



STATE OF ARIZONA

**APPROPRIATIONS
REPORT**

**For The Fiscal Year
Ending June 30, 1992**

**Prepared by the
Staff of the**

**JOINT
LEGISLATIVE
BUDGET
COMMITTEE**

RECYCLED PAPER

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STATE OF ARIZONA

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INTRODUCTION

This annual Appropriations Report provides a single source document for obtaining summary and detailed information on appropriations for Fiscal Year 1992, as provided in the General Appropriation Act, Laws 1991, Chapter 287 (H.B. 2200), and other legislative acts. Also included is the economic and state revenue forecast upon which the budget was based. The summary section (lavender pages at the front of the report) incorporates the use of graphics to display the structure and direction of the Arizona state budget for Fiscal Year 1992.

This report also provides information relative to the legislative intent of appropriations. We have attempted to describe both the legal limitations or conditions ("footnotes") as well as that which was made apparent as "legislative intent" through the budget hearings.

The many state agencies are encouraged to review the contents of this Appropriations Report, and to contact the Joint Legislative Budget Committee Staff with any concerns regarding "legislative intent."

Additional information on appropriations and revenue can be obtained from the Staff of the Joint Legislative Budget Committee.

Ted Ferris,
Director and
Legislative Budget Analyst

JOINT LEGISLATIVE BUDGET COMMITTEE

The Joint Legislative Budget Committee was first established on April 25, 1966, pursuant to Laws 1966, Chapter 96. Thereafter, Laws 1979, Chapter 187 expanded and altered the Committee membership. The Committee members are:

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The primary powers and duties of the Joint Legislative Budget Committee relate to ascertaining facts and making recommendations to the legislature regarding all facets of the state budget, state revenues and expenditures, future fiscal needs, and the organization and functions of state government.

The Joint Legislative Budget Committee appoints a Director and Chief Executive Officer who is responsible for providing staff support and sound technical analysis to the Committee. The objectives and major products of the staff of the Joint Legislative Budget Committee are:

- **Analysis and Recommendations for the Annual State Budget**, which are presented in January of each year;
- Technical, analytical, and preparatory support in the development of **appropriations bills** considered by the legislature;
- An annual **Appropriations Report**, which is published shortly after the budget is completed and provides detail on the budget along with a further explanation of legislative intent;
- Support to the **Joint Committee on Capital Review** with respect to all capital outlay issues including land acquisition, new construction, and building renewal projects.
- Preparation of **fiscal notes** or those bills considered by the legislature having a fiscal impact on the state or any of its political subdivisions;
- **Management and Fiscal Research Reports** related to state programs and state agency operations;
- **Periodic economic and state revenue forecasts**;
- **Periodic analysis of economic activity, state budget conditions, and the relationship of one to the other.**

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Ted Ferris
Director

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STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED REVENUES AND EXPENDITURES
CONSENSUS FORECAST

	<u>Preliminary 1991</u>	<u>Forecast FY 1992</u>
REVENUES ^{1/}		
Beginning Balance	\$ 34,396,800	\$ 37,187,900
Base Revenues	3,338,923,600	3,475,520,000
Adjustments	20,338,700	41,989,800
TOTAL REVENUES	<u>3,393,659,100</u>	<u>3,554,697,700</u>
 EXPENDITURES		
Appropriations	3,377,055,900	3,519,257,600 ^{2/}
Court-Ordered Payment	10,750,000	-0-
Revertments	(57,764,700)	(36,170,000)
Change in Continuing Appropriations	(70,000)	-0-
Administrative Adjustments and Emergencies	26,500,000	20,500,000
TOTAL EXPENDITURES	<u>3,356,471,200</u>	<u>3,503,587,600</u>
 ENDING BALANCE	<u>\$ 37,187,900</u>	<u>\$ 51,110,100</u>

1/ Further information on base revenues and adjustments is contained in the Economic and Revenue Forecasts section of the Report.

2/ In addition, a) Chapter 282 appropriates \$45,634,500 from the General Fund for costs related to the settlement agreement between the State of Arizona and the ENSCO, Inc. and b) Chapter 289 appropriates \$15,000,000 for the acquisition of existing office space. Both bills, however, require that the General Fund be reimbursed for these appropriations.

SUMMARY OF APPROPRIATIONS

By Individual Chapter

Fiscal Year 1991 and Fiscal Year 1992 1/

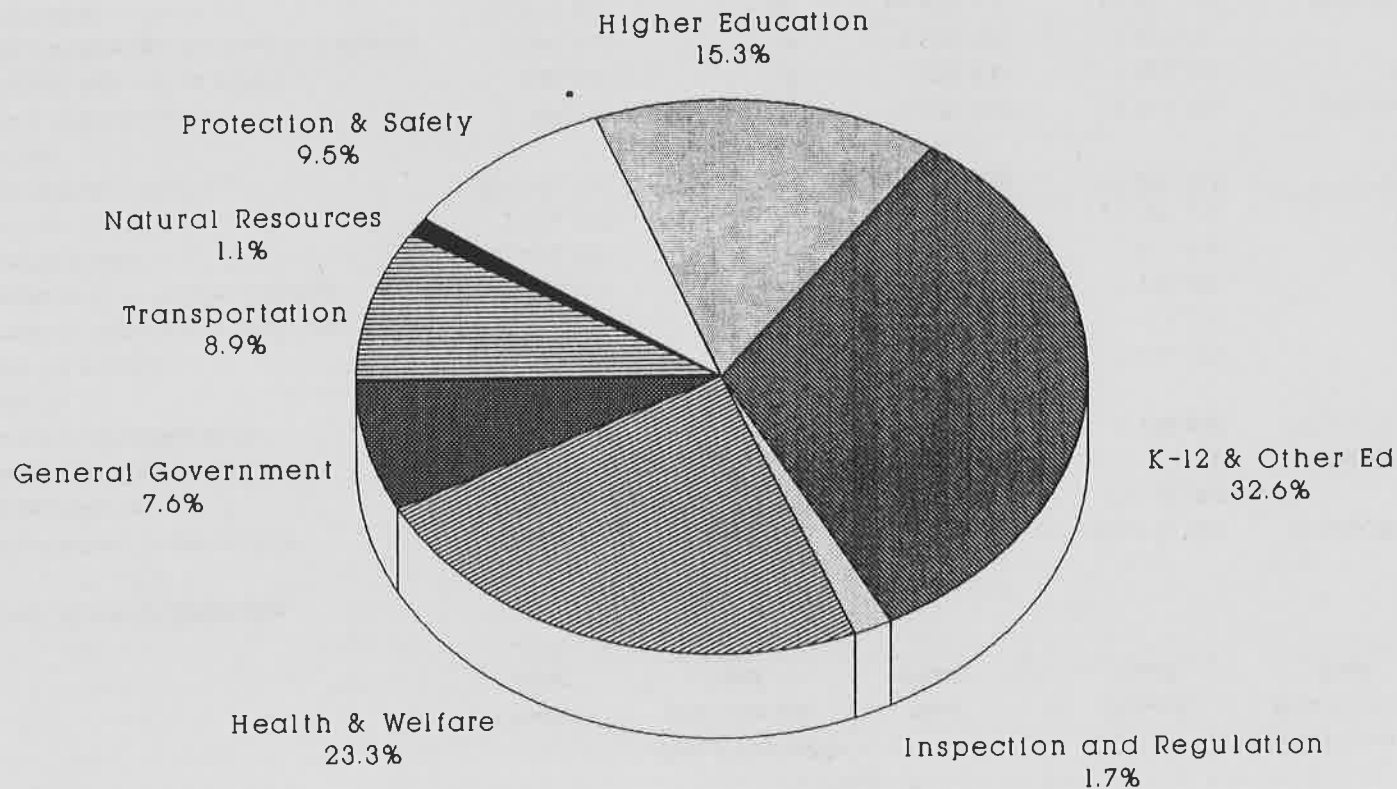
Chapter Number	Bill Number	Reference Title	Fiscal Year 1991		Fiscal Year 1992	
			General Fund	Non-General Fund	General Fund	Non-General Fund
Fortieth Legislature - First Regular Session						
72	H.B. 2098	Appropriation; Clifton Flood Control				\$535,000
88	H.B. 2158	Nuclear Emergency Appropriation and Assessment	\$770,000 2/			
95	H.B. 2346	Appropriation; Behavioral		\$40,000		
184	S.B. 1170	Tax Revenues; Environment 3/	90,000		\$230,000	
204	S.B. 1266	Appropriation; School Breakfast Program			100,000	
211	H.B. 2499	Groundwater; Replenishment Projects and Districts			500,000 4/	
230	H.B. 2419	Court Special Advocate Program			400,000	
263	H.B. 2502	Appropriation for Named Claimants	301,987	9,924		
265	S.B. 1317	Government Budget Funding Adjustments			101,300 5/	
282	H.B. 2503	Appropriation; Hazardous Waste Property			0 6/	
287	H.B. 2200	General Appropriations Act			3,362,103,900 7/	353,733,900
288	S.B. 1318	Education; Omnibus Budget			800,000	
289	H.B. 2350	Capital Outlay			4,000,000 6/	172,451,400
315	H.B. 2121	Special and Hazardous Waste			896,300	16,600
SUB-TOTAL APPROPRIATIONS- 1ST REGULAR SESSION			\$1,161,987	\$49,924	\$3,369,131,500	\$526,736,900
Fortieth Legislature - First Special Session						
2	H.B. 2001	Relating to Appropriation	(\$101,862,700)	\$5,171,300	\$2,000,000 8/	
3	H.B. 2002	Relating to Capital Outlay	(684,600)	(\$3,107,000)		
SUB-TOTAL APPROPRIATIONS- 1ST SPECIAL SESSION			(\$102,547,300)	\$2,064,300	\$2,000,000	\$0

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Thirty-Ninth Legislature - Fifth Special Session				
1 H. B. 2001 Runoff Election	\$2,650,000			
SUB-TOTAL APPROPRIATIONS- 5TH SPECIAL SESSION	\$2,650,000	\$0	\$0	\$0
Thirty-Ninth Legislature - Third Special Session				
1 S.B. 1008 General Appropriation Act			\$143,196,400 9/	
8 S.B. 1007 Capital Outlay				\$1,657,700
SUB-TOTAL APPROPRIATIONS- 3RD SPECIAL SESSION	\$0	\$0	\$143,196,400	\$1,657,700
Thirty-Ninth Legislature - Second Regular Session				
113 H.B. 2364 Cargo Tank Inspection and Certification				\$275,000
203 H.B. 2149 Appropriation; Veterans' Nursing Home			\$1,250,000	
256 H.B. 2063 Board of Respiratory Care Examiners			50,000 10/	
332 S.B. 1229 Distribution of Tax Protest Monies			3,629,666 11/	
405 H.B. 2296 Correctional Facility Construction; Approp				13,500,000 12/
SUB-TOTAL APPROPRIATIONS- 2ND REGULAR SESSION	\$0	\$0	\$4,929,666	\$13,775,000
TOTAL APPROPRIATIONS	(\$98,735,313)	\$2,114,224	\$3,519,257,566	\$542,169,600

- 1/ For Fiscal Year 1991, this table summarizes all appropriations enacted since the conclusion of the Second Regular Session of the 39th Legislature. For Fiscal Year 1992, this table summarizes appropriations from the First Regular Session of the 40th Legislature, and all previous sessions.
- 2/ To be repaid to the General Fund through an assessment against the consortium operating a commercial nuclear power generating station in Arizona.
- 3/ The first \$320,000 collected pursuant to A.R.S. Title 42 Chapter 6, article 3, shall be remitted to the Treasurer for deposit in the General Fund.
- 4/ A groundwater withdrawal fee is to be levied in 1991, 1992, and 1993 which will produce an estimated \$165,000 each year to repay the General Fund beginning in FY 1992.

- 5/ Unexpended monies appropriated by Laws 1990, Chapter 334, section 9 revert to the General Fund and are re-appropriated to AHCCCS.
- 6/ In addition, a) Chapter 282 appropriates \$45,634,500 from the General Fund for costs related to the settlement agreement between the State of Arizona and ENSCO Inc. and b) Chapter 289 appropriates \$15,000,000 for the acquisition of existing office space. Both bills, however, require that the General Fund be reimbursed for these appropriations.
- 7/ In addition, \$143,196,400 is appropriated from the General Fund to the Department of Education in FY 1993 to repay the FY 1992 basic state aid apportionment reduction ("K-12 Rollover") and associated interest expenses. The sum of \$1,250,000 is also appropriated to the Governor's Office of Strategic Planning and Budgeting in FY 1993 for the completion of the Statewide Long Term Improved Management (SLIM) project.
- 8/ The bill delayed from FY 1991 to FY 1992 the \$2,000,000 appropriation in Laws 1990, Chapter 304, for the Department of Public Safety for the Automated Fingerprint Identification System.
- 9/ Appropriates \$142,500,000 in FY 1992 to repay the FY 1991 basic state aid apportionment reduction ("K-12 Rollover") plus \$696,400 in FY 1992 for incurred interest expenses associated with the registering of warrants related to the FY 1991 reduction.
- 10/ The State Board of Respiratory Care Examiners shall reimburse the General Fund for its start-up appropriation by June 30, 1992.
- 11/ The State Treasurer is appropriated \$3,629,666 in FY 1993 and FY 1994, as well, to pay cities, towns and counties as reimbursement for undistributed transaction privilege tax revenues.
- 12/ In FY 1993, an additional \$10,300,000 is appropriated from the Corrections Fund to the Department of Administration for the completion of a new 800 bed correctional facility at the prison complex in Florence.

