2009-2010 from all funds to the department of administration for its risk management payment.

ANY TRANSFER TO OR FROM AN OPERATING BUDGET OR SPECIAL LINE ITEM AS OUTLINED IN THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF FISCAL YEAR 2009-2010 APPROPRIATIONS REPORT THAT EQUALS OR EXCEEDS $1,000,000 IN TOTAL FOR FISCAL YEAR 2009-2010 MUST BE REVIEWED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE. ANY TRANSFERS BELOW $1,000,000 SHALL BE REPORTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF.

~~Sec. 42. Senate Bill 1100, section 105, forty-ninth legislature, first~~ regular session, as transmitted to the governor, is amended to read:

Sec. 105. UNIVERSITY LUMP SUM REDUCTION

Lump sum reduction $(40,000,000)
Fund sources:
State general fund $(40,000,000)

On or before August 1, 2009, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the $40,000,000 lump sum reduction. The Arizona board of regents shall allocate the $40,000,000 lump sum reduction by campus for Arizona state university. The final allocation shall not increase differences in per student funding among the universities. The $40,000,000 lump sum reduction is in addition to lump sum reductions separately delineated in individual university budget sections.

~~Lump sum reduction deferral $(100,000,000)~~
~~Fund sources:~~
~~State general fund $(100,000,000)~~
~~The Arizona board of regents shall defer funding to the institutions under its jurisdiction in proportion to the state general fund appropriation received by each institution.~~

VETO

Sec. 43. Senate Bill 1188, section 109, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 109. DEPARTMENT OF WEIGHTS AND MEASURES

	2009-10
General services	
FTE positions	22.9
Lump sum appropriation	$ 1,916,500
Fund sources:	
State general fund	$ 1,593,600
Motor vehicle liability insurance enforcement fund	322,900
Vapor recovery	
FTE positions	8.5
Lump sum appropriation	$ 638,400
Fund sources:	
Air quality fund	$ 638,400
Oxygenated fuel	
FTE positions	6.0
Lump sum appropriation	$ 885,400
Fund sources:	
Air quality fund	$ 885,400
Lump sum reduction	~~$ (575,200)~~
	$ (307,600)
Fund sources:	
State general fund	~~$ (350,300)~~
	$ (278,000)
Air quality fund	~~(224,900)~~
	(29,600)
Total appropriation - department of weights and measures	~~$ 2,865,100~~
	$ 3,132,700
Fund sources:	
State general fund	~~$ 1,243,300~~
	$ 1,315,600
Air quality fund	~~1,298,900~~
	1,494,200
Motor vehicle liability insurance enforcement fund	322,900
Performance measures:	
Average customer satisfaction rating (Scale 1-5)	4.7
Per cent of retail stores' price scanning devices in compliance	78

Per cent of cleaner burning gas samples in compliance with oxygenated fuel standards	100
Per cent of gasoline dispensing facilities inspected annually that are in compliance with vapor recovery standards	88

Sec. 44. Senate Bill 1188, section 110, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 110. Transfer of fund monies to the state general fund; fiscal year 2009-2010

A. Notwithstanding any other law, on or before June 30, 2010, the following amounts from the following funds or sources are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. Department of administration

Admin - AFIS II collections fund:	
Salary reduction	64,300
Spending reduction	173,900
Air quality fund:	
Spending reduction	85,000
Automation operations fund:	
Salary reduction	992,500
Spending reduction	2,409,000
~~Capital outlay stabilization fund:~~	
~~Salary reduction~~	~~316,900~~
~~Spending reduction~~	~~1,300,000~~
Construction insurance fund:	
Excess balance	1,507,700
Co-op state purchasing fund:	
Salary reduction	22,300
Spending reduction	44,000
Corrections fund:	
Salary reduction	48,300
Spending reduction	73,400
Emergency telecommunication services revolving fund:	
Salary reduction	30,900
Employee travel reduction fund:	
Salary reduction	36,100
Motor vehicle pool revolving fund:	
Salary reduction	78,700
Spending reduction	1,272,700
Personnel division fund:	
Salary reduction	740,600
Spending reduction	1,888,100

	Risk management revolving fund:	
	Salary reduction	581,300
	Special employee health insurance trust fund:	
	Salary reduction	251,100
	Special services revolving fund:	
	Salary reduction	34,200
	Spending reduction	216,500
	State surplus materials revolving fund:	
	Salary reduction	62,200
	Spending reduction	425,800
	Telecommunications fund:	
	Salary reduction	152,700
	Excess balance	917,300
	Spending reduction	1,115,800
	Telecommunications fund:	
	Infrastructure improvements account transfer	~~12,000,000~~
		5,800,000
2.	Arizona health care cost containment system:	
	AHCCCS third party collections fund:	
	Excess balance	130,700
	Healthcare group fund:	
	Salary reduction	361,900
	Intergovernmental services fund:	
	Excess balance	273,200
3.	Arizona commission on the arts:	
	Arts endowment fund:	
	Transfer	~~15,000,000~~
		4,652,300
	Arts special revenues fund:	
	Salary reduction	12,500
4.	Attorney general:	
	Anti-racketeering revolving fund:	
	Salary reduction	139,200
	Spending reduction	500,000
	Attorney general legal services cost allocation fund:	
	Salary reduction	606,600
	Collection enforcement revolving fund:	
	Salary reduction	365,500
	Spending reduction	1,000,000
	Consumer protection - consumer fraud revolving fund:	
	Salary reduction	164,300

