

Senate Engrossed  
**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-third Legislature  
First Regular Session  
2017

CHAPTER 305  
**SENATE BILL 1522**

AN ACT

AMENDING LAWS 2014, CHAPTER 14, SECTION 9, AS AMENDED BY LAWS 2015, CHAPTER 8, SECTION 3 AND LAWS 2016, CHAPTER 117, SECTION 1; AMENDING LAWS 2016, CHAPTER 117, SECTION 130; AMENDING LAWS 2016, CHAPTER 117, SECTION 156; AMENDING LAWS 2016, CHAPTER 117, SECTION 164; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Laws 2014, chapter 14, section 9, as amended by Laws  
3 2015, chapter 8, section 3 and Laws 2016, chapter 117, section 1, is  
4 amended to read:

5 Sec. 9. Department of administration; Arizona financial  
6 information system; replacement; exemption

7 Of the \$28,638,000 appropriated to the department of administration  
8 in fiscal year 2013-2014 by Laws 2013, first special session, chapter 1,  
9 section 115, subsection A, the sum of \$4,132,000 is exempt from the  
10 provisions of section 35-190, Arizona Revised Statutes, relating to  
11 lapsing of appropriations for fiscal years 2014-2015, 2015-2016, ~~and~~  
12 2016-2017 AND 2017-2018 for the purpose of paying contingency costs  
13 related to the replacement of the Arizona financial information system.  
14 Of this amount, \$212,000 for rent and \$817,000 for private third-party  
15 consultant oversight are not subject to review by the joint legislative  
16 budget committee. Subject to review by the joint legislative budget  
17 committee, the remaining \$3,103,000 shall be used for the replacement of  
18 the ~~state's e-procurement system~~ CHILDREN'S INFORMATION LIBRARY AND DATA  
19 SOURCE SYSTEM AT THE DEPARTMENT OF CHILD SAFETY.

20 Sec. 2. Laws 2016, chapter 117, section 130 is amended to read:

21 Sec. 130. Automation projects fund; appropriations;  
22 exemption; fiscal year 2016-2017; allocation;  
23 e-procurement

24 A. The sum of ~~\$12,000,000~~ \$9,000,000 is appropriated from the  
25 automation projects fund established by section 41-714, Arizona Revised  
26 Statutes, in fiscal year 2016-2017 to the department of administration for  
27 the replacement of the state's e-procurement system. It is the intent of  
28 the legislature that the cost of replacing the state's e-procurement  
29 system be distributed proportionately among other funds.

30 B. The amount of \$3,000,000 is appropriated from the state general  
31 fund in fiscal year 2016-2017 for deposit into the automation projects  
32 fund established by section 41-714, Arizona Revised Statutes, FOR  
33 IMPLEMENTING UPGRADES TO THE CHILDREN'S INFORMATION LIBRARY AND DATA  
34 SOURCE SYSTEM AT THE DEPARTMENT OF CHILD SAFETY. THIS AMOUNT IS EXEMPT  
35 FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING  
36 TO LAPSING OF APPROPRIATIONS FOR FISCAL YEAR 2017-2018.

37 C. The amount of \$9,000,000 is appropriated from other funds in  
38 fiscal year 2016-2017 for deposit into the automation projects fund  
39 established by section 41-714, Arizona Revised Statutes. The joint  
40 legislative budget committee staff shall determine the proportional amount  
41 to be transferred from each appropriated and nonappropriated fund source.

42 D. For all fund sources that are not the state general fund, the  
43 joint legislative budget committee staff shall determine and the  
44 department of administration shall allocate to each agency or department  
45 an amount for the cost of replacing the state's e-procurement system. The

1 joint legislative budget committee staff shall also determine and the  
2 department of administration shall allocate adjustments, as necessary, in  
3 appropriations and expenditure authority to allow for the cost of  
4 replacing the state's e-procurement system.

5 Sec. 3. Laws 2016, chapter 117, section 156 is amended to read:

6 Sec. 156. Fund balance transfers; fiscal years 2016-2017 and  
7 2017-2018

8 A. Notwithstanding any other law, on or before June 30, 2017, the  
9 following amounts from the following sources are transferred to the state  
10 general fund for the purposes of providing adequate support and  
11 maintenance for agencies of this state:

- 12 1. Judiciary - supreme court:
  - 13 Alternative dispute resolution fund - \$300,000
  - 14 Arizona lengthy trial fund - \$300,000
  - 15 Court appointed special advocate fund - \$500,000
- 16 2. Judiciary - superior court:
  - 17 Drug treatment and education fund - \$250,000
  - 18 Juvenile probation services fund - \$3,650,000
- 19 3. Department of administration:
  - 20 Automation operations fund - \$461,600

21 B. Notwithstanding any other law, on or before June 30, 2018, the  
22 following amounts from the following sources are transferred to the state  
23 general fund for the purposes of providing adequate support and  
24 maintenance for agencies of this state:

- 25 1. Judiciary - supreme court:
  - 26 Alternative dispute resolution fund - \$300,000
  - 27 Arizona lengthy trial fund - \$200,000
  - 28 ~~Court appointed special advocate fund - \$400,000~~
- 29 2. Judiciary - superior court:
  - 30 Drug treatment and education fund - \$250,000
  - 31 Juvenile probation services fund - \$1,850,000

32 Sec. 4. Laws 2016, chapter 117, section 164 is amended to read:

33 Sec. 164. Department of law; general agency counsel charges;  
34 fiscal year 2016-2017

35 The department of administration shall allocate to each agency or  
36 department not exempt pursuant to section 41-191.09, Arizona Revised  
37 Statutes, the following amounts for general agency counsel provided by the  
38 department of law:

39	1. Department of administration	\$127,700
40	2. Office of administrative hearings	\$ 3,000
41	<del>3. Arizona department of agriculture</del>	<del>\$ 4,200</del>
42	<del>4.</del> 3. Arizona arts commission	\$ 3,100



1	<del>5.</del>	4. Automobile theft authority	\$ 1,400
2	<del>6.</del>	5. Citizens clean elections commission	\$ 2,700
3	<del>7.</del>	6. State department of corrections	\$ 2,000
4	<del>8.</del>	7. Arizona criminal justice commission	\$ 8,700
5	<del>9.</del>	8. Arizona state schools for the deaf	
6		and the blind	\$100,200
7	<del>10.</del>	9. Commission for the deaf and the	
8		hard of hearing	\$ 4,100
9	<del>11.</del>	10. Arizona early childhood development	
10		and health board	\$ 47,100
11	<del>12.</del>	11. Department of education	\$132,000
12	<del>13.</del>	12. Department of emergency and	
13		military affairs	\$ 30,000
14	<del>14.</del>	13. Department of environmental quality	\$135,600
15	<del>15.</del>	14. Arizona exposition and state fair board	\$ 20,900
16	<del>16.</del>	15. Department of financial institutions	\$ 1,900
17	<del>17.</del>	16. State forester	\$ 13,400
18	<del>18.</del>	17. Department of gaming	\$ 37,300
19	<del>19.</del>	Arizona geological survey	\$ 6,800
20	<del>20.</del>	18. Department of health services	\$170,000
21	<del>21.</del>	19. Arizona historical society	\$ 700
22	<del>22.</del>	20. Arizona department of housing	\$ 19,300
23	<del>23.</del>	21. Department of insurance	\$ 10,500
24	<del>24.</del>	22. Department of juvenile corrections	\$ 9,400
25	<del>25.</del>	23. State land department	\$ 2,100
26	<del>26.</del>	24. Department of liquor licenses and control	\$ 11,400
27	<del>27.</del>	25. Arizona state lottery commission	\$ 24,800
28	<del>28.</del>	26. Arizona state parks board	\$ 45,800
29	<del>29.</del>	27. State personnel board	\$ 600
30	<del>30.</del>	28. Arizona pioneers' home	\$ 12,100
31	<del>31.</del>	29. Commission for postsecondary education	\$ 1,800
32	<del>32.</del>	30. Department of public safety	\$677,400
33	<del>33.</del>	31. Radiation regulatory agency	\$ 3,800
34	<del>34.</del>	32. Arizona state retirement system	\$ 69,100
35	<del>35.</del>	33. Department of revenue	\$ 4,900
36	<del>36.</del>	34. Department of state - secretary of state	\$ 1,800
37	<del>37.</del>	35. State treasurer	\$ 9,200
38	<del>38.</del>	36. Department of veterans' services	\$ 52,700

39 Sec. 5. Subject to applicable laws, the sums or sources of revenue  
40 set forth in this act are appropriated for the fiscal years indicated and  
41 only from the funding sources listed for the purposes and objects  
42 specified. If monies from funding sources in this act are unavailable, no  
43 other funding source may be used.

1	Sec. 6. ARIZONA STATE BOARD OF ACCOUNTANCY	
2		<u>2017-18</u>
3	FTE positions	14.0
4	Lump sum appropriation	\$ 2,024,400
5	Fund sources:	
6	Board of accountancy fund	\$ 2,024,400
7	Sec. 7. ACUPUNCTURE BOARD OF EXAMINERS	
8		<u>2017-18</u>
9	FTE positions	1.0
10	Operating lump sum appropriation	\$ 172,300
11	Annual leave payout	<u>13,200</u>
12	Total appropriation - acupuncture board	
13	of examiners	\$ 185,500
14	Fund sources:	
15	Acupuncture board of examiners	
16	fund	\$ 185,500
17	Sec. 8. DEPARTMENT OF ADMINISTRATION	
18		<u>2017-18</u>
19	FTE positions	535.1
20	Operating lump sum appropriation	\$ 91,365,300
21	Utilities	8,275,600
22	Arizona financial information	
23	system	9,406,300
24	Risk management administrative	
25	expenses	8,747,200
26	Risk management losses and	
27	premiums	42,530,300
28	Workers' compensation losses	
29	and premiums	31,830,300
30	Statewide information security	
31	and privacy office	870,900
32	State surplus property sales	
33	proceeds	1,810,000
34	Southwest defense contracts	25,000
35	Government transformation office	2,000,000
36	Office of grants and federal	
37	resources	<u>375,900</u>
38	Total appropriation - department of	
39	administration	\$197,236,800
40	Fund sources:	
41	State general fund	\$ 10,264,500
42	Administration - AFIS II	
43	collections fund	375,900

1	Air quality fund	927,300
2	Arizona financial information	
3	system collections fund	9,406,300
4	Automation operations fund	23,937,600
5	Capital outlay stabilization fund	18,069,600
6	Corrections fund	570,400
7	Federal surplus materials revolving	
8	fund	464,500
9	Information technology fund	2,936,000
10	Motor vehicle pool revolving fund	10,151,300
11	Personnel division fund	12,857,900
12	Risk management revolving fund	90,875,000
13	Special employee health insurance	
14	trust fund	5,256,100
15	Special services revolving fund	809,900
16	State surplus materials revolving	
17	fund	2,947,000
18	State web portal fund	5,542,400
19	Telecommunications fund	1,845,100

20       The amount appropriated for southwest defense contracts shall be  
 21 distributed to a nonprofit organization that advocates for the  
 22 preservation and enhancement of critical defense missions and assets in  
 23 the southwest United States.

24       The appropriation from the automation operations fund established by  
 25 section 41-711, Arizona Revised Statutes, is an estimate representing all  
 26 monies, including balance forward, revenues and transfers during fiscal  
 27 year 2017-2018. These monies are appropriated to the department of  
 28 administration for the purposes established in section 41-711, Arizona  
 29 Revised Statutes. The appropriation is adjusted as necessary to reflect  
 30 monies credited to the automation operations fund for automation operation  
 31 center projects. Before the expenditure of any automation operations fund  
 32 monies in excess of \$23,937,600 in fiscal year 2017-2018, the department  
 33 of administration shall report the intended use of monies to the joint  
 34 legislative budget committee.

35       The amounts appropriated for the state employee public  
 36 transportation service subsidy shall be used for up to a fifty percent  
 37 subsidy of charges payable for public transportation service expenses as  
 38 provided in section 41-710.01, Arizona Revised Statutes, of nonuniversity  
 39 state employees in a vehicle emissions control area as defined in section  
 40 49-541, Arizona Revised Statutes, of a county with a population of more  
 41 than four hundred thousand persons.



1 It is the intent of the legislature that the department not replace  
 2 vehicles until they have an average of 80,000 miles or more. On or before  
 3 August 1, 2017, the department shall submit a report for review by the  
 4 joint legislative budget committee on the maintenance savings achieved by  
 5 replacing vehicles that have an average of 80,000 miles or more.

6 All state surplus materials revolving fund monies received by the  
 7 department of administration in excess of \$2,947,000 in fiscal year  
 8 2017-2018 are appropriated to the department. Before the expenditure of  
 9 state surplus materials revolving fund monies in excess of \$2,947,000 in  
 10 fiscal year 2017-2018, the department of administration shall report the  
 11 intended use of monies to the joint legislative budget committee.

12 On or before October 1, 2017, the department shall submit a report  
 13 for review by the joint legislative budget committee of the expenditures  
 14 to date and progress of implementation for any monies received from the  
 15 state and local implementation grant program associated with the national  
 16 public safety broadband network initiative. The joint legislative budget  
 17 committee may require the department to submit more frequent reports as  
 18 necessary for further review.

19 Sec. 9. OFFICE OF ADMINISTRATIVE HEARINGS

		<u>2017-18</u>
21	FTE positions	12.0
22	Lump sum appropriation	\$ 860,500
23	Fund sources:	
24	State general fund	\$ 860,500

25 Sec. 10. ARIZONA COMMISSION OF AFRICAN-AMERICAN AFFAIRS

		<u>2017-18</u>
27	FTE positions	3.0
28	Lump sum appropriation	\$ 125,000
29	Fund sources:	
30	State general fund	\$ 125,000

31 Sec. 11. ARIZONA DEPARTMENT OF AGRICULTURE

		<u>2017-18</u>
33	FTE positions	194.4
34	Operating lump sum appropriation	\$ 10,243,700
35	Agricultural employment relations	
36	board	23,300
37	Animal damage control	65,000
38	Red imported fire ant control	23,200
39	Agricultural consulting and	
40	training	<u>128,500</u>
41	Total appropriation - Arizona department	
42	of agriculture	\$ 10,483,700
43	Fund sources:	
44	State general fund	\$ 9,049,300
45	Air quality fund	1,434,400

1	Sec. 12. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM	
2		<u>2017-18</u>
3	FTE positions	2,326.3
4	Operating lump sum appropriation	\$ 95,720,900
5	DES eligibility	88,874,500
6	Proposition 204 - AHCCCS	
7	administration	12,760,600
8	Proposition 204 - DES eligibility	44,358,700
9	<u>Medical services</u>	
10	Traditional medicaid services	4,037,329,200
11	Proposition 204 services	2,911,986,200
12	Adult expansion services	484,329,900
13	Children's rehabilitative services	270,673,900
14	KidsCare services	111,961,100
15	ALTCS services	1,544,082,800
16	<u>Behavioral health services</u>	
17	Medicaid behavioral health -	
18	traditional services	1,015,591,300
19	Medicaid behavioral health -	
20	proposition 204 services	649,608,300
21	Medicaid behavioral health -	
22	adult expansion services	77,403,100
23	Medicaid behavioral health -	
24	comprehensive medical and	
25	dental program	217,719,100
26	Crisis services	16,391,300
27	Nonmedicaid seriously mentally	
28	ill services	78,846,900
29	Supported housing	5,324,800
30	<u>Hospital payments</u>	
31	Disproportionate share payments	5,087,100
32	Disproportionate share payments -	
33	voluntary match	0
34	Rural hospitals	22,650,000
35	Graduate medical education	265,729,800
36	Safety net care pool	<u>75,000,000</u>
37	Total appropriation and expenditure	
38	authority - Arizona health	
39	care cost containment system	\$12,031,429,500
40	Fund sources:	
41	State general fund	\$ 1,774,761,000
42	Budget neutrality compliance fund	3,655,300

1	Children's health insurance	
2	program fund	117,681,000
3	Prescription drug rebate	
4	fund - state	145,490,300
5	Substance abuse services fund	2,250,200
6	Tobacco products tax fund -	
7	emergency health services	
8	account	19,244,300
9	Tobacco tax and health care	
10	fund - medically needy account	72,998,200
11	Expenditure authority	9,895,349,200

12     Operating budget

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

20     The amounts included in the proposition 204 - AHCCCS administration,  
21     proposition 204 - DES eligibility, proposition 204 services and medicaid  
22     behavioral health - proposition 204 services line items include all  
23     available sources of funding consistent with section 36-2901.01,  
24     subsection B, Arizona Revised Statutes.

25     Medical services and behavioral health services

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

30     The Arizona health care cost containment system administration shall  
31     report to the joint legislative budget committee on or before March 1,  
32     2018 on preliminary actuarial estimates of the capitation rate changes for  
33     the following fiscal year along with the reasons for the estimated  
34     changes. For any actuarial estimates that include a range, the total  
35     range from minimum to maximum may not be more than two percent. Before  
36     implementation of any changes in capitation rates, the Arizona health care  
37     cost containment system administration shall report its expenditure plan  
38     for review by the joint legislative budget committee. Before the  
39     administration implements any change in policy affecting the amount,  
40     sufficiency, duration and scope of health care services and who may  
41     provide services, the administration shall prepare a fiscal impact  
42     analysis on the potential effects of this change on the following year's  
43     capitation rates. If the fiscal impact analysis demonstrates that this  
44     change will result in additional state costs of \$500,000 or more for any

1 fiscal year, the administration shall submit the policy change for review  
2 by the joint legislative budget committee.

3 It is the intent of the legislature that the percentage attributable  
4 to administration and profit for the regional behavioral health  
5 authorities be nine percent of the overall capitation rate.

6 The Arizona health care cost containment system administration shall  
7 transfer up to \$1,200,000 from the traditional medicaid services line item  
8 for fiscal year 2017-2018 to the attorney general for costs associated  
9 with tobacco settlement litigation.

10 The Arizona health care cost containment system administration shall  
11 transfer \$436,000 from the traditional medicaid services line item for  
12 fiscal year 2017-2018 to the department of revenue for enforcement costs  
13 associated with the March 13, 2013 master settlement agreement with  
14 tobacco companies.

15 The Arizona health care cost containment system administration shall  
16 transfer \$1,200,000 from the nonmedicaid seriously mentally ill services  
17 line item for fiscal year 2017-2018 to the department of health services  
18 for the costs of prescription medications for persons with a serious  
19 mental illness at the Arizona state hospital.

20 On or before December 31, 2017, and June 30, 2018, the Arizona  
21 health care cost containment system administration shall report to the  
22 joint legislative budget committee on the progress in implementing the  
23 *Arnold v. Sarn* lawsuit settlement. The report shall include at a minimum  
24 the administration's progress toward meeting all criteria specified in the  
25 2014 joint stipulation, including the development and estimated cost of  
26 additional behavioral health service capacity in Maricopa county for  
27 supported housing services for 1,200 class members, supported employment  
28 services for 750 class members, eight assertive community treatment teams  
29 and consumer operated services for 1,500 class members. The  
30 administration shall also report by fund source the amounts it plans to  
31 use to pay for expanded services.

32 Long-term care

33 Any federal monies that the Arizona health care cost containment  
34 system administration passes through to the department of economic  
35 security for use in long-term administration care for persons with  
36 developmental disabilities do not count against the long-term care  
37 expenditure authority above.

38 Pursuant to section 11-292, subsection B, Arizona Revised Statutes,  
39 the county portion of the fiscal year 2017-2018 nonfederal costs of  
40 providing long-term care system services is \$264,673,200. This amount is  
41 included in the expenditure authority fund source.

42 Any supplemental payments received in excess of \$108,974,800 for  
43 nursing facilities that serve Arizona long-term care system medicaid  
44 patients in fiscal year 2017-2018, including any federal matching monies,  
45 by the Arizona health care cost containment system administration are

1 appropriated to the administration in fiscal year 2017-2018. Before the  
2 expenditure of these increased monies, the administration shall notify the  
3 joint legislative budget committee and the governor's office of strategic  
4 planning and budgeting of the amount of monies that will be expended under  
5 this provision. These payments are included in the expenditure authority  
6 fund source.

7 Payments to hospitals

8 The \$5,087,100 appropriation for disproportionate share payments for  
9 fiscal year 2017-2018 made pursuant to section 36-2903.01, subsection 0,  
10 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county  
11 health care district and \$884,800 for private qualifying disproportionate  
12 share hospitals.

13 Any monies received for disproportionate share hospital payments  
14 from political subdivisions of this state, tribal governments and any  
15 university under the jurisdiction of the Arizona board of regents, and any  
16 federal monies used to match those payments, in fiscal year 2017-2018 by  
17 the Arizona health care cost containment system administration in excess  
18 of \$0 are appropriated to the administration in fiscal year 2017-2018.  
19 Before the expenditure of these increased monies, the administration shall  
20 notify the joint legislative budget committee and the governor's office of  
21 strategic planning and budgeting of the amount of monies that will be  
22 expended under this provision.

23 The expenditure authority fund source includes voluntary payments  
24 made from political subdivisions for payments to hospitals that operate a  
25 graduate medical education program or treat low-income patients. The  
26 political subdivision portions of the fiscal year 2017-2018 costs of  
27 graduate medical education, disproportionate share payments - voluntary  
28 match and safety net care pool line items are included in the expenditure  
29 authority fund source.