DISTRIBUTION OF TOTAL APPROPRIATED FUNDS GENERAL AND NON-GENERAL FUNDS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

SUMMARY OF APPROPRIATED FUNDS 1/

By Agency

For Fiscal Years 1991 and 1992

	Fiscal Year 1991			Fiscal Year 1992		
	General Fund	Non-General Fund	Total Funds	General Fund	Non-General Fund	Total Funds
<u>GENERAL GOVERNMENT</u>						
Administration, Department of	\$30,378,700	\$368,600	\$30,747,300	\$26,975,600	\$5,064,000	\$32,039,600
Attorney General	17,919,900	0	17,919,900	17,711,300	0	17,711,300
Coliseum and Exposition Center	0	11,751,100	11,751,100	0	11,860,000	11,860,000
Commerce, Department of	4,070,000	1,448,900	5,518,900	3,746,600	1,499,000	5,245,600
Courts						
Court of Appeals	7,835,700	0	7,835,700	7,934,000	0	7,934,000
Comm on Appellate & Trial Court Appts	4,000	0	4,000	3,500	0	3,500
Commission on Judicial Conduct	113,000	0	113,000	138,600	0	138,600
Superior Court	51,752,100	0	51,752,100	53,911,000	0	53,911,000
Supreme Court	7,756,300	0	7,756,300	10,645,800	0	10,645,800
SUBTOTAL - Courts	\$67,461,100	\$0	\$67,461,100	\$72,632,900	\$0	72,632,900
Governor						
Office of the Governor	3,309,100	0	3,309,100	3,369,200	800,000	4,169,200
Office of Affirmative Action	224,500	0	224,500	224,700	0	224,700
Office of Strategic Planning & Budgeting	1,099,200	0	1,099,200	2,431,400	0	2,431,400
SUBTOTAL - Governor	\$4,632,800	\$0	\$4,632,800	\$6,025,300	\$800,000	\$6,825,300
Law Enforcement Merit Sys Council	41,000	0	41,000	41,800	0	41,800
Legislature						
Auditor General	7,056,700	0	7,056,700	7,250,700	0	7,250,700
House of Representatives	6,580,400	0	6,580,400	7,360,300	200,000	7,560,300
Joint Legislative Budget Committee	1,630,100	0	1,630,100	1,673,300	0	1,673,300
Legislative Council	2,637,600	0	2,637,600	2,640,800	0	2,640,800
Library, Arch & Pub Records, Dept of	4,538,400	0	4,538,400	4,725,100	0	4,725,100

	Fiscal Year 1991			Fiscal Year 1992		
	Gen Fund	Non-GF	Total	Gen Fund	Non-GF	Total
Senate	\$5,553,100	\$0	\$5,553,100	\$6,270,900	\$200,000	\$6,470,900
SUBTOTAL - Legislature	\$27,996,300	\$0	\$27,996,300	\$29,921,100	\$400,000	\$30,321,100
Lottery	0	41,288,400	41,288,400	0	41,245,400	41,245,400
Personnel Board	239,100	0	239,100	216,200	0	216,200
Retirement System	0	3,576,900	3,576,900	0	4,933,800	4,933,800
Revenue, Department of	44,301,400	0	44,301,400	50,902,200	0	50,902,200
Secretary of State	6,623,000	0	6,623,000	2,649,100	0	2,649,100
Tax Appeals, Board of	677,400	0	677,400	696,400	0	696,400
Tourism, Office of	3,376,700	2,000,000	5,376,700	5,727,300	0	5,727,300
Treasurer	6,266,200	0	6,266,200	6,763,600	0	6,763,600
Uniform State Laws, Comm on	17,400	0	17,400	22,900	0	22,900
TOTAL - GENERAL GOVERNMENT	\$214,001,000	\$60,433,900	\$274,434,900	\$224,032,300	\$65,802,200	\$289,834,500

HEALTH AND WELFARE

AHCCCS Administration	350,830,500	0	350,830,500	369,945,900	0	369,945,900
Economic Security, Department of	332,069,100	650,100	332,719,200	356,830,500	627,300	357,457,800
Environmental Quality, Department of	10,152,100	0	10,152,100	11,602,900	104,800	11,707,700
Health Services, Department of	172,073,400	2,525,100	174,598,500	198,802,400	2,947,500	201,749,900
Hearing Impaired, Council for the	204,900	0	204,900	203,000	0	203,000
Indian Affairs, Commission on	164,100	0	164,100	159,800	0	159,800
Pioneers' Home	2,897,100	0	2,897,100	2,653,400	0	2,653,400
Arizona Ranger's Pension	8,800	0	8,800	9,200	0	9,200
Veteran's Services Commission	807,600	348,200	1,155,800	751,800	386,200	1,138,000
TOTAL - HEALTH AND WELFARE	\$869,207,600	\$3,523,400	\$872,731,000	\$940,958,900	\$4,065,800	\$945,024,700

INSPECTION AND REGULATION

Agricultural Employment Relations Bd	180,600	0	180,600	175,600	0	175,600
Agriculture, Department of	9,812,100	1,631,000	11,443,100	9,944,800	1,786,300	11,731,100
Banking Department	3,592,500	0	3,592,500	3,599,200	0	3,599,200

	Fiscal Year 1991			Fiscal Year 1992		
	Gen Fund	Non-GF	Total	Gen Fund	Non-GF	Total
Building & Fire Safety, Dept of	\$2,871,200	\$0	\$2,871,200	\$2,800,300	\$0	\$2,800,300
Contractors, Registrar of	3,746,100	0	3,746,100	3,847,900	0	3,847,900
Corporation Commission	4,723,700	5,799,100	10,522,800	4,861,800	5,673,300	10,535,100
Industrial Commission	0	12,150,300	12,150,300	0	12,197,700	12,197,700
Insurance, Department of	3,065,500	0	3,065,500	3,082,700	0	3,082,700
Liquor Licenses & Control, Dept of	1,986,000	0	1,986,000	1,992,000	0	1,992,000
Mine Inspector	535,300	0	535,300	569,500	0	569,500
Occupational Safety & Health Review Bd	9,400	0	9,400	9,100	0	9,100
Racing, Department of	2,346,200	350,700	2,696,900	2,392,500	358,900	2,751,400
Radiation Regulatory Agency	1,539,500	93,500	1,633,000	937,800	90,300	1,028,100
Real Estate Department	2,892,600	0	2,892,600	2,868,600	0	2,868,600
Residential Utility Consumer Office	0	1,093,900	1,093,900	0	1,018,100	1,018,100
Weights and Measures, Dept of	1,943,600	382,800	2,326,400	2,167,200	247,600	2,414,800
Ninety-Ten Agencies						
Accountancy, Board of	0	664,600	664,600	0	733,200	733,200
Appraisal, Board of	0	100,000	100,000	0	219,800	219,800
Barber Examiners Board	0	138,000	138,000	0	134,700	134,700
Behavioral Health Examiners, Board of	0	175,800	175,800	0	178,900	178,900
Boxing Commission	54,800	7,100	61,900	27,300	28,800	56,100
Chiropractic Examiners Board	0	219,700	219,700	0	218,000	218,000
Cosmetology, Board of	0	550,200	550,200	0	563,500	563,500
Dental Examiners Board	0	408,400	408,400	0	436,200	436,200
Funeral Directors and Embalmers Board	0	155,800	155,800	0	178,500	178,500
Homeopathic Medical Examiners Board	0	15,100	15,100	0	18,400	18,400
Medical Examiners, Board of	0	2,294,700	2,294,700	0	2,276,900	2,276,900
Naturopathic Physician Examiners Board	0	27,000	27,000	0	26,000	26,000
Nursing Board	0	1,055,200	1,055,200	0	1,049,700	1,049,700
Nursing Care Inst Administrators Board	7,000	63,400	70,400	0	66,400	66,400
Occupational Therapy Examiners, Bd of	25,000	0	25,000	0	35,100	35,100
Opticians, Board of Dispensing	0	51,100	51,100	0	62,100	62,100

	Fiscal Year 1991			Fiscal Year 1992		
	Gen Fund	Non-GF	Total	Gen Fund	Non-GF	Total
Optometry, Board of	\$0	\$99,900	\$99,900	\$0	\$99,400	\$99,400
Osteopathic Examiners Board	0	257,800	257,800	0	258,400	258,400
Pharmacy Board	0	633,100	633,100	0	625,300	625,300
Physical Therapy Examiners Board	0	65,400	65,400	0	66,500	66,500
Podiatry Examiners Board	0	38,800	38,800	0	42,900	42,900
Private Postsecondary Education, Bd for	0	133,400	133,400	0	144,200	144,200
Psychologist Examiners Board	0	123,700	123,700	0	123,600	123,600
Respiratory Care Examiners, Board of	0	0	0	50,000	74,800	124,800
Structural Pest Control Board	0	1,108,000	1,108,000	0	1,021,600	1,021,600
Technical Registration, Board of	0	783,300	783,300	0	782,300	782,300
Veterinary Medical Examining Board	0	157,000	157,000	0	152,500	152,500
SUBTOTAL - Ninety-Ten Agencies	86,800	9,326,500	9,413,300	77,300	9,617,700	9,695,000
TOTAL - INSPECT & REGULATION	\$39,331,100	\$30,827,800	\$70,158,900	\$39,326,300	\$30,989,900	\$70,316,200

EDUCATION

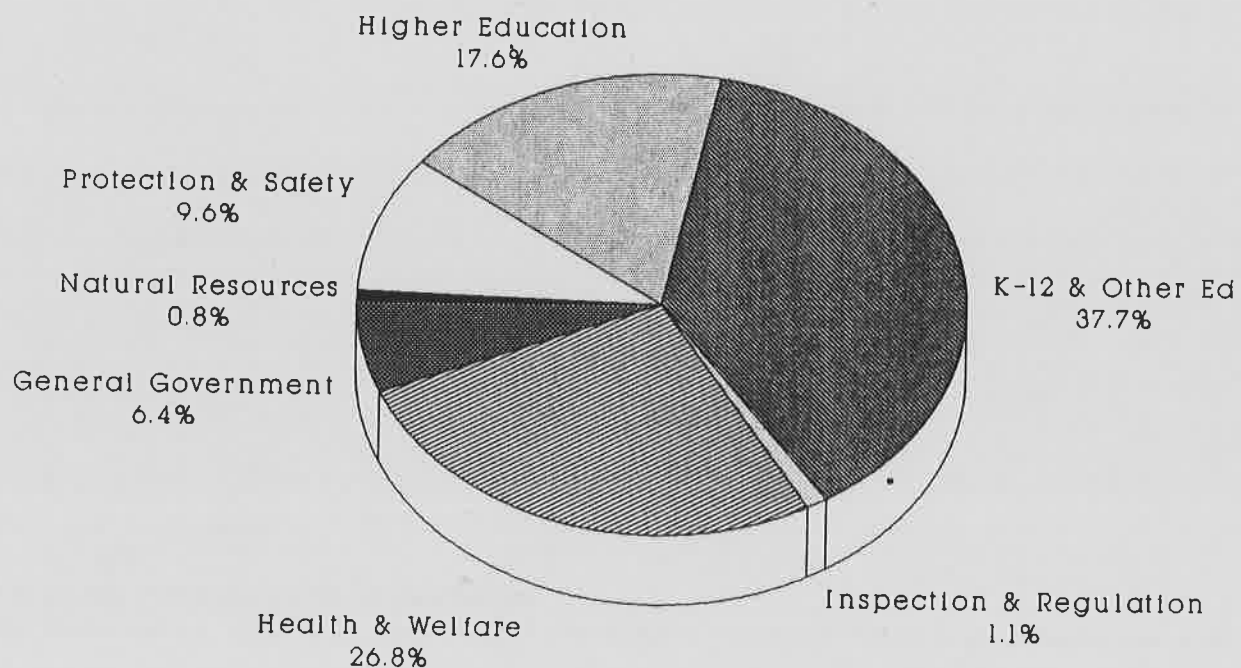
Arts, Commission on the	1,512,500	0	1,512,500	1,359,500	0	1,359,500
Community Colleges	82,516,800	0	82,516,800	85,888,200	0	85,888,200
Deaf and Blind, School for	13,091,400	0	13,091,400	13,320,500	0	13,320,500
Education, Department of	1,236,240,500	0	1,236,240,500	1,305,539,800	0	1,305,539,800
Historical Society, Arizona	3,176,000	0	3,176,000	3,219,000	0	3,219,000
Historical Society, Prescott	507,000	0	507,000	517,500	0	517,500
Medical Student Loans Board	3,000	0	3,000	1,000	0	1,000
Universities/Board of Regents						
Board of Regents	6,503,300	0	6,503,300	6,757,000	0	6,757,000
Arizona State University - Main	181,966,100	0	181,966,100	181,714,100	0	181,714,100
Arizona State University - West	24,557,000	0	24,557,000	27,496,500	0	27,496,500
Northern Arizona University	67,984,300	0	67,984,300	71,941,900	0	71,941,900
University of Arizona - Main	196,975,100	0	196,975,100	200,608,700	0	200,608,700
University of Arizona - College of Med	44,169,800	0	44,169,800	45,470,500	0	45,470,500
SUBTOTAL - Universities/Regents	\$522,155,600	\$0	\$522,155,600	\$533,988,700	\$0	\$533,988,700