	Risk management revolving fund:	
	Salary reduction	789,000
	Victims' rights fund:	
	Salary reduction	33,000
5.	Automobile theft authority:	
	Automobile theft authority fund:	
	Salary reduction	40,600
6.	Department of commerce:	
	Arizona job training fund:	
	Salary reduction	~~30,900~~
		100,000
	Excess balance	~~30,000,000~~
		18,275,000
	Spending reduction	~~1,850,000~~
		1,835,000
	Commerce and economic development commission fund:	
	~~Salary reduction~~	~~73,200~~
	Excess balance	~~2,693,700~~
		2,161,200
	~~Spending reduction~~	~~394,300~~
	Commerce development bond fund:	
	Excess balance	699,000
	Commerce workshops fund:	
	Spending reduction	51,600
	GADA revolving fund:	
	Salary reduction	~~19,800~~
		18,800
	Excess balance	~~1,579,000~~
		500,000
	Spending reduction	~~55,600~~
		50,000
	State lottery fund:	
	Salary reduction	19,500
7.	Registrar of contractors:	
	Registrar of contractors fund:	
	~~Salary reduction~~	~~696,000~~
	Excess balance	~~664,000~~
		2,576,400
	~~Spending reduction~~	~~1,216,400~~
	Residential contractors' recovery fund:	
	Excess balance	1,836,500

8. Corporation commission:	
Investment management regulatory and enforcement fund:	
Salary reduction	73,500
Excess balance	433,300
Spending reduction	92,900
Public access fund:	
Salary reduction	255,700
Excess balance	284,200
~~Securities regulatory and enforcement fund:~~	
~~Salary reduction~~	~~295,500~~
~~Spending reduction~~	~~392,100~~
Utility regulation revolving fund:	
~~Salary reduction~~	~~1,038,400~~
Excess balance	~~278,300~~
	2,004,300
9. Department of corrections:	
Arizona correctional industries revolving fund:	
Salary reduction	598,600
Excess balance	391,700
Corrections fund:	
Salary reduction	37,200
Indirect cost recovery fund:	
Spending reduction	122,400
Special services fund:	
Excess balance	454,700
State DOC revolving transition fund:	
Spending reduction	341,000
State education fund for correctional education:	
Salary reduction	35,700
Transition program drug treatment fund:	
Excess balance	119,800
10. Arizona criminal justice commission:	
Criminal justice enhancement fund:	
Salary reduction	48,600
Excess balance	400,000
Drug and gang enforcement account:	
Salary reduction	59,200
Driving under the influence abatement fund:	
Excess balance	500,000
State aid to county attorneys fund:	
Excess balance	100,000

	State aid to indigent defense fund:	
	Excess balance	209,100
11.	Commission for the deaf and hard of hearing:	
	Telecommunication fund for the deaf:	
	Salary reduction	95,200
	Excess balance	474,600
	Spending reduction	944,100
12.	Drug and gang prevention resource center:	
	Drug and gang prevention resource center fund:	
	Excess balance	206,300
	Salary reduction	22,500
	Spending reduction	44,700
13.	Department of economic security:	
	~~Arizona training program at Phoenix closure fund:~~	
	~~Excess balance~~	~~1,450,400~~
	Child support enforcement administration fund:	
	Salary reduction	796,900
	Domestic violence shelter fund:	
	Excess balance	~~483,800~~ 963,800
	~~Spending reduction~~	~~480,000~~
	~~Industries for the blind fund:~~	
	~~Salary reduction~~	~~360,100~~
	~~Long-term care system fund:~~	
	~~Spending reduction~~	~~2,972,600~~
	Public assistance collections fund:	
	Salary reduction	40,500
	Spending reduction	51,700
	Special administration fund:	
	Excess balance	704,200
	Spending reduction	347,000
	Spinal and head injuries trust fund:	
	Salary reduction	43,700
	Excess balance	590,600
	Spending reduction	513,200
14.	Arizona department of education:	
	Internal services fund:	
	Spending reduction	471,100
	Education production revolving fund:	
	Salary reduction	43,700
	Spending reduction	217,000

Teacher certification fund:	
Salary reduction	187,300
15. Department of environmental quality:	
Air permits administration fund:	
Salary reduction	339,900
Excess balance	~~1,498,500~~
	2,630,800
Air quality fund:	
Salary reduction	156,200
Excess balance	2,113,100
Spending reduction	522,800
Emissions inspection fund:	
Salary reduction	138,400
Excess balance	~~7,000,000~~
	8,300,000
Greenfields program fund:	
Excess balance	100,000
Indirect cost recovery fund:	
Salary reduction	500,700
Excess balance	2,616,600
Spending reduction	1,074,800
Monitoring assistance fund:	
Excess balance	179,100
Spending reduction	74,100
Recycling fund:	
Salary reduction	34,900
Excess balance	550,000
Spending reduction	2,290,900
Solid waste fee fund:	
Salary reduction	59,300
Spending reduction	200,900
Underground storage tank revolving fund:	
Salary reduction	393,900
EXCESS BALANCE	12,821,100
Spending reduction	~~3,821,100~~
	2,000,000
Voluntary remediation fund:	
Salary reduction	21,500
Voluntary vehicle repair and retrofit program fund:	
Excess balance	484,600
Spending reduction	1,045,900
Water quality assurance revolving fund:	
Salary reduction	371,300