30 Any monies for graduate medical education received in fiscal year  
31 2017-2018, including any federal matching monies, by the Arizona health  
32 care cost containment system administration in excess of \$265,729,800 are  
33 appropriated to the administration in fiscal year 2017-2018. Before the  
34 expenditure of these increased monies, the administration shall notify the  
35 joint legislative budget committee and the governor's office of strategic  
36 planning and budgeting of the amount of monies that will be expended under  
37 this provision.

38 Any monies received in excess of \$75,000,000 for the safety net care  
39 pool by the Arizona health care cost containment system administration in  
40 fiscal year 2017-2018, including any federal matching monies, are  
41 appropriated to the administration in fiscal year 2017-2018. Before the  
42 expenditure of these increased monies, the administration shall notify the  
43 joint legislative budget committee and the governor's office of strategic  
44 planning and budgeting of the amount of monies that will be expended under  
45 this provision.



1	Internet crimes against children	
2	enforcement fund	900,000
3	Risk management revolving fund	9,406,700
4	Victims' rights fund	3,758,900

5 All monies appropriated to the attorney general legal services line  
6 item in the department of child safety budget do not count toward the  
7 attorney general's interagency service agreements fund appropriation in  
8 fiscal year 2017-2018.

9 The sum of \$1,500,000 in fiscal year 2018-2019 and the sum of  
10 \$1,500,000 in fiscal year 2019-2020 are appropriated from the state  
11 general fund to the attorney general for operating expenses of the  
12 criminal division.

13 On or before June 1, 2017, the department shall submit an  
14 expenditure plan for the fiscal year 2017-2018 internet crimes against  
15 children enforcement line item for review by the joint legislative budget  
16 committee.

17 The \$900,000 appropriation from the internet crimes against children  
18 enforcement fund and the \$350,000 appropriation from the state general  
19 fund for the internet crimes against children enforcement line item are  
20 continuing appropriations and are exempt from the provisions of section  
21 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
22 through June 30, 2019.

23 Sec. 15. AUTOMOBILE THEFT AUTHORITY

24		<u>2017-18</u>
25	FTE positions	6.0
26	Operating lump sum appropriation	\$ 637,800
27	Arizona vehicle theft task force	3,650,000
28	Local grants	957,700
29	Reimbursable programs	<u>50,000</u>
30	Total appropriation - automobile theft	
31	authority	\$ 5,295,500
32	Fund sources:	
33	Automobile theft authority fund	\$ 5,295,500

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

38 Local grants shall be awarded with consideration given to areas with  
39 greater automobile theft problems and shall be used to combat economic  
40 automobile theft operations.

41 The automobile theft authority shall pay seventy-five percent of the  
42 personal services and employee-related expenses for city, town and county  
43 sworn officers who participate in the Arizona vehicle theft task force.

1	Sec. 16. BOARD OF BARBERS		
2			<u>2017-18</u>
3	FTE positions		4.0
4	Lump sum appropriation	\$	341,800
5	Fund sources:		
6	Board of barbers fund	\$	341,800
7	Sec. 17. BOARD OF BEHAVIORAL HEALTH EXAMINERS		
8			<u>2017-18</u>
9	FTE positions		17.0
10	Lump sum appropriation	\$	1,759,100
11	Fund sources:		
12	Board of behavioral health		
13	examiners fund	\$	1,759,100
14	Sec. 18. STATE BOARD FOR CHARTER SCHOOLS		
15			<u>2017-18</u>
16	FTE positions		14.0
17	Lump sum appropriation	\$	1,185,200
18	Fund sources:		
19	State general fund	\$	1,185,200
20	Sec. 19. DEPARTMENT OF CHILD SAFETY		
21			<u>2017-18</u>
22	FTE positions		3,193.1
23	Operating lump sum appropriation	\$	109,997,300
24	<u>Additional operating resources</u>		
25	Caseworkers		99,617,700
26	New case aides		3,060,600
27	Attorney general legal services		25,416,800
28	General counsel		155,500
29	Inspections bureau		2,470,100
30	Litigation expenses		2,471,200
31	Office of child welfare		
32	investigations		9,611,100
33	Overtime pay		8,370,000
34	Records retention staff		592,900
35	Retention pay		1,707,000
36	Training resources		9,150,000
37	<u>Out-of-home placements</u>		
38	Adoption services		245,498,100
39	Emergency and residential placement		98,900,100
40	Foster care placement		59,595,500
41	Foster home recruitment, study		
42	and supervision		32,753,600
43	Kinship stipends		2,000,000
44	Independent living maintenance		4,660,000
45	Permanent guardianship subsidy		12,516,900

1	<u>Support services</u>	
2	DCS child care subsidy	48,159,400
3	In-home mitigation	28,988,100
4	Preventive services	15,148,300
5	Out-of-home support services	<u>154,518,900</u>
6	Total appropriation and expenditure	
7	authority - department of	
8	child safety	\$975,359,100
9	Fund sources:	
10	State general fund	\$379,479,400
11	Federal child care and	
12	development fund block grant	27,000,000
13	Federal temporary assistance for	
14	needy families block grant	149,472,700
15	Child abuse prevention fund	1,459,300
16	Children and family services	
17	training program fund	207,100
18	Risk management revolving fund	2,471,200
19	Child safety expenditure authority	415,269,400

20 Additional operating resources

21 The department of child safety shall provide training to any new  
 22 child safety FTE positions before assigning any client caseload duties to  
 23 any of these employees.

24 It is the intent of the legislature that the department of child  
 25 safety use its funding to achieve a one hundred percent investigation  
 26 rate.

27 The department of child safety shall submit an expenditure plan for  
 28 review by the joint legislative budget committee before expending any  
 29 monies in the retention pay line item. It is the intent of the  
 30 legislature that monies in the retention pay line item be transferred to  
 31 the department's operating budget in fiscal year 2018-2019.

32 Out-of-home placements

33 Of the amounts appropriated for out-of-home support services,  
 34 emergency and residential placement and foster care placement, the  
 35 department of child safety may transfer up to ten percent of the total  
 36 amount of federal temporary assistance for needy families block grant  
 37 monies appropriated to the department of economic security and the  
 38 department of child safety to the social services block grant for use in  
 39 the following line items in the department of child safety: out-of-home  
 40 support services, emergency and residential placement and foster care  
 41 placement. Before transferring federal temporary assistance for needy  
 42 families block grant monies to the social services block grant, the  
 43 department of child safety shall report the proposed amount of the  
 44 transfer to the director of the joint legislative budget committee. This  
 45 report may be in the form of an expenditure plan that is submitted at the

1 beginning of the fiscal year and updated, if necessary, throughout the  
2 fiscal year.

3 The amount appropriated for kinship stipends shall be used for a  
4 stipend of seventy-five dollars per month for a relative caretaker,  
5 including a grandparent, any level of great-grandparent or any  
6 nongrandparent relative, or a caretaker of fictive kinship, if a dependent  
7 child is placed in the care of a relative caretaker or caretaker of  
8 fictive kinship pursuant to department guidelines. To be eligible for the  
9 stipend, the caretaker's income may not exceed two hundred percent of the  
10 federal poverty guidelines. Before changing the eligibility for the  
11 program or the amount of the stipend, the department shall submit a report  
12 for review by the joint legislative budget committee detailing the  
13 proposed changes.

14 Support services

15 It is the intent of the legislature that the amount appropriated for  
16 the preventive services and in-home mitigation line items be used for  
17 families whose children are at risk of out-of-home placement due to abuse,  
18 neglect or dependency and that the amount appropriated for the out-of-home  
19 support services line item be used for children in out-of-home placements.

20 Departmentwide

21 The department of child safety shall forward to the president of the  
22 senate, the speaker of the house of representatives, the chairpersons of  
23 the senate and house of representatives appropriations committees and the  
24 director of the joint legislative budget committee a monthly report  
25 comparing total expenditures for the month and year-to-date as compared to  
26 prior-year totals on or before the thirtieth of the following month. The  
27 report shall include a plan, if necessary, for eliminating any shortfall  
28 without a supplemental appropriation.

29 All expenditures made by the department of child safety for attorney  
30 general legal services shall be funded only from the attorney general  
31 legal services line item. Monies in department of child safety line items  
32 intended for this purpose shall be transferred to the attorney general  
33 legal services line item before expenditure.

34 For the purposes of this section, "backlog case":

35 1. Means any nonactive case for which documentation has not been  
36 entered in the child welfare automated system for at least sixty days and  
37 for which services have not been authorized for at least sixty days and  
38 any case that has had an investigation, has been referred to another unit  
39 and has had no contact for at least sixty days.

40 2. Includes any case for which the investigation has been open  
41 without any documentation or contact for at least sixty days, any case  
42 involving in-home services for which there has been no contact or services  
43 authorized for at least sixty days and any case involving foster care in  
44 which there has been no contact or any documentation entered in the child  
45 welfare automated system for at least sixty days.

1 For the purposes of this section, "open report" means a report that  
2 is under investigation or awaiting closure by a supervisor.

3 On or before September 30, 2017, and on or before the last day of  
4 every calendar quarter through June 30, 2018, the department of child  
5 safety shall present a report for review by the joint legislative budget  
6 committee on the progress made in increasing the number of filled FTE  
7 positions, meeting the caseload standard and reducing the number of  
8 backlog cases and out-of-home children. The report shall include the  
9 number of backlog cases, the number of open reports, the number of  
10 out-of-home children and the caseworker workload on March 31, 2016 in  
11 comparison to the latest quarter. The report shall provide the number of  
12 backlog cases by disposition, including the number of backlog cases in the  
13 investigation phase, the number of backlog cases associated with  
14 out-of-home placements and the number of backlog cases associated with  
15 in-home cases.

16 To determine the caseworker workload, the department shall report  
17 the number of case-carrying caseworkers at each field office and the  
18 number of investigations, in-home cases and out-of-home children assigned  
19 to each field office.

20 The quarterly report shall provide the same information on the total  
21 number of filled FTE positions as is required by the monthly hiring  
22 report.

23 For backlog cases, the department's quarterly benchmark is 1,000  
24 cases as of June 30, 2017 and thereafter.

25 For open reports, the department's benchmark is to have fewer than  
26 8,000 open reports as of June 30, 2017 and thereafter. The open reports  
27 benchmark represents the average number of incoming reports for each two  
28 month period beginning March 1, 2016 through February 28, 2017.

29 For out-of-home children, the department's benchmark is to reduce  
30 the number of children in out-of-home care by an average of an additional  
31 2.0 percent every quarter with respect to the out-of-home care population  
32 as of December 31, 2016. It is the intent of the legislature that the  
33 cumulative reduction in the out-of-home care population as compared to the  
34 population as of December 31, 2016 be 11.4 percent, or at or below 15,191  
35 children, on or before June 30, 2018.

36 If the department of child safety has not submitted the quarterly  
37 report within thirty days after the last day of the calendar quarter, the  
38 director of the joint legislative budget committee shall inform the  
39 general accounting office of the department of administration, which shall  
40 withhold two percent of the department's operating lump sum quarterly  
41 budget allocation until the quarterly report is submitted.

42 Beginning on the seventh day of the month following the effective  
43 date of this act and on the seventh day of each month thereafter through  
44 June 30, 2018, the department of child safety shall issue to the governor,  
45 the chairpersons of the house of representatives appropriations and

1 judiciary and public safety committees and the senate appropriations and  
 2 health and human services committees and the directors of the joint  
 3 legislative budget committee and the governor's office of strategic  
 4 planning and budgeting a report on new hires and separations. The report  
 5 shall include the total number of FTE positions funded and the total  
 6 number of FTE positions filled on the last day of each month. The  
 7 department shall also delineate new hires and separations by case-carrying  
 8 caseworkers, hotline staff, caseworkers-in-training, assistant program  
 9 managers, unit supervisors, case aides, office of child welfare  
 10 investigations staff and administrative staff by function.

11 The amount appropriated for any line item may not be transferred to  
 12 another line item or the operating budget unless the transfer is reviewed  
 13 by the joint legislative budget committee.

14 Child safety expenditure authority includes all department funding  
 15 sources excluding the state general fund, the federal child care and  
 16 development fund block grant, the federal temporary assistance for needy  
 17 families block grant, the child abuse prevention fund and the children and  
 18 family services training program fund.

19 On or before September 15, 2017 and March 15, 2018, the department  
 20 of child safety shall submit a report for review by the joint legislative  
 21 budget committee on the department's progress in implementing  
 22 recommendations included in the Moss-Adams audit.

23 Sec. 20. STATE BOARD OF CHIROPRACTIC EXAMINERS

24		<u>2017-18</u>
25	FTE positions	5.0
26	Lump sum appropriation	\$ 451,100
27	Fund sources:	
28	Board of chiropractic examiners	
29	fund	\$ 451,100

30 Sec. 21. ARIZONA COMMUNITY COLLEGES

31		<u>2017-18</u>
32	<u>Equalization aid</u>	
33	Cochise	\$ 5,210,200
34	Graham	15,028,600
35	Navajo	<u>6,672,100</u>
36	Total - equalization aid	\$ 26,910,900
37	<u>Operating state aid</u>	
38	Cochise	\$ 4,589,600
39	Coconino	1,731,100
40	Gila	298,400
41	Graham	2,288,300
42	Mohave	1,195,500
43	Navajo	1,649,000
44	Pinal	1,621,400

1	Santa Cruz	96,800
2	Yavapai	639,400
3	Yuma/La Paz	<u>2,622,100</u>
4	Total - operating state aid	\$ 16,731,600
5	<u>STEM and workforce programs state aid</u>	
6	Cochise	\$ 986,400
7	Coconino	409,000
8	Gila	136,500
9	Graham	609,000
10	Mohave	462,500
11	Navajo	369,100
12	Pinal	96,500
13	Santa Cruz	67,000
14	Yavapai	717,000
15	Yuma/La Paz	<u>845,500</u>
16	Total - STEM and workforce programs	
17	state aid	\$ 4,698,500
18	Rural county reimbursement subsidy	\$ 1,273,800
19	Additional Gila workforce	
20	development aid	<u>250,000</u>
21	Total appropriation - Arizona community	
22	colleges	\$ 49,864,800
23	Fund sources:	
24	State general fund	\$ 49,864,800
25	Of the \$1,273,800 appropriated to the rural county reimbursement	
26	subsidy line item, Apache county receives \$699,300 and Greenlee county	
27	receives \$574,500.	
28	Sec. 22. REGISTRAR OF CONTRACTORS	
29		<u>2017-18</u>
30	FTE positions	105.6
31	Operating lump sum appropriation	\$ 11,147,800
32	Office of administrative hearings	
33	costs	<u>1,017,600</u>
34	Total appropriation - registrar of	
35	contractors	\$ 12,165,400
36	Fund sources:	
37	Registrar of contractors fund	\$ 12,165,400
38	Any transfer to or from the amount appropriated for the office of	
39	administrative hearings costs line item requires review by the joint	
40	legislative budget committee.	

1	Sec. 23. CORPORATION COMMISSION	
2		<u>2017-18</u>
3	FTE positions	300.9
4	Operating lump sum appropriation	\$ 26,159,900
5	Corporation filings, same-day	
6	service	397,300
7	Utilities audits, studies,	
8	investigations and hearings	<u>380,000*</u>
9	Total appropriation - corporation commission	\$ 26,937,200
10	Fund sources:	
11	State general fund	\$ 611,600
12	Arizona arts trust fund	49,900
13	Investment management regulatory	
14	and enforcement fund	708,900
15	Public access fund	6,558,800
16	Securities regulatory and	
17	enforcement fund	4,909,600
18	Utility regulation revolving fund	14,098,400
19	The \$397,300 appropriated from the public access fund for the	
20	corporation filings, same-day service line item reverts to the public	
21	access fund established by section 10-122.01, Arizona Revised Statutes, at	
22	the end of fiscal year 2017-2018 if the commission has not established a	
23	same-day service pursuant to section 10-122, Arizona Revised Statutes.	
24	Sec. 24. STATE DEPARTMENT OF CORRECTIONS	
25		<u>2017-18</u>
26	FTE positions	9,541.0
27	Operating lump sum appropriation	\$ 788,985,200
28	Private prison per diem	169,220,200
29	Inmate health care contracted	
30	services	<u>148,811,700</u>
31	Total appropriation - state department	
32	of corrections	\$1,107,017,100
33	Fund sources:	
34	State general fund	\$1,055,469,400
35	State education fund for	
36	correctional education	669,500
37	Alcohol abuse treatment fund	555,500
38	Penitentiary land fund	2,062,500
39	State charitable, penal and	
40	reformatory institutions	
41	land fund	2,661,500
42	Corrections fund	30,312,300

1	Transition program fund	2,400,100
2	Prison construction and operations	
3	fund	12,500,000
4	Inmate store proceeds fund	386,300

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

10 The state department of corrections shall forward to the president  
11 of the senate, the speaker of the house of representatives, the  
12 chairpersons of the senate and house of representatives appropriations  
13 committees and the director of the joint legislative budget committee a  
14 monthly report comparing department expenditures for the month and  
15 year-to-date as compared to prior-year expenditures on or before the  
16 thirtieth of the following month. The report shall be in the same format  
17 as the prior fiscal year and include an estimate of potential shortfalls,  
18 potential surpluses that may be available to offset these shortfalls and a  
19 plan, if necessary, for eliminating any shortfall without a supplemental  
20 appropriation.

21 On or before August 1, 2017, the state department of corrections  
22 shall provide a report on bed capacity to the joint legislative budget  
23 committee for its review. The report shall reflect the bed capacity for  
24 each security classification by gender at each state-run and private  
25 institution, divided by rated and total beds. The report shall include  
26 bed capacity data for June 30, 2016 and June 30, 2017 and the projected  
27 capacity for June 30, 2018, as well as the reasons for any change within  
28 that time period. Within the total bed count, the department shall  
29 provide the number of temporary and special use beds. If the department  
30 develops a plan after its August 1 report to close state-operated prison  
31 rated beds or cancel or not renew contracts for privately operated prison  
32 beds, the state department of corrections shall submit a bed plan  
33 detailing the proposed bed closures for review by the joint legislative  
34 budget committee before implementing these changes.

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

39 Of the amount appropriated for the private prison per diem line  
40 item, \$17,463,300 shall be used for the purpose of making a debt service  
41 payment on the financing agreement authorized by Laws 2016, chapter 119,  
42 section 24.

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

6 Before the expenditure of any state education fund for correctional  
 7 education monies in excess of \$669,500, the state department of  
 8 corrections shall report the intended use of the monies to the director of  
 9 the joint legislative budget committee.

10 Before implementing any changes in per diem rates for inmate health  
 11 care contracted services, the state department of corrections shall submit  
 12 its expenditure plan for review by the joint legislative budget committee.

13 Sec. 25. BOARD OF COSMETOLOGY

14		<u>2017-18</u>
15	FTE positions	24.5
16	Operating lump sum appropriation	\$ 1,805,200
17	Annual leave payout	<u>34,200</u>
18	Total appropriation - board of cosmetology	\$ 1,839,400

19 Fund sources:

20	Board of cosmetology fund	\$ 1,839,400
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21 Sec. 26. ARIZONA CRIMINAL JUSTICE COMMISSION

22		<u>2017-18</u>
23	FTE positions	9.0
24	Operating lump sum appropriation	\$ 1,251,100
25	State aid to county attorneys	973,700
26	Victim compensation and	
27	assistance	<u>4,220,600</u>

28	Total appropriation - Arizona criminal	
29	justice commission	\$ 6,445,400

30 Fund sources:

31	Criminal justice enhancement fund	\$ 646,600
32	Resource center fund	604,500
33	State aid to county attorneys fund	973,700
34	Victim compensation and assistance	
35	fund	4,220,600

36 All victim compensation and assistance monies received by the  
 37 Arizona criminal justice commission in excess of \$4,220,600 in fiscal year  
 38 2017-2018 are appropriated to the crime victims program. Before the  
 39 expenditure of any victim compensation and assistance fund monies in  
 40 excess of \$4,220,600 in fiscal year 2017-2018, the Arizona criminal  
 41 justice commission shall report the intended use of the monies to the  
 42 joint legislative budget committee.

1 All monies received by the Arizona criminal justice commission in  
 2 excess of \$973,700 in fiscal year 2017-2018 from the state aid to county  
 3 attorneys fund established by section 11-539, Arizona Revised Statutes,  
 4 are appropriated to the state aid to county attorneys program. Before the  
 5 expenditure of any state aid to county attorneys fund monies in excess of  
 6 \$973,700, the Arizona criminal justice commission shall report the  
 7 intended use of the monies to the joint legislative budget committee.