	Fiscal Year 1991			Fiscal Year 1992		
	Gen Fund	Non-GF	Total	Gen Fund	Non-GF	Total
TOTAL - EDUCATION	\$1,859,202,800	\$0	\$1,859,202,800	\$1,943,834,200	\$0	\$1,943,834,200
<u>PROTECTION AND SAFETY</u>						
Corrections, Department of	246,093,300	207,000	246,300,300	255,025,400	936,400	255,961,800
Criminal Justice Commission	3,195,000	334,700	3,529,700	2,500,000	505,300	3,005,300
Emergency and Military Affairs, Dept of	4,432,800	0	4,432,800	4,073,700	0	4,073,700
Juvenile Corrections, Department of	33,695,400	0	33,695,400	28,947,800	2,904,200	31,852,000
Pardons and Paroles, Board of	1,880,300	0	1,880,300	1,996,000	0	1,996,000
Public Safety, Department of	63,251,000	23,803,300	87,054,300	46,123,500	41,770,500	87,894,000
TOTAL - PROTECTION AND SAFETY	\$352,547,800	\$24,345,000	\$376,892,800	\$338,666,400	\$46,116,400	\$384,782,800
<u>TRANSPORTATION</u>						
Transportation, Department of	\$76,200	\$184,054,400	\$184,130,600	\$67,300	\$189,191,700	\$189,259,000
<u>NATURAL RESOURCES</u>						
Environment, Commission on the	117,900	0	117,900	100,500	0	100,500
Game and Fish Department	0	16,240,500	16,240,500	0	15,959,500	15,959,500
Geological Survey	564,400	0	564,400	621,400	0	621,400
Land Department	8,023,200	0	8,023,200	8,149,300	0	8,149,300
Mines and Mineral Resources, Dept of	347,400	0	347,400	339,000	0	339,000
Oil and Gas Conservation Commission	176,000	0	176,000	0	0	0
State Parks Board	6,468,000	9,742,500	16,210,500	5,636,800	1,900,000	7,536,800
Water Resources, Department of	11,477,700	0	11,477,700	11,705,200	535,000	12,240,200
TOTAL - NATURAL RESOURCES	\$27,174,600	\$25,983,000	\$53,157,600	\$26,552,200	\$18,394,500	\$44,946,700
UNALLOCATED SEC 104 HEALTH INS	0	0	0	570,000	0	570,000
UNALLOCATED SALARY ADJ	768,200	300,800	768,200	0	0	0

	Fiscal Year 1991			Fiscal Year 1992		
	Gen Fund	Non-GF	Total	Gen Fund	Non-GF	Total
UNALLOCATED INEQUITY SAL ADJ	284,300	186,400	284,300	0	0	0
GRAND TOTAL	<u>\$3,362,593,600</u>	<u>\$329,654,700</u>	<u>\$3,692,248,300</u>	<u>\$3,514,007,600</u>	<u>\$354,560,500</u>	<u>\$3,868,568,100</u>

1/ This table summarizes FY 1991 and FY 1992 operating appropriations and excludes capital outlay appropriations from the 1st Regular Session of the 40th Legislature and all previous sessions.

DISTRIBUTION OF GENERAL FUND APPROPRIATIONS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

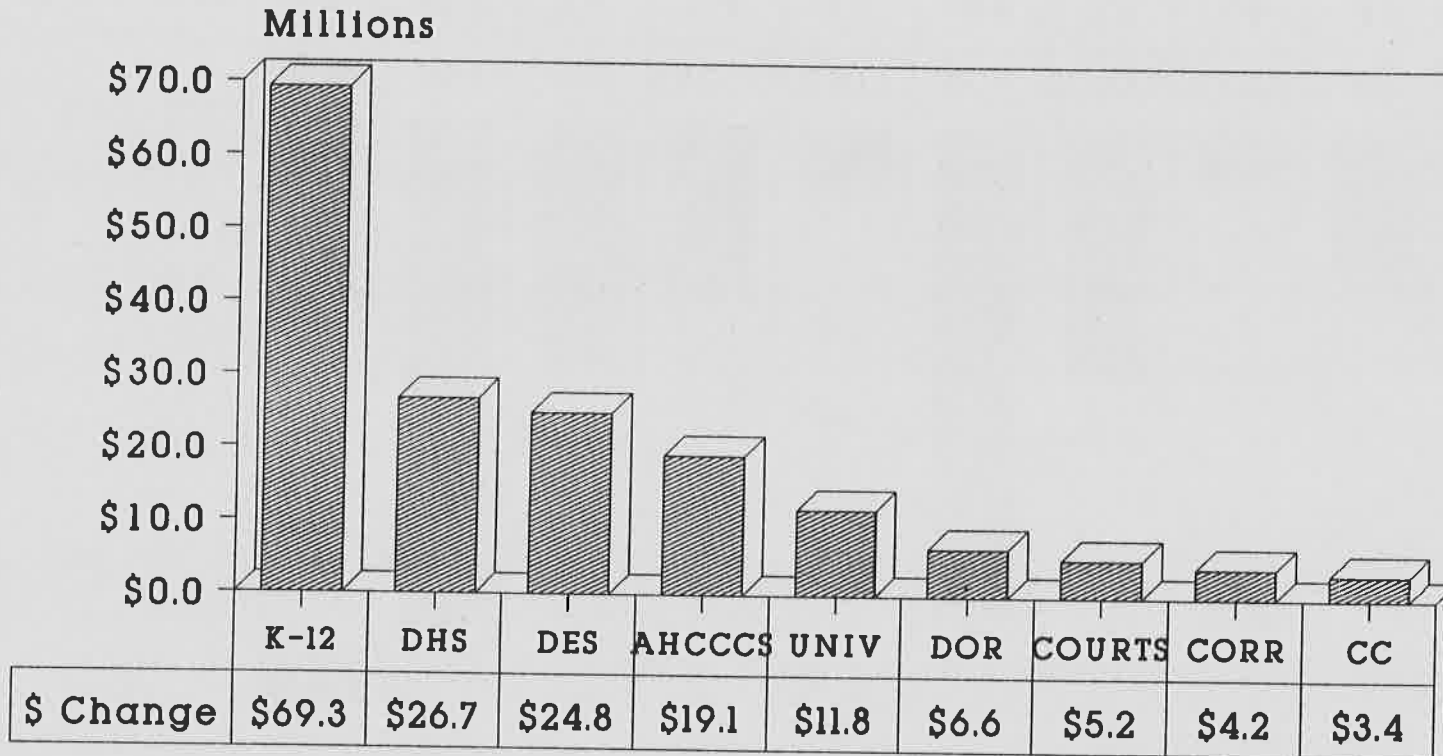
Does not include \$67,300 (0.002 %) for Transportation.

Includes all enacted bills.

NINE LARGEST AGENCIES

GENERAL FUND APPROPRIATION

DOLLAR CHANGE FY91 - FY92



Total Change - All Agencies - FY 1991 to FY 1992 = \$151.0 Million

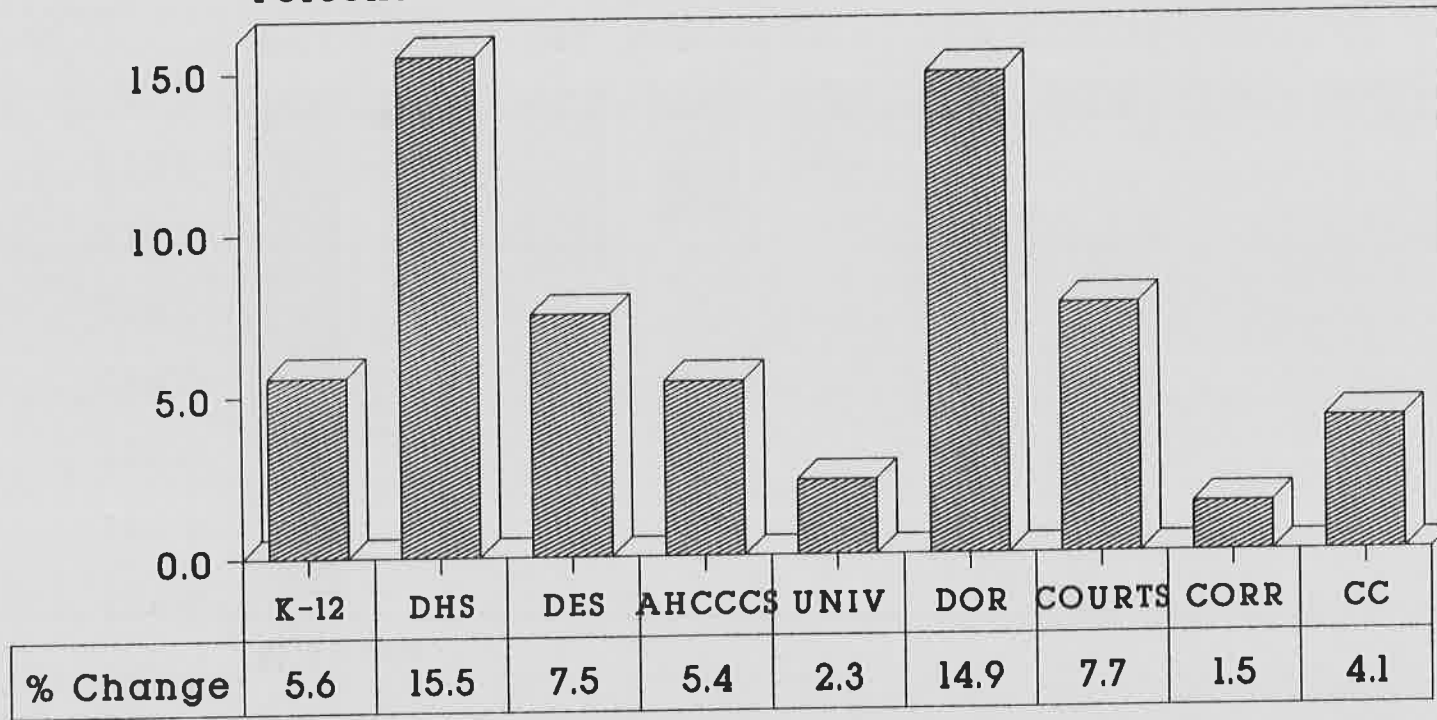
K-12=Dept of Education DES=Dept of Economic Security UNIV=Regents/Universities
 DHS=Dept of Health Services DOR=Dept of Revenue CORR=Depts of Corrections/Juv. Corr.
 CC=Community Colleges

NINE LARGEST AGENCIES

GENERAL FUND APPROPRIATION

PERCENT CHANGE FY91 - FY92

Percent



Total Percentage Change - All Agencies - FY 1991 to FY 1992 = 4.5 %

K-12=Dept of Education DES=Dept of Economic Security UNIV=Regents/Universities
 DHS=Dept of Health Services DOR=Dept of Revenue CORR=Depts of Corrections/Juv. Corr.
 CC=Community Colleges

SUMMARY OF THE GENERAL APPROPRIATION ACT 1/ 2/

For Fiscal Years 1991 and 1992

	Fiscal Year 1991 3/		Fiscal Year 1992 4/	
	General Fund	Non-General Fund	General Fund	Non-General Fund
<u>GENERAL GOVERNMENT</u>				
Administration, Department of	\$28,551,700	\$358,700	\$26,975,600	\$5,064,000
Attorney General	17,842,400	0	17,694,400	0
Coliseum and Exposition Center	0	11,751,100 5/	0	11,860,000
Commerce, Department of	3,881,200	1,370,100	3,746,600	1,499,000
Compensation Fund	0	0	0	0
Courts				
Court of Appeals	7,835,700	0	7,934,000	0
Comm on Appellate and Trial Court Appts	4,000	0	3,500	0
Commission on Judicial Conduct	113,000	0	138,600	0
Superior Court	51,752,100	0	53,511,000	0
Supreme Court	7,465,800	0	10,645,800	0
SUBTOTAL - Courts	<u>\$67,170,600</u>	<u>\$0</u>	<u>\$72,232,900</u>	<u>\$0</u>
Governor				
Office of the Governor	3,309,100	0	3,369,200	800,000
Office of Affirmative Action	224,500	0	224,700	0
Office of Strategic Planning and Budgeting	1,099,200	0	2,431,400	0
SUBTOTAL - Governor	<u>\$4,632,800</u>	<u>\$0</u>	<u>\$6,025,300</u>	<u>\$800,000</u>
Law Enforcement Merit System Council	41,000	0	41,800	0
Legislature				
Auditor General	7,056,700	0	7,250,700	0
House of Representatives	6,580,400	0	7,360,300	200,000
Joint Legislative Budget Committee	1,630,100	0	1,673,300	0
Legislative Council	2,637,600	0	2,640,800	0
Library, Archives, and Public Records, Dept of	4,538,400	0	4,725,100	0
Senate	5,553,100	0	6,270,900	200,000
SUBTOTAL - Legislature	<u>\$27,826,300</u>	<u>\$0</u>	<u>\$29,921,100</u>	<u>\$400,000</u>
Lottery	0	41,288,400	0	41,245,400