	Water quality fee fund:	
	Salary reduction	281,800
	Excess balance	733,000
16.	Arizona exposition and state fair board:	
	Arizona exposition and state fair fund:	
	Salary reduction	552,000
	Excess balance	373,200
	Spending reduction	1,130,000
17.	Department of financial institutions:	
	Arizona escrow guaranty fund:	
	Excess balance	1,017,500
	Revolving fund:	
	Salary reduction	55,200
	Spending reduction	120,900
18.	Arizona game and fish department:	
	Heritage fund:	
	Salary reduction	471,200
	Off-highway vehicle recreation fund:	
	Salary reduction	31,900
	Spending reduction	46,700
	Watercraft licensing fund:	
	~~Salary reduction~~	~~115,100~~
	Excess balance	~~265,600~~
		951,500
	~~Spending reduction~~	~~570,800~~
19.	Government information technology agency:	
	Information technology fund:	
	~~Salary reduction~~	~~250,700~~
	Excess balance	219,200
	Spending reduction	~~368,300~~
		199,900
	State web portal fund:	
	Spending reduction	1,100,000
~~20.~~	~~Office of the governor:~~	
	~~Prevention of child abuse fund:~~	
	~~Spending reduction~~	~~63,000~~
~~21.~~ 20.	Department of health services:	
	Child fatality review fund:	
	Excess balance	135,300
	Emergency medical services operating fund:	
	Salary reduction	249,300
	Excess balance	685,800
	Spending reduction	598,300

	Environmental laboratory licensure revolving fund:	
	Salary reduction	41,300
	Hearing and speech professionals fund:	
	Salary reduction	20,900
	Indirect cost fund:	
	Salary reduction	382,300
	Excess balance	707,800
	Spending reduction	907,600
	Substance abuse services fund:	
	Excess balance	408,800
	Spending reduction	250,000
	Vital records electronic systems fund:	
	Salary reduction	16,000
	Excess balance	378,400
	Spending reduction	50,000
~~22.~~	21. Department of housing:	
	HOUSING TRUST FUND:	
	EXCESS BALANCE	2,000,000
	Housing program fund:	
	Salary reduction	274,600
	Excess balance	1,818,400
	Spending reduction	459,100
~~23.~~	22. Industrial commission:	
	Industrial commission administrative fund:	
	~~Salary reduction~~	~~1,258,800~~
	Excess balance	~~429,100~~
		3,673,900
	~~Spending reduction~~	~~1,986,000~~
~~24.~~	23. Department of insurance:	
	Captive insurance regulatory and supervision fund:	
	Salary reduction	13,100
	Spending reduction	52,300
	Financial surveillance fund:	
	Salary reduction	31,600
	Insurance examiners' revolving fund:	
	Salary reduction	113,500
	Spending reduction	482,100
~~25.~~	24. Judiciary - Supreme court:	
	Alternative dispute resolution fund:	
	Spending reduction	74,700
	Arizona lengthy trial fund:	
	Excess balance	260,700

	Court appointed special advocate fund:	
	Salary reduction	34,500
	Spending reduction	465,500
	Criminal justice enhancement fund:	
	Salary reduction	17,000
	Excess balance	183,000
	Defensive driving school fund:	
	Salary reduction	66,500
	Excess balance	1,531,400
	Public defender training fund:	
	Spending reduction	71,000
	State aid to the courts fund:	
	Excess balance	535,100
~~26.~~	25. Judiciary - Superior court	
	Criminal justice enhancement fund:	
	Salary reduction	45,200
	Drug treatment and education fund:	
	Salary reduction	31,100
~~27.~~	26. Department of juvenile corrections:	
	Criminal justice enhancement fund:	
	Salary reduction	16,800
	Spending reduction	68,700
	State education fund for committed youth:	
	Salary reduction	237,400
~~28.~~	27. State land department:	
	Cooperative forestry fund:	
	Salary reduction	45,400
	Fire suppression fund:	
	Salary reduction	280,100
~~29.~~	28. Legislature - house of representatives:	
	Excess balance	2,000,000
~~30.~~	29. Department of liquor licenses and control:	
	Liquor license special collections fund:	
	Excess balance	116,600
~~31.~~	30. Arizona state lottery commission:	
	State lottery fund:	
	Salary reduction	~~594,700~~
		200,300
	Spending reduction	799,700
	State lottery fund - advertising:	
	Transfer	~~9,162,700~~
		4,162,700
	State lottery fund - unclaimed prizes:	
	Transfer	1,398,400

~~32.~~	31. Department of mines and mineral resources:	
	Mines and mineral resources fund:	
	Salary reduction	16,200
~~33.~~	32. Parents commission on drug education and prevention:	
	Drug treatment and education fund:	
	Excess balance	175,900
	Spending reduction	427,600
~~34.~~	33. Arizona state parks board:	
	Heritage fund:	
	Salary reduction	163,900
	Off-highway vehicle recreation fund:	
	Salary reduction	50,300
	Excess balance	467,500
	Spending reduction	66,300
	Partnership fund:	
	Salary reduction	14,000
	Publications and souvenir revolving fund:	
	Salary reduction	22,700
	Reservation surcharge revolving fund:	
	Salary reduction	41,800
	Spending reduction	54,800
	State lake improvement fund:	
	~~Salary reduction~~	~~185,400~~
	Excess balance	~~4,753,000~~
		3,048,200
	~~Spending reduction~~	~~415,000~~
	State parks fund:	
	Salary reduction	19,700
	State parks enhancement fund:	
	Salary reduction	557,600
	Excess balance	1,901,500
	Spending reduction	725,900
~~35.~~	34. Commission for postsecondary education:	
	Early graduation scholarship fund:	
	Excess balance	2,863,800
	Spending reduction	57,800
~~36.~~	35. Department of public safety:	
	Anti-racketeering fund:	
	Salary reduction	84,500
	Automatic fingerprint identification fund:	
	Salary reduction	29,000
	Excess balance	71,900