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

9		<u>2017-18</u>
10	FTE positions	541.2
11	Administration/statewide	\$ 4,010,600
12	Phoenix day school for the deaf	9,477,700
13	Tucson campus	13,502,500
14	Regional cooperatives	1,001,400
15	Preschool/outreach programs	4,325,600
16	School bus replacement	738,000
17	Voucher fund adjustment	<u>161,200</u>
18	Total appropriation - Arizona state schools	
19	for the deaf and the blind	\$ 33,217,000
20	Fund sources:	
21	State general fund	\$ 21,378,100
22	Schools for the deaf and the	
23	blind fund	11,838,900

24 Before the expenditure of any schools for the deaf and the blind  
 25 fund monies in excess of \$11,838,900 in fiscal year 2017-2018, the Arizona  
 26 state schools for the deaf and the blind shall report to the joint  
 27 legislative budget committee the intended use of the monies.

28 Sec. 28. COMMISSION FOR THE DEAF AND THE HARD OF HEARING

29		<u>2017-18</u>
30	FTE positions	16.0
31	Operating lump sum appropriation	\$ 4,412,300
32	Support services for the	
33	deaf-blind	<u>192,000</u>
34	Total appropriation - commission for the	
35	deaf and the hard of hearing	\$ 4,604,300
36	Fund sources:	
37	Telecommunication fund for	
38	the deaf	\$ 4,604,300

39 Sec. 29. STATE BOARD OF DENTAL EXAMINERS

40		<u>2017-18</u>
41	FTE positions	11.0
42	Lump sum appropriation	\$ 1,214,500
43	Fund sources:	
44	Dental board fund	\$ 1,214,500

1	Sec. 30. OFFICE OF ECONOMIC OPPORTUNITY	
2		<u>2017-18</u>
3	FTE positions	5.0
4	Lump sum appropriation	\$ 484,100
5	Fund sources:	
6	State general fund	\$ 484,100
7	Sec. 31. DEPARTMENT OF ECONOMIC SECURITY	
8		<u>2017-18</u>
9	FTE positions	4,289.4
10	Operating lump sum appropriation	\$159,260,800
11	<u>Administration</u>	
12	Attorney general legal services	10,996,600
13	<u>Aging and adult services</u>	
14	Adult services	9,431,900
15	Community and emergency services	3,724,000
16	Coordinated homeless services	2,522,600
17	Domestic violence prevention	14,003,700
18	<u>Benefits and medical eligibility</u>	
19	Temporary assistance for needy	
20	families - cash benefits	27,736,400
21	Coordinated hunger services	1,754,600
22	Tribal pass-through funding	4,680,300
23	<u>Child support enforcement</u>	
24	County participation	8,740,200
25	<u>Developmental disabilities</u>	
26	DDD operating lump sum	23,693,000
27	DDD premium tax payment	27,628,800
28	Case management - medicaid	59,019,700
29	Home and community based	
30	services - medicaid	1,130,889,100
31	Institutional services -	
32	medicaid	24,111,000
33	Medical services - medicaid	176,495,500
34	Arizona training program at	
35	Coolidge - medicaid	15,735,100
36	Medicare clawback payments	4,043,000
37	Case management - state-only	3,893,700
38	Home and community based	
39	services - state-only	20,028,000
40	State-funded long-term care	
41	services	26,559,600

1	<u>Employment and rehabilitation services</u>	
2	JOBS	11,005,600
3	Child care subsidy	98,396,600
4	Independent living rehabilitation	
5	services	1,289,400
6	Rehabilitation services	7,249,100
7	Workforce investment act	
8	services	<u>53,654,600</u>
9	Total appropriation and expenditure	
10	authority - department of	
11	economic security	\$1,926,542,900
12	Fund sources:	
13	State general fund	\$ 573,736,000
14	Federal child care and	
15	development fund block grant	107,773,600
16	Federal temporary assistance for	
17	needy families block grant	72,964,700
18	Long-term care system fund	26,559,600
19	Public assistance collections	
20	fund	421,900
21	Special administration fund	2,928,700
22	Spinal and head injuries trust	
23	fund	2,323,700
24	Statewide cost allocation plan	
25	fund	1,000,000
26	Child support enforcement	
27	administration fund	16,632,600
28	Domestic violence services fund	4,000,000
29	Workforce investment act grant	56,040,200
30	Child support enforcement	
31	administration fund expenditure	
32	authority	42,299,500
33	Health services lottery	
34	monies fund	2,800,000
35	Developmental disabilities	
36	medicaid expenditure authority	1,017,062,400

37 Aging and adult services

38 All domestic violence services fund monies in excess of \$4,000,000  
39 received by the department of economic security are appropriated for the  
40 domestic violence prevention line item. Before the expenditure of these  
41 increased monies, the department of economic security shall report the  
42 intended use of monies in excess of \$4,000,000 to the joint legislative  
43 budget committee.

1 The department of economic security shall report to the joint  
2 legislative budget committee on the amount of state and federal monies  
3 available statewide for domestic violence funding on or before December  
4 15, 2017. The report shall include, at a minimum, the amount of monies  
5 available and the state fiscal agent receiving those monies.

6 Benefits and medical eligibility

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

10 Child support enforcement

11 All state shares of retained earnings, fees and federal incentives  
12 in excess of \$16,632,600 received by the division of child support  
13 enforcement are appropriated for operating expenditures. New FTE  
14 positions may be authorized with the increased funding. Before the  
15 expenditure of these increased monies, the department of economic security  
16 shall report the intended use of the monies to the joint legislative  
17 budget committee.

18 Developmental disabilities

19 The department shall report to the president of the senate, the  
20 speaker of the house of representatives, the chairpersons of the senate  
21 and house of representatives appropriations committees and the director of  
22 the joint legislative budget committee any new placement into a  
23 state-owned ICF-IID or the Arizona training program at the Coolidge campus  
24 in fiscal year 2017-2018 and the reason this placement, rather than a  
25 placement into a privately run facility for persons with developmental  
26 disabilities, was deemed as the most appropriate placement. The  
27 department shall also report if no new placements were made. The  
28 department shall make this report available on or before July 15, 2018.

29 The department shall report to the joint legislative budget  
30 committee on or before March 1 of each year on preliminary actuarial  
31 estimates of the capitation rate changes for the following fiscal year  
32 along with the reasons for the estimated changes. For any actuarial  
33 estimates that include a range, the total range from minimum to maximum  
34 may not be more than two percent. Before implementation of any changes in  
35 capitation rates for the long-term care system, the department shall  
36 submit a report for review by the joint legislative budget committee.  
37 Before the department implements any change in policy affecting the  
38 amount, sufficiency, duration and scope of health care services and who  
39 may provide services, the department shall prepare a fiscal impact  
40 analysis on the potential effects of this change on the following year's  
41 capitation rates. If the fiscal impact analysis demonstrates that this  
42 change will result in additional state costs of \$500,000 or more for any  
43 fiscal year, the department shall submit the policy change for review by  
44 the joint legislative budget committee.

1 Before implementation of any developmental disabilities or long-term  
2 care statewide provider rate adjustments that are not already specifically  
3 authorized by the legislature, court mandates or changes to federal law,  
4 the department shall submit a report for review by the joint legislative  
5 budget committee that includes, at a minimum, the estimated cost of the  
6 provider rate adjustment and the ongoing source of funding for the  
7 adjustment, if applicable.

8 Before transferring any monies in or out of the case  
9 management - medicaid, case management - state-only, and DDD operating  
10 lump sum line items, the department of economic security shall submit a  
11 report for review by the joint legislative budget committee.

12 The department shall submit an expenditure plan to the joint  
13 legislative budget committee for review of any new division of  
14 developmental disabilities salary adjustments not previously reviewed by  
15 the joint legislative budget committee.

16 The department shall report to the joint legislative budget  
17 committee on or before August 1, 2017 the number of filled positions for  
18 case managers and non-case managers in the division of developmental  
19 disabilities as of June 30, 2017. The department shall submit an  
20 expenditure plan of its staffing levels for review by the joint  
21 legislative budget committee if the department plans on hiring staff for  
22 non-case manager, non-case aide, non-case unit supervisor and non-case  
23 section manager positions above the staffing level indicated in the  
24 August 1, 2017 report.

25 Employment and rehabilitation services

26 It is the intent of the legislature that the combined number of  
27 children in child care assistance authorized pursuant to section 46-803,  
28 subsections D and F, Arizona Revised Statutes, be maintained throughout  
29 the year at a minimum of 8,500 children. The department shall prioritize  
30 child care assistance for families that qualify for assistance pursuant to  
31 section 46-803, subsection F, Arizona Revised Statutes, on the waiting  
32 lists established pursuant to section 46-803, subsection I, Arizona  
33 Revised Statutes.

34 All workforce investment act grant monies that are received by this  
35 state in excess of \$56,040,200 are appropriated to the workforce  
36 investment act services line item. Before the expenditure of these  
37 increased monies, the department of economic security shall report the  
38 intended use of monies in excess of \$56,040,200 to the joint legislative  
39 budget committee.

40 Departmentwide

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

1 The department of economic security shall forward to the president  
 2 of the senate, the speaker of the house of representatives, the  
 3 chairpersons of the senate and house of representatives appropriations  
 4 committees and the director of the joint legislative budget committee a  
 5 monthly report comparing total expenditures for the month and year-to-date  
 6 as compared to prior-year totals on or before the thirtieth of the  
 7 following month. The report shall include an estimate of potential  
 8 shortfalls in entitlement programs and potential federal and other monies,  
 9 such as the statewide assessment for indirect costs, and any projected  
 10 surplus in state-supported programs that may be available to offset these  
 11 shortfalls and a plan, if necessary, for eliminating any shortfall without  
 12 a supplemental appropriation.

13 Sec. 32. STATE BOARD OF EDUCATION

14		<u>2017-18</u>
15	FTE positions	6.0
16	Lump sum appropriation	\$ 1,142,800
17	Fund sources:	
18	State general fund	\$ 1,142,800

19 Sec. 33. SUPERINTENDENT OF PUBLIC INSTRUCTION

20		<u>2017-18</u>
21	FTE positions	171.9
22	Operating lump sum appropriation	\$ 12,868,800
23	Fund sources:	
24	State general fund	\$ 8,856,300
25	Teacher certification fund	514,600
26	Department of education empowerment	
27	scholarship account fund	797,900
28	Department of education professional	
29	development revolving fund	2,700,000

30 The operating lump sum appropriation includes \$683,900 and 8.5 FTE  
 31 positions for average daily membership auditing and \$200,000 and 2 FTE  
 32 positions for information technology security services.

33 The amount appropriated for the department's operating budget  
 34 includes \$500,000 for technical assistance and state level administration  
 35 of the K-3 reading program established pursuant to section 15-211, Arizona  
 36 Revised Statutes.

37	Basic state aid	\$2,900,114,200
38	Fund sources:	
39	State general fund	\$2,664,770,700
40	Permanent state school fund	235,343,500

1 The above appropriation provides basic state support to school  
2 districts for maintenance and operations funding as provided by section  
3 15-973, Arizona Revised Statutes, and includes an estimated \$235,343,500  
4 in expendable income derived from the permanent state school fund and from  
5 state trust lands pursuant to section 37-521, subsection B, Arizona  
6 Revised Statutes, for fiscal year 2017-2018.

7 Monies derived from the permanent state school fund and any other  
8 nonstate general fund revenue source that is dedicated to fund basic state  
9 aid shall be expended, whenever possible, before the expenditure of state  
10 general fund monies.

11 Except as required by section 37-521, Arizona Revised Statutes, all  
12 monies received during the fiscal year from national forests, interest  
13 collected on deferred payments on the purchase of state lands, income from  
14 the investment of permanent state school funds as prescribed by the  
15 enabling act and the Constitution of Arizona and all monies received by  
16 the superintendent of public instruction from whatever source, except  
17 monies received pursuant to sections 15-237 and 15-531, Arizona Revised  
18 Statutes, when paid into the state treasury are appropriated for  
19 apportionment to the various counties in accordance with law. An  
20 expenditure may not be made except as specifically authorized above.

21 Additional teacher salary increase \$ 34,000,000

22 Each school district or charter school shall use its allocation from  
23 this line item only to increase the salary of each teacher who taught at  
24 an Arizona school district or charter school during the 2016-2017 school  
25 year and who teaches at the school district or charter school during the  
26 2017-2018 school year by 1.06 percent in fiscal year 2017-2018. The 1.06  
27 percent salary increase that a school district or charter school provides  
28 to each eligible teacher from this line item shall be in addition to any  
29 other salary increase that the school district or charter school would  
30 have provided to the teacher for the 2017-2018 school year apart from this  
31 line item. The 1.06 percent salary increase shall supplement and not  
32 supplant any salary increase that the school district or charter school  
33 would have provided to the teacher for the 2017-2018 school year apart  
34 from this line item.

35 The department of education shall use the appropriated amount to  
36 provide school districts and charter schools with funding for additional  
37 teacher salary increases for fiscal year 2017-2018.

38 On or before December 1, 2017, the department shall allocate to each  
39 school district and charter school in this state the amount of funding  
40 needed to increase by 1.06 percent the salary of each teacher who teaches  
41 at the school district or charter school during the 2017-2018 school year  
42 and who taught at an Arizona school district or charter school during the  
43 2016-2017 school year, including the amount of funding needed to pay the  
44 employer share of related increases in employee-related expenses for the  
45 Arizona state retirement system or other employee retirement systems and

1 the federal insurance contributions act. The employer share of  
2 employee-related retirement system expenses for a teacher not  
3 participating in the Arizona state retirement system may not exceed  
4 expenses for a teacher participating in the Arizona state retirement  
5 system. The 1.06 percent salary increase for each eligible teacher shall  
6 be computed by the school district or charter school based on the  
7 teacher's teaching salary for the 2016-2017 school year. The department  
8 shall add the amount computed for each school district and charter school  
9 pursuant to this paragraph to the base support level that otherwise would  
10 be computed for the school district or charter school for fiscal year  
11 2017-2018 pursuant to section 15-943 or 15-943.02, Arizona Revised  
12 Statutes.

13 The members of a school district governing board or a charter school  
14 governing body shall conduct a separate vote regarding the allocation of  
15 monies that it receives from this line item. It also shall notify  
16 teachers of the scheduled date and time of action of the board or body for  
17 this issue and shall transmit a notice of public hearing to the department  
18 of education for posting on the department's website at least ten days  
19 before the hearing. If the school district or charter school maintains a  
20 website, the school district or charter school shall post on its website  
21 the notice of the public hearing.

22 The members of the governing board of a school district or the  
23 governing body of a charter school shall attest on the page of the school  
24 district's or charter school's fiscal year 2017-2018 budget that the  
25 members sign that the budget adopted by the school district or charter  
26 school for fiscal year 2017-2018 meets the requirements of this line item.  
27 This attestation shall also pertain to the following information provided  
28 by the school district or charter school regarding teachers who taught at  
29 an Arizona school district or charter school during the 2016-2017 school  
30 year and who teach at the school district or charter school during the  
31 2017-2018 school year: the number of teachers, the total amount of teacher  
32 salaries for the 2016-2017 school year, the total amount of teacher  
33 salaries for the 2017-2018 school year apart from this line item, the  
34 total of the employer share of related increases in employee-related  
35 expenses for required contributions to employee retirement systems and the  
36 federal insurance contributions act and the total amount of funding needed  
37 to increase by 1.06 percent the salary of each teacher who teaches at the  
38 school district or charter school during the 2017-2018 school year and who  
39 taught at an Arizona school district or charter school during the  
40 2016-2017 school year.

41 A school district or charter school shall submit to the department  
42 of education the school district's or charter school's adopted budget.  
43 The department shall distribute funding for additional teacher salary  
44 increases for fiscal year 2017-2018 based on the adopted budget. This  
45 calculation is subject to the independent annual audit of the school

1 district or charter school pursuant to section 15-914, Arizona Revised  
2 Statutes. Any audit findings regarding the miscalculation of this line  
3 item shall be reported to the department of education and are subject to a  
4 budget correction pursuant to section 15-915, Arizona Revised Statutes.

5 Monies that a school district receives from this line item shall be  
6 included in the school district's general budget limit for the maintenance  
7 and operation fund for fiscal year 2017-2018 pursuant to section 15-947,  
8 Arizona Revised Statutes. Monies that a joint technical education  
9 district receives from this line item shall be included in the joint  
10 technical education district's general budget limit for the maintenance  
11 and operation fund for fiscal year 2017-2018 pursuant to section  
12 15-947.01, Arizona Revised Statutes.

13 The legislature and governor intend for this appropriation to result  
14 in an increase in the compensation of Arizona's public schoolteachers for  
15 fiscal year 2017-2018 and intend to include funding for an additional 1.06  
16 percent teacher salary increase in fiscal year 2018-2019. Appropriations  
17 for teacher salary increases in fiscal year 2018-2019 shall be distributed  
18 in the same manner as distributions for fiscal year 2017-2018.

19 For the purposes of this footnote, "teacher" means a person who was  
20 eligible to be included in the year-end full-time equivalent teacher count  
21 of a school district or charter school for the 2016-2017 school year in  
22 the annual financial report of a school district or charter school for  
23 fiscal year 2016-2017 and who teaches at a school district or charter  
24 school during the 2017-2018 school year. Teacher does not include  
25 purchased services personnel or substitute teachers.

26	Results-based funding	\$ 37,600,000
27	Additional state aid -	
28	homeowner's rebate	386,215,500
29	Additional state aid -	
30	1 percent cap	24,330,500
31	Special education fund	32,242,100
32	Other state aid to districts	983,900
33	Accountability and achievement	
34	testing	16,420,800
35	Fund sources:	
36	State general fund	\$ 9,420,800
37	Proposition 301 fund	7,000,000

38 Before making any changes to the achievement testing program that  
39 will increase program costs, the department of education and the state  
40 board of education shall submit the estimated fiscal impact of those  
41 changes to the joint legislative budget committee for review.

1	Adult education	\$ 4,498,200
2	Alternative teacher development	
3	program	500,000
4	Arizona structured English	
5	immersion fund	4,960,400
6	College credit by examination	
7	incentive program	5,000,000
8	Early literacy	8,000,000
9	The English learner administration	6,495,000

10 The department of education shall use the appropriated amount to  
11 provide English language acquisition services for the purposes of section  
12 15-756.07, Arizona Revised Statutes, and for the costs of providing  
13 English language proficiency assessments, scoring and ancillary materials  
14 as prescribed by the department of education to school districts and  
15 charter schools for the purposes of title 15, chapter 7, article 3.1,  
16 Arizona Revised Statutes. The department of education may use a portion  
17 of the appropriated amount to hire staff or contract with a third party to  
18 carry out the purposes of section 15-756.07, Arizona Revised Statutes.  
19 Notwithstanding section 41-192, Arizona Revised Statutes, the  
20 superintendent of public instruction also may use a portion of the  
21 appropriated amount to contract with one or more private attorneys to  
22 provide legal services in connection with the case of Flores v. State of  
23 Arizona, No. CIV 92-596-TUC-RCC.

24	Geographic literacy	\$ 100,000
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25 The department of education shall use the appropriated onetime  
26 amount to issue a grant to a statewide geographic alliance for the purpose  
27 of strengthening geographic literacy in this state. The appropriated  
28 amount is exempt from the provisions of section 35-190, Arizona Revised  
29 Statutes, relating to lapsing of appropriations.

30	JTED completion grants	\$ 1,000,000
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31 Monies appropriated for joint technical education district  
32 completion grants are intended to help fund program completion for  
33 students who complete at least fifty percent of a joint technical  
34 education program before graduating from high school and who successfully  
35 complete the joint technical education district program after graduating  
36 from high school. The department of education shall develop application  
37 procedures for the joint technical education district completion grant  
38 program. The procedures shall award grant funding only after an eligible  
39 student has successfully completed a joint technical education district  
40 program.

41 If the appropriated amount is insufficient to fund all grant  
42 requests from joint technical education districts, the department of  
43 education shall reduce grant amounts on a proportional basis in order to  
44 cap total statewide allocations at \$1,000,000.

1 The appropriated amount is exempt from the provisions of section  
2 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

3 JTED soft capital and equipment \$ 1,000,000

4 The department of education shall distribute the appropriated amount  
5 to joint technical education districts with fewer than two thousand  
6 average daily membership pupils for soft capital and equipment expenses.  
7 The appropriated amount shall be allocated on a pro rata basis based on  
8 the average daily membership of eligible joint technical education  
9 districts.

10 School safety program \$ 4,145,600

11 State block grant for vocational  
12 education 11,576,300

13 Teacher certification \$ 1,828,100

14 Fund sources:

15 Teacher certification fund \$ 1,828,100

16 Tribal college dual enrollment  
17 program \$ 250,000

18 Fund sources:

19 Tribal college dual enrollment  
20 program fund \$ 250,000

21 Total appropriation - superintendent  
22 of public instruction

23 \$3,494,129,400

24 Fund sources:

25 State general fund \$3,245,695,300

26 Proposition 301 fund 7,000,000

27 Permanent state school fund 235,343,500

28 Teacher certification fund 2,342,700

29 Tribal college dual enrollment  
30 program fund 250,000

31 Department of education empowerment  
32 scholarship account fund 797,900

33 Department of education professional  
34 development revolving fund 2,700,000

35 After review by the joint legislative budget committee, in fiscal  
36 year 2017-2018, the department may use a portion of its fiscal year  
37 2017-2018 state general fund appropriations for basic state aid or  
38 additional state aid to fund a shortfall in funding for basic state aid or  
39 additional state aid, if any, that occurred in fiscal year 2016-2017.