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Personnel Board	\$239,100	\$0	\$216,200	\$0
Retirement System	0	3,576,900	0	4,933,800
Revenue, Department of	44,211,400	0	50,672,200	0
Secretary of State	3,048,000	0	2,649,100	0
Tax Appeals, Board of	475,600	0	696,400	0
Tourism, Office of	3,376,700	2,000,000	5,727,300	0
Treasurer	3,350,200	0	3,133,900	0
Uniform State Laws, Commission on	17,400	0	22,900	0
TOTAL - GENERAL GOVERNMENT	\$204,664,400	\$60,345,200	\$219,755,700	\$65,802,200
<u>HEALTH AND WELFARE</u>				
AHCCCS Administration	338,000,085	0	369,844,600	0
Economic Security, Department of	328,300,700	650,100	356,830,500	627,300
Environmental Quality, Department of	10,152,100	0	10,767,500	104,800
Health Services, Department of	148,329,600	2,525,100	198,802,400	2,947,500
Hearing Impaired, Council for the	204,900	0	203,000	0
Indian Affairs, Commission on	164,100	0	159,800	0
Pioneers' Home	2,897,100	0	2,653,400	0
Arizona Ranger's Pension	8,800	0	9,200	0
Veteran's Services Commission	807,600	348,200	751,800	386,200
TOTAL - HEALTH AND WELFARE	\$828,864,985	\$3,523,400	\$940,022,200	\$4,065,800
<u>INSPECTION AND REGULATION</u>				
Agricultural Employment Relations Board	180,600	0	175,600	0
Agriculture, Department of	9,812,100	1,631,000	9,900,800	1,786,300
Banking Department	3,592,500	0	3,599,200	0
Building & Fire Safety, Dept of	2,871,200	0	2,800,300	0
Contractors, Registrar of	3,746,100	0	3,847,900	0
Corporation Commission	4,723,700	5,799,100	4,861,800	5,673,300
Industrial Commission	0	12,150,300	0	12,197,700
Insurance, Department of	3,065,500	0	3,082,700	0

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Liquor Licenses & Control, Dept of	\$1,986,000	\$0	\$1,992,000	\$0
Mine Inspector	535,300	0	569,500	0
Occupational Safety and Health Review Board	9,400	0	9,100	0
Racing, Department of	2,346,200	350,700	2,392,500	358,900
Radiation Regulatory Agency	1,133,400	93,500	937,800	90,300
Real Estate Department	2,892,600	0	2,868,600	0
Residential Utility Consumer Office	0	1,093,900	0	1,018,100
Dept of Weights and Measures	1,943,600	382,800	2,167,200	247,600
Ninety-Ten Agencies				
Accountancy, Board of	0	664,600	0	733,200
Appraisal, Board of	0	0	0	219,800
Barber Examiners Board	0	138,000	0	134,700
Behavioral Health Examiners, Board of	0	135,800	0	178,900
Boxing Commission	54,800	7,100	27,300	28,800
Chiropractic Examiners Board	0	219,700	0	218,000
Cosmetology, Board of	0	550,200	0	563,500
Dental Examiners Board	0	408,400	0	436,200
Funeral Directors and Embalmers Board	0	155,800	0	178,500
Homeopathic Medical Examiners Board	0	15,100	0	18,400
Medical Examiners, Board of	0	2,294,700	0	2,276,900
Naturopathic Physician Examiners Board	0	27,000	0	26,000
Nursing Board	0	1,055,200	0	1,049,700
Nursing Care Institution Administrators Board	0	63,400	0	66,400
Occupational Therapy Examiners, Board of	0	0	0	35,100
Opticians, Board of Dispensing	0	51,100	0	62,100
Optometry, Board of	0	99,900	0	99,400
Osteopathic Examiners Board	0	257,800	0	258,400
Pharmacy Board	0	633,100	0	625,300
Physical Therapy Examiners Board	0	65,400	0	66,500
Podiatry Examiners Board	0	38,800	0	42,900

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Private Postsecondary Education, Board for	\$0	\$133,400	\$0	\$144,200
Psychologist Examiners Board	0	123,700	0	123,600
Respiratory Care Examiners, Board of	0	0	0	74,800
Structural Pest Control Commission	0	1,108,000	0	1,021,600
Technical Registration, Board of	0	783,300	0	782,300
Veterinary Medical Examining Board	0	157,000	0	152,500
SUBTOTAL - Ninety-Ten Agencies	\$54,800	\$9,186,500	\$27,300	\$9,617,700
TOTAL - INSPECTION AND REGULATION	\$38,893,000	\$30,687,800	\$39,232,300	\$30,989,900
<u>EDUCATION</u>				
Arts, Commission on the	1,512,500	0	1,359,500	0
Community Colleges	82,516,800	0	85,888,200	0
Deaf and Blind, School for	13,091,400	0	13,320,500	0
Education, Department of	1,129,867,500 6/	0	1,161,443,400 7/	0
Historical Society, Arizona	3,176,000	0	3,219,000	0
Historical Society, Prescott	507,000	0	517,500	0
Medical Student Loans Board	3,000	0	1,000	0
Universities/Board of Regents				
Board of Regents	6,146,300	0	6,757,000	0
Arizona State University - Main	181,966,100	0	181,714,100	0
Arizona State University - West	24,557,000	0	27,496,500	0
Northern Arizona University	67,984,300	0	71,941,900	0
University of Arizona - Main	196,975,100	0	200,608,700	0
University of Arizona - College of Medicine	44,169,800	0	45,470,500	0
SUBTOTAL - Universities/Board of Regents	\$521,798,600	\$0	\$533,988,700	\$0
TOTAL - EDUCATION	\$1,752,472,800	\$0	\$1,799,737,800	\$0
<u>PROTECTION AND SAFETY</u>				
Corrections, Department of	246,093,300	207,000	255,025,400	936,400
Criminal Justice Commission	3,195,000	334,700	2,500,000	505,300
Emergency and Military Affairs, Dept of	4,068,900	0	4,073,700	0

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Juvenile Corrections, Department of	\$33,695,400	\$0	\$28,947,800	\$2,904,200
Pardons and Paroles, Board of	1,880,300	0	1,996,000	0
Public Safety, Department of	63,251,000	23,803,300	44,123,500	41,770,500
TOTAL - PROTECTION AND SAFETY	\$352,183,900	\$24,345,000	\$336,666,400	\$46,116,400
<u>TRANSPORTATION</u>				
Transportation, Department of	\$76,200	\$183,952,400	\$67,300	\$188,900,100
<u>NATURAL RESOURCES</u>				
Environment, Commission on the	117,900	0	100,500	0
Game and Fish Department	0	16,240,500	0	15,959,500
Geological Survey	564,400	0	621,400 8/	0
Land Department	8,023,200	0	8,149,300	0
Mines and Mineral Resources, Dept of	347,400	0	339,000	0
Oil and Gas Conservation Commission	176,000	0	0 8/	0
State Parks Board	6,048,000	9,742,500	5,636,800	1,900,000
Water Resources, Department of	11,477,700	0	11,205,200	0
TOTAL - NATURAL RESOURCES	\$26,754,600	\$25,983,000	\$26,052,200	\$17,859,500
UNALLOCATED SEC 104 HEALTH INS	0	0	570,000	0
UNALLOCATED SALARY ADJUSTMENTS	768,200	300,800	0	0
UNALLOCATED INEQUITY SAL ADJ	284,300	186,400	0	0
TOTAL-GENERAL APPROPS BILL	\$3,204,962,385	\$329,324,000	\$3,362,103,900	\$353,733,900

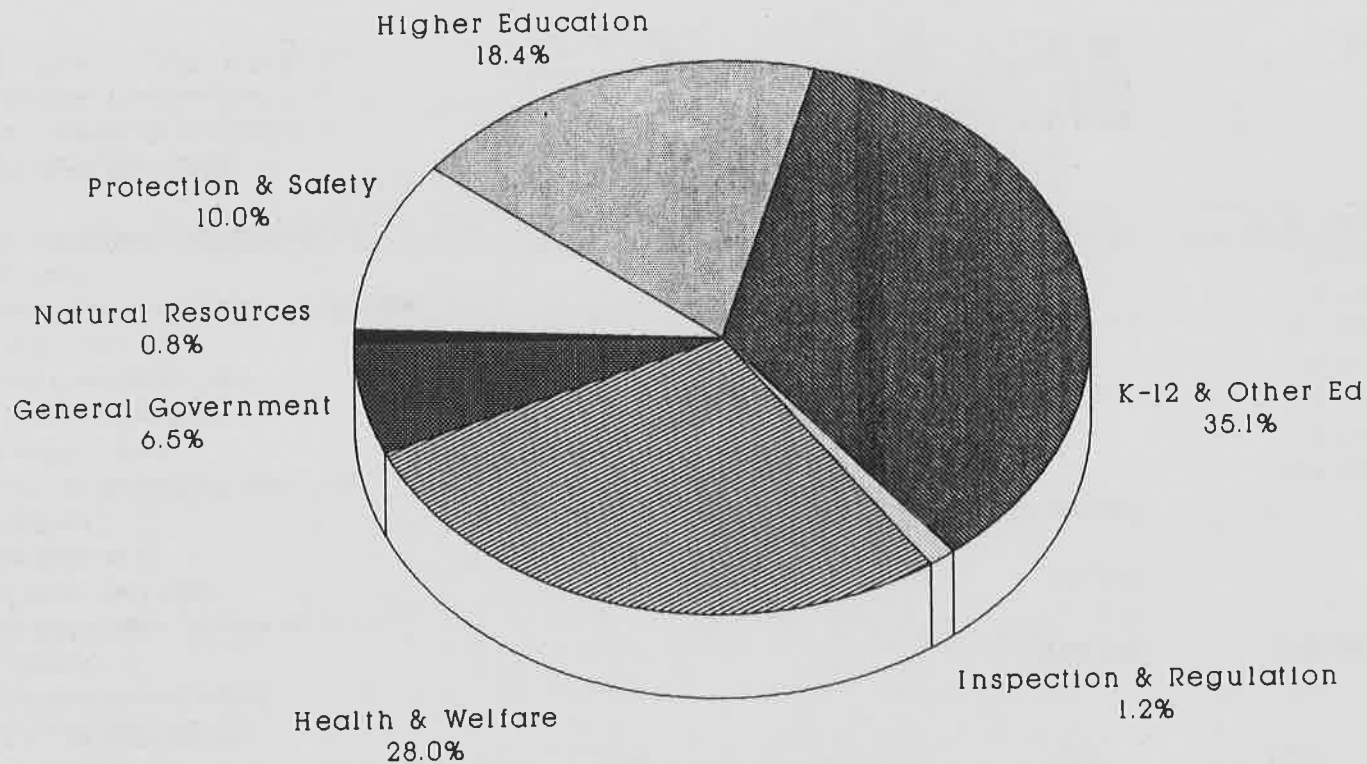
- 1/ See agency detail pages and Summary of Additional Appropriations for other fiscal actions affecting the monies as appropriated in the General Appropriation Act.
- 2/ The amounts shown include the allocation of the health insurance adjustments (Section 104).
- 3/ The amounts for FY 1991 reflect the appropriations made in Laws 1990, Chapter 1, 3rd Special Session as adjusted by Laws 1991, Chapter 2, 1st Special Session.
- 4/ The amounts for FY 1992 reflect the appropriations made in Laws 1991, Chapter 287, 1st Regular Session.

- 5/ The amount shown reflects a decrease from projected expenditures of \$2,271,300. This amount is only an estimate because the appropriation to the Coliseum and Exposition Center is for 100% of receipts, and does not specify an amount.
- 6/ Does not include a state aid roll-over of \$100,313,000 appropriated in Laws 1989, Chapter 311.
- 7/ Does not include a state aid roll-over of \$143,196,400 appropriated in Laws 1990, Chapter 1, 3rd Special Session.
- 8/ The Oil and Gas Commission was merged into the Geological Survey by Laws 1991, Chapter 265.

DISTRIBUTION OF THE GENERAL APPROPRIATION ACT

GENERAL FUND

BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

Does not include \$67,300 (0.002 %) for Transportation.

SUMMARY OF THE OMNIBUS CAPITAL OUTLAY BILL (H.B. 2350)
Enacted by the 40th Legislature - 1st Regular Session

	<u>Fiscal Year 1991</u>		<u>Fiscal Year 1992</u>	
	<u>General Fund</u>	<u>Non-General Fund</u>	<u>General Fund</u>	<u>Non-General Fund</u>
<u>GENERAL GOVERNMENT</u>				
Administration, Department of DOA Projects			\$500,000	\$362,500
Existing Office Space Acquisition 1/ Adult Corrections Projects			0	
Building Renewal 2/ General Fund			150,000	
Coliseum and Exposition Center Fund			807,300	
Game and Fish Fund				422,000
State Compensation Fund				95,300
Industrial Commission Fund				101,100
State Aeronautics Fund				40,400
Retirement System Administration Account				21,900
Lottery Fund				15,200
TOTAL - GENERAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$1,457,300</u>	<u>\$1,064,500</u>
<u>HEALTH AND WELFARE</u>				
Economic Security, Department of			\$43,000	
Health Services, Department of			10,000	
TOTAL - HEALTH AND WELFARE	<u>\$0</u>	<u>\$0</u>	<u>\$53,000</u>	<u>\$0</u>
<u>EDUCATION</u>				
Deaf and Blind, School for Universities/Board of Regents			\$295,000	
Board of Regents Building Renewal			1,614,700	
TOTAL - EDUCATION	<u>\$0</u>	<u>\$0</u>	<u>\$1,909,700</u>	<u>\$0</u>

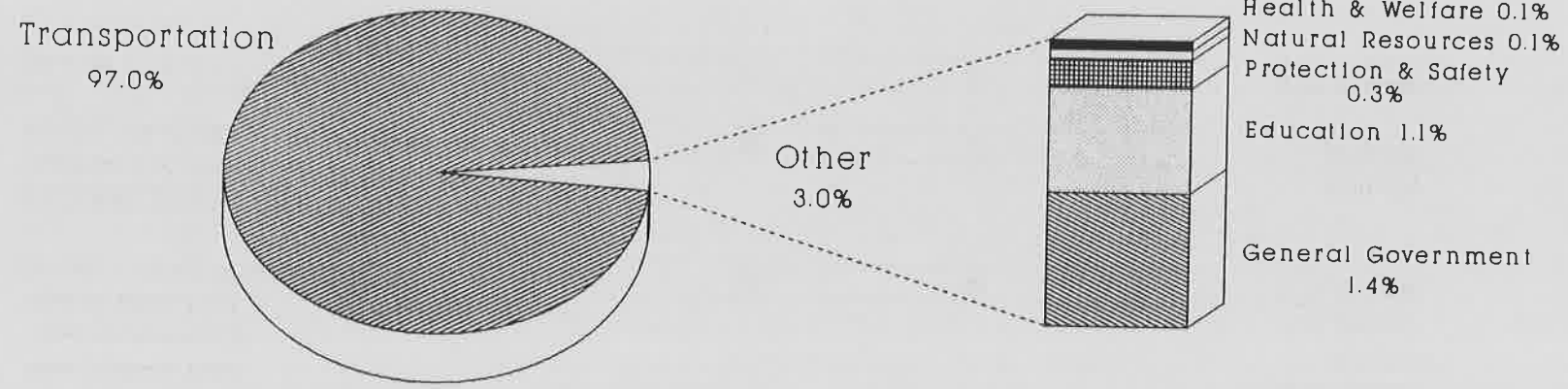
	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
<u>PROTECTION AND SAFETY</u>				
Emergency and Military Affairs, Dept of			\$290,000	
Public Safety, Department of			290,000	
TOTAL - PROTECTION AND SAFETY	\$0	\$0	\$580,000	\$0
<u>TRANSPORTATION</u>				
Transportation, Department of				\$159,120,700
State Highway Fund				953,200
Building Renewal 2/				11,103,000
State Aviation Fund				
TOTAL - TRANSPORTATION	\$0	\$0		\$171,176,900
<u>NATURAL RESOURCES</u>				
Game and Fish Department				\$210,000
TOTAL - NATURAL RESOURCES	\$0	\$0		\$210,000
GRAND TOTAL	\$0	\$0	\$4,000,000	\$172,451,400

1/ The Capital Outlay Bill appropriates \$15,000,000 from the General Fund to the Department of Administration for the acquisition of existing office space. The DOA director is required to repay the appropriation from the proceeds of of lease-purchase financing by June 30, 1992.