Board of fingerprinting fund:	
Salary reduction	37,600
Spending reduction	29,500
Crime laboratory assessment fund:	
Salary reduction	347,600
Criminal justice enhancement fund:	
Salary reduction	215,000
Excess balance	206,600
DNA identification system fund:	
Salary reduction	267,100
Excess balance	552,300
DNA identification system fund:	
Garage fund transfer	2,504,000
Department of public safety administration fund:	
Salary reduction	65,000
Department of public safety licensing fund:	
Salary reduction	77,700
Excess balance	96,700
Fingerprint clearance card fund:	
Salary reduction	184,900
Excess balance	193,800
Highway patrol fund:	
Salary reduction	1,498,800
Indirect cost recovery fund:	
Salary reduction	77,000
Motorcycle safety fund:	
Excess balance	100,000
Parity compensation fund:	
Salary reduction	271,100
Excess balance	455,400
Peace officers training fund:	
Salary reduction	189,000
Excess balance	181,200
Public safety equipment fund:	
Spending reduction	~~2,485,400~~
	755,400
Records processing fund:	
Salary reduction	78,900
Excess balance	49,500
Spending reduction	567,800

~~37.~~	36. Arizona department of racing:	
	Arizona breeders award fund:	
	Excess balance	131,300
	County fairs racing betterment fund:	
	Excess balance	182,600
~~38.~~	37. Radiation regulatory agency:	
	Radiation certification fund:	
	Salary reduction	21,300
~~39.~~	38. Residential utility consumer office:	
	Residential utility consumer office revolving fund:	
	Excess balance	219,400
~~40.~~	39. Department of revenue:	
	Estate and unclaimed property fund:	
	Excess balance	1,011,000
	Liability set-off fund:	
	Salary reduction	23,700
	Excess balance	177,500
~~41.~~	40. School facilities board:	
	School facilities revenue bond debt service fund:	
	Transfer	880,000
	State school trust revenue bond debt service fund:	
	Transfer	500,000
~~42.~~	41. Office of tourism:	
	Tourism fund:	
	Excess balance	400,000
~~43.~~	42. Department of transportation:	
	Arizona highways magazine fund:	
	~~Salary reduction~~	~~236,500~~
	Excess balance	~~404,500~~
		20,000
	~~Spending reduction~~	~~647,800~~
	Economic strength project fund:	
	Excess balance	684,700
	Spending reduction	100,000
	Motor vehicle liability insurance enforcement fund:	
	Excess balance	266,700
	Spending reduction	242,000
	State aviation fund:	
	Salary reduction	150,900
	Excess balance	731,400
	Spending reduction	233,700

Transportation department equipment fund:	
~~Salary reduction~~	~~1,182,100~~
Excess balance	1,989,200
~~Spending reduction~~	~~3,215,500~~
	2,518,500
Vehicle inspection and title enforcement fund:	
Excess balance	278,100
~~44.~~ 43. Arizona board of regents:	
Regents local fund:	
Salary reduction	75,900
Spending reduction	152,700
~~45. Arizona state university - main campus:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~2,848,600~~
~~Excess balance~~	~~3,852,900~~
~~Spending reduction~~	~~10,237,200~~
~~46. Arizona state university - East campus:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~59,600~~
~~Spending reduction~~	~~123,000~~
~~47. Arizona state university - West campus:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~35,100~~
~~Excess balance~~	~~79,200~~
~~Spending reduction~~	~~101,000~~
~~48. Northern Arizona university:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~1,010,300~~
~~Excess balance~~	~~2,622,100~~
~~Spending reduction~~	~~2,701,600~~
~~49. University of Arizona - main campus:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~4,203,900~~
~~Excess balance~~	~~7,084,000~~
~~Spending reduction~~	~~13,242,600~~
~~50. University of Arizona - health sciences center:~~	
~~Auxiliary fund:~~	
~~Salary reduction~~	~~426,400~~
~~Excess balance~~	~~527,300~~
~~Spending reduction~~	~~712,500~~

~~51.~~ 44. Department of veterans' services:		
Veterans' cemetery fund:		
Excess balance		121,600
~~52.~~ 45. Department of water resources:		
~~Arizona water banking fund:~~		
~~Excess balance~~		~~4,000,000~~
Arizona water protection fund:		
Excess balance		2,346,000
Arizona water quality fund:		
Salary reduction		31,700
Excess balance		152,600
Spending reduction		56,300
Assured and adequate water supply fund:		
Salary reduction		61,100
Spending reduction		111,900
Augmentation and conservation assistance fund:		
Salary reduction		24,600
Spending reduction		110,500
Dam repair fund:		
Excess balance		378,400
Indirect cost recovery fund:		
Salary reduction		92,100
Excess balance		205,100
Spending reduction		163,300
Well administration and enforcement fund:		
Salary reduction		44,200
Spending reduction		78,800
~~53.~~ 46. Department of weights and measures:		
Air quality fund:		
~~Salary reduction~~		~~70,600~~
Spending reduction		~~154,300~~
		29,600

B. Agencies listed shall reduce expenditures from the listed funds accordingly in order to ensure a sufficient fund balance for these fund transfers.

C. The fund transfers in this section shall be made as soon as is practicable to avoid a shortfall in each fund. On or before August 1, 2009, the governor's office of strategic planning and budgeting shall report to the joint legislative budget committee on any fund transfers that have not been fully made as of July 15, 2009. For each fund transfer not fully made as of July 15, 2009, the report shall list when the fund transfer will be completed or additional steps required to make the full fund transfer.