40 The department shall provide an updated report on its budget status  
41 every three months for the first half of each fiscal year and every month  
42 thereafter to the president of the senate, the speaker of the house of  
43 representatives, the chairpersons of the senate and house of  
44 representatives appropriations committees, the director of the joint  
45 legislative budget committee and the director of the governor's office of

1 strategic planning and budgeting. Each report shall include, at a  
 2 minimum, the department's current funding surplus or shortfall projections  
 3 for basic state aid and other major formula-based programs and is due  
 4 thirty days after the end of the applicable reporting period.

5 Within fifteen days after each apportionment of state aid that  
 6 occurs pursuant to section 15-973, subsection B, Arizona Revised Statutes,  
 7 the department shall post on its website the amount of state aid  
 8 apportioned to each recipient and the underlying data.

9 Sec. 34. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

10		<u>2017-18</u>
11	FTE positions	63.1
12	<u>Administration</u>	\$ 1,818,000
13	<u>Emergency management</u>	725,200
14	<u>Military affairs</u>	3,021,000
15	Matching funds	<u>1,540,900</u>
16	Total appropriation - department of	
17	emergency and military affairs	\$ 7,105,100
18	Fund sources:	
19	State general fund	\$ 7,105,100

20 The department of emergency and military affairs appropriation  
 21 includes \$1,700,000 for service contracts. This amount is exempt from the  
 22 provisions of section 35-190, Arizona Revised Statutes, relating to  
 23 lapsing of appropriations, except that all fiscal year 2017-2018 monies  
 24 remaining unexpended and unencumbered on December 31, 2018 revert to the  
 25 state general fund.

26 Sec. 35. DEPARTMENT OF ENVIRONMENTAL QUALITY

27		<u>2017-18</u>
28	FTE positions	322.0
29	Operating lump sum appropriation	\$ 46,290,400
30	Safe drinking water program	1,800,000
31	Emissions control contractor	
32	payment	<u>21,119,500</u>
33	Total appropriation - department of	
34	environmental quality	\$ 69,209,900
35	Fund sources:	
36	Air quality fund	\$ 5,361,400
37	Emergency response fund	132,800
38	Emissions inspection fund	26,570,500
39	Hazardous waste management fund	1,734,600
40	Indirect cost recovery fund	13,375,200
41	Permit administration fund	7,114,100
42	Recycling fund	1,352,900

1	Safe drinking water program	
2	fund	1,800,000
3	Solid waste fee fund	1,239,000
4	Underground storage tank	
5	revolving fund	22,000
6	Water quality fee fund	10,507,400

7 Before the expenditure of any monies from the safe drinking water  
 8 program line item, the department of environmental quality shall submit an  
 9 expenditure plan for review by the joint legislative budget committee.

10 Pursuant to section 49-282, Arizona Revised Statutes, the department  
 11 of environmental quality shall submit a fiscal year 2018-2019 budget for  
 12 the water quality assurance revolving fund before September 1, 2017, for  
 13 review by the senate and house of representatives appropriations  
 14 committees.

15 The department of environmental quality shall report annually on the  
 16 progress of WQARF activities, including emergency response, priority site  
 17 remediation, cost recovery activity, revenue and expenditure activity and  
 18 other WQARF-funded program activity. The department shall submit the  
 19 fiscal year 2017-2018 report to the joint legislative budget committee on  
 20 or before September 1, 2017. This report shall also include a budget for  
 21 the WQARF program that is developed in consultation with the WQARF  
 22 advisory board. This budget shall specify the monies budgeted for each  
 23 listed site during fiscal year 2017-2018. In addition, the department and  
 24 the advisory board shall prepare and submit to the joint legislative  
 25 budget committee, on or before October 1, 2017, a report in a table format  
 26 summarizing the current progress on remediation of each listed site on the  
 27 WQARF registry. The table shall include the stage of remediation for each  
 28 site at the end of fiscal year 2016-2017, indicate whether the current  
 29 stage of remediation is anticipated to be completed in fiscal year  
 30 2017-2018 and indicate the anticipated stage of remediation at each listed  
 31 site at the end of fiscal year 2017-2018, assuming fiscal year 2017-2018  
 32 funding levels. The department and advisory board may include other  
 33 relevant information about the listed sites in the table.

34 All permit administration fund monies received by the department of  
 35 environmental quality in excess of \$10,827,400 in fiscal year 2017-2018  
 36 are appropriated to the department. Before the expenditure of permit  
 37 administration fund monies in excess of \$10,827,400 in fiscal year  
 38 2017-2018, the department of environmental quality shall report the  
 39 intended use of the monies to the joint legislative budget committee.

40 All indirect cost recovery fund monies received by the department of  
 41 environmental quality in excess of \$13,375,200 in fiscal year 2017-2018  
 42 are appropriated to the department. Before the expenditure of indirect  
 43 cost recovery fund monies in excess of \$13,375,200 in fiscal year  
 44 2017-2018, the department of environmental quality shall report the  
 45 intended use of the monies to the joint legislative budget committee.

1	Sec. 36. GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY		<u>2017-18</u>
2			4.0
3	FTE positions		
4	Lump sum appropriation	\$	189,100
5	Fund sources:		
6	State general fund	\$	189,100
7	Sec. 37. STATE BOARD OF EQUALIZATION		<u>2017-18</u>
8			7.0
9	FTE positions		
10	Lump sum appropriation	\$	643,000
11	Fund sources:		
12	State general fund	\$	643,000
13	Sec. 38. BOARD OF EXECUTIVE CLEMENCY		<u>2017-18</u>
14			14.0
15	FTE positions		
16	Lump sum appropriation	\$	952,600
17	Fund sources:		
18	State general fund	\$	952,600
19	The board of executive clemency shall report to the directors of the		
20	joint legislative budget committee and the governor's office of strategic		
21	planning and budgeting on or before November 1, 2017 on the total number		
22	and types of cases the board reviewed in fiscal year 2016-2017.		
23	Sec. 39. ARIZONA EXPOSITION AND STATE FAIR BOARD		<u>2017-18</u>
24			184.0
25	FTE positions		
26	Lump sum appropriation	\$	12,113,300
27	Fund sources:		
28	Arizona exposition and state		
29	fair fund	\$	12,113,300
30	Sec. 40. DEPARTMENT OF FINANCIAL INSTITUTIONS		<u>2017-18</u>
31			69.1
32	FTE positions		
33	Operating lump sum appropriation	\$	4,681,700
34	Real estate appraisal		<u>815,100</u>
35	Total appropriation - department of		
36	financial institutions	\$	5,496,800
37	Fund sources:		
38	State general fund	\$	1,478,200
39	Board of appraisal fund		815,100
40	Financial services fund		3,203,500
41	The department of financial institutions shall assess and set fees		
42	to ensure that monies deposited in the state general fund will equal or		
43	exceed the department's expenditure from the state general fund.		

1	Sec. 41. ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	
2		<u>2017-18</u>
3	FTE positions	88.0
4	Operating lump sum appropriation	\$ 3,124,300
5	Environmental county grants	250,000
6	Inmate firefighting crews	686,200
7	Postrelease firefighting crews	1,465,100
8	Fire suppression	1,065,000
9	State fire marshal	742,600
10	State fire school	172,100
11	Hazardous vegetation removal	<u>1,350,000</u>
12	Total appropriation - Arizona department	
13	of forestry and fire management	\$ 8,855,300
14	Fund sources:	
15	State general fund	\$ 8,855,300
16	The appropriation for the hazardous vegetation removal line item is	
17	exempt from the provisions of section 35-190, Arizona Revised Statutes,	
18	relating to lapsing of appropriations, through June 30, 2019.	
19	Sec. 42. STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS	
20		<u>2017-18</u>
21	FTE positions	4.0
22	Lump sum appropriation	\$ 373,300
23	Fund sources:	
24	Board of funeral directors' and	
25	embalmers' fund	\$ 373,300
26	Sec. 43. ARIZONA GAME AND FISH DEPARTMENT	
27		<u>2017-18</u>
28	FTE positions	273.5
29	Operating lump sum appropriation	\$ 41,773,300
30	Game and fish trucks	485,700
31	Watercraft safety equipment	701,000
32	Watercraft grants	<u>1,000,000</u>
33	Total appropriation - Arizona game and fish	
34	department	\$ 43,960,000
35	Fund sources:	
36	Capital improvement fund	\$ 1,001,200
37	Game and fish fund	36,800,100
38	Wildlife endowment fund	16,200
39	Watercraft licensing fund	5,796,700
40	Game, non-game, fish and	
41	endangered species fund	345,800

1	Sec. 44. DEPARTMENT OF GAMING	
2		<u>2017-18</u>
3	FTE positions	155.8
4	Operating lump sum appropriation	\$ 8,295,500
5	Additional operating expenses	768,400
6	Casino operations certification	2,081,800
7	County fairs livestock and	
8	agriculture promotion	1,779,500
9	Division of racing	1,886,000
10	Problem gambling	<u>2,287,000</u>
11	Total appropriation - department of gaming	\$ 17,098,200
12	Fund sources:	
13	State general fund	\$ 1,779,500
14	Tribal-state compact fund	2,081,800
15	Arizona benefits fund	11,050,900
16	State lottery fund	300,000
17	Racing regulation fund	1,886,000
18	The department of gaming shall report to the directors of the joint	
19	legislative budget committee and the governor's office of strategic	
20	planning and budgeting on or before December 1, 2017 on the expected	
21	amount and purpose of expenditures from the additional operating expenses	
22	line item for fiscal year 2017-2018. The report shall include the	
23	projected line item detail.	
24	The amount appropriated to the county fairs livestock and	
25	agriculture promotion line item is for deposit in the county fairs	
26	livestock and agriculture promotion fund established by section 5-113,	
27	Arizona Revised Statutes, and to be administered by the office of the	
28	governor.	
29	Sec. 45. OFFICE OF THE GOVERNOR	
30		<u>2017-18</u>
31	Lump sum appropriation	\$ 6,849,900*
32	Fund sources:	
33	State general fund	\$ 6,849,900
34	Included in the lump sum appropriation of \$6,849,900 for fiscal year	
35	2017-2018 is \$10,000 for the purchase of mementos and items for visiting	
36	officials.	
37	Sec. 46. GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING	
38		<u>2017-18</u>
39	FTE positions	22.0
40	Lump sum appropriation	\$ 1,994,000*
41	Fund sources:	
42	State general fund	\$ 1,994,000

1	Sec. 47. DEPARTMENT OF HEALTH SERVICES	
2		<u>2017-18</u>
3	FTE positions	1,065.5
4	Operating lump sum appropriation	\$ 46,603,200
5	<u>Public health/family health</u>	
6	Adult cystic fibrosis care	105,200
7	AIDS reporting and surveillance	1,000,000
8	Alzheimer's disease research	2,125,000
9	Breast and cervical cancer and	
10	bone density screening	1,369,400
11	County tuberculosis provider care	
12	and control	590,700
13	Emergency medical services local	
14	allocation	442,000
15	Folic acid program	400,000
16	High-risk perinatal services	2,543,400
17	Newborn screening program	7,210,300
18	Nonrenal disease management	198,000
19	Nursing care special projects	100,000
20	Poison control centers funding	990,000
21	Renal dental care and nutrition	
22	supplements	300,000
23	Renal transplant drugs	183,000
24	State loan repayment program	1,000,000
25	<u>Arizona state hospital</u>	
26	Arizona state hospital -	
27	operating	60,805,600
28	Arizona state hospital -	
29	restoration to competency	900,000
30	Arizona state hospital -	
31	sexually violent persons	<u>9,639,100</u>
32	Total appropriation - department of	
33	health services	\$ 136,504,900
34	Fund sources:	
35	State general fund	\$ 86,734,700
36	Arizona state hospital fund	6,762,000
37	Arizona state hospital land fund	970,000
38	Capital outlay stabilization fund	1,559,900
39	Child fatality review fund	94,700
40	DHS indirect cost fund	9,546,100

1	Emergency medical services	
2	operating fund	5,707,900
3	Environmental laboratory licensure	
4	revolving fund	924,200
5	Federal child care and development	
6	fund block grant	872,300
7	Health services licensing fund	9,232,300
8	Newborn screening program fund	7,643,100
9	Nursing care institution resident	
10	protection revolving fund	138,200
11	Tobacco tax and health care fund -	
12	health research account	2,000,000
13	Tobacco tax and health care fund -	
14	medically needy account	700,000
15	Vital records electronic systems	
16	fund	3,619,500

17       Public health/family health

18       The department of health services may use up to four percent of the  
 19 amount appropriated for nonrenal disease management for the administrative  
 20 costs to implement the program.

21       Of the \$2,125,000 for Alzheimer's disease research, \$2,000,000 is  
 22 from the tobacco tax and health care fund - health research account  
 23 established by section 36-773, Arizona Revised Statutes.

24       Arizona state hospital

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

29       Departmentwide

30       The department of health services shall electronically forward to  
 31 the president of the senate, the speaker of the house of representatives,  
 32 the chairpersons of the senate and house of representatives appropriations  
 33 committees and the director of the joint legislative budget committee a  
 34 monthly report comparing total expenditures for the month and year-to-date  
 35 as compared to prior-year totals on or before the thirtieth of the  
 36 following month. The report shall include an estimate of potential  
 37 shortfalls in programs, potential federal and other monies, such as the  
 38 statewide assessment for indirect costs, that may be available to offset  
 39 these shortfalls, and a plan, if necessary, for eliminating any shortfall  
 40 without a supplemental appropriation.

1	Sec. 48. ARIZONA HISTORICAL SOCIETY		
2			<u>2017-18</u>
3	FTE positions		50.9
4	Operating lump sum appropriation	\$	2,114,100
5	Field services and grants		66,000
6	Papago park museum		<u>542,800</u>
7	Total appropriation - Arizona historical		
8	society	\$	2,722,900
9	Fund sources:		
10	State general fund	\$	2,722,900
11	Sec. 49. PRESCOTT HISTORICAL SOCIETY		
12			<u>2017-18</u>
13	FTE positions		13.0
14	Lump sum appropriation	\$	824,500
15	Fund sources:		
16	State general fund	\$	824,500
17	Sec. 50. BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS		
18			<u>2017-18</u>
19	FTE positions		1.0
20	Lump sum appropriation	\$	87,300
21	Fund sources:		
22	Board of homeopathic and		
23	integrated medicine		
24	examiners' fund	\$	87,300
25	Sec. 51. ARIZONA DEPARTMENT OF HOUSING		
26			<u>2017-18</u>
27	FTE positions		20.0
28	Lump sum appropriation	\$	1,129,900
29	Fund sources:		
30	State general fund	\$	811,400
31	Housing trust fund		318,500
32	Sec. 52. INDUSTRIAL COMMISSION OF ARIZONA		
33			<u>2017-18</u>
34	FTE positions		235.6
35	Lump sum appropriation	\$	19,881,300
36	Fund sources:		
37	Administrative fund	\$	19,881,300
38	Sec. 53. DEPARTMENT OF INSURANCE		
39			<u>2017-18</u>
40	FTE positions		72.3
41	Lump sum appropriation	\$	5,824,300
42	Fund sources:		
43	State general fund	\$	5,824,300

1	Sec. 54. ARIZONA JUDICIARY	
2		<u>2017-18</u>
3	<u>Supreme court</u>	
4	FTE positions	183.0
5	Operating lump sum appropriation	\$ 13,861,100
6	Automation	19,977,700
7	County reimbursements	187,900
8	Court appointed special advocate	3,262,900
9	Domestic relations	613,400
10	State foster care review board	3,178,500
11	Commission on judicial conduct	498,600
12	Judicial nominations and	
13	performance review	409,100
14	Model court	437,600
15	State aid	<u>5,648,500</u>
16	Total appropriation - supreme court	\$ 48,075,300
17	Fund sources:	
18	State general fund	\$ 18,716,500
19	Confidential intermediary and	
20	fiduciary fund	488,900
21	Court appointed special advocate	
22	fund	3,343,200
23	Criminal justice enhancement fund	4,365,200
24	Defensive driving school fund	4,198,500
25	Judicial collection enhancement	
26	fund	14,017,900
27	State aid to the courts fund	2,945,100

28 On or before September 1, 2017, the supreme court shall report to  
 29 the joint legislative budget committee on current and future automation  
 30 projects coordinated by the administrative office of the courts. The  
 31 report shall include a list of court automation projects receiving or  
 32 anticipated to receive state monies in the current or next two fiscal  
 33 years as well as a description of each project, the number of FTE  
 34 positions, the entities involved and the goals and anticipated results for  
 35 each automation project. The report shall be submitted in one summary  
 36 document. The report shall indicate each project's total multiyear cost  
 37 by fund source and budget line item, including any prior-year,  
 38 current-year and future-year expenditures.

39 Automation expenses of the judiciary shall be funded only from the  
 40 automation line item. Monies in the operating lump sum appropriation or  
 41 other line items intended for automation purposes shall be transferred to  
 42 the automation line item before expenditure.

1 Included in the operating lump sum appropriation for the supreme  
 2 court is \$1,000 for the purchase of mementos and items for visiting  
 3 officials.

4 Of the \$187,900 appropriated for county reimbursements, state grand  
 5 jury is limited to \$97,900 and capital postconviction relief is limited to  
 6 \$90,000.

7 Court of appeals

8	FTE positions	136.8
9	Division one	\$ 10,155,900
10	Division two	<u>\$ 4,422,200</u>
11	Total appropriation - court of appeals	\$ 14,578,100

12 Fund sources:  
 13 State general fund \$ 14,578,100

14 Of the 136.8 FTE positions for fiscal year 2017-2018, 98.3 FTE  
 15 positions are for division one and 38.5 FTE positions are for  
 16 division two.

17 Superior court

18	FTE positions	137.5
19	Operating lump sum appropriation	\$ 4,212,400
20	Judges' compensation	8,399,500
21	Centralized service payments	3,458,000
22	Adult standard probation	17,666,600
23	Adult intensive probation	10,565,100
24	Community punishment	2,310,300
25	Court-ordered removals	75,000
26	Interstate compact	427,500
27	Drug court	993,600
28	Juvenile standard probation	3,610,400
29	Juvenile intensive probation	5,352,000
30	Juvenile treatment services	19,960,900
31	Juvenile family counseling	500,000
32	Juvenile crime reduction	3,308,000
33	Juvenile diversion consequences	8,157,800
34	Special water master	<u>190,700</u>
35	Total appropriation - superior court	\$ 89,187,800

36 Fund sources:  
 37 State general fund \$ 77,234,500  
 38 Criminal justice enhancement fund 5,435,200  
 39 Drug treatment and education fund 502,900  
 40 Judicial collection enhancement  
 41 fund 6,015,200

1           Operating budget

2           All expenditures made by the administrative office of the courts for  
3 the administration of superior court line items shall be funded only from  
4 the superior court operating budget. Monies in superior court line items  
5 intended for this purpose shall be transferred to the superior court  
6 operating budget before expenditure.

7           Judges

8           Of the 137.5 FTE positions, 82 FTE positions represent superior  
9 court judges in counties with a population of less than two million  
10 persons. One-half of those judges' salaries are provided by state general  
11 fund appropriations pursuant to section 12-128, Arizona Revised Statutes.  
12 This FTE position clarification does not limit the counties' ability to  
13 add judges pursuant to section 12-121, Arizona Revised Statutes.

14           All monies in the judges' compensation line item shall be used to  
15 pay for the fifty percent state share of superior court judges' salaries,  
16 elected officials' retirement plan costs and related state benefit costs  
17 for judges in counties with a population of less than two million persons.  
18 Monies in the operating lump sum appropriation or other line items  
19 intended for this purpose shall be transferred to the judges' compensation  
20 line item before expenditure.

21           Probation

22           Monies appropriated to juvenile treatment services and juvenile  
23 diversion consequences shall be deposited in the juvenile probation  
24 services fund established by section 8-322, Arizona Revised Statutes.

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

29           On or before November 1, 2017, the administrative office of the  
30 courts shall report to the joint legislative budget committee the fiscal  
31 year 2016-2017 actual, fiscal year 2017-2018 estimated and fiscal year  
32 2018-2019 requested amounts for each of the following:

33           1. On a county-by-county basis, the number of authorized and filled  
34 case carrying probation positions and non-case carrying probation  
35 positions, distinguishing between adult standard, adult intensive,  
36 juvenile standard and juvenile intensive. The report shall indicate the  
37 level of state probation funding, other state funding, county funding and  
38 probation surcharge funding, for those positions.

39           2. Total receipts and expenditures by county and fund source for  
40 the adult standard, adult intensive, juvenile standard and juvenile  
41 intensive probation line items, including the amount of personal services  
42 spent from each revenue source of each account.

1           3. The amount of monies from the adult standard, adult intensive,  
2 juvenile standard and juvenile intensive probation line items that the  
3 office does not distribute as direct aid to counties. The report shall  
4 delineate how the office spends these monies that are not distributed as  
5 direct aid to counties.