2/ For major maintenance and repair of state buildings pursuant to Title 41, Chapter 4, Article 7, Arizona Revised Statutes.

DISTRIBUTION OF THE CAPITAL OUTLAY BILL BY FUNCTION OF GOVERNMENT

TG-24



FISCAL YEAR 1992

Note: General Government total includes amounts for Juvenile and Adult Corrections facilities.

SUMMARY OF ADDITIONAL APPROPRIATIONS
 (Other Than The General Appropriation Act and All Capital Outlay Appropriations)
 Enacted by the 40th Legislature - 1st Regular Session
 For Fiscal Years 1991 and 1992

	Fiscal Year 1991		Fiscal Year 1992	
	General Fund	Non-General Fund	General Fund	Non-General Fund
<u>GENERAL GOVERNMENT</u>				
Administration, Department of				
Ch. 282 (H.B. 2503)- Appropriation; Hazardous Waste Property			\$0 1/	
Ch. 263 (H.B. 2502)- Appropriation for Named Claimants	\$301,987	\$9,924	\$0	\$0
SUB-TOTAL	\$301,987	\$9,924		
Attorney General				
Ch. 315 (H.B. 2121)- Special and Hazardous Waste			\$16,900	
Governor, Office of the				
Ch. 282 (H.B. 2503)- Appropriation; Hazardous Waste Property		\$0 1/		
Revenue, Department of				
Ch. 184 (S.B. 1170)- Tax Revenues; Environment	\$90,000		\$230,000	
Superior Court				
Ch. 230 (H.B. 2419)- Court Appointed Special Advocates			\$400,000	
TOTAL - GENERAL GOVERNMENT	\$391,987	\$9,924	\$646,900	\$0
<u>HEALTH AND WELFARE</u>				
AHCCCS				
Ch. 265 (S.B. 1317)- General Government Omnibus Reconciliation Act			\$101,300	

	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
Environmental Quality, Department of				
Ch. 282 (H.B. 2503)- Appropriation; Hazardous Waste Property			\$0	1/
Ch. 315 (H.B. 2121)- Special and Hazardous Waste			835,400	
SUB-TOTAL	\$0	\$0	\$835,400	\$0
 TOTAL - HEALTH AND WELFARE	 \$0	 \$0	 \$936,700	 \$0

INSPECTION AND REGULATION

Agriculture, Department of				
Ch. 315 (H.B. 2121)- Special and Hazardous Waste			\$44,000	
Behavioral Health, Board of				
Ch. 95 (H.B. 2346)- Appropriation; Behavioral		\$40,000		
Radiation Regulatory Agency				
Ch. 88 (H.B. 2158)- Nuclear Emergency Appropriation and Assessment	\$406,100			
 TOTAL - INSPECTION AND REGULATION	 \$406,100	 \$40,000	 \$44,000	 \$0

EDUCATION

Education, Department of				
Ch. 204 (S.B. 1266)- Appropriation; School Breakfast Program			\$100,000	
Ch. 288 (S.B. 1318)- Education Omnibus Reconciliation Bill			\$800,000	
SUB-TOTAL	\$0	\$0	\$900,000	\$0
 TOTAL - EDUCATION	 \$0	 \$0	 \$900,000	 \$0

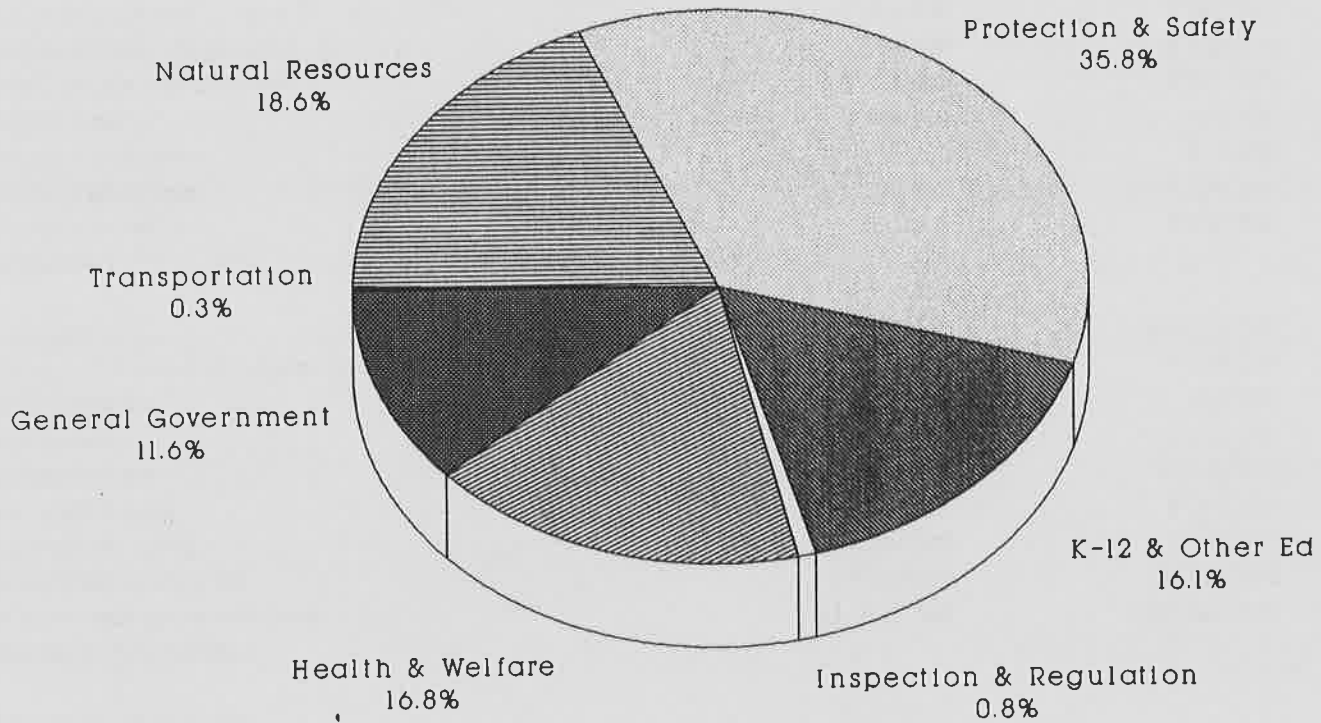
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	Fiscal Year 1991		Fiscal Year 1992	
	Gen Fund	Non-GF	Gen Fund	Non-GF
<u>PROTECTION AND SAFETY</u>				
Emergency Services and Military Affairs, Dept. of Ch. 88 (H.B. 2158)- Nuclear Emergency Appropriation and Assessment	\$363,900			
TOTAL - PROTECTION AND SAFETY	\$363,900	\$0	\$0	\$0
<u>TRANSPORTATION</u>				
Transportation, Department of Ch. 315 (H.B. 2121)- Special and Hazardous Waste				\$16,600
TOTAL - TRANSPORTATION	\$0	\$0	\$0	\$16,600
<u>NATURAL RESOURCES</u>				
Water Resources, Department of Ch. 72 (H.B. 2098)- Appropriation; Clifton Flood Control Ch. 211 (H.B. 2499)- Groundwater; Replenishment Projects and Districts			\$500,000	\$535,000
TOTAL - NATURAL RESOURCES	\$0	\$0	\$500,000	\$535,000
GRAND TOTAL	\$1,161,987	\$49,924	\$3,027,600	\$551,600

1/ Chapter 282 appropriates a total of \$45,634,500 from the General Fund related to the settlement agreement between the State of Arizona and ENSCO Inc. Of that amount, \$44,214,500 is appropriated to the Department of Environmental Quality,

\$1,350,000 is appropriated to the Department of Administration, and \$70,000 is appropriated to the Office of the Governor. The act, however, provides that this amount be reimbursed to the General Fund through the sale and lease-back of state-owned property.

DISTRIBUTION OF ADDITIONAL APPROPRIATIONS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

SUMMARY OF FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES
For Fiscal Years 1991 and 1992

	<u>Fiscal Year</u> 1991	<u>Fiscal Year</u> 1992
<u>GENERAL GOVERNMENT</u>		
Administration, Department of		
Data Processing Revolving Fund	\$14,351,200	\$13,998,100
Telecommunications Fund	11,326,200	11,343,500
911 Emergency Fund	4,544,400	4,840,700
Motor Vehicle Pool	4,594,500	4,861,200
Risk Management	38,602,500	47,289,600
Special Services	2,591,600	2,670,100
Surplus Property	833,100	853,000
Workers' Compensation Liability Loss	12,637,100	13,756,000
SUBTOTAL	<u>\$89,480,600</u>	<u>\$99,612,200</u>
Attorney General		
Anti-Racketeering	937,300	1,030,000
Antitrust Enforcement	356,700	356,700
Collection Enforcement	276,300	276,300
Consumer Fraud	194,400	194,400
Criminal Justice Enhancement	2,224,900	2,224,900
Intergovernmental Agreements	5,366,100	5,179,900
Prosecuting Attorneys Council	1,450,000	1,480,000
Special Printing Fund	2,500	2,500
Victim Witness Fund	37,000	37,000
Federal Funds	1,681,500	1,362,900
SUBTOTAL	<u>\$12,526,700</u>	<u>\$12,144,600</u>
Commerce, Department of		
Community Development Workshops	202,600	210,000
Commerce Development Bond Fund	81,200	81,200

	<u>FY 1991</u>	<u>FY 1992</u>
Energy Conservation (Oil Overcharge)	\$5,308,500	\$4,353,900
Housing Finance Review	318,100	343,000
Federal Funds	7,477,400	6,490,700
SUBTOTAL	<u>\$13,387,800</u>	<u>\$11,478,800</u>
 Compensation Fund 1/ State Compensation Fund Administrative Expenditures	 328,743,100	 338,834,000
 Courts - Supreme Court Criminal Justice Enhancement Fund	 4,139,100	 4,139,100
 Legislature Auditor General--Audit Services	 712,000	 685,000
Library, Archives, and Public Records		
Donations	15,000	15,000
Gift Shop Revolving Fund	39,000	44,500
Miscellaneous Collections	45,000	25,000
Federal Funds	1,783,800	1,747,100
SUBTOTAL	<u>\$2,594,800</u>	<u>\$2,516,600</u>
 Lottery Lottery Fund	 268,842,800	 270,404,600
 Retirement System, Arizona State Health Insurance	 811,300	 618,600
Retirement Education	494,000	382,000
SUBTOTAL	<u>\$1,305,300</u>	<u>\$1,000,600</u>
 Revenue, Department of Liability Setoff Fund	 88,100	 92,400
Publications Revolving Fund	105,700	115,000
SUBTOTAL	<u>\$193,800</u>	<u>\$207,400</u>

	<u>FY 1991</u>	<u>FY 1992</u>
Secretary of State		
Arizona Blue Book	\$2,000	\$2,000
Data Processing Upgrade Fund	250,000	182,400
SUBTOTAL	<u>\$252,000</u>	<u>\$184,400</u>
Tourism, Office of		
Workshop Fund Account	15,000	16,000
SUBTOTAL - GENERAL GOVERNMENT		
Other Funds	710,538,300	730,937,600
Federal Funds	10,942,700	9,600,700
TOTAL - GENERAL GOVERNMENT	<u>\$721,481,000</u>	<u>\$740,538,300</u>