~~Sec. 45. Senate Bill 1188, section 112, forty-ninth legislature, first~~ regular session, as transmitted to the governor, is amended to ~~read~~:

Sec. 112. Department of transportation; vehicle license tax; transfer

VETO

Notwithstanding any other law, ~~$16,780,600~~ $43,170,600 received in fiscal year 2009-2010 pursuant to title 28, chapter 16, article 3, Arizona Revised Statutes, relating to vehicle license tax, for distribution to the state highway fund pursuant to section 28-6538, subsection A, paragraph 1, ~~Arizona Revised Statutes, shall be deposited in the state general fund.~~

Sec. 46. Senate Bill 1188, section 113, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 113. Appropriation reduction; water quality assurance revolving fund

Notwithstanding any other law, the appropriation from the state general fund to the water quality assurance revolving fund for fiscal year 2009-2010 shall not exceed ~~$9,000,000~~ $7,000,000.

Sec. 47. Senate Bill 1188, section 120, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 120. Department of economic security; lump sum reduction deferral; supplemental appropriation; appropriations

A. The appropriation made from the state general fund in fiscal year 2008-2009 to the department of economic security is reduced by $25,000,000 from the state general fund to defer payments for services provided in fiscal year 2008-2009 to fiscal year 2009-2010.

B. In addition to the appropriation made in Laws 2008, chapter 285, section 6, the sum of $9,400,000 is appropriated from the state general fund and $12,000,000 in additional expenditure authority of federal monies is appropriated to the department of economic security in fiscal year 2008-2009 for services to the developmentally disabled.

C. The sum of $25,000,000 is appropriated from the state general fund to the department of economic security in fiscal year 2009-2010 for the purpose of paying bills for services provided in June 2009 with the monies appropriated by the legislature to the department for fiscal year 2009-2010.

D. The sum of ~~$25,000,000~~ $42,000,000 is appropriated from the state general fund to the department of economic security in fiscal year 2010-2011 for the purpose of paying bills for services provided in June 2010 with the monies appropriated by the legislature to the department for fiscal year 2010-2011.

Sec. 48. Senate Bill 1188, section 121, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 121. AHCCCS; health plan payment deferral; appropriation

In addition to any other amounts appropriated to the Arizona health care cost containment system, for fiscal year 2010-2011, the sum of ~~$117,889,100~~ $118,032,200 is appropriated from the state general fund and

$226,312,600 in federal title XIX expenditure authority for health plan payments deferred from fiscal year 2009-2010.

Sec. 49. Senate Bill 1188, section 122, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 122. Federal assistance; reductions; appropriations

Notwithstanding any other law, if this state receives federal assistance through an increase in federal matching monies:

1. The following state general fund amounts are reduced from appropriations made to state agencies in fiscal year 2009-2010 as listed below:

(a) Arizona health care cost containment system - ~~$575,206,900~~ $581,861,700.

(b) Department of economic security - $100,644,600.

(c) Department of health services - $133,171,600.

2. The following additional amounts are appropriated to state agencies in fiscal year 2009-2010 from federal title XIX expenditure authority as listed below:

(a) Arizona health care cost containment system - ~~$575,206,900~~ $581,861,700.

(b) Department of economic security - $100,644,600.

(c) Department of health services - $133,171,600.

~~Sec. 50. Senate Bill 1188, section 124, forty-ninth legislature, first~~ regular session, as transmitted to the governor, is amended to read:

Sec. 124. Reductions; fiscal year 2009-2010; K-12 education; legislative intent; federal education stabilization fund

A. Notwithstanding any other law, if this state receives federal assistance from the federal education stabilization fund, the sum of ~~$223,234,200~~ $222,114,000 is reduced from appropriations made from the state general fund in fiscal year 2009-2010 to the department of education FOR BASIC STATE AID AND ADDITIONAL STATE AID and is transferred to the state general fund.

VETO

B. It is the intent of the legislature that in fiscal year 2009-2010, ~~$223,234,200~~ $222,114,000 will be disbursed from the federal education stabilization fund to the department of education in order to restore the funding reduction made in subsection A. These monies shall be disbursed in accordance with the provisions of the American recovery and reinvestment act of 2009.

C. NOTWITHSTANDING ANY OTHER LAW, FOR FISCAL YEAR 2009-2010, THE USE OF THE MONIES SPECIFIED IN SUBSECTION B SHALL NOT IMPACT THE REVENUE CONTROL ~~LIMIT OF ANY SCHOOL DISTRICT OR CHARTER SCHOOL.~~

~~Sec. 51. Senate Bill 1108, section 125, forty ninth legislature, first~~ regular session, as transmitted to the governor, is amended to read:

Sec. 125. Reductions; fiscal year 2009-2010; higher education; legislative intent; federal education stabilization fund

A. Notwithstanding any other law, if this state receives federal assistance from the federal education stabilization fund, in addition to any other reductions made to the Arizona board of regents in this act, the sum of ~~$19,514,600~~ $10,000,000 is reduced from the appropriation made from the state general fund in fiscal year 2009-2010 to the Arizona board of regents for the support and maintenance of institutions under its jurisdiction and is transferred to the state general fund. On or before August 1, 2009, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the ~~$19,514,600~~ $10,000,000 reduction. The Arizona board of regents shall reduce funding to the institutions under its jurisdiction in proportion to the state general fund appropriation received by each institution.

B. It is the intent of the legislature that in fiscal year 2009-2010, $146,000,000 will be disbursed from the federal education stabilization fund to the Arizona board of regents, part of which will restore the funding reductions made in subsection A. These monies shall be disbursed in accordance with the provisions of the American recovery and reinvestment act of 2009. On or before August 1, 2009, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the $146,000,000 disbursement. The legislature intends that the Arizona board of regents allocate the $146,000,000 disbursement in a manner that does not increase the differences in per student funding among the universities.