6           All centralized service payments made by the administrative office  
7 of the courts on behalf of counties shall be funded only from the  
8 centralized service payments line item. Centralized service payments  
9 include only training, motor vehicle payments, CORP review board funding,  
10 LEARN funding, research, operational reviews and GPS vendor payments.  
11 This footnote does not apply to treatment or counseling services payments  
12 made from the juvenile treatment services and juvenile diversion  
13 consequences line items. Monies in the operating lump sum appropriation  
14 or other line items intended for centralized service payments shall be  
15 transferred to the centralized service payments line item before  
16 expenditure.

17           All monies in the adult standard probation, adult intensive  
18 probation, interstate compact, juvenile standard probation and juvenile  
19 intensive probation line items shall be used only as pass-through monies  
20 to county probation departments. Monies in the operating lump sum  
21 appropriation or other line items intended as pass-through for the purpose  
22 of administering a county probation program shall be transferred to the  
23 appropriate probation line item before expenditure.

24           On or before February 1, 2018, the administrative office of the  
25 courts shall report to the joint legislative budget committee on  
26 county-approved salary adjustments provided to probation officers since  
27 the last report on September 30, 2016. The report shall include, for each  
28 county, the:

- 29           1. Approved percentage salary increase by year.
- 30           2. Net increase in the amount allocated to each probation
- 31 department by the administrative office of the courts for each applicable
- 32 year.
- 33           3. Average number of probation officers by applicable year.
- 34           4. Average salary of probation officers for each applicable year.

35           Sec. 55. DEPARTMENT OF JUVENILE CORRECTIONS

36		<u>2017-18</u>
37	FTE positions	738.5
38	Lump sum appropriation	\$ 35,571,400
39	Fund sources:	
40	State general fund	\$ 19,180,400
41	Department of juvenile corrections	
42	local cost sharing fund	11,260,000

1 State charitable, penal and  
 2 reformatory institutions  
 3 land fund 3,011,300  
 4 Criminal justice enhancement fund 531,300  
 5 State education fund for committed  
 6 youth 1,588,200  
 7 Twenty-five percent of land earnings and interest from the state  
 8 charitable, penal and reformatory institutions land fund shall be  
 9 distributed to the department of juvenile corrections, in compliance with  
 10 section 25 of the enabling act and the Constitution of Arizona, to be used  
 11 for the support of state juvenile institutions and reformatories.

12 Sec. 56. STATE LAND DEPARTMENT

	<u>2017-18</u>
13 FTE positions	129.7
14 Operating lump sum appropriation	\$ 15,148,600
15 Natural resource conservation	
16 districts	650,000
17 CAP user fees	994,400
18 Due diligence fund	500,000
19 Professional service contracts	250,000
20 Reassessment of federal permits	750,000
21 Right-of-way digitization	450,000
22 Streambed navigability litigation	220,000
23 Survey assets	500,000
24 Workflow digitization	<u>500,000</u>
25 Total appropriation - state land department	\$ 19,963,000
26 Fund sources:	
27 State general fund	\$ 12,715,900
28 Environmental special plate fund	260,600
29 Due diligence fund	500,000
30 Trust land management fund	6,486,500

31 The appropriation includes \$994,400 for central Arizona project user  
 32 fees in fiscal year 2017-2018. For fiscal year 2017-2018, from  
 33 municipalities that assume their allocation of central Arizona project  
 34 water for every dollar received as reimbursement to the state for past  
 35 central Arizona water conservation district payments, one dollar reverts  
 36 to the state general fund in the year that the reimbursement is collected.

37 Of the amount appropriated for natural resource conservation  
 38 districts in fiscal year 2017-2018, \$30,000 shall be used to provide  
 39 grants to natural resource conservation district environmental education  
 40 centers.  
 41

1 Sec. 57. LEGISLATURE

2 2017-18

3 Senate

4 Lump sum appropriation \$ 9,408,500\*

5 Fund sources:

6 State general fund \$ 9,408,500

7 Included in the lump sum appropriation of \$9,408,500 for fiscal year  
8 2017-2018 is \$1,000 for the purchase of mementos and items for visiting  
9 officials.

10 House of representatives

11 Lump sum appropriation \$ 13,201,500\*

12 Fund sources:

13 State general fund \$ 13,201,500

14 Included in the lump sum appropriation of \$13,201,500 for fiscal  
15 year 2017-2018 is \$1,000 for the purchase of mementos and items for  
16 visiting officials.

17 Legislative council

18 FTE positions 49.0

19 Operating lump sum appropriation \$ 7,392,500

20 Ombudsman-citizens aide office 822,900

21 Total appropriation - legislative

22 council \$ 8,215,400\*

23 Fund sources:

24 State general fund \$ 8,215,400

25 Dues for the council of state governments may be expended only on an  
26 affirmative vote of the legislative council.

27 It is the intent of the legislature that the ombudsman-citizens aide  
28 prioritize the investigation and processing of complaints relating to the  
29 department of child safety.

30 Joint legislative budget committee

31 FTE positions 29.0

32 Lump sum appropriation \$ 2,488,300\*

33 Fund sources:

34 State general fund \$ 2,488,300

35 Auditor general

36 FTE positions 188.8

37 Lump sum appropriation \$ 18,439,000\*

38 Fund sources:

39 State general fund \$ 18,439,000

40 Included in the lump sum appropriation is funding to pay state rent  
41 at the statewide rate.

42 The sum of \$680,000 and 6 FTE positions are appropriated from the  
43 state general fund in fiscal year 2018-2019 to the auditor general for  
44 operating expenditures.

1	Sec. 58. DEPARTMENT OF LIQUOR LICENSES AND CONTROL	
2		<u>2017-18</u>
3	FTE positions	45.2
4	Lump sum appropriation	\$ 3,007,400
5	Fund sources:	
6	Liquor licenses fund	\$ 3,007,400
7	Sec. 59. ARIZONA STATE LOTTERY COMMISSION	
8		<u>2017-18</u>
9	FTE positions	98.8
10	Operating lump sum appropriation	\$ 8,353,700
11	Advertising	<u>15,500,000</u>
12	Total appropriation - Arizona state	
13	lottery commission	\$ 23,853,700
14	Fund source:	
15	State lottery fund	\$ 23,853,700
16	An amount equal to twenty percent of tab ticket sales is	
17	appropriated for payment of sales commissions to charitable organizations.	
18	This amount is currently estimated to be \$1,468,700 in fiscal year	
19	2017-2018.	
20	An amount equal to 3.05 percent of actual instant ticket sales is	
21	appropriated for the printing of instant tickets or for contractual	
22	obligations concerning instant ticket distribution. This amount is	
23	currently estimated to be \$19,894,400 in fiscal year 2017-2018.	
24	An amount equal to a percentage of actual online game sales as	
25	determined by contract is appropriated for payment of online vendor fees.	
26	This amount is currently estimated to be \$10,019,000, or 4.256 percent of	
27	actual online ticket sales, in fiscal year 2017-2018.	
28	An amount equal to 6.5 percent of gross lottery game sales, minus	
29	tab tickets, is appropriated for payment of sales commissions to ticket	
30	retailers. An additional amount not to exceed 0.5 percent of gross	
31	lottery game sales is appropriated for payment of sales commissions to	
32	ticket retailers. The combined amount is currently estimated to be 6.7	
33	percent of total ticket sales, or \$59,080,300, in fiscal year 2017-2018.	
34	Sec. 60. BOARD OF MASSAGE THERAPY	
35		<u>2017-18</u>
36	FTE positions	5.0
37	Lump sum appropriation	\$ 461,100
38	Fund sources:	
39	Board of massage therapy fund	\$ 461,100
40	Sec. 61. ARIZONA MEDICAL BOARD	
41		<u>2017-18</u>
42	FTE positions	61.5
43	Lump sum appropriation	\$ 6,784,000
44	Fund sources:	
45	Arizona medical board fund	\$ 6,784,000

1           The Arizona medical board may use up to seven percent of the Arizona  
 2 medical board fund balance remaining at the end of each fiscal year for a  
 3 performance based incentive program the following fiscal year based on the  
 4 program established pursuant to section 38-618, Arizona Revised Statutes.  
 5 Sec. 62. STATE MINE INSPECTOR

6			<u>2017-18</u>
7	FTE positions		14.0
8	Operating lump sum appropriation	\$	1,017,800
9	Abandoned mines		194,700
10	Aggregate mining land reclamation		<u>112,900</u>
11	Total appropriation - state mine inspector	\$	1,325,400

12	Fund sources:		
13	State general fund	\$	1,212,500
14	Aggregate mining reclamation fund		112,900

15           All aggregate mining reclamation fund monies received by the state  
 16 mine inspector in excess of \$112,900 in fiscal year 2017-2018 are  
 17 appropriated to the aggregate mining land reclamation line item. Before  
 18 the expenditure of any aggregate mining reclamation fund monies in excess  
 19 of \$112,900 in fiscal year 2017-2018, the state mine inspector shall  
 20 report the intended use of the monies to the joint legislative budget  
 21 committee.

22	Sec. 63. NATUROPATHIC PHYSICIANS MEDICAL BOARD		<u>2017-18</u>
23	FTE positions		2.0
24	Lump sum appropriation	\$	180,200
25	Fund sources:		
26	Naturopathic physicians medical		
27	board fund	\$	180,200

29	Sec. 64. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION		<u>2017-18</u>
30	FTE positions		2.0
31	Lump sum appropriation	\$	324,000

33	Fund sources:		
34	State general fund	\$	124,000
35	Arizona water banking fund		200,000

36	Sec. 65. ARIZONA STATE BOARD OF NURSING		<u>2017-18</u>
37	FTE positions		42.2
38	Operating lump sum appropriation	\$	4,268,100
39	Certified nursing assistant		
40	credentialing program		<u>536,700</u>

42	Total appropriation - Arizona state	\$	4,804,800
43	board of nursing		

44	Fund sources:		
45	Board of nursing fund	\$	4,804,800

1	Sec. 66. BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS		
2	AND ASSISTED LIVING FACILITY MANAGERS		
3			<u>2017-18</u>
4	FTE positions		6.0
5	Lump sum appropriation	\$	421,400
6	Fund sources:		
7	Nursing care institution		
8	administrators' licensing and		
9	assisted living facility		
10	managers' certification fund	\$	421,400
11	Sec. 67. BOARD OF OCCUPATIONAL THERAPY EXAMINERS		<u>2017-18</u>
12			
13	FTE positions		1.5
14	Lump sum appropriation	\$	180,700
15	Fund sources:		
16	Occupational therapy fund	\$	180,700
17	Sec. 68. STATE BOARD OF DISPENSING OPTICIANS		<u>2017-18</u>
18			
19	FTE positions		1.0
20	Lump sum appropriation	\$	140,000
21	Fund sources:		
22	Board of dispensing opticians fund	\$	140,000
23	Sec. 69. STATE BOARD OF OPTOMETRY		<u>2017-18</u>
24			
25	FTE positions		2.0
26	Lump sum appropriation	\$	220,100
27	Fund sources:		
28	Board of optometry fund	\$	220,100
29	Sec. 70. ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY		<u>2017-18</u>
30			
31	FTE positions		7.2
32	Lump sum appropriation	\$	905,500
33	Fund sources:		
34	Arizona board of osteopathic		
35	examiners in medicine		
36	and surgery fund	\$	905,500
37	Sec. 71. ARIZONA STATE PARKS BOARD		<u>2017-18</u>
38			
39	FTE positions		163.0
40	Operating lump sum appropriation	\$	12,027,800
41	Kartchner caverns state park		<u>2,226,300</u>
42	Total appropriation - Arizona state parks		
43	board	\$	14,254,100
44	Fund sources:		
45	State parks revenue fund	\$	14,254,100

1 All other operating expenditures include \$26,000 from the state  
 2 parks revenue fund for Fool Hollow state park revenue sharing. If  
 3 receipts to Fool Hollow exceed \$260,000 in fiscal year 2017-2018, an  
 4 additional ten percent of this increase of Fool Hollow receipts is  
 5 appropriated from the state parks revenue fund established by section  
 6 41-511.21, Arizona Revised Statutes, to meet the revenue sharing agreement  
 7 with the city of Show Low and the United States forest service.

## 8 Sec. 72. STATE PERSONNEL BOARD

9			<u>2017-18</u>
10	FTE positions		3.0
11	Lump sum appropriation	\$	375,300
12	Fund sources:		
13	Personnel division fund -		
14	personnel board subaccount	\$	375,300

## 15 Sec. 73. ARIZONA STATE BOARD OF PHARMACY

16			<u>2017-18</u>
17	FTE positions		19.0
18	Operating lump sum appropriation	\$	2,113,200
19	Annual leave payout		24,500
20	Prescriber report card		<u>125,000</u>
21	Total appropriation - Arizona state		
22	board of pharmacy	\$	2,262,700
23	Fund sources:		
24	Arizona state board of pharmacy		
25	fund	\$	2,262,700

## 26 Sec. 74. BOARD OF PHYSICAL THERAPY

27			<u>2017-18</u>
28	FTE positions		4.0
29	Lump sum appropriation	\$	441,200
30	Fund sources:		
31	Board of physical therapy fund	\$	441,200

## 32 Sec. 75. ARIZONA PIONEERS' HOME

33			<u>2017-18</u>
34	FTE positions		106.3
35	Operating lump sum appropriation	\$	6,292,600
36	Prescription drugs		<u>200,000</u>
37	Total appropriation - Arizona pioneers' home	\$	6,492,600
38	Fund sources:		
39	Miners' hospital for miners with		
40	disabilities land fund	\$	2,028,900
41	State charitable fund		4,463,700

42 Earnings on state lands and interest on the investment of the  
 43 permanent land funds are appropriated for the Arizona pioneers' home and  
 44 the state hospital for miners with disabilities in compliance with the  
 45 enabling act and the Constitution of Arizona.

1	Sec. 76. STATE BOARD OF PODIATRY EXAMINERS		
2			<u>2017-18</u>
3	FTE positions		1.0
4	Lump sum appropriation	\$	148,400
5	Fund sources:		
6	Podiatry fund	\$	148,400
7	Sec. 77. COMMISSION FOR POSTSECONDARY EDUCATION		
8			<u>2017-18</u>
9	FTE positions		5.0
10	Operating lump sum appropriation	\$	183,600
11	Leveraging educational assistance		
12	partnership (LEAP)		2,319,500
13	Arizona college and career guide		21,300
14	Math and science teacher		
15	initiative		426,000
16	Arizona minority educational		
17	policy analysis center		100,000
18	Twelve plus partnership		<u>130,500</u>
19	Total appropriation - commission for		
20	postsecondary education	\$	3,180,900
21	Fund sources:		
22	State general fund	\$	1,646,800
23	Postsecondary education fund		1,534,100

24 In order to be eligible to receive state matching monies under the  
 25 leveraging educational assistance partnership for grants to students, each  
 26 participating institution, public or private, shall provide an amount of  
 27 institutional matching monies that equals the amount of monies provided by  
 28 the state to the institution for the leveraging educational assistance  
 29 partnership. Administrative expenses incurred by the commission for  
 30 postsecondary education shall be paid from institutional matching monies  
 31 and may not exceed twelve percent of the monies in fiscal year 2017-2018.

32 Any unencumbered balance remaining in the postsecondary education  
 33 fund established by section 15-1853, Arizona Revised Statutes, on June 30,  
 34 2017, and all grant monies and other revenues received by the commission  
 35 for postsecondary education, when paid into the state treasury, are  
 36 appropriated for the specific purposes designated by line items and for  
 37 additional responsibilities prescribed in sections 15-1851 and 15-1852,  
 38 Arizona Revised Statutes.

39 The appropriations for the Arizona college and career guide, Arizona  
 40 minority educational policy analysis center and twelve plus partnership  
 41 are estimates representing all monies distributed to these programs,  
 42 including balance forward, revenue and transfers, during fiscal year  
 43 2017-2018. The appropriations shall be adjusted as necessary to reflect  
 44 actual final monies credited to the postsecondary education fund.

1	Sec. 78. STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION		
2			<u>2017-18</u>
3	FTE positions		4.0
4	Operating lump sum appropriation	\$	396,100
5	Annual leave payout		<u>20,800</u>
6	Total appropriation - state board for		
7	private postsecondary education	\$	416,900
8	Fund sources:		
9	Board for private postsecondary		
10	education fund	\$	416,900
11	Sec. 79. STATE BOARD OF PSYCHOLOGIST EXAMINERS		
12			<u>2017-18</u>
13	FTE positions		4.0
14	Lump sum appropriation	\$	475,400
15	Fund sources:		
16	Board of psychologist examiners		
17	fund	\$	475,400
18	Sec. 80. DEPARTMENT OF PUBLIC SAFETY		
19			<u>2017-18</u>
20	FTE positions		1,945.7
21	Operating lump sum appropriation	\$236,766,300	
22	ACTIC		1,450,000
23	Border strike task force ongoing		7,003,200
24	Border strike task force		
25	local support		1,261,700
26	Camera IT infrastructure		500,000
27	Trooper vehicle in-car cameras		500,000
28	Civil air patrol		150,000
29	GIITEM		22,069,500
30	GIITEM subaccount		2,390,000
31	Motor vehicle fuel		5,454,600
32	Public safety equipment		2,890,000
33	Sexual assault kit testing		<u>1,200,000</u>
34	Total appropriation - department of public		
35	safety		\$281,635,300
36	Fund sources:		
37	State general fund		\$108,654,600
38	Arizona highway user revenue fund		99,398,700
39	State highway fund		7,580,900
40	Arizona highway patrol fund		24,992,800
41	State aid to indigent defense fund		700,000
42	Criminal justice enhancement fund		2,873,400

1	Safety enforcement and transportation	
2	infrastructure fund - department	
3	of public safety subaccount	1,617,800
4	Crime laboratory assessment fund	870,300
5	Crime laboratory operations fund	13,611,300
6	Arizona deoxyribonucleic acid	
7	identification system fund	4,970,100
8	Arizona automated fingerprint	
9	identification system fund	2,917,600
10	Gang and immigration intelligence	
11	team enforcement mission border	
12	security and law enforcement	
13	subaccount	2,527,700
14	Motorcycle safety fund	205,000
15	Risk management revolving fund	1,314,200
16	Parity compensation fund	3,397,400
17	Public safety equipment fund	3,893,700
18	Concealed weapons permit fund	1,409,800
19	Fingerprint clearance card fund	700,000

20       Of the \$22,069,500 appropriated to the GIITEM line item, \$10,356,900  
 21 shall be used for one hundred department of public safety GIITEM  
 22 personnel. The additional staff shall include at least fifty sworn  
 23 department of public safety positions to be used for immigration  
 24 enforcement and border security and fifty department of public safety  
 25 positions to assist GIITEM in various efforts, including:

- 26       1. Strict enforcement of all federal laws relating to illegal  
 27 aliens and arresting illegal aliens.
- 28       2. Responding to or assisting any county sheriff or attorney in  
 29 investigating complaints of employment of illegal aliens.
- 30       3. Enforcing Arizona's law known as the Legal Arizona Workers Act,  
 31 strict enforcement of Arizona's SB 1070, Arizona's "Support Our Law  
 32 Enforcement and Safe Neighborhoods Act," investigating crimes of identity  
 33 theft in the context of hiring illegal aliens and the unlawful entry into  
 34 the country.
- 35       4. Taking strict enforcement action.

36       Any change in the GIITEM mission or allocation of monies shall be  
 37 approved by the joint legislative budget committee. The department shall  
 38 submit an expenditure plan to the joint legislative budget committee for  
 39 review before expending any monies not identified in the department's  
 40 previous expenditure plans.

41       Of the \$22,069,500 appropriated to the GIITEM line item, only  
 42 \$1,403,400 is deposited in the GIITEM fund established by section 41-1724,  
 43 Arizona Revised Statutes, and is appropriated for the purposes of that  
 44 section. The \$1,403,400 is exempt from the provisions of section 35-190,  
 45 Arizona Revised Statutes, relating to the lapsing of appropriations. It

1 is the intent of the legislature that this allocation will be restored to  
 2 the fiscal year 2016-2017 level of \$2,603,400 in fiscal year 2018-2019.  
 3 This state recognizes that states have inherent authority to arrest a  
 4 person for any immigration violation.

5 Any monies remaining in the department of public safety joint  
 6 account on June 30, 2018 revert to the funds from which they were  
 7 appropriated. The reverted monies shall be returned in direct proportion  
 8 to the amounts appropriated.

9 Before the expenditure of any monies appropriated in fiscal year  
 10 2017-2018 in the border strike task force local support line item, the  
 11 department shall submit an expenditure plan for this line item to the  
 12 joint legislative budget committee for review.

13 Of the \$1,261,700 appropriated for the border strike task force  
 14 local support line item, \$761,700 shall be used to fund local law  
 15 enforcement officer positions within the border strike task force. Any  
 16 city, town, county or other entity that enters into an agreement with the  
 17 department to participate in the border strike task force shall provide at  
 18 least twenty-five percent of the cost of the services, and the department  
 19 shall provide not more than seventy-five percent of personal services and  
 20 employee-related expenditures for each agreement or contract. The  
 21 department may fund all capital-related equipment.

22 Of the \$1,261,700 appropriated for the border strike task force  
 23 local support line item, \$500,000 shall be used for grants to cities,  
 24 towns or counties for costs associated with the prosecution and  
 25 imprisonment of individuals charged with drug trafficking, human  
 26 smuggling, illegal immigration and other border-related crimes.