HEALTH AND WELFARE

AHCCCS		
County Contributions	154,432,600	152,619,200
Donations	2,152,500	3,594,500
Miscellaneous Funds	5,864,500	6,613,400
Federal Funds	557,774,285	589,885,600
SUBTOTAL	<u>\$720,223,885</u>	<u>\$752,712,700</u>
Economic Security, Department of		
Capital Investment Fund	73,000	75,000
Child Abuse Prevention and Treatment	645,800	645,800
Child Passenger Restraint	20,000	20,000
Child Support Administration	3,083,100	3,453,000
Client Trust Fund	1,332,000	1,334,800
Donations	21,300	21,300
Homeless Trust Fund	200,000	200,000
Mesa Land	350,000	350,000
Special Admin Fund for Unemployment Compensation	4,408,400	1,001,600

	<u>FY 1991</u>	<u>FY 1992</u>
Unemployment Insurance Benefit Fund	\$162,316,500	\$171,980,000
Utility Assistance Fund	955,700	652,900
All Other DES Funds	100,360,600	124,607,300
Federal Funds	356,178,300	447,226,200
SUBTOTAL	<u>\$629,944,700</u>	<u>\$751,567,900</u>
Environmental Quality, Department of		
Air Quality Fund	7,913,000	3,976,200
Hazardous Waste Fee Fund	5,100	5,400
Solid Waste Recycling	625,000	625,000
Underground Storage Tanks Revolving Fund	2,388,300	4,824,700
Used Oil Management Fund	15,000	20,000
Vehicular Emissions Revolving Fund	855,200	893,700
Waste Tire Disposal	2,590,000	2,590,000
Water Quality Assurance Rev. Fund	7,879,500	8,233,900
Federal Funds	10,148,700	10,242,500
SUBTOTAL	<u>\$32,419,800</u>	<u>\$31,411,400</u>
Health Services, Department of		
Alcohol Abuse Treatment Fund	600,000	600,000
Alcohol/Drug Fines	719,600	700,000
Domestic Violence	693,400	700,000
Donations	289,600	217,800
SAMHC Patients Benefit	5,000	5,000
Sanitariums Fund	9,000	9,000
State Hospital Donations	4,500	4,500
State Hospital Patient Benefit	166,000	166,000
State Hospital Land	274,500	274,500
Federal Funds	55,800,100	55,569,500
SUBTOTAL	<u>\$58,561,700</u>	<u>\$58,246,300</u>

	<u>FY 1991</u>	<u>FY 1992</u>
Hearing Impaired, Council for the Telecommunications for the Deaf	\$1,557,500	\$1,761,100
Indian Affairs, Commission on Publication Revolving Fund	500	3,600
Pioneers' Home		
Pioneers' Endowment	672,400	674,900
Special Donations	50,000	50,000
SUBTOTAL	<u>\$722,400</u>	<u>\$724,900</u>
Veterans' Service Commission		
Veterans Cemetery Donations	12,300	200
Korean War Memorial Cemetery	79,100	0
Federal Funds	146,600	156,700
SUBTOTAL	<u>\$238,000</u>	<u>\$156,900</u>
SUBTOTAL - HEALTH AND WELFARE		
Other Funds	463,620,500	493,504,300
Federal Funds	980,047,985	1,103,080,500
TOTAL - HEALTH AND WELFARE	<u>\$1,443,668,485</u>	<u>\$1,596,584,800</u>

INSPECTION AND REGULATION

Agriculture, Department of		
Beef Council	798,000	741,000
Collections and Administration	36,000	33,000
Cotton Research and Protections Council	2,867,200	1,743,600
Criminal Justice Enhancement Fund	26,300	20,000
Dangerous Plants, Pests and Diseases	24,200	24,200
Donations	58,600	0
Equine Maintenance	1,900	1,000

	<u>FY 1991</u>	<u>FY 1992</u>
Grain Research and Promotion Council	120,900	121,300
Iceburg Lettuce Promotion Council	\$390,600	\$322,600
Iceburg Lettuce Research Council	172,300	122,300
Native Plant Law	327,400	303,000
Seed Law Fund	22,000	29,400
Seizure	3,000	15,000
Stray	30,000	40,000
Yuma County Citrus Pest Control	4,100	5,000
Federal Funds	303,400	276,400
SUBTOTAL	<u>\$5,185,900</u>	<u>\$3,797,800</u>
Banking, Department of		
Special Revolving Fund	164,000	168,600
Receivership Revolving Fund	67,200	0
SUBTOTAL	<u>\$231,200</u>	<u>\$168,600</u>
Corporation Commission		
Securities Regulatory and Enforcement Fund	725,900	975,200
Federal Funds	193,300	213,300
SUBTOTAL	<u>\$919,200</u>	<u>\$1,188,500</u>
Industrial Commission		
Donations	119,300	124,700
Federal Funds	1,143,400	1,207,200
SUBTOTAL	<u>\$1,262,700</u>	<u>\$1,331,900</u>
Insurance, Department of		
Computer System Fund	255,000	2,600
Examiners Fund	2,889,200	3,192,900
Life and Disability	13,168,400	20,182,500
Joint Underwriting Fund	233,900	233,900
Property & Casualty	4,255,500	4,561,000

	<u>FY 1991</u>	<u>FY 1992</u>
Receivership Liquidation Fund	158,200	164,300
SUBTOTAL	\$20,960,200	\$28,337,200
Mine Inspector		
Federal Funds	114,200	105,000
Racing, Department of		
Administration of County Fair Racing	66,000	67,500
Breeder's Award	1,089,800	896,400
County Fair Racing Betterment Fund	686,400	686,400
Stallion Award Fund 2/	0	20,000
SUBTOTAL	\$1,842,200	\$1,670,300
NINETY-TEN AGENCIES		
Nursing, Board of		
AHCCCS Agreement - Federal Funds	31,200	101,000
Private Postsecondary Education, Board of		
Student Tuition Recovery Fund	99,000	100,000
Radiation Regulatory Agency		
Federal Funds	423,600	262,800
Structural Pest Control Board		
Federal Funds	73,600	66,600
SUBTOTAL NINETY-TEN AGENCIES	\$627,400	\$530,400
SUBTOTAL - INSPECTION AND REGULATION		
Other Funds	28,860,300	34,897,400
Federal Funds	2,282,700	2,232,300
TOTAL - INSPECTION AND REGULATION	\$31,143,000	\$37,129,700

	<u>FY 1991</u>	<u>FY 1992</u>
<u>EDUCATION</u>		
Arts, Commission on the		
Local Arts Trust Fund	\$125,000	\$125,000
Arts Trust Fund	1,000,000	1,000,000
Federal Funds	630,800	603,000
SUBTOTAL	<u>\$1,755,800</u>	<u>\$1,728,000</u>
Community Colleges, State Board of		
Certification Fund	142,700	211,200
Les Aire Memorial Scholarship Fund	800	800
Federal Funds	1,934,000	2,038,500
SUBTOTAL	<u>\$2,077,500</u>	<u>\$2,250,500</u>
Deaf and Blind, State School for the		
Local Grants	4,500	0
Trust Funds	93,700	93,700
Federal Funds	533,800	507,900
SUBTOTAL	<u>\$632,000</u>	<u>\$601,600</u>
Education, Department of		
Certification Fingerprinting	44,800	47,000
Education Evaluation and Review	19,100	19,700
Food Distribution	335,200	224,000
Permanent Common School Fund	51,500,000	54,088,500
Print Shop Revolving Fund	563,500	525,200
Federal Funds	270,313,000	284,229,600
SUBTOTAL	<u>\$322,775,600</u>	<u>\$339,134,000</u>
Historical Society, Arizona		
Preservation and Restoration Fund	20,400	25,700
Private Funds	376,100	377,400

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	<u>FY 1991</u>	<u>FY 1992</u>
Journal of Az History Magazine Fund	\$47,800	\$50,000
Educational Material Fund	3,700	7,300
SUBTOTAL	<u>\$448,000</u>	<u>\$460,400</u>
Medical Student Loans Board		
Medical Student Loan Fund	81,000	79,000
 UNIVERSITIES/BOARD OF REGENTS		
Board of Regents		
Institutional Incentive Grants	1,223,100	1,201,400
Local Funds	389,800	494,800
Federal Funds	1,605,600	1,808,900
SUBTOTAL	<u>\$3,218,500</u>	<u>\$3,505,100</u>
Arizona State University - Main Campus		
Local Funds	157,258,500	169,110,700
Federal Funds	37,121,400	38,606,300
SUBTOTAL	<u>\$194,379,900</u>	<u>\$207,717,000</u>
Arizona State University - West Campus		
Local Funds	3,902,000	4,242,800
Federal Funds	52,300	54,400
SUBTOTAL	<u>\$3,954,300</u>	<u>\$4,297,200</u>
Northern Arizona University		
Local Funds	47,573,100	52,283,700
Federal Funds	14,157,500	13,689,700
SUBTOTAL	<u>\$61,730,600</u>	<u>\$65,973,400</u>
University of Arizona - Main Campus		
Local Funds	375,025,600	393,672,200

	<u>FY 1991</u>	<u>FY 1992</u>
Federal Funds	\$103,446,800	\$109,725,000
SUBTOTAL	\$478,472,400	\$503,397,200
University of Arizona - College of Medicine		
Local Funds	66,885,700	70,841,600
Federal Funds	32,232,400	34,282,200
SUBTOTAL	\$99,118,100	\$105,123,800
UNIVERSITIES/BOARD OF REGENTS SUBTOTAL		
Other Funds	652,257,800	691,847,200
Federal Funds	188,616,000	198,166,500
SUBTOTAL	\$840,873,800	\$890,013,700
SUBTOTAL - EDUCATION		
Other Funds	706,616,100	748,721,700
Federal Funds	462,027,600	485,545,500
TOTAL - EDUCATION	\$1,168,643,700	\$1,234,267,200
<u>PROTECTION AND SAFETY</u>		
Corrections, Department of		
Alcohol Abuse	120,000	120,000
Arizona Correctional Industries Rev Fund	4,812,900	5,331,400
Criminal Justice Enhancement	2,264,700	2,500,000
Corrections Donations	52,500	52,500
Inmate Care	19,500	22,400
State Penitentiary Land Endowment Earnings Fund 3/	342,000	0
Special Services (A&R) Fund	6,877,500	7,221,400
State Charitable, Penal & Reformatories Ld Endow Fd 4/	1,048,000	0
Federal Funds	101,900	78,300
SUBTOTAL	\$15,639,000	\$15,326,000

	<u>FY 1991</u>	<u>FY 1992</u>
Criminal Justice Commission		
Arson Detection Reward Fund	\$14,000	\$19,000
Drug Enforcement Account	11,683,500	7,381,300
Statistical Analysis Center	69,100	67,500
Victim's Assistance	350,000	500,000
Victim's Compensation Fund	543,000	780,000
SUBTOTAL	<u>\$12,659,600</u>	<u>\$8,747,800</u>
Emergency and Military Affairs, Department of Federal Funds	17,962,500	15,254,100
Juvenile Corrections, Department of		
Criminal Justice Enhancement Fund	237,300	300,000
Donations	2,500	2,500
Parental Assessment and Restitution	155,500	77,900
State Char, Penal & Reform Endwmt Fund 5/ Federal Funds	220,300	0
SUBTOTAL	<u>1,571,900</u>	<u>1,554,600</u>
	<u>\$2,187,500</u>	<u>\$1,935,000</u>
Public Safety, Department of		
Criminal Justice Enhancement Fund	2,488,100	1,900,000
Donations	24,500	25,300
Fingerprint Fund	1,365,800	1,547,100
Highway Patrol Fund	225,000	180,000
Peace Officer Training Fund	5,159,900	4,932,000
RICO	2,121,000	2,164,000
Federal Funds	5,801,500	3,990,900
SUBTOTAL	<u>\$17,185,800</u>	<u>\$14,739,300</u>
SUBTOTAL - PROTECTION AND SAFETY		
Other Funds	40,196,600	35,124,300
Federal Funds	<u>25,437,800</u>	<u>20,877,900</u>

	<u>FY 1991</u>	<u>FY 1992</u>
TOTAL PROTECTION AND SAFETY	\$65,634,400	\$56,002,200
 <u>TRANSPORTATION</u>		
Transportation, Department of		
Arizona Highways Magazine Fund	9,466,800	9,849,000
County Automobile License	8,070,300	8,070,300
Commercial Drivers License Revolving Fund	314,800	311,400
Dealer Enforcement	99,900	202,000
Equipment Revolving Fund	24,991,700	25,032,300
Maricopa Regional Area Road Fund	52,683,300	25,934,700
Mobile Home Revolving Fund	110,900	111,700
Motorcycle Revolving Fund	63,300	63,300
Motor Vehicle Liability Enforcement	224,500	1,543,200
NHTSA/Highway Safety	52,300	14,300
Public Road Education Fund	125,000	125,000
Federal Funds	204,747,400	214,921,100
SUBTOTAL	<u>\$300,950,200</u>	<u>\$286,178,300</u>
 SUBTOTAL - TRANSPORTATION		
Other Funds	96,202,800	71,257,200
Federal Funds	204,747,400	214,921,100
TOTAL - TRANSPORTATION	<u>\$300,950,200</u>	<u>\$286,178,300</u>
 <u>NATURAL RESOURCES</u>		
Environment, Commission on the Revolving Fund	38,900	36,100
 Game and Fish Department		
Big Game Permit Fund	8,200,000	9,200,000
Conservation Development	734,600	405,000