C. It is the intent of the legislature that in fiscal year 2009-2010, $29,825,900 will be disbursed from the federal education stabilization fund to the Arizona community college system in order to partially restore the reductions in this act. These monies shall be disbursed in accordance with the provisions of the American recovery and reinvestment act of 2009. The legislature intends that the $29,825,900 be distributed from the stabilization fund as follows:

1. Operating state aid: $14,829,200
2. Capital outlay state aid: $14,996,700

These amounts shall be distributed to each community college district based on the formulas in sections 15-1464 and 15-1466, Arizona Revised Statutes, using each community college district's fiscal year 2007-2008 ~~audited full time student equivalent count.~~

VETO

Sec. 52. Senate Bill 1188, section 126, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 126. Appropriation; operating adjustments

	2009-10
State employee health insurance adjustments	~~$ 10,000,000~~
	$ 21,815,300
Fund sources:	
State general fund	~~$ 10,000,000~~
	$ 14,998,000
OTHER APPROPRIATED FUNDS	$ 6,817,300

THE OTHER APPROPRIATED FUNDS MAY BE ALLOCATED FROM THE FOLLOWING FUNDS: BOARD OF ACCOUNTANCY FUND, ACUPUNCTURE BOARD OF EXAMINERS FUND, AIR PERMITS ADMINISTRATION FUND, AIR QUALITY FUND, ANTITRUST ENFORCEMENT REVOLVING FUND, BOARD OF APPRAISAL FUND, ARIZONA ARTS TRUST FUND, ASSURED AND ADEQUATE WATER SUPPLY ADMINISTRATION FUND, ATTORNEY GENERAL LEGAL SERVICES COST ALLOCATION FUND, ARIZONA AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM FUND, AUTOMOBILE THEFT AUTHORITY FUND, AUTOMATION OPERATIONS FUND, STATE AVIATION FUND, BOARD OF BARBERS FUND, BOARD OF BEHAVIORAL HEALTH EXAMINERS FUND, ARIZONA BENEFITS FUND, BOND FUND, CAPITAL OUTLAY STABILIZATION FUND, STATE CHARITABLE FUND, CHILD ABUSE PREVENTION FUND, CHILD FATALITY REVIEW FUND, CHILD SUPPORT ENFORCEMENT ADMINISTRATION FUND, CHILDREN'S HEALTH INSURANCE PROGRAM FUND, BOARD OF CHIROPRACTIC EXAMINERS FUND, CITRUS, FRUIT AND VEGETABLE REVOLVING FUND, CLEAN WATER REVOLVING FUND, COLLECTION ENFORCEMENT REVOLVING FUND, COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION FUND, COMMERCIAL FEED FUND, CONFIDENTIAL INTERMEDIARY AND FIDUCIARY FUND, CONSUMER PROTECTION-CONSUMER FRAUD REVOLVING FUND, CORRECTIONS FUND, BOARD OF COSMETOLOGY FUND, CRIME LABORATORY ASSESSMENT FUND, CRIME LABORATORY OPERATIONS FUND, CRIMINAL JUSTICE ENHANCEMENT FUND, COURT APPOINTED SPECIAL ADVOCATE FUND, DEFENSIVE DRIVING SCHOOL FUND, DENTAL BOARD FUND, ARIZONA DEOXYRIBONUCLEIC ACID IDENTIFICATION SYSTEM FUND, BOARD OF DISPENSING OPTICIANS FUND, DRIVING UNDER THE INFLUENCE ABATEMENT FUND, DRUG AND GANG PREVENTION RESOURCE CENTER FUND, STATE EDUCATION FUND FOR COMMITTED YOUTH, STATE EDUCATION FUND FOR CORRECTIONAL EDUCATION, STATE EGG INSPECTION FUND, ELECTION SYSTEMS IMPROVEMENT FUND, EMERGENCY MEDICAL SERVICES OPERATING FUND, EMISSIONS INSPECTION FUND, ENVIRONMENTAL LABORATORY LICENSURE REVOLVING FUND, DEPARTMENT OF REVENUE ADMINISTRATIVE FUND, ARIZONA EXPOSITION AND STATE FAIR FUND, FEDERAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT, FEDERAL REED ACT GRANT, FEDERAL SURPLUS MATERIALS REVOLVING FUND, FEDERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, FERTILIZER MATERIALS FUND, BOARD OF FUNERAL DIRECTORS' AND EMBALMERS' FUND, GAME AND FISH FUND, GAME, NONGAME, FISH AND ENDANGERED SPECIES FUND, HAZARDOUS WASTE MANAGEMENT FUND, HEALTHCARE GROUP FUND, HEARING AND SPEECH PROFESSIONALS FUND, STATE HIGHWAY FUND, ARIZONA HIGHWAY PATROL FUND, HIGHWAY USER REVENUE FUND, HIGHWAY USER REVENUE FUND FEES, BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS' FUND, HOUSING