27 The \$1,200,000 appropriated for sexual assault kit testing in fiscal  
 28 year 2017-2018 is exempt from the provisions of section 35-190, Arizona  
 29 Revised Statutes, relating to lapsing of appropriations through June  
 30 30, 2019.

31 Sec. 81. RADIATION REGULATORY AGENCY

32		<u>2017-18</u>
33	FTE positions	29.0
34	Lump sum appropriation	\$ 1,621,500
35	Fund sources:	
36	State general fund	\$ 773,400
37	State radiologic technologist	
38	certification fund	271,600
39	Radiation regulatory fee fund	576,500

40 Sec. 82. STATE REAL ESTATE DEPARTMENT

41		<u>2017-18</u>
42	FTE positions	37.0
43	Lump sum appropriation	\$ 2,994,900
44	Fund sources:	
45	State general fund	\$ 2,994,900

1	Sec. 83. RESIDENTIAL UTILITY CONSUMER OFFICE	
2		<u>2017-18</u>
3	FTE positions	11.0
4	Operating lump sum appropriation	\$ 1,186,400
5	Professional witnesses	<u>145,000*</u>
6	Total appropriation - residential utility	
7	consumer office	\$ 1,331,400
8	Fund sources:	
9	Residential utility consumer	
10	office revolving fund	\$ 1,331,400
11	Sec. 84. BOARD OF RESPIRATORY CARE EXAMINERS	
12		<u>2017-18</u>
13	FTE positions	4.0
14	Operating lump sum appropriation	\$ 300,300
15	Temporary caseload increase	<u>19,500</u>
16	Total appropriation - board of respiratory	
17	care examiners	\$ 319,800
18	Fund sources:	
19	Board of respiratory care	
20	examiners fund	\$ 319,800
21	Sec. 85. ARIZONA STATE RETIREMENT SYSTEM	
22		<u>2017-18</u>
23	FTE positions	250.9
24	Lump sum appropriation	\$ 24,884,200
25	Fund sources:	
26	Arizona state retirement system	
27	administration account	\$ 22,384,200
28	Long-term disability trust fund	
29	administration account	2,500,000
30	Sec. 86. DEPARTMENT OF REVENUE	
31		<u>2017-18</u>
32	FTE positions	880.8
33	Operating lump sum appropriation	\$ 63,446,800
34	BRITS operational support	7,497,500
35	Unclaimed property administration	
36	and audit	1,218,500
37	TPT simplification	970,400
38	Income tax fraud prevention	<u>3,150,000</u>
39	Total appropriation - department of revenue	\$ 76,283,200
40	Fund sources:	
41	State general fund	\$ 29,998,300
42	Department of revenue	
43	administrative fund	45,158,700

1	Department of revenue empowerment	
2	scholarship account fund	50,000
3	Liability setoff program	
4	revolving fund	397,900
5	Tobacco tax and health care fund	678,300

6 If the total value of properties retained by unclaimed property  
7 contract auditors exceeds \$1,218,500, the excess amount is transferred  
8 from the state general fund to the department of revenue administrative  
9 fund established by section 42-1116.01, Arizona Revised Statutes, and  
10 appropriated to the department for contract auditor fees.

11 The department shall report the department's general fund revenue  
12 enforcement goals for fiscal year 2017-2018 to the joint legislative  
13 budget committee on or before September 30, 2017. The department shall  
14 provide an annual progress report to the joint legislative budget  
15 committee as to the effectiveness of the department's overall enforcement  
16 and collections program for fiscal year 2017-2018 on or before September  
17 30, 2018. The reports shall include a comparison of projected and actual  
18 general fund revenue enforcement collections for fiscal year 2017-2018,  
19 including the amount of projected and actual enforcement collections for  
20 all tax types.

21 The department may not transfer any monies to or from the income tax  
22 fraud prevention line item without prior review by the joint legislative  
23 budget committee.

24 On or before November 1, 2017, the department shall report the  
25 results of private fraud prevention investigation services during fiscal  
26 year 2016-2017 to the joint legislative budget committee. The report  
27 shall include the total number of fraudulent returns prevented and the  
28 total dollar amount of fraudulent returns prevented during fiscal year  
29 2016-2017.

30 Sec. 87. SCHOOL FACILITIES BOARD

31		<u>2017-18</u>
32	FTE positions	17.0
33	Operating lump sum appropriation	\$ 1,666,700
34	New school facilities debt service	169,761,700
35	Building renewal grants	16,667,900
36	New school facilities	<u>63,929,800</u>
37	Total appropriation - school facilities	
38	board	\$252,026,100
39	Fund sources:	
40	State general fund	\$252,026,100

41 Pursuant to section 35-142.01, Arizona Revised Statutes, any  
42 reimbursement received by or allocated to the school facilities board  
43 under the federal qualified school construction bond program in fiscal  
44 year 2017-2018 shall be deposited in or revert to the state general fund.

1 At least thirty days before any monies are transferred out of the  
 2 new school facilities debt service line item, the school facilities board  
 3 shall report the proposed transfer to the director of the joint  
 4 legislative budget committee.

5 Pursuant to section 15-2041, Arizona Revised Statutes, the amount  
 6 appropriated for new school facilities shall be used only for facilities  
 7 and land costs that are for school districts that received final approval  
 8 from the school facilities board between March 2, 2016 and March 1, 2017.  
 9 Sec. 88. DEPARTMENT OF STATE - SECRETARY OF STATE

	<u>2017-18</u>
10 FTE positions	141.1
11 Operating lump sum appropriation	\$ 12,076,700
12 Help America vote act	2,941,100
13 Library grants-in-aid	651,400*
14 Statewide radio reading service	
15 for the blind	<u>97,000</u>
16	
17 Total appropriation - department of	
18 state - secretary of state	\$ 15,766,200
19 Fund sources:	
20 State general fund	\$ 12,084,700
21 Election systems improvement fund	2,941,100
22 Records services fund	740,400

23 The secretary of state shall report to the joint legislative budget  
 24 committee and the governor's office of strategic planning and budgeting on  
 25 or before December 31, 2017 the actual amount and purpose of expenditures  
 26 from the election systems improvement fund established by section 41-129,  
 27 Arizona Revised Statutes, in fiscal year 2016-2017 and the expected amount  
 28 and purpose of expenditures from the fund for fiscal year 2017-2018.

29 The fiscal year 2017-2018 appropriation from the election systems  
 30 improvement fund for the help America vote act is available for use  
 31 pursuant to section 35-143.01, subsection C, Arizona Revised Statutes, and  
 32 is exempt from the provisions of section 35-190, Arizona Revised Statutes,  
 33 relating to lapsing of appropriations, until June 30, 2019.

34 In expending the monies appropriated in this section for the  
 35 statewide voter registration system, the secretary of state shall  
 36 prescribe the manner in which counties must submit data as required by  
 37 section 16-168, Arizona Revised Statutes.

38 Included in the operating lump sum appropriation of \$12,076,700 for  
 39 fiscal year 2017-2018 is \$5,000 for the purchase of mementos and items for  
 40 visiting officials.

1	Sec. 89. STATE BOARD OF TAX APPEALS	
2		<u>2017-18</u>
3	FTE positions	4.0
4	Lump sum appropriation	\$ 266,600
5	Fund sources:	
6	State general fund	\$ 266,600
7	Sec. 90. STATE BOARD OF TECHNICAL REGISTRATION	
8		<u>2017-18</u>
9	FTE positions	25.0
10	Lump sum appropriation	\$ 2,204,400
11	Fund sources:	
12	Technical registration fund	\$ 2,204,400
13	Sec. 91. OFFICE OF TOURISM	
14		<u>2017-18</u>
15	FTE positions	28.0
16	Tourism fund deposit	\$ 7,112,000
17	Fund sources:	
18	State general fund	\$ 7,112,000
19	Sec. 92. DEPARTMENT OF TRANSPORTATION	
20		<u>2017-18</u>
21	FTE positions	4,552.0
22	Operating lump sum appropriation	\$205,454,100
23	Attorney general legal services	3,577,700
24	Highway maintenance	146,021,700
25	Vehicles and heavy equipment	18,474,600
26	Fraud investigation	767,000
27	New third-party funding	629,600
28	Statewide drainage structures	4,300,000
29	Phoenix area freeway lighting	1,500,000
30	Driver safety and livestock control	2,400,000
31	Grand Canyon airport projects	466,000
32	Flagstaff building equipment	<u>2,530,000</u>
33	Total appropriation - department of	
34	transportation	\$386,120,700
35	Fund sources:	
36	State general fund	\$ 50,400
37	Air quality fund	161,700
38	Driving under the influence	
39	abatement fund	152,200
40	Arizona highway user revenue fund	649,700
41	Highway damage recovery account	3,000,000

1	Motor vehicle liability	
2	insurance enforcement fund	1,308,700
3	Safety enforcement and	
4	transportation infrastructure	
5	fund - department of	
6	transportation subaccount	1,868,300
7	State aviation fund	2,081,800
8	State highway fund	356,923,100
9	Transportation department	
10	equipment fund	18,474,600
11	Vehicle inspection and certificate	
12	of title enforcement fund	1,450,200

13     Motor vehicle division

14     It is the intent of the legislature that the department not include  
15 any administrative overhead expenditures in duplicate driver license fees  
16 charged to the public.

17     The department of transportation shall submit an annual report to  
18 the joint legislative budget committee on progress in improving motor  
19 vehicle division wait times and vehicle registration renewal by mail  
20 turnaround times in a format similar to prior years. The report is due on  
21 or before July 31, 2018 for fiscal year 2017-2018.

22     The department of transportation shall contract with an independent  
23 third-party consultant for the duration of the motor vehicle division  
24 legacy system replacement project. On or before February 1, 2018, the  
25 independent third-party consultant shall submit an annual progress report  
26 for review by the joint legislative budget committee. The annual report  
27 shall evaluate and assess the project's success in meeting and  
28 incorporating the tenets of the project investment justification,  
29 including the goals and objectives, technology approach, deliverables and  
30 outcomes, project scope and timeline. The report shall also address any  
31 potential project deficiencies as well as the incorporation of the auditor  
32 general's April 2015 recommendations.

33     On or before July 31, 2017, the department shall report to the  
34 director of the joint legislative budget committee on the cost to link  
35 local governments, state agencies and other users with the new motor  
36 vehicle division automated system.

37     On or before August 1, 2017, the department shall report to the  
38 director of the joint legislative budget committee on the state's share of  
39 fees retained by the service Arizona vendor in the prior fiscal year. The  
40 report shall also include the amount spent by the service Arizona vendor  
41 on behalf of this state in the prior fiscal year, as well as a list of the  
42 projects funded with those monies.

1           Other

2           Of the total amount appropriated, \$146,021,700 in fiscal year  
 3 2017-2018 for highway maintenance is exempt from the provisions of section  
 4 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
 5 except that all unexpended and unencumbered monies of the appropriation  
 6 revert to their fund of origin, either the state highway fund established  
 7 by section 28-6991, Arizona Revised Statutes, or the safety enforcement  
 8 and transportation infrastructure fund - department of transportation  
 9 subaccount established by section 28-6547, Arizona Revised Statutes, on  
 10 August 31, 2018.

11           Of the total amount appropriated, the department of transportation  
 12 shall pay \$15,981,300 in fiscal year 2017-2018 from all funds to the  
 13 department of administration for its risk management payment.

14           All expenditures made by the department of transportation for  
 15 attorney general legal services shall be funded only from the attorney  
 16 general legal services line item. Monies in department of transportation  
 17 line items intended for this purpose shall be transferred to the attorney  
 18 general legal services line item before expenditure.

19           In accordance with section 35-142.01, Arizona Revised Statutes,  
 20 reimbursements for monies expended from the highway maintenance line item  
 21 may not be credited to the account out of which the expenditure was  
 22 incurred. The department shall deposit all reimbursements for monies  
 23 expended from the highway maintenance line item in the highway damage  
 24 recovery account established by section 28-6994, Arizona Revised Statutes.  
 25 Sec. 93. STATE TREASURER

26		<u>2017-18</u>
27	FTE positions	31.4
28	Operating lump sum appropriation	\$ 3,159,300
29	Justice of the peace salaries	1,205,100
30	Law enforcement/boating safety	
31	fund grants	<u>2,183,800</u>
32	Total appropriation - state treasurer	\$ 6,548,200
33	Fund sources:	
34	State general fund	\$ 1,205,100
35	Law enforcement and boating	
36	safety fund	2,183,800
37	State treasurer empowerment	
38	scholarship account fund	304,400
39	State treasurer's operating fund	2,559,300
40	State treasurer's management fund	295,600

1	Sec. 94. GOVERNOR'S OFFICE ON TRIBAL RELATIONS		
2		<u>2017-18</u>	
3	FTE positions	3.0	
4	Lump sum appropriation	\$ 57,500	
5	Fund sources:		
6	State general fund	\$ 57,500	
7	Sec. 95. ARIZONA BOARD OF REGENTS		
8		<u>2017-18</u>	
9	FTE positions	25.9	
10	Operating lump sum appropriation	\$ 2,352,500	
11	Arizona teachers incentive program	90,000	
12	Arizona transfer articulation		
13	support system	213,700	
14	Western interstate commission		
15	office	145,000	
16	WICHE student subsidies	<u>4,086,000</u>	
17	Total appropriation - Arizona board of		
18	regents	\$ 6,887,200	
19	Fund sources:		
20	State general fund	\$ 6,887,200	
21	Within ten days after the acceptance of the universities' semiannual		
22	all funds budget reports, the Arizona board of regents shall submit an		
23	expenditure plan for review to the joint legislative budget committee.		
24	The expenditure plan shall include any tuition revenue amounts that are		
25	greater than the appropriated amounts and all retained tuition and fee		
26	revenue expenditures for the current fiscal year. The additional revenue		
27	expenditure plan shall provide as much detail as the university budget		
28	requests. The plan shall include the total revenue and expenditure		
29	amounts from all tuition and student fee revenues, including base tuition,		
30	differential tuition, program fees, course fees, summer session fees, and		
31	other miscellaneous and mandatory student fee revenues that have		
32	previously been excluded from university reported tuition and fee		
33	revenues.		
34	When determining any statewide adjustments, the joint legislative		
35	budget committee staff shall use the overall allocation of state general		
36	fund and appropriated tuition monies for each university in determining		
37	that university's specific adjustment.		
38	Sec. 96. ARIZONA STATE UNIVERSITY - TEMPE AND DOWNTOWN PHOENIX CAMPUSES		
39		<u>2017-18</u>	
40	FTE positions	6,862.9	
41	Operating lump sum appropriation	\$680,466,100	
42	Biomedical informatics	3,509,900	

1	School of civic and economic	
2	thought and leadership	3,000,000
3	Arizona financial aid trust	5,985,800
4	Downtown Phoenix campus	<u>144,877,600</u>
5	Total appropriation - Arizona state	
6	university - Tempe and downtown	
7	Phoenix campuses	\$837,839,400
8	Fund sources:	
9	State general fund	\$244,713,200
10	University collections fund	593,126,200

11 The state general fund appropriation may not be used for alumni  
12 association funding or contracts with individuals or entities for lobbying  
13 services.

14 The increased state general fund appropriation from Laws 2014,  
15 chapter 18 may not be used for medical marijuana research.

16 Other than scholarships awarded through the Arizona financial aid  
17 trust, the appropriated monies may not be used for scholarships or any  
18 student newspaper.

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

23 The appropriated amount for the school of civic and economic thought  
24 and leadership line item shall be used to operate a single stand-alone  
25 academic entity within Arizona state university. The appropriated amount  
26 may not supplant any existing state funding or private or external  
27 donations to the existing centers or to the school. The appropriated  
28 monies and all private and external donations to the school shall be used  
29 only for the direct operation of the school and may not be used for  
30 indirect costs of the university. The school shall submit a report to the  
31 president of the senate, the speaker of the house of representatives, the  
32 chairpersons of the senate education committee and the house of  
33 representatives education committee and the director of the joint  
34 legislative budget committee on or before October 2, 2017. The report  
35 shall include at least the following for the school:

- 36 1. The total amount of funding received from all sources.
- 37 2. A description of faculty positions and courses offered.
- 38 3. The total undergraduate and graduate student enrollment.
- 39 4. Significant community events, initiatives or publications.

40 The chairpersons of the senate education committee and the house of  
41 representatives education committee may request the director of the school  
42 to appear before the committees to report on the school's annual  
43 achievements.

1 Any unencumbered balances remaining in the university collections  
 2 fund on June 30, 2017 and all collections received by the university  
 3 during the fiscal year, when paid into the state treasury, are  
 4 appropriated for operating expenditures, capital outlay and fixed charges.  
 5 Earnings on state lands and interest on the investment of the permanent  
 6 land funds are appropriated in compliance with the enabling act and the  
 7 Constitution of Arizona. No part of this appropriation may be expended  
 8 for supplemental life insurance or supplemental retirement.  
 9 Sec. 97. ARIZONA STATE UNIVERSITY - EAST CAMPUS

	<u>2017-18</u>
10	
11	435.9
12	\$ 64,074,700
13	<u>2,000,000</u>
14	Total appropriation - Arizona state
15	university - east campus \$ 66,074,700
16	Fund sources:
17	\$ 21,771,400
18	42,303,300
19	2,000,000
20	

21 The state general fund appropriation may not be used for alumni  
 22 association funding or contracts with individuals or entities for lobbying  
 23 services.

24 The increased state general fund appropriation from Laws 2014,  
 25 chapter 18 may not be used for medical marijuana research.

26 Other than scholarships awarded through the Arizona financial aid  
 27 trust, the appropriated monies may not be used for scholarships or any  
 28 student newspaper.

29 Any unencumbered balances remaining in the university collections  
 30 fund on June 30, 2017 and all collections received by the university  
 31 during the fiscal year, when paid into the state treasury, are  
 32 appropriated for operating expenditures, capital outlay and fixed charges.  
 33 Earnings on state lands and interest on the investment of the permanent  
 34 land funds are appropriated in compliance with the enabling act and the  
 35 Constitution of Arizona. No part of this appropriation may be expended  
 36 for supplemental life insurance or supplemental retirement.  
 37 Sec. 98. ARIZONA STATE UNIVERSITY - WEST CAMPUS

	<u>2017-18</u>
38	
39	513.0
40	\$ 73,604,000
41	<u>1,600,000</u>
42	Total appropriation - Arizona state
43	university - west campus \$ 75,204,000

1 Fund sources:

2 State general fund	\$ 29,413,500
3 University collections fund	44,190,500
4 Technology and research initiative	
5 fund	1,600,000

6 The state general fund appropriation may not be used for alumni  
7 association funding or contracts with individuals or entities for lobbying  
8 services.

9 The increased state general fund appropriation from Laws 2014,  
10 chapter 18 may not be used for medical marijuana research.

11 Other than scholarships awarded through the Arizona financial aid  
12 trust, the appropriated monies may not be used for scholarships or any  
13 student newspaper.

14 Any unencumbered balances remaining in the university collections  
15 fund on June 30, 2017 and all collections received by the university  
16 during the fiscal year, when paid into the state treasury, are  
17 appropriated for operating expenditures, capital outlay and fixed charges.  
18 Earnings on state lands and interest on the investment of the permanent  
19 land funds are appropriated in compliance with the enabling act and the  
20 Constitution of Arizona. No part of this appropriation may be expended  
21 for supplemental life insurance or supplemental retirement.

22 Sec. 99. NORTHERN ARIZONA UNIVERSITY

23		<u>2017-18</u>
24	FTE positions	2,260.7
25	Operating lump sum appropriation	\$236,995,600
26	NAU - Yuma	3,067,300
27	Arizona financial aid trust	1,326,000
28	Teacher training	<u>2,290,600</u>
29	Total appropriation - Northern Arizona	
30	university	\$243,679,500

31 Fund sources:

32 State general fund	\$ 96,396,200
33 University collections fund	147,283,300

34 The state general fund appropriation may not be used for alumni  
35 association funding or contracts with individuals or entities for lobbying  
36 services.

37 The increased state general fund appropriation from Laws 2014,  
38 chapter 18 may not be used for medical marijuana research.

39 Other than scholarships awarded through the Arizona financial aid  
40 trust, the appropriated monies may not be used for scholarships or any  
41 student newspaper.

42 The appropriated amount for the teacher training line item shall be  
43 distributed to the Arizona K-12 center for program implementation and  
44 mentor training for the Arizona mentor teacher program prescribed by the  
45 state board of education.