	<u>FY 1991</u>	<u>FY 1992</u>
Donations	\$103,500	\$115,500
Game and Fish Heritage Fund	195,300	2,470,400
Publications	89,000	91,000
Stamp Funds	201,600	204,700
Trust Fund	189,600	198,600
Wildlife Theft Prevention	240,000	235,000
Federal Funds	14,157,700	13,700,400
SUBTOTAL	<u>\$24,111,300</u>	<u>\$26,620,600</u>
Geological Survey		
Geological Survey Printing Revolving Fund	31,100	31,100
Oil and Gas Publications Revolving Fund	1,000	1,000
Intergovernmental Agreements	28,500	11,100
Federal Funds	71,500	69,500
SUBTOTAL	<u>\$132,100</u>	<u>\$112,700</u>
Land Department		
CAP Archaeological Surveys	7,500	0
Cooperative Fire Control	451,900	406,400
Fire Suspense	1,474,500	1,000,000
Interagency Agreements	44,100	20,000
Land Advertising/Appraisals	3,600	0
Land Timber Suspense Fund	478,400	291,600
Resource Analysis Revolving Fund	10,900	8,000
Special Legal Advertising	123,400	110,000
Zoning Application Fees	10,000	10,000
SUBTOTAL	<u>\$2,604,300</u>	<u>\$1,846,000</u>
Mines and Mineral Resources, Department of		
Mines and Minerals Resources Fund	18,300	18,400
Printing Revolving Fund	9,500	9,500
SUBTOTAL	<u>\$27,800</u>	<u>\$27,900</u>

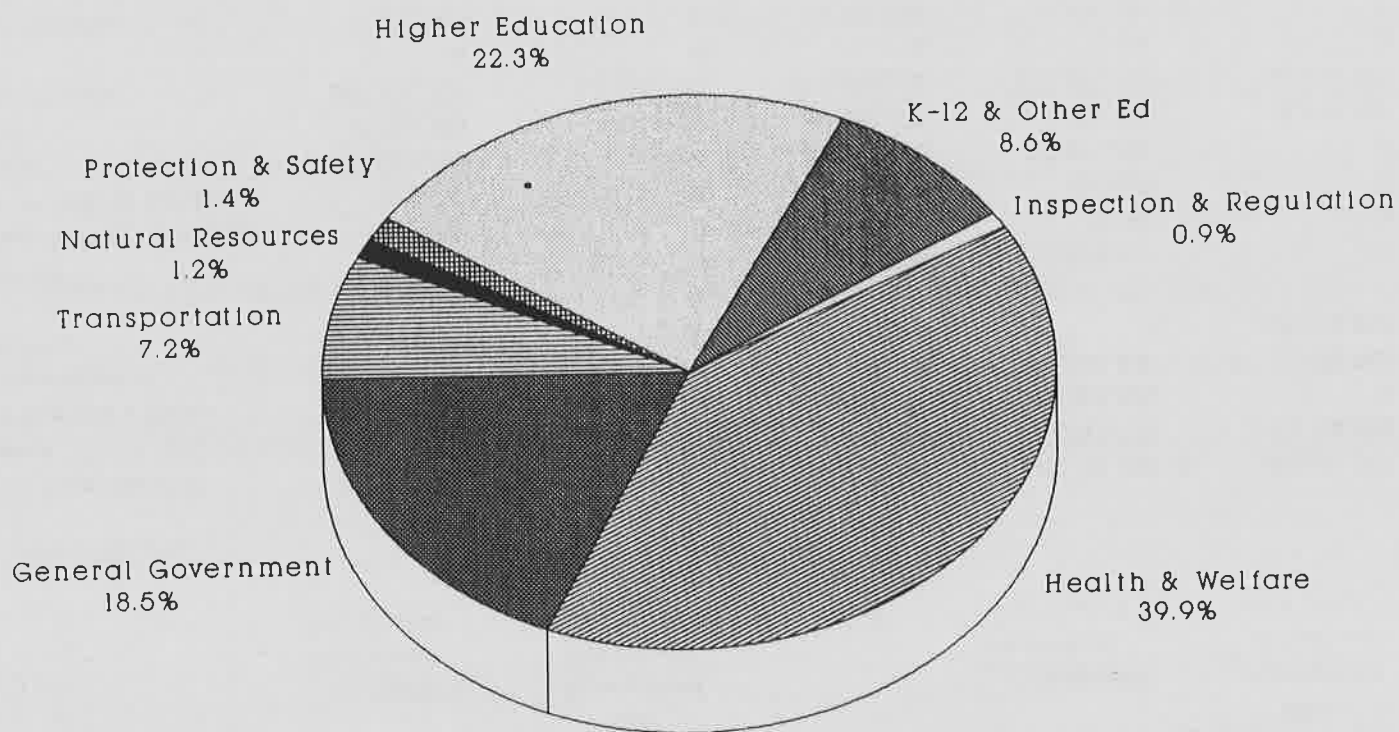
	<u>FY 1991</u>	<u>FY 1992</u>
State Parks Board		
Acquisition and Development Fund 6/	\$1,065,600	\$0
Arizona Conservation Corps	183,800	301,800
Land and Water Conservation Surcharge	90,400	110,200
Off-Highway Vehicles	239,100	1,183,700
Publications Revolving Fund	30,000	35,000
State Lake Improvement Fund	12,174,600	9,593,900
State Parks	15,000	17,000
State Parks Enhancement Fund 6/	0	2,028,300
State Parks Heritage Fund	500,000	4,500,000
State Trails	10,000	20,000
Federal Funds	1,020,000	933,700
SUBTOTAL	<u>\$15,328,500</u>	<u>\$18,723,600</u>
Water Resources, Department of		
Adjudication	71,000	71,000
Augmentation Fund	60,200	60,200
Groundwater Enforcement	68,300	75,900
Federal Funds	776,000	701,000
SUBTOTAL	<u>\$975,500</u>	<u>\$908,100</u>
SUBTOTAL - NATURAL RESOURCES		
Other Funds	27,193,200	32,870,400
Federal Funds	16,025,200	15,404,600
TOTAL - NATURAL RESOURCES	<u>\$43,218,400</u>	<u>\$48,275,000</u>
SUBTOTAL - FEDERAL AND OTHER NON-APPROPRIATED FUND EXPENDITURES		
Total - Federal Funds	1,701,511,385	1,851,662,600
Total - Other Funds	<u>2,073,227,800</u>	<u>2,147,312,900</u>

TOTAL--FEDERAL AND OTHER
NON-APPROPRIATED FUND EXPENDITURES

<u>FY 1991</u>	<u>FY 1992</u>
<u>\$3,774,739,185</u>	<u>\$3,998,975,500</u>

- 1/ Estimates represent spending for calendar years 1990 and 1991 respectively. The Joint Legislative Budget Committee approves the State Compensation Fund operating budget.
- 2/ The Stallion Award fund is created by Laws 1991, Chapter 328.
- 3/ For FY 1992, the State Penitentiary Land Endowment Fund was appropriated for operational costs by Laws 1991, Chapter 287.
- 4/ For FY 1992, the State Charitable, Penal and Reformatories Land Endowment Fund was appropriated for capital projects by Laws 1991, Chapter 289.
- 5/ For FY 1992, the State Charitable, Penal and Reformatories Land Endowment Fund was appropriated for operational costs by Laws 1991, Chapter 287.
- 6/ Beginning with FY 1992, the Acquisition and Development Fund is eliminated, and expenditures formerly shown under that fund appear in the newly created State Parks Enhancement Fund.

DISTRIBUTION OF FEDERAL AND OTHER NON-APPROPRIATED FUNDS BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

STATE OF ARIZONA
SUMMARY OF TOTAL SPENDING AUTHORITY 1/
(APPROPRIATED AND NON-APPROPRIATED FUNDS)
For Fiscal Years 1991 and 1992

	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated General and Non-General	Non- Appropriated Federal and Other Funds 2/	Total	Appropriated General and Non-General	Non- Appropriated Federal and Other Funds 2/	Total
<u>GENERAL GOVERNMENT</u>						
Administration, Department of	\$59,342,111 3/	\$89,480,600	\$148,822,711	\$49,719,100 4/	\$99,612,200	\$149,331,300
Attorney General	17,919,900	12,526,700	30,446,600	17,711,300	12,144,600	29,855,900
Coliseum and Exposition Center	11,751,100	0	11,751,100	11,860,000	0	11,860,000
Commerce, Department of	5,518,900	13,387,800	18,906,700	5,245,600	11,478,800	16,724,400
Compensation Fund	0	328,743,100	328,743,100	0	338,834,000	338,834,000
Courts						
Court of Appeals	7,835,700	0	7,835,700	7,934,000	0	7,934,000
Comm on App & Trial Court Appt	4,000	0	4,000	3,500	0	3,500
Commission on Judicial Conduct	113,000	0	113,000	138,600	0	138,600
Superior Court	51,752,100	0	51,752,100	53,911,000	0	53,911,000
Supreme Court	7,756,300	4,139,100	11,895,400	10,645,800	4,139,100	14,784,900
SUBTOTAL - Courts	\$67,461,100	\$4,139,100	\$71,600,200	\$72,632,900	\$4,139,100	\$76,772,000
Governor	0	0	0	0	0	0
Office of the Governor	3,309,100	0	3,309,100	4,169,200 5/	0	4,169,200
Office of Affirmative Action	224,500	0	224,500	224,700	0	224,700
Off of Strat Planning & Budgeting	1,099,200	0	1,099,200	2,431,400	0	2,431,400
SUBTOTAL - Governor	\$4,632,800	\$0	\$4,632,800	\$6,825,300	\$0	\$6,825,300
Law Enforcement Merit Sys Council	41,000	0	41,000	41,800	0	41,800
Legislature						
Auditor General	7,056,700	712,000	7,768,700	7,250,700	685,000	7,935,700

	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
House of Representatives	\$6,580,400	\$0	\$6,580,400	\$7,560,300	\$0	\$7,560,300
Joint Legislative Budget Committee	1,630,100	0	1,630,100	1,673,300	0	1,673,300
Legislative Council	2,637,600	0	2,637,600	2,640,800	0	2,640,800
Library, Arch, & Pub Records, Dept	4,538,400	1,882,800	6,421,200	4,725,100	1,831,600	6,556,700
Senate	5,553,100	0	5,553,100	6,470,900	0	6,470,900
SUBTOTAL - Legislature	\$27,996,300	\$2,594,800	\$30,591,100	\$30,321,100	\$2,516,600	\$32,837,700
Lottery	41,288,400	268,842,800	310,131,200	41,245,400	270,404,600	311,650,000
Personnel Board	239,100	0	239,100	216,200	0	216,200
Retirement System	3,576,900	1,305,300	4,882,200	4,933,800	1,000,600	5,934,400
Revenue, Department of	44,301,400	193,800	44,495,200	50,902,200	207,400	51,109,600
Secretary of State	6,623,000 6/	252,000	6,875,000	2,649,100	184,400	2,833,500
Tax Appeals, Board of	677,400	0	677,400	696,400	0	696,400
Tourism, Office of	5,376,700	15,000	5,391,700	5,727,300	16,000	5,743,300
Treasurer	6,266,200	0	6,266,200	6,763,600 7/	0	6,763,600
Uniform State Laws, Comm on	17,400	0	17,400	22,900	0	22,900
TOTAL - GEN GOVERNMENT	\$303,029,711	\$721,481,000	\$1,024,510,711	\$307,514,000	\$740,538,300	\$1,048,052,300
<u>HEALTH AND WELFARE</u>						
AHCCCS Administration	350,830,500	720,223,885	1,071,054,385	369,945,900	752,712,700	1,122,658,600
Economic Security, Department of	335,436,200	629,944,700	965,380,900	357,500,800	751,567,900	1,109,068,700
Environmental Quality, Dept of	10,152,100	32,419,800	42,571,900	11,707,700 8/	31,411,400	43,119,100
Health Services, Department of	174,598,500	58,561,700	233,160,200	201,759,900	58,246,300	260,006,200
Hearing Impaired, Council for the	204,900	1,557,500	1,762,400	203,000	1,761,100	1,964,100
Indian Affairs, Commission on	164,100	500	164,600	159,800	3,600	163,400
Pioneers' Home	2,897,100	722,400	3,619,500	2,653,400	724,900	3,378,300
Arizona Ranger's Pension	8,800	0	8,800	9,200	0	9,200
Veteran's Services Comm	2,505,800 9/	238,000	2,743,800	2,388,000 10/	156,900	2,544,900
TOTAL - HEALTH & WELFARE	\$876,798,000	\$1,443,668,485	\$2,320,466,485	\$946,327,700	\$1,596,584,800	\$2,542,912,500