TRUST FUND, DHS INDIRECT COST FUND, ADEQ INDIRECT COST RECOVERY FUND, INDUSTRIAL COMMISSION ADMINISTRATIVE FUND, INFORMATION TECHNOLOGY FUND, INTERAGENCY SERVICE AGREEMENTS FUND, INTERGOVERNMENTAL AGREEMENTS AND GRANTS, INVESTMENT MANAGEMENT REGULATORY AND ENFORCEMENT FUND, JUDICIAL COLLECTION ENHANCEMENT FUND, LAND CONSERVATION FUND ADMINISTRATION ACCOUNT, LIABILITY SET-OFF FUND, LONG-TERM CARE SYSTEM FUND, LONG-TERM DISABILITY ADMINISTRATION ACCOUNT, STATE LOTTERY FUND, ARIZONA MEDICAL BOARD FUND, MINERS' HOSPITAL FUND, MOTOR VEHICLE LIABILITY INSURANCE ENFORCEMENT FUND, MOTOR VEHICLE POOL REVOLVING FUND, NATUROPATHIC PHYSICIANS MEDICAL BOARD FUND, NEWBORN SCREENING PROGRAM FUND, BOARD OF NURSING FUND, NURSING CARE INSTITUTION ADMINISTRATORS' LICENSING AND ASSISTED LIVING FACILITY MANAGERS' CERTIFICATION FUND, OCCUPATIONAL THERAPY FUND, OIL OVERCHARGE FUND, BOARD OF OPTOMETRY FUND, BOARD OF OSTEOPATHIC EXAMINERS FUND, STATE PARKS ENHANCEMENT FUND, PENITENTIARY LAND FUND, PERSONNEL BOARD ACCOUNT OF THE PERSONNEL DIVISION FUND, PERSONNEL DIVISION FUND, PEST MANAGEMENT FUND, PESTICIDE FUND, ARIZONA STATE BOARD OF PHARMACY FUND, BOARD OF PHYSICAL THERAPY FUND, PODIATRY FUND, POSTSECONDARY EDUCATION FUND, PRISON CONSTRUCTION AND OPERATIONS FUND, BOARD FOR PRIVATE POSTSECONDARY EDUCATION FUND, PROFESSIONAL EMPLOYER ORGANIZATION FUND, ARIZONA PROTECTED NATIVE PLANT FUND, BOARD OF PSYCHOLOGIST EXAMINERS FUND, PUBLIC ACCESS FUND, PUBLIC ASSISTANCE COLLECTIONS FUND, STATE RADIOLOGIC TECHNOLOGIST CERTIFICATION FUND, RECORDS SERVICES FUND, RECYCLING FUND, REGISTRAR OF CONTRACTORS FUND, RESERVATION SURCHARGE REVOLVING FUND, RESIDENTIAL UTILITY CONSUMER OFFICE REVOLVING FUND, BOARD OF RESPIRATORY CARE EXAMINERS FUND, STATE RETIREMENT SYSTEM ADMINISTRATION ACCOUNT, RISK MANAGEMENT REVOLVING FUND, SAFETY ENFORCEMENT AND TRANSPORTATION INFRASTRUCTURE FUND, ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND FUND, SECURITIES REGULATORY AND ENFORCEMENT FUND, SEED LAW FUND, SOLID WASTE FEE FUND, SPECIAL ADMINISTRATION FUND, SPECIAL EMPLOYEE HEALTH INSURANCE TRUST FUND, SPECIAL SERVICES REVOLVING FUND, SPINAL AND HEAD INJURIES TRUST FUND, STATE AID TO THE COURTS FUND, ARIZONA STATE HOSPITAL FUND, STATE SURPLUS MATERIALS REVOLVING FUND, SUBSTANCE ABUSE SERVICES FUND, TEACHER CERTIFICATION FUND, TECHNICAL REGISTRATION FUND, TELECOMMUNICATIONS FUND, TELECOMMUNICATION FUND FOR THE DEAF, TOBACCO TAX AND HEALTH CARE FUND, TRANSPORTATION DEPARTMENT EQUIPMENT FUND, TRIBAL-STATE COMPACT FUND, USED OIL FUND, UTILITY REGULATION REVOLVING FUND, VEHICLE INSPECTION AND TITLE ENFORCEMENT FUND, STATE VETERANS' CONSERVATORSHIP FUND, STATE HOME FOR VETERANS' TRUST FUND, VETERINARY MEDICAL EXAMINING BOARD FUND, VICTIMS' RIGHTS FUND, VITAL RECORDS ELECTRONIC SYSTEMS FUND, WATERCRAFT LICENSING FUND, WATERFOWL CONSERVATION FUND, WATER QUALITY FEE FUND AND WORKFORCE INVESTMENT ACT GRANT.

State employee health insurance adjustments

~~The amount appropriated for state employee health insurance adjustments shall be deposited in the special employee health insurance trust fund for fiscal year 2009-2010 increases in the employer share of state employee health insurance premiums.~~ THE AMOUNT APPROPRIATED FOR STATE EMPLOYEE HEALTH

INSURANCE CONTRIBUTION ADJUSTMENTS SHALL BE FOR FISCAL YEAR 2009-2010 INCREASES IN THE EMPLOYER SHARE OF STATE EMPLOYEE HEALTH INSURANCE CONTRIBUTIONS. THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF SHALL DETERMINE AND THE DEPARTMENT OF ADMINISTRATION SHALL ALLOCATE TO EACH AGENCY'S OR DEPARTMENT'S EMPLOYEE-RELATED EXPENDITURES AN AMOUNT FOR THE EMPLOYER SHARE OF THE EMPLOYEE HEALTH INSURANCE ADJUSTMENTS. THE JOINT LEGISLATIVE BUDGET COMMITTEE STAFF SHALL ALSO DETERMINE AND THE DEPARTMENT OF ADMINISTRATION SHALL ALLOCATE ADJUSTMENTS, AS NECESSARY, IN EXPENDITURE AUTHORITY TO ALLOW IMPLEMENTATION OF STATE EMPLOYEE HEALTH INSURANCE ADJUSTMENTS.

Sec. 53. Senate Bill 1188, section 132, forty-ninth legislature, first regular session, as transmitted to the governor, is amended to read:

Sec. 132. Interim reporting requirements

A. State general fund revenue for fiscal year 2008-2009, not including the beginning balance and including one-time revenues, is forecasted to be ~~$8,403,873,200~~ $8,404,873,200.

B. State general fund revenue for fiscal year 2009-2010, not including the beginning balance and including one-time revenues, is forecasted to be ~~$8,224,391,100~~ $8,382,972,500.