1 Any unencumbered balances remaining in the university collections  
 2 fund on June 30, 2017 and all collections received by the university  
 3 during the fiscal year, when paid into the state treasury, are  
 4 appropriated for operating expenditures, capital outlay and fixed charges.  
 5 Earnings on state lands and interest on the investment of the permanent  
 6 land funds are appropriated in compliance with the enabling act and the  
 7 Constitution of Arizona. No part of this appropriation may be expended  
 8 for supplemental life insurance or supplemental retirement.  
 9 Sec. 100. UNIVERSITY OF ARIZONA

	<u>2017-18</u>
10	
11	<u>Main campus</u>
12	FTE positions 6,009.5
13	Operating lump sum appropriation \$514,849,100
14	Agriculture 39,580,600
15	Arizona cooperative extension 16,158,100
16	Center for the philosophy
17	of freedom 2,500,000
18	Sierra Vista campus 7,911,200
19	Arizona financial aid trust 2,729,400
20	Mining, mineral and natural
21	resources educational museum <u>428,300</u>
22	Total - main campus \$584,156,700
23	Fund sources:
24	State general fund \$179,015,600
25	University collections fund 405,141,100
26	<u>Health sciences center</u>
27	FTE positions 1,157.3
28	Operating lump sum appropriation \$ 72,266,900
29	Clinical rural rotation 353,400
30	Clinical teaching support 8,587,000
31	Liver research institute 440,100
32	Phoenix medical campus 33,034,800
33	Telemedicine network <u>1,669,000</u>
34	Total - health sciences center \$116,351,200
35	Fund sources:
36	State general fund \$ 68,859,800
37	University collections fund <u>47,491,400</u>
38	Total appropriation - university of
39	Arizona \$700,507,900
40	Fund sources:
41	State general fund \$247,875,400
42	University collections fund 452,632,500

43 The state general fund appropriation may not be used for alumni  
 44 association funding or contracts with individuals or entities for lobbying  
 45 services.

1 The increased state general fund appropriation from Laws 2014,  
 2 chapter 18 may not be used for medical marijuana research.

3 Other than scholarships awarded through the Arizona financial aid  
 4 trust, the appropriated monies may not be used for scholarships or any  
 5 student newspaper.

6 The appropriated amount for the center for the philosophy of freedom  
 7 line item may not supplant any existing state funding or private or  
 8 external donations to the center or the philosophy department of the  
 9 university of Arizona. The appropriated monies and all private and  
 10 external donations to the center shall be used only for the direct  
 11 operation of the center and may not be used for indirect costs of the  
 12 university. The center shall submit a report to the president of the  
 13 senate, the speaker of the house of representatives, the chairpersons of  
 14 the senate education committee and the house of representatives education  
 15 committee and the director of the joint legislative budget committee on or  
 16 before October 2, 2017. The report shall include at least the following  
 17 for the center:

- 18 1. The total amount of funding received from all sources.
- 19 2. A description of faculty positions and courses offered.
- 20 3. The total undergraduate and graduate student participation.
- 21 4. Significant community events, initiatives or publications.

22 The chairpersons of the senate education committee and the house of  
 23 representatives education committee may request the director of the center  
 24 to appear before the committees to report on the center's annual  
 25 achievements.

26 Any unencumbered balances remaining in the university collections  
 27 fund on June 30, 2017 and all collections received by the university  
 28 during the fiscal year, when paid into the state treasury, are  
 29 appropriated for operating expenditures, capital outlay and fixed charges.  
 30 Earnings on state lands and interest on the investment of the permanent  
 31 land funds are appropriated in compliance with the enabling act and the  
 32 Constitution of Arizona. No part of this appropriation may be expended  
 33 for supplemental life insurance or supplemental retirement.

34 Sec. 101. DEPARTMENT OF VETERANS' SERVICES

	<u>2017-18</u>
35	
36	FTE positions 512.3
37	Operating lump sum appropriation \$ 2,308,800
38	Arizona state veterans' homes 35,147,600
39	Arizona state veterans' cemeteries 924,200
40	Veterans' benefit counseling <u>2,821,100</u>
41	Total appropriation - department of
42	veterans' services \$ 41,201,700

1	Fund sources:	
2	State general fund	\$ 6,054,100
3	State home for veterans trust	
4	fund	35,147,600
5	Sec. 102. ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD	
6		<u>2017-18</u>
7	FTE positions	6.0
8	Lump sum appropriation	\$ 584,800
9	Fund sources:	
10	Veterinary medical examining	
11	board fund	\$ 584,800
12	Sec. 103. DEPARTMENT OF WATER RESOURCES	
13		<u>2017-18</u>
14	FTE positions	139.0
15	Operating lump sum appropriation	\$ 9,558,200
16	Adjudication support	1,724,800
17	Arizona water protection fund	
18	deposit	250,000
19	Assured and adequate water supply	
20	administration	1,977,000
21	Rural water studies	1,164,500
22	Conservation and drought program	406,900
23	Automated groundwater monitoring	408,700
24	Lower Colorado river	
25	litigation expenses	<u>500,000*</u>
26	Total appropriation - department of water	
27	resources	\$ 15,990,100
28	Fund sources:	
29	State general fund	\$ 13,871,000
30	Water resources fund	641,400
31	Assured and adequate water	
32	supply administration fund	266,300
33	Arizona water banking fund	1,211,400

34 Monies in the assured and adequate water supply administration line  
 35 item may be used only for the exclusive purposes prescribed in sections  
 36 45-108 and 45-576 through 45-579, Arizona Revised Statutes. The  
 37 department of water resources may not transfer any monies into or out of  
 38 the assured and adequate water supply administration line item.

39 It is the intent of the legislature that monies in the rural water  
 40 studies line item be spent only to assess local water use needs and to  
 41 develop plans for sustainable future water supplies in rural areas outside  
 42 this state's active management areas and not be made available for other  
 43 department operating expenditures.

1 Monies in the adjudication support line item may be used only for  
2 the exclusive purposes prescribed in section 45-256 and section 45-257,  
3 subsection B, paragraph 4, Arizona Revised Statutes. The department of  
4 water resources may not transfer any monies into or out of the  
5 adjudication support line item.

6 The department of water resources may not transfer any monies from  
7 the lower Colorado river litigation expenses line item without prior  
8 review by the joint legislative budget committee.

9 Fiscal Year 2016-2017 Appropriation Adjustments

10 Sec. 104. Department of administration; risk management  
11 revolving fund; supplemental appropriation;  
12 fiscal year 2016-2017; review

13 A. In addition to any other appropriations made in fiscal year  
14 2016-2017, the sum of \$3,218,200 is appropriated from the risk management  
15 revolving fund established by section 41-622, Arizona Revised Statutes, in  
16 fiscal year 2016-2017 to the department of administration for the  
17 following purposes:

- 18 1. To pay disallowed costs relating to excess retained earnings.
- 19 2. To pay disallowed costs relating to the statewide information  
20 technology charges.
- 21 3. For fund transfers in fiscal year 2015-2016.

22 B. It is the intent of the legislature that the department of  
23 administration not enter into any agreements to pay for any federal  
24 reimbursements related to excess balances in the special employee health  
25 insurance trust fund established by section 38-654, Arizona Revised  
26 Statutes, unless the proposed agreements have been reviewed by the joint  
27 legislative budget committee.

28 Sec. 105. Department of administration; agency relocation  
29 costs; exemption

30 The appropriation of \$576,800 made by Laws 2016, chapter 117,  
31 section 163 from other funds in fiscal year 2016-2017 for onetime  
32 relocation costs for state agencies is exempt from the provisions of  
33 section 35-190, Arizona Revised Statutes, relating to lapsing of  
34 appropriations until June 30, 2018. The joint legislative budget  
35 committee staff shall determine and the department of administration shall  
36 allocate to each agency or department an amount for relocation costs.

37 Sec. 106. Arizona health care cost containment system  
38 administration; supplemental appropriations;  
39 fiscal year 2016-2017

40 A. In addition to any other appropriations made in fiscal year  
41 2016-2017, the appropriation to the Arizona health care cost containment  
42 system administration is increased by \$63,225,800 from the children's  
43 health insurance program fund established by section 36-2995, Arizona  
44 Revised Statutes, in fiscal year 2016-2017.

1 B. In addition to any other appropriations made in fiscal year  
2 2016-2017, the sum of \$66,454,800 is increased from the Arizona health  
3 care cost containment system administration appropriation from the  
4 expenditure authority in fiscal year 2016-2017. The total includes the  
5 following changes by fund:

- 6 1. \$70,854,300 decrease from federal medicaid authority.  
7 2. \$137,309,100 increase from the prescription drug rebate  
8 fund - in lieu of federal funds established by section 36-2930, Arizona  
9 Revised Statutes.

10 Sec. 107. Department of child safety; backlog privatization;  
11 exemption; fiscal years 2015-2016 and 2016-2017

12 The sum of \$2,700,000 appropriated to the department of child safety  
13 in fiscal year 2015-2016 by Laws 2016, chapter 117, section 113 for  
14 backlog privatization and the sum of \$2,700,000 appropriated to the  
15 department of child safety in fiscal year 2016-2017 by Laws 2016, chapter  
16 117, section 24 for backlog privatization are exempt from the provisions  
17 of section 35-190, Arizona Revised Statutes, relating to lapsing of  
18 appropriations until June 30, 2018.

19 Sec. 108. Department of economic security; supplemental  
20 appropriations; fiscal year 2016-2017

21 A. In addition to the appropriation made by Laws 2016, chapter 117,  
22 section 35, the sum of \$7,720,800 from the state general fund and the sum  
23 of \$17,739,200 from developmental disabilities medicaid expenditure  
24 authority are appropriated in fiscal year 2016-2017 to the department of  
25 economic security for division of developmental disabilities service  
26 provider rate cost increases resulting from the enactment of proposition  
27 206, election of November 8, 2016.

28 B. In addition to the appropriation made by Laws 2016, chapter 117,  
29 section 35, the sum of \$427,000 is appropriated from the state general  
30 fund in fiscal year 2016-2017 to the department of economic security for  
31 division of developmental disabilities state-only home and community based  
32 services provider rate cost increases resulting from the enactment of  
33 proposition 206, election of November 8, 2016.

34 Sec. 109. Department of economic security; loans;  
35 reimbursement; fiscal year 2016-2017

36 The department of economic security may use up to \$25,000,000 from  
37 the budget stabilization fund established by section 35-144, Arizona  
38 Revised Statutes, for the purpose of providing funding for reimbursement  
39 grants. Notwithstanding any other law, this appropriation must be fully  
40 reimbursed on or before September 1, 2017 and must be reimbursed in full  
41 as part of the closing process for fiscal year 2016-2017. The  
42 appropriation may not be used for additional programmatic expenditures.



1	Apache	\$ 89,500
2	Cochise	\$ 164,400
3	Coconino	\$ 168,300
4	Gila	\$ 67,100
5	Graham	\$ 46,600
6	Greenlee	\$ 10,500
7	La Paz	\$ 25,700
8	Maricopa	\$ 4,777,300
9	Mohave	\$ 250,500
10	Navajo	\$ 134,500
11	Pima	\$ 1,226,900
12	Pinal	\$ 470,300
13	Santa Cruz	\$ 59,300
14	Yavapai	\$ 264,100
15	Yuma	\$ 245,000

16 Sec. 113. Report; proposition 206; provider network adequacy  
17 analysis; appropriation

18 A. On or before February 1, 2018, the Arizona health care cost  
19 containment system administration shall submit a report to the governor,  
20 the president of the senate, the speaker of the house of representatives,  
21 the director of the governor's office of strategic planning and budgeting  
22 and the director of the joint legislative budget committee on the impact  
23 of provider cost increases resulting from the enactment of proposition  
24 206, election of November 8, 2016, on the adequacy of the provider network  
25 for enrollees in the Arizona long-term care system established by section  
26 36-2932, Arizona Revised Statutes. The analysis of the provider network  
27 adequacy shall be delineated by geographic service area. The report shall  
28 include recommendations on how this state may address any deficiencies in  
29 provider network adequacy identified in the analysis.

30 B. The sum of \$200,000 is appropriated from the prescription drug  
31 rebate fund established by section 36-2930, Arizona Revised Statutes, in  
32 fiscal year 2017-2018 to the Arizona health care cost containment system  
33 administration to complete the provider network adequacy analysis  
34 described in subsection A of this section.

35 Sec. 114. Arizona arts trust fund; appropriation; fiscal year  
36 2017-2018

37 The sum of \$1,500,000 is appropriated from the monies earned from  
38 investment of monies in the budget stabilization fund established by  
39 section 35-144, Arizona Revised Statutes, in fiscal year 2017-2018 to the  
40 Arizona arts trust fund established by section 41-983.01, Arizona Revised  
41 Statutes.



1 reallocate monies between projects within the agency without review by the  
2 joint legislative budget committee.

3 Quarterly Report

4 D. The department of administration shall submit to the joint  
5 legislative budget committee, within thirty days after the last day of  
6 each calendar quarter, a quarterly report on the implementation of  
7 projects described in this section, including the projects' expenditures  
8 to date, deliverables, timeline for completion and current status.

9 Nonlapsing

10 E. For the funding for projects at the department of  
11 administration, the state department of corrections, the department of  
12 child safety, the department of economic security and the department of  
13 education, any remaining balances on June 30, 2017 in the automation  
14 projects fund established by section 41-714, Arizona Revised Statutes,  
15 from monies appropriated in fiscal year 2016-2017 are appropriated to the  
16 department of administration in fiscal year 2017-2018 for the same  
17 purposes specified in fiscal year 2016-2017. The department of  
18 administration shall report in its quarterly report to the joint  
19 legislative budget committee any fiscal year 2017-2018 expenditure of  
20 remaining balances from fiscal year 2016-2017 from the automation projects  
21 fund.

22 F. For the funding for the department of revenue enterprise tax  
23 system replacement assessment, any remaining balances on June 30, 2017 in  
24 the automation projects fund established by section 41-714, Arizona  
25 Revised Statutes, from monies appropriated in fiscal year 2016-2017 for  
26 the enterprise tax system replacement assessment revert to the liability  
27 setoff program revolving fund established by section 42-1122, Arizona  
28 Revised Statutes.

29 G. For the funding for the department of environmental quality's  
30 e-licensing projects, any remaining balances on June 30, 2017 in the  
31 automation projects fund established by section 41-714, Arizona Revised  
32 Statutes, from monies appropriated in fiscal year 2015-2016 for the  
33 e-licensing projects at the department of environmental quality are  
34 appropriated to the department of administration in fiscal year 2017-2018  
35 for the same purposes specified in fiscal year 2015-2016. The department  
36 of administration shall report in its quarterly report to the joint  
37 legislative budget committee any fiscal year 2017-2018 expenditure of  
38 remaining balances from fiscal year 2015-2016 from the automation projects  
39 fund.

40 H. For the funding for the department of economic security's  
41 information technology security project, any remaining balances on June  
42 30, 2017 in the automation projects fund established by section 41-714,  
43 Arizona Revised Statutes, from monies appropriated in fiscal year  
44 2015-2016 for the information technology security project at the  
45 department of economic security are appropriated to the department of

1 administration in fiscal year 2017-2018 for the same purposes specified in  
2 fiscal year 2015-2016. The department of administration shall report in  
3 its quarterly report to the joint legislative budget committee any fiscal  
4 year 2017-2018 expenditure of remaining balances from fiscal year  
5 2015-2016 from the automation projects fund.

6 I. The amount appropriated for implementing projects that comply  
7 with state and federal security information technology standards at the  
8 department of economic security by Laws 2015, chapter 8, section 126 and  
9 Laws 2016, chapter 117, section 129 may not be used for an assessment to  
10 replace any information technology system at the department. On or before  
11 December 2, 2017, the department of economic security shall submit a  
12 report for review to the joint legislative budget committee on the status  
13 of the department's information technology security system.

14 J. For the funding for the department of child safety's replacement  
15 of the children's information library and data source system project, any  
16 remaining balances on June 30, 2017 in the automation projects fund  
17 established by section 41-714, Arizona Revised Statutes, from monies  
18 appropriated in fiscal year 2014-2015 for the replacement of the  
19 children's information and data source system project at the department of  
20 child safety are appropriated to the department of administration in  
21 fiscal year 2017-2018 for the same purposes specified in fiscal year  
22 2014-2015. The department of administration shall report in its quarterly  
23 report to the joint legislative budget committee any fiscal year 2017-2018  
24 expenditure of remaining balances from fiscal year 2014-2015 from the  
25 automation projects fund.

26 K. The \$2,500,000 appropriated for an update of the microwave  
27 backbone statewide communication system at the department of public safety  
28 is exempt from the provisions of section 35-190, Arizona Revised Statutes,  
29 relating to lapsing of appropriations through June 30, 2019.

30 Sec. 116. Arizona commerce authority; allocation

31 Pursuant to section 43-409, Arizona Revised Statutes, \$21,500,000 of  
32 the state general fund withholding tax revenues is allocated in fiscal  
33 year 2017-2018 to the Arizona commerce authority, of which \$10,000,000 is  
34 credited to the Arizona commerce authority fund established by section  
35 41-1506, Arizona Revised Statutes, and \$11,500,000 is credited to the  
36 Arizona competes fund established by section 41-1545.01, Arizona Revised  
37 Statutes.

38 Sec. 117. Arizona commerce authority; appropriation; fiscal  
39 year 2017-2018

40 The sum of \$300,000 is appropriated from the state general fund in  
41 fiscal year 2017-2018 to the Arizona commerce authority for the purpose of  
42 operating a trade office in Mexico City.

1           Sec. 118. Department of economic security; appropriation;  
2                                   provider costs; fiscal year 2017-2018

3           The sums of \$10,000,000 from the state general fund and \$23,036,000  
4 from developmental disabilities medicaid expenditure authority are  
5 appropriated in fiscal year 2017-2018 to the department of economic  
6 security for onetime assistance to address developmental disabilities  
7 provider cost increases resulting from the enactment of proposition 206,  
8 election of November 8, 2016.

9           Sec. 119. Department of economic security; appropriation;  
10                                   room and board; fiscal year 2017-2018

11           The sum of \$2,000,000 is appropriated from the state general fund in  
12 fiscal year 2017-2018 to the department of economic security for a onetime  
13 increase for state-only room and board expenses funded by the division of  
14 developmental disabilities.

15           Sec. 120. Broadband expansion fund; appropriation; fiscal  
16                                   year 2017-2018

17           The sum of \$3,000,000 is appropriated from the automation projects  
18 fund established by section 41-714, Arizona Revised Statutes, in fiscal  
19 year 2017-2018 to the broadband expansion fund established by section  
20 15-249.07, Arizona Revised Statutes, for broadband expansion projects.

21           Sec. 121. Department of education empowerment scholarship  
22                                   account fund; operating expenses; review; fiscal  
23                                   year 2017-2018

24           A. In addition to any other appropriations made in fiscal year  
25 2017-2018, the sum of \$400,000 is appropriated from the department of  
26 education empowerment scholarship account fund established by section  
27 15-2402, Arizona Revised Statutes, in fiscal year 2017-2018 to the  
28 department of education for the department's costs in administering  
29 empowerment scholarship accounts.

30           B. Before spending the monies appropriated by this section, the  
31 department shall submit an expenditure report for review by the joint  
32 legislative budget committee.

33           Sec. 122. Computer science initiative; appropriation; fiscal  
34                                   year 2017-2018

35           The sum of \$200,000 in onetime funding is appropriated from the  
36 state general fund in fiscal year 2017-2018 to the office of the governor  
37 for a computer science initiative. The initiative shall develop new  
38 academic standards for computer science, including coding, and  
39 professional development opportunities for all teachers to help  
40 incorporate computer science into their teaching and learning strategies.

41           Sec. 123. Rural assistance; appropriation; fiscal year  
42                                   2017-2018; definition

43           A. The sum of \$2,600,000 in onetime funding is appropriated from  
44 the monies earned from investment of monies in the budget stabilization  
45 fund established by section 35-144, Arizona Revised Statutes, in fiscal

1 year 2017-2018 to the superintendent of public instruction for rural  
2 assistance. The appropriated amount shall be distributed on a pro rata  
3 basis based on average daily membership counts from the 2016-2017 school  
4 year to school districts and charter schools that are located in a county  
5 with a population of less than five hundred thousand persons according to  
6 the 2010 United States decennial census, except that a school district or  
7 charter school that primarily serves homeless or special needs pupils  
8 shall qualify for rural assistance funding regardless of the county in  
9 which it is located.

10 B. For the purposes of this section, "primarily serves homeless or  
11 special needs pupils" means that at least eighty percent of the pupils at  
12 the school district or charter school are homeless or qualify for a  
13 special education group B weight pursuant to section 15-943, paragraph 2,  
14 subdivision (b), Arizona Revised Statutes.

15 Sec. 124. Jobs for Arizona graduates program; appropriation;  
16 fiscal year 2017-2018

17 The sum of \$100,000 is appropriated from the state general fund in  
18 fiscal year 2017-2018 to the superintendent of public instruction for  
19 distribution to a nonprofit organization for a jobs for Arizona graduates  
20 program.

21 Sec. 125. School leadership training; appropriation; fiscal  
22 year 2017-2018; report

23 A. The sum of \$250,000 in onetime funding is appropriated from the  
24 state general fund in fiscal year 2017-2018 to the office of the governor  
25 for school leadership training. The office of the governor shall allocate  
26 the appropriated amount to a public-private partnership to train school  
27 leaders in effective management strategies and expand the cadre of  
28 training coaches and facilitators.

29 B. On or before November 1, 2018, the office of the governor shall  
30 submit to the president of the senate and the speaker of the house of  
31 representatives a report that summarizes the results of school leadership  
32 training, including the number of school leaders trained and the amount of  
33 matching monies received from nonstate sources. The office of the  
34 governor shall provide a copy of this report to the secretary of state.

35 Sec. 126. Department of gaming; appropriation; Arizona  
36 breeders award; fiscal year 2017-2018

37 The sum of \$250,000 is appropriated from the racing regulation fund  
38 established by section 5-113.01, Arizona Revised Statutes, in fiscal year  
39 2017-2018 to the department of gaming for deposit in the Arizona breeders'  
40 award fund established by section 5-113, Arizona Revised Statutes.

41 Sec. 127. Department of health services; appropriation;  
42 public health emergencies; deposit; fiscal year  
43 2017-2018

44 The sum of \$500,000 is appropriated from the emergency medical  
45 services operating fund established by section 36-2218, Arizona Revised

1 Statutes, in fiscal year 2017-2018 for a onetime deposit in the public  
2 health emergencies fund established by section 36-122, Arizona Revised  
3 Statutes, for the purpose of funding public health emergencies in this  
4 state. The department of health services shall use the monies only on a  
5 declaration of a public health emergency by the governor.

6 Sec. 128. Administrative office of the courts; appropriation;  
7 drug treatment; exemption; fiscal year 2017-2018

8 The sum of \$250,000 is appropriated from the health services lottery  
9 monies fund established by section 36-108.01, Arizona Revised Statutes, in  
10 fiscal year 2017-2018 to the administrative office of the courts for  
11 distribution to a county with a population of more than five hundred  
12 thousand persons and less than one million persons according to the 2010  
13 United States decennial census. The county shall use the monies for a  
14 drug treatment alternative to prison program. The appropriation is exempt  
15 from the provisions of section 35-190, Arizona Revised Statutes, relating  
16 to lapsing of appropriations through June 30, 2019.

17 Sec. 129. Auditor general; appropriation; fiscal year  
18 2017-2018

19 Notwithstanding any other law, the sum of \$200,000 is appropriated  
20 from the Arizona water banking fund established by section 45-2425,  
21 Arizona Revised Statutes, in fiscal year 2017-2018 to the auditor general  
22 for a special audit of the central Arizona water conservation district.  
23 The auditor general shall complete the special audit on or before December  
24 31, 2017.

25 Sec. 130. School facilities board; onetime building renewal  
26 grants; fiscal year 2017-2018

27 The sum of \$17,167,900 is appropriated from the state general fund  
28 in fiscal year 2017-2018 to the school facilities board for building  
29 renewal grants.

30 Sec. 131. Universities; appropriation; fiscal year 2017-2018;  
31 report; review

32 A. The sum of \$15,000,000 is appropriated from the state general  
33 fund in fiscal year 2017-2018 to Arizona state university, northern  
34 Arizona university and the university of Arizona for capital improvements  
35 or operating expenditures in the following amounts:

- 36 1. Arizona state university \$7,639,500
- 37 2. Northern Arizona university \$3,202,800
- 38 3. University of Arizona \$4,157,700

39 B. \$1,000,000 of the amount appropriated to Arizona state  
40 university pursuant to subsection A, paragraph 1 of this section shall be  
41 used for operating expenditures of the school of civic and economic  
42 thought and leadership. This amount must supplement and not supplant any  
43 existing state funding or private or external donations to the school.  
44 The appropriated monies and all private and external donations to the

1 school shall be used only for the direct operation of the school and may  
2 not be used for indirect costs of the university.

3 C. \$1,000,000 of the amount appropriated to the university of  
4 Arizona pursuant to subsection A, paragraph 3 of this section shall be  
5 used for operating expenditures of the center for the philosophy of  
6 freedom. This amount must supplement and not supplant any existing state  
7 funding or private or external donations to the center. The appropriated  
8 monies and all private and external donations to the center shall be used  
9 only for the direct operation of the center and may not be used for  
10 indirect costs of the university.

11 D. On or before August 1, 2017, each university shall report the  
12 intended use of the monies to the joint legislative budget committee.

13 E. Before any expenditure of the monies appropriated in subsection  
14 A of this section for capital improvements, each university shall submit  
15 the scope, purpose and estimated cost of the capital improvements for  
16 review by the joint committee on capital review pursuant to section  
17 41-1252, Arizona Revised Statutes.

18 Sec. 132. Department of water resources; appropriations;  
19 contributions to Lake Mead conservation efforts;  
20 exemption

21 A. The sum of \$2,000,000 is appropriated from the state general  
22 fund in each of fiscal years 2017-2018, 2018-2019 and 2019-2020 to the  
23 department of water resources to use for this state's financial  
24 contributions to efforts by Arizona's Colorado River water users to  
25 conserve water in Lake Mead to reduce the likelihood of lake elevations  
26 dropping to levels that could result in reductions to Arizona's Colorado  
27 River allocation.

28 B. The appropriations made in subsection A of this section are  
29 exempt from the provisions of section 35-190, Arizona Revised Statutes,  
30 relating to lapsing of appropriations.

31 Sec. 133. Appropriations; debt service payments; state  
32 buildings

33 A. The sum of \$60,103,600 is appropriated from the state general  
34 fund in fiscal year 2017-2018 to the department of administration for the  
35 purpose of making a debt service payment on the sale and leaseback of  
36 state buildings authorized by Laws 2009, third special session, chapter 6,  
37 section 32.

38 B. The sum of \$24,011,500 is appropriated from the state general  
39 fund in fiscal year 2017-2018 to the department of administration for the  
40 purpose of making a debt service payment on the sale and leaseback of  
41 state buildings authorized by Laws 2010, sixth special session, chapter 4,  
42 section 2.



1 Revised Statutes. The transaction shall be recorded as revenue for fiscal  
2 year 2016-2017.

3 Sec. 140. Fund balance transfer; indirect cost fund; fiscal  
4 year 2016-2017

5 Notwithstanding any other law, on or before June 30, 2017, the sum  
6 of \$3,800,000 is transferred from the department of health services  
7 indirect cost fund established by section 36-108, Arizona Revised  
8 Statutes, to the Arizona state hospital fund established by section  
9 36-545.08, Arizona Revised Statutes.

10 Fiscal Year 2017-2018 Fund Balance Transfers

11 Sec. 141. Appropriations; fund balance transfers; fiscal year  
12 2017-2018; automation projects fund

13 A. The amount of \$7,300,000 is appropriated from the state general  
14 fund in fiscal year 2017-2018 for deposit in the automation projects fund  
15 established by section 41-714, Arizona Revised Statutes, for upgrading and  
16 maintaining the education learning and accountability system at the  
17 department of education.

18 B. The amount of \$5,000,000 is appropriated from the state general  
19 fund in fiscal year 2017-2018 for deposit in the automation projects fund  
20 established by section 41-714, Arizona Revised Statutes, for upgrading the  
21 children's information library and data source system at the department of  
22 child safety. It is the intent of the legislature that an additional  
23 \$6,103,000 be available for the project as appropriated in this act.

24 C. Notwithstanding any other law, the following amounts are  
25 transferred from the following sources in fiscal year 2017-2018 for  
26 deposit in the automation projects fund established by section 41-714,  
27 Arizona Revised Statutes:

28 1. \$1,500,000 from the automation operations fund established by  
29 section 41-714, Arizona Revised Statutes, for project management of  
30 statewide automation and information technology projects.

31 2. \$3,405,100 from the automation operations fund established by  
32 section 41-714, Arizona Revised Statutes, for improving and maintaining  
33 network and security infrastructure.

34 3. For enhancing statewide data security:

35 (a) \$1,797,900 from the automation operations fund established by  
36 section 41-714, Arizona Revised Statutes.

37 (b) \$5,065,600 from the state web portal fund established by  
38 section 18-421, Arizona Revised Statutes.

39 (c) \$440,000 from the risk management revolving fund established by  
40 section 41-622, Arizona Revised Statutes.

41 4. \$500,000 from the state information technology fund established  
42 by section 18-401, Arizona Revised Statutes, for projects related to  
43 e-government.

- 1           5. For the development of a statewide e-licensing system:
- 2           (a) \$45,900 from the acupuncture board of examiners fund
- 3 established by section 32-3905, Arizona Revised Statutes.
- 4           (b) \$45,900 from the athletic training fund established by section
- 5 32-4105, Arizona Revised Statutes.
- 6           (c) \$40,000 from the board of barbers fund established by section
- 7 32-305, Arizona Revised Statutes.
- 8           (d) \$27,500 from the board of funeral directors' and embalmers'
- 9 fund established by section 32-1308, Arizona Revised Statutes.
- 10          (e) \$45,900 from the occupational therapy fund established by
- 11 section 32-3405, Arizona Revised Statutes.
- 12          (f) \$27,500 from the board of dispensing opticians fund established
- 13 by section 32-1686, Arizona Revised Statutes.
- 14          (g) \$45,900 from the board of optometry fund established by section
- 15 32-1705, Arizona Revised Statutes.
- 16          (h) \$27,500 from the nursing care institution administrators'
- 17 licensing and assisted living facility managers' certification fund
- 18 established by section 36-446.08, Arizona Revised Statutes.
- 19          (i) \$45,900 from the board of physical therapy fund established by
- 20 section 32-2004, Arizona Revised Statutes.
- 21          (j) \$27,500 from the podiatry fund established by section 32-806,
- 22 Arizona Revised Statutes.
- 23          (k) \$80,200 from the board for private postsecondary education fund
- 24 established by section 32-3004, Arizona Revised Statutes.
- 25          (l) \$91,700 from the board of psychologist examiners fund
- 26 established by section 32-2065, Arizona Revised Statutes.
- 27          (m) \$44,100 from the board of respiratory care examiners fund
- 28 established by section 32-3505, Arizona Revised Statutes.
- 29          6. \$3,200,000 from the underground storage tank revolving fund
- 30 established by section 49-1015, Arizona Revised Statutes, for e-licensing
- 31 projects at the department of environmental quality.
- 32          7. \$1,017,400 from the administrative fund established by section
- 33 23-1081, Arizona Revised Statutes, to implement updates to the claims
- 34 processing system operated by the industrial commission.
- 35          8. \$3,497,400 from the state lottery fund established by section
- 36 5-571, Arizona Revised Statutes, to implement updates to the information
- 37 technology system operated by the Arizona state lottery commission.
- 38          9. For information technology projects at the department of public
- 39 safety:
- 40          (a) \$1,000,000 from the public safety equipment fund established by
- 41 section 41-1723, Arizona Revised Statutes.
- 42          (b) \$2,500,000 from the concealed weapons permit fund established
- 43 by section 41-1722, Arizona Revised Statutes.
- 44          (c) \$1,343,000 from the fingerprint clearance card fund established
- 45 by section 41-1758.06, Arizona Revised Statutes.



1 hundred pupils, and the department of education shall make the deferral by  
2 reducing the apportionment of state aid for each month in the fiscal year  
3 by the same amount.

4 B. In addition to any other appropriations made in fiscal year  
5 2018-2019, the sum of \$930,727,700 is appropriated from the state general  
6 fund in fiscal year 2018-2019 to the department of education and the  
7 superintendent of public instruction for basic state aid and additional  
8 state aid entitlement for fiscal year 2018-2019. This appropriation shall  
9 be disbursed after June 30, 2018 but not later than July 12, 2018 to the  
10 several counties for the school districts in each county in amounts equal  
11 to the reductions in apportionment of basic state aid and additional state  
12 aid that are required pursuant to subsection A of this section for fiscal  
13 year 2017-2018.

14 C. School districts shall include in the revenue estimates they use  
15 for computing their tax rates for fiscal year 2017-2018 the monies they  
16 will receive pursuant to subsection B of this section.

17 Statewide Adjustments

18 Sec. 146. Appropriation; operating adjustments

	<u>2017-18</u>
Employer health insurance contributions	\$ 50,000,000
Fund sources:	
State general fund	\$ 25,000,000
Other funds	\$ 25,000,000

24 Employer health insurance contributions

25 The amount appropriated is for a onetime employer contribution rate  
26 adjustment for employee health insurance in fiscal year 2017-2018. The  
27 joint legislative budget committee staff shall determine and the  
28 department of administration shall allocate to each agency or department  
29 an amount for the health insurance contribution adjustment. The joint  
30 legislative budget committee staff shall also determine and the department  
31 of administration shall allocate adjustments, as necessary, in expenditure  
32 authority to implement the increase in employer health insurance  
33 contribution rates. The joint legislative budget committee staff shall  
34 use the overall allocation of state general fund and appropriated tuition  
35 monies for each university in determining that university's specific  
36 adjustment.

37 Sec. 147. Appropriations; risk management premium adjustment

38 A. The following amounts are appropriated from the state general  
39 fund in fiscal year 2017-2018 to the following agencies for adjustments to  
40 risk management premiums:

1. Department of child safety	\$(441,500)
2. State department of corrections	\$ 106,200
3. Department of economic security	\$ 179,800
4. Arizona historical society	\$ 419,600
5. State land department	\$(493,400)

1	6. Supreme court	\$(198,100)
2	7. Court of appeals	\$ (27,800)
3	8. Superior court	\$ (50,800)
4	9. Arizona state university - Tempe	\$ 732,500
5	10. Northern Arizona university	\$ 60,400
6	11. University of Arizona	\$(286,900)

7 B. The sum of \$137,000 in onetime funding is appropriated from the  
 8 legislative, executive and judicial public buildings land fund established  
 9 by section 37-525, Arizona Revised Statutes, in fiscal year 2017-2018 to  
 10 the supreme court for adjustments to risk management premiums. It is the  
 11 intent of the legislature to find a different fund source for this  
 12 allocation on an ongoing basis in the fiscal year 2018-2019 budget.

13 Sec. 148. Appropriations; Arizona financial information  
 14 system adjustment

15 The following amounts are appropriated from the state general fund  
 16 in fiscal year 2017-2018 to the following agencies for adjustments to  
 17 Arizona financial information system charges:

18	1. Attorney general	\$ (96,300)
19	2. AHCCCS	\$ 106,300
20	3. Department of child safety	\$ 336,900
21	4. State department of corrections	\$(270,600)
22	5. Department of education	\$ (19,500)
23	6. Department of economic security	\$(364,400)
24	7. Department of health services	\$ (83,900)
25	8. Department of insurance	\$ (17,900)
26	9. Department of juvenile corrections	\$ (24,700)
27	10. Supreme court	\$ (37,000)
28	11. Department of revenue	\$ 509,400
29	12. Secretary of state	\$ (21,500)
30	13. Department of water resources	\$ (16,800)

31 Sec. 149. Department of law; general agency counsel charges;  
 32 fiscal year 2017-2018

33 The department of administration shall allocate to each agency or  
 34 department not exempt pursuant to section 41-191.09, Arizona Revised  
 35 Statutes, the following amounts for general agency counsel provided by the  
 36 department of law:

37	1. Department of administration	\$127,700
38	2. Office of administrative hearings	\$ 3,000
39	3. Arizona arts commission	\$ 3,100
40	4. Automobile theft authority	\$ 1,400
41	5. Citizens clean elections commission	\$ 2,700
42	6. State department of corrections	\$ 2,000
43	7. Arizona criminal justice commission	\$ 8,700
44	8. Arizona state schools for the deaf	
45	and the blind	\$100,200

1	9. Commission for the deaf and the hard of hearing	\$ 4,100
2	10. Arizona early childhood development and	
3	health board	\$ 47,100
4	11. Department of education	\$132,000
5	12. Department of emergency and military affairs	\$ 30,000
6	13. Department of environmental quality	\$135,600
7	14. Arizona exposition and state fair board	\$ 20,900
8	15. Arizona department of financial institutions	\$ 1,900
9	16. Department of forestry and fire management	\$ 13,400
10	17. Department of gaming	\$ 37,300
11	18. Department of health services	\$170,000
12	19. Arizona historical society	\$ 700
13	20. Arizona department of housing	\$ 19,300
14	21. Department of insurance	\$ 10,500
15	22. Department of juvenile corrections	\$ 9,400
16	23. State land department	\$ 2,100
17	24. Department of liquor licenses and control	\$ 11,400
18	25. Arizona state lottery commission	\$ 24,800
19	26. Arizona state parks board	\$ 45,800
20	27. State personnel board	\$ 600
21	28. Arizona pioneers' home	\$ 12,100
22	29. Commission for postsecondary education	\$ 1,800
23	30. Department of public safety	\$677,400
24	31. Radiation regulatory agency	\$ 3,800
25	32. Arizona state retirement system	\$ 69,100
26	33. Department of revenue	\$ 4,900
27	34. Department of state - secretary of state	\$ 1,800
28	35. State treasurer	\$ 9,200
29	36. Department of veterans' services	\$ 52,700

30 Other Provisions

31       Sec. 150. Legislative intent; expenditure reporting

32       It is the intent of the legislature that all departments, agencies  
33 and budget units receiving appropriations under the terms of this act  
34 continue to report actual, estimated and requested expenditures by budget  
35 programs and budget classes in a format that is similar to the budget  
36 programs and budget classes used for budgetary purposes in prior years. A  
37 different format may be used if deemed necessary to implement section  
38 35-113, Arizona Revised Statutes, agreed to by the director of the joint  
39 legislative budget committee and incorporated into the budget preparation  
40 instructions adopted by the governor's office of strategic planning and  
41 budgeting pursuant to section 35-112, Arizona Revised Statutes.

42       Sec. 151. FTE positions; reporting; definition

43       Full-time equivalent (FTE) positions contained in this act are  
44 subject to appropriation. The director of the department of  
45 administration shall account for the use of all appropriated and

1 nonappropriated FTE positions, excluding those in the universities. The  
2 director of the department of administration shall submit the fiscal year  
3 2017-2018 report on or before October 1, 2018 to the director of the joint  
4 legislative budget committee. The reports shall compare the level of  
5 appropriated FTE usage in each fiscal year to the appropriated level. For  
6 the purposes of this section, "FTE positions" means the total number of  
7 hours worked, including both regular and overtime hours as well as hours  
8 taken as leave, divided by the number of hours in a work year. The  
9 director of the department of administration shall notify the director of  
10 a budget unit if the budget unit's appropriated FTE usage has exceeded its  
11 number of appropriated FTE positions. The universities shall each report  
12 to the director of the joint legislative budget committee in a manner  
13 comparable to the department of administration reporting.

14 Sec. 152. Filled FTE positions; reporting

15 On or before October 1, 2017, each agency, including the judiciary  
16 and universities, shall submit a report to the director of the joint  
17 legislative budget committee on the number of filled appropriated and  
18 nonappropriated FTE positions, by fund source, as of September 1, 2017.

19 Sec. 153. Transfer of spending authority

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

24 Sec. 154. Interim reporting requirements

25 A. State general fund revenue for fiscal year 2016-2017, including  
26 a beginning balance of \$284,015,000 and other onetime revenues, is  
27 forecasted to be \$9,805,400,000.

28 B. State general fund revenue for fiscal year 2017-2018, including  
29 onetime revenues, is forecasted to be \$9,855,300,000.

30 C. State general fund revenue for fiscal year 2018-2019, including  
31 onetime revenues, is forecasted to be \$10,066,700,000. State general fund  
32 expenditures for fiscal year 2018-2019 are forecasted to be  
33 \$10,008,300,000.

34 D. State general fund revenue for fiscal year 2019-2020, including  
35 onetime revenues, is forecasted to be \$10,523,000,000. State general fund  
36 expenditures for fiscal year 2019-2020 are forecasted to be  
37 \$10,365,300,000.

38 E. The executive branch shall provide to the joint legislative  
39 budget committee a preliminary estimate of the fiscal year 2016-2017 state  
40 general fund ending balance on or before September 15, 2017. The estimate  
41 shall include projections of total revenues, total expenditures and ending  
42 balance. The department of administration shall continue to provide the  
43 final report for the fiscal year in its annual financial report pursuant  
44 to section 35-131, Arizona Revised Statutes.

1 F. Based on the information provided by the executive branch, the  
2 staff of the joint legislative budget committee shall report to the joint  
3 legislative budget committee on or before October 15, 2017 as to whether  
4 the fiscal year 2017-2018 revenues and ending balance are expected to  
5 change by more than \$50,000,000 from the budgeted projections. The joint  
6 legislative budget committee staff may make technical adjustments to the  
7 revenue and expenditure estimates in this section to reflect other bills  
8 enacted into law. The executive branch may also provide its own estimates  
9 to the joint legislative budget committee on or before October 15, 2017.

10 Sec. 155. Definition

11 For the purposes of this act, "\*" means this appropriation is a  
12 continuing appropriation and is exempt from the provisions of section  
13 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

14 Sec. 156. Definition

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

18 Sec. 157. Definition

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

**APPROVED BY THE GOVERNOR MAY 12, 2017.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2017.**

Passed the House May 5, 2017,

Passed the Senate May 4, 2017,

by the following vote: 35 Ayes,

by the following vote: 17 Ayes,

24 Nays, 1 Not Voting

13 Nays, 0 Not Voting

[Signature]  
Speaker of the House  
*Pro Tempore*

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this  
8<sup>th</sup> day of May, 2017,

at 11:25 o'clock A M.

[Signature]  
Secretary to the Governor

Approved this 12<sup>th</sup> day of

May, 2017,

at 8:03 o'clock A M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 12 day of May, 2017,

at 3:14 o'clock P M.

[Signature]  
Secretary of State

S.B. 1522