C. The executive branch shall provide to the joint legislative budget committee a preliminary estimate of the fiscal year 2008-2009 state general fund ending balance by September 15, 2009. The preliminary estimate of the fiscal year 2009-2010 state general fund ending balance shall be provided by September 15, 2010. The estimate shall include projections of total revenues, total expenditures and ending balance. The department of administration shall continue to provide the final report for the fiscal year in its annual financial report pursuant to section 35-131, Arizona Revised Statutes.

D. Based on the information provided by the executive branch, the staff of the joint legislative budget committee shall report to the joint legislative budget committee by October 15 of 2009 and 2010 as to whether that fiscal year's revenues and ending balance are expected to change by more than $50,000,000 from the budgeted projections. The executive branch may also provide its own estimates to the joint legislative budget committee by October 15 of each year.

Sec. 54. OFFICE OF EQUAL OPPORTUNITY

		2009-10
FTE positions		4.0
Lump sum appropriation	$	212,500
Fund sources:		
State general fund	$	212,500

Sec. 55. ARIZONA COMMISSION OF INDIAN AFFAIRS

		2009-10
FTE positions		3.0
Lump sum appropriation	$	126,600

Fund sources:
State general fund $ 126,600

Sec. 56. Arizona water banking fund; interest; transfer

Notwithstanding any other law, the sum of $5,400,000 from interest earnings on the Arizona water banking fund established by section 45-2425, Arizona Revised Statutes, is transferred to the state general fund on the effective date of this act.

~~Sec. 57. Department of economic security; appropriation reduction for fiscal year 2009-2010~~

~~Beginning January 1, 2010, in addition to any other reductions made to the department of economic security's fiscal year 2009-2010 appropriation, the state general fund appropriation to the department of economic security shall be reduced by $(15,000,000) in fiscal year 2009-2010.~~

VETO

Sec. 58. Arizona judiciary; full-time equivalent positions; appropriation

In addition to any other appropriations of full-time equivalent position authority for the Arizona judiciary's fiscal year 2009-2010 appropriation, the court of appeals is appropriated 6.3 full-time equivalent position authority and the superior court is appropriated 1.0 full-time equivalent position authority in fiscal year 2009-2010.

Sec. 59. Appropriations; state parks board; repayment

The sum of $1,900,000 is appropriated from the state general fund in fiscal year 2009-2010 to the Arizona state parks board and shall be repaid to the state general fund from any available fund source no later than June 30, 2010.

Sec. 60. Fiscal year 2009-2010 conditional appropriations

A. On or before December 15, 2009, the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting shall project the state general fund revenues for fiscal year 2009-2010, which would include all state general fund revenues, not including the beginning balance, for fiscal year 2009-2010, including one-time revenues and revenues from any voter-approved temporary additional transaction privilege tax rate increment.

B. If the amount projected pursuant to subsection A of this section exceeds all budgeted state general fund revenues, not including the beginning balance, for fiscal year 2009-2010, including one-time revenues, the amount of the difference shall be allocated and appropriated from the state general fund as follows:

1. Fifty per cent of the amount of the difference shall be allocated to reduce the required net available proceeds of lease-purchase finance agreements by the department of administration in consultation with the state department of corrections in fiscal year 2009-2010, not to exceed $217,000,000.

2. Fifty per cent of the amount of the difference shall be appropriated in proportion to the corresponding reductions or required distributions made, as follows:

(a) To the department of education for basic state aid that would have otherwise been apportioned to school districts statewide for fiscal year 2009-2010 for the soft capital allocation prescribed in section 15-962, Arizona Revised Statutes, not to exceed $175,000,000.

(b) To the department of education for additional assistance funding that otherwise would be apportioned to charter schools statewide for fiscal year 2009-2010 pursuant to section 15-185, subsection B, paragraph 4, Arizona Revised Statutes, not to exceed $5,000,000.

(c) To cities and towns that receive vehicle license tax monies pursuant to section 28-5808, subsection A, paragraph 2, subdivision (c) and subsection B, paragraph 2, subdivision (c), Arizona Revised Statutes, and that are required to distribute a portion of those monies in fiscal year 2009-2010 to local school districts, distributed based on the cities' and towns' relative population and not to exceed $22,000,000.

(d) To the department of economic security for the state general fund appropriation reduction specified in section 57 of this act, not to exceed $15,000,000.

C. On or before December 15, 2009, the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting shall jointly notify the governor, the president of the senate and the speaker of the house of representatives whether the amount projected pursuant to subsection A of this section exceeds all budgeted state general fund revenues, not including the beginning balance, for fiscal year 2009-2010, including one-time revenues and, if so, the total excess amount.

D. If the report in subsection C of this section indicates a total excess amount of revenues, by December 25, 2009, the governor shall issue a public notice stating the amounts appropriated from the state general fund or allocated to reducing net available proceeds from lease-purchase financing at the levels indicated and for the purposes provided in subsection B, paragraph 2 of this section.

Sec. 61. Conditional enactment

This act does not become effective unless Senate Bill 1188, forty-ninth legislature, first regular session, relating to making transfers and appropriations for the different departments of the state, for state institutions and for public schools, becomes law.

APPROVED BY THE GOVERNOR JULY 1, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 1, 2009.

Passed the House June 30, 2009

by the following vote: 33 Ayes,

26 Nays, 1 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate July 1, 2009

by the following vote: 16 Ayes,

12 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

1st day of July, 2009

at 8:09 o'clock A. M.

Secretary to the Governor

Approved this 1st day of

July

at 11:07 o'clock A M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 1st day of July, 2009

at 11:30 o'clock A M.

Secretary of State

H.B. 2643