INSPECTION AND REGULATION	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
Agricultural Employment Relations Bd	\$180,600	\$0	\$180,600	\$175,600	\$0	\$175,600
Agriculture, Department of	11,443,100	5,185,900	16,629,000	11,731,100	3,797,800	15,528,900
Banking Department	3,592,500	231,200	3,823,700	3,599,200	168,600	3,767,800
Building & Fire Safety, Dept of	2,871,200	0	2,871,200	2,800,300	0	2,800,300
Contractors, Registrar of	3,746,100	0	3,746,100	3,847,900	0	3,847,900
Corporation Commission	10,522,800	919,200	11,442,000	10,535,100	1,188,500	11,723,600
Industrial Commission	12,150,300	1,262,700	13,413,000	12,197,700	1,331,900	13,529,600
Insurance, Department of	3,065,500	20,960,200	24,025,700	3,082,700	28,337,200	31,419,900
Liquor Licenses & Control, Dept of	1,986,000	0	1,986,000	1,992,000	0	1,992,000
Mine Inspector	535,300	114,200	649,500	569,500	105,000	674,500
Occupational Safety & Health Rev Bd	9,400	0	9,400	9,100	0	9,100
Racing, Department of	2,696,900	1,842,200	4,539,100	2,751,400	1,670,300	4,421,700
Radiation Regulatory Agency	1,633,000	423,600	2,056,600	1,028,100	262,800	1,290,900
Real Estate Department	2,892,600	0	2,892,600	2,868,600	0	2,868,600
Residential Utility Consumer Office	1,093,900	11/ 0	1,093,900	1,018,100	0	1,018,100
Dept of Weights and Measures	2,326,400	0	2,326,400	2,414,800	0	2,414,800
Ninety-Ten Agencies						
Accountancy, Board of	664,600	0	664,600	733,200	0	733,200
Appraisal, Board of	100,000	0	100,000	219,800	0	219,800
Barber Examiners Board	138,000	0	138,000	134,700	0	134,700
Behavioral Health Examiners, Bd of	175,800	0	175,800	178,900	0	178,900
Boxing Commission	61,900	0	61,900	56,100	0	56,100
Chiropractic Examiners Board	219,700	0	219,700	218,000	0	218,000
Cosmetology, Board of	550,200	0	550,200	563,500	0	563,500
Dental Examiners Board	408,400	0	408,400	436,200	0	436,200
Funeral Directors and Embalmers Bd	155,800	0	155,800	178,500	0	178,500
Homeopathic Medical Examiners Bd	15,100	0	15,100	18,400	0	18,400
Medical Examiners, Board of	2,294,700	0	2,294,700	2,276,900	0	2,276,900
Naturopathic Physician Exam Bd	27,000	0	27,000	26,000	0	26,000
Nursing Board	1,055,200	31,200	1,086,400	1,049,700	101,000	1,150,700

	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
Nursing Care Institution Admin Bd	\$70,400	\$0	\$70,400	\$66,400	\$0	\$66,400
Occupational Therapy Exam, Bd	25,000 12/	0	25,000	35,100	0	35,100
Opticians, Board of Dispensing	51,100	0	51,100	62,100	0	62,100
Optometry, Board of	99,900	0	99,900	99,400	0	99,400
Osteopathic Examiners Board	257,800	0	257,800	258,400	0	258,400
Pharmacy Board	633,100	0	633,100	625,300	0	625,300
Physical Therapy Examiners Board	65,400	0	65,400	66,500	0	66,500
Podiatry Examiners Board	38,800	0	38,800	42,900	0	42,900
Private Postsecondary Educ, Bd for	133,400	99,000	232,400	144,200	100,000	244,200
Psychologist Examiners Board	123,700	0	123,700	123,600	0	123,600
Respiratory Care Examiners, Bd	0	0	0	124,800 13/	0	124,800
Structural Pest Control Board	1,108,000	73,600	1,181,600	1,021,600	66,600	1,088,200
Technical Registration, Board of	783,300	0	783,300	782,300	0	782,300
Veterinary Medical Examining Bd	157,000	0	157,000	152,500	0	152,500
SUBTOTAL - Ninety-Ten Agencies	\$9,413,300	\$203,800	\$9,617,100	\$9,695,000	\$267,600	\$9,962,600
TOTAL - INSP & REGULATION	\$70,158,900	\$31,143,000	\$101,301,900	\$70,316,200	\$37,129,700	\$107,445,900

EDUCATION

Arts, Commission on the	1,512,500	1,755,800	3,268,300	1,359,500	1,728,000	3,087,500
Community Colleges	82,516,800	2,077,500	84,594,300	85,888,200	2,250,500	88,138,700
Deaf and Blind, School for	13,639,500	632,000	14,271,500	13,615,500	601,600	14,217,100
Education, Department of	1,236,440,500 14/	322,775,600	1,559,216,100	1,305,539,800 15/	339,134,000	1,644,673,800
Historical Society, Arizona	3,391,000	448,000	3,839,000	3,219,000	460,400	3,679,400
Historical Society, Prescott	535,000	0	535,000	517,500	0	517,500
Medical Student Loans Board	3,000	81,000	84,000	1,000	79,000	80,000
Universities/Board of Regents 16/						
Board of Regents	9,503,300	3,218,500	12,721,800	8,371,700	3,505,100	11,876,800
Arizona State University - Main	181,966,100	194,379,900	376,346,000	181,714,100	207,717,000	389,431,100
Arizona State University - West	24,557,000	3,954,300	28,511,300	27,496,500	4,297,200	31,793,700
Northern Arizona University	67,984,300	61,730,600	129,714,900	71,941,900	65,973,400	137,915,300

	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
University of Arizona - Main	\$196,975,100	\$478,472,400	\$675,447,500	\$200,608,700	\$503,397,200	\$704,005,900
University of Arizona - Coll of Med	44,169,800	99,118,100	143,287,900	45,470,500	105,123,800	150,594,300
SUBTOTAL - Universities/Regents	\$525,155,600	\$840,873,800	\$1,366,029,400	\$535,603,400	\$890,013,700	\$1,425,617,100
TOTAL - EDUCATION	\$1,863,193,900	\$1,168,643,700	\$3,031,837,600	\$1,945,743,900	\$1,234,267,200	\$3,180,011,100
<u>PROTECTION AND SAFETY</u>						
Corrections, Department of	246,300,300	15,639,000	261,939,300	255,961,800	15,326,000	271,287,800
Criminal Justice Commission	3,529,700	12,659,600	16,189,300	3,005,300	8,747,800	11,753,100
Emergency & Military Affairs, Dept o	4,497,600	17,962,500	22,460,100	4,363,700	15,254,100	19,617,800
Juvenile Corrections, Department of	33,695,400	2,187,500	35,882,900	31,852,000	1,935,000	33,787,000
Pardons and Paroles, Board of	1,880,300	0	1,880,300	1,996,000	0	1,996,000
Public Safety, Department of	87,384,300	17,185,800	104,570,100	88,184,000	14,739,300	102,923,300
TOTAL - PROTECT & SAFETY	\$377,287,600	\$65,634,400	\$442,922,000	\$385,362,800	\$56,002,200	\$441,365,000
<u>TRANSPORTATION</u>						
Transportation, Department of	\$360,474,000	\$300,950,200	\$661,424,200	\$360,435,900	17/ \$286,178,300	\$646,614,200
<u>NATURAL RESOURCES</u>						
Environment, Commission on the	117,900	38,900	156,800	100,500	36,100	136,600
Game and Fish Department	17,173,500	24,111,300	41,284,800	16,169,500	26,620,600	42,790,100
Geological Survey	564,400	132,100	696,500	621,400	112,700	734,100
Land Department	8,023,200	2,604,300	10,627,500	8,149,300	1,846,000	9,995,300
Mines & Mineral Resources, Dept of	347,400	27,800	375,200	339,000	27,900	366,900
Oil & Gas Conservation Commission	176,000	0	176,000	0	0	0
State Parks Board	19,556,700	15,328,500	34,885,200	7,536,800	18,723,600	26,260,400
Water Resources, Department of	11,477,700	975,500	12,453,200	12,240,200	908,100	13,148,300
TOTAL - NATURAL RESOURCES	\$57,436,800	\$43,218,400	\$100,655,200	\$45,156,700	\$48,275,000	\$93,431,700

	Fiscal Year 1991			Fiscal Year 1992		
	Appropriated	Non-Approp	Total	Appropriated	Non-Approp	Total
UNALLOCATED SEC 104 ADJ	\$0	\$0	\$0	\$570,000	\$0	\$570,000
UNALLOC INEQUITY SAL ADJ	470,700	0	470,700	0	0	0
UNALLOCATED SALARY ADJ	1,069,000	0	1,069,000	0	0	0
GRAND TOTAL	<u>\$3,909,918,611</u>	<u>\$3,774,739,185</u>	<u>\$7,684,657,796</u>	<u>\$4,061,427,200</u>	<u>\$3,998,975,500</u>	<u>\$8,060,402,700</u>

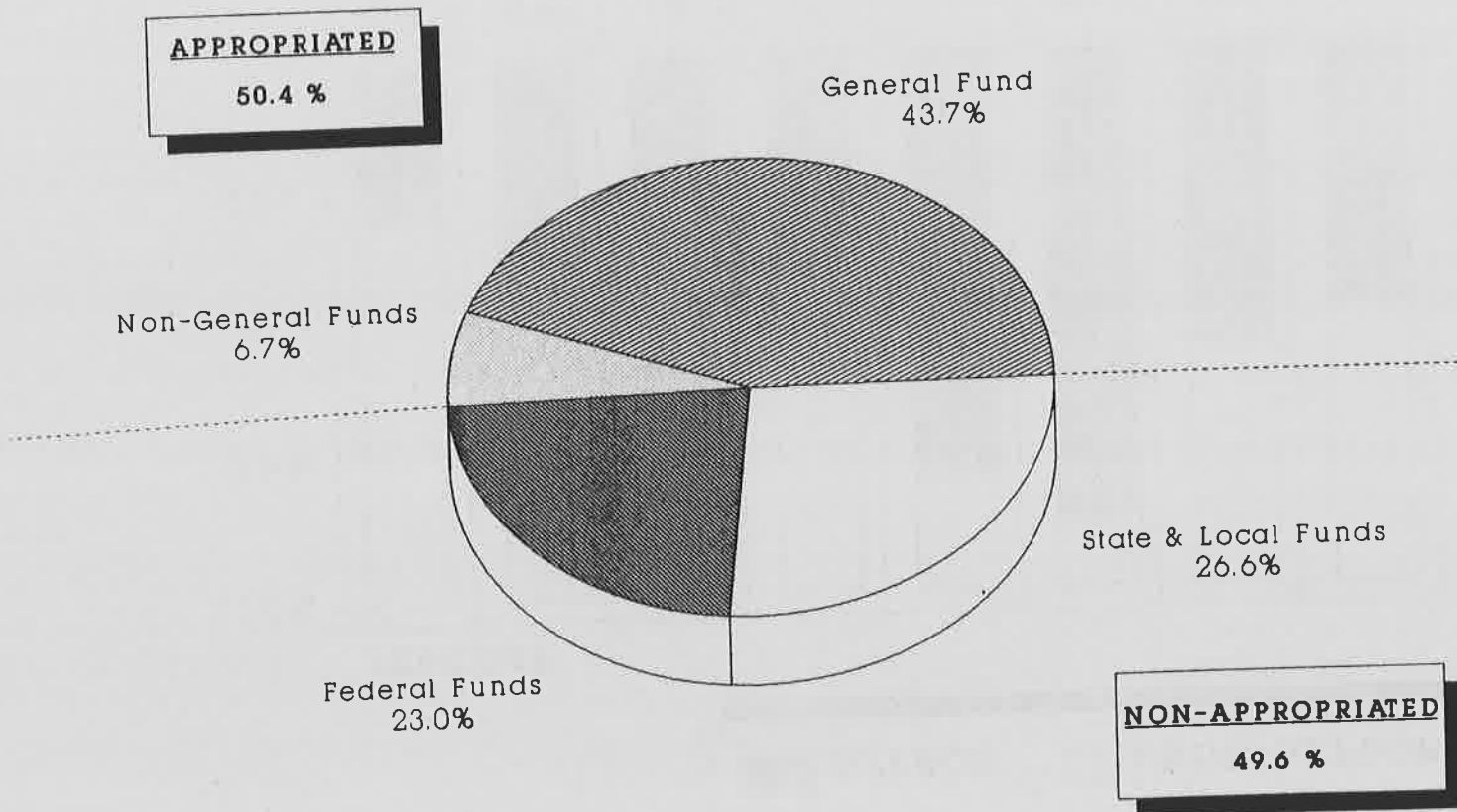
- 1/ The amounts shown include all appropriations from past sessions and current year supplemental appropriations.
- 2/ The amounts shown are generally based on agency information as of December 1990, however, some updated information has been included.
- 3/ Includes \$1,500,000 appropriated by Laws 1990, Chapter 122. The amount also includes \$16,218,400 appropriated by Laws 1990, Chapter 5, 1st Special Session.
- 4/ For FY 1992, appropriated funds include \$13,500,000 appropriated in Laws 1990, Chapter 405. In addition, Laws 1991, Chapter 282, appropriates \$1,350,000 from the General Fund to the Department of Administration for costs related to the settlement agreement between the State of Arizona and ENSCO Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund through the sale and lease-back of state-owned property.
- 5/ In addition, Laws 1991, Chapter 282, appropriates \$70,000 from the General Fund to the Office of the Governor for costs related to the settlement agreement between the State of Arizona and ENSCO Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund through the sale and lease-back of state-owned property.
- 6/ Includes a \$2,650,000 supplemental appropriation from Laws 1990, Chapter 1, 5th Special Session. In addition, the amount includes a supplemental appropriation of \$925,000 from Laws 1991, Chapter 2, 1st Special Session.
- 7/ Includes \$3,629,666 appropriated by Laws 1990, Chapter 332.
- 8/ In addition, Laws 1991, Chapter 282, appropriates \$44,214,500 from the General Fund to the Department of Environmental Quality for costs related to the settlement agreement between the State of Arizona and ENSCO Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund through the sale and lease-back of state-owned property.
- 9/ Includes \$100,000 appropriated by Laws 1990, Chapter 109.
- 10/ Includes \$1,250,000 appropriated by Laws 1990, Chapter 203.
- 11/ Includes a \$64,300 supplemental appropriation from Laws 1991, Chapter 2, 1st Special Session.
- 12/ Includes \$25,000 appropriated by Laws 1990, Chapter 296.
- 13/ Includes \$50,000 appropriated by Laws 1990, Chapter 256.
- 14/ Includes \$100,313,000 appropriated by Laws 1989, Chapter 311.

15/ Includes \$143,196,400 appropriated by Laws 1990, Chapter 1, 3rd Special Session.

16/ For comparability with FY 1991, collections and other receipts are included in the non-appropriated funds column for FY 1992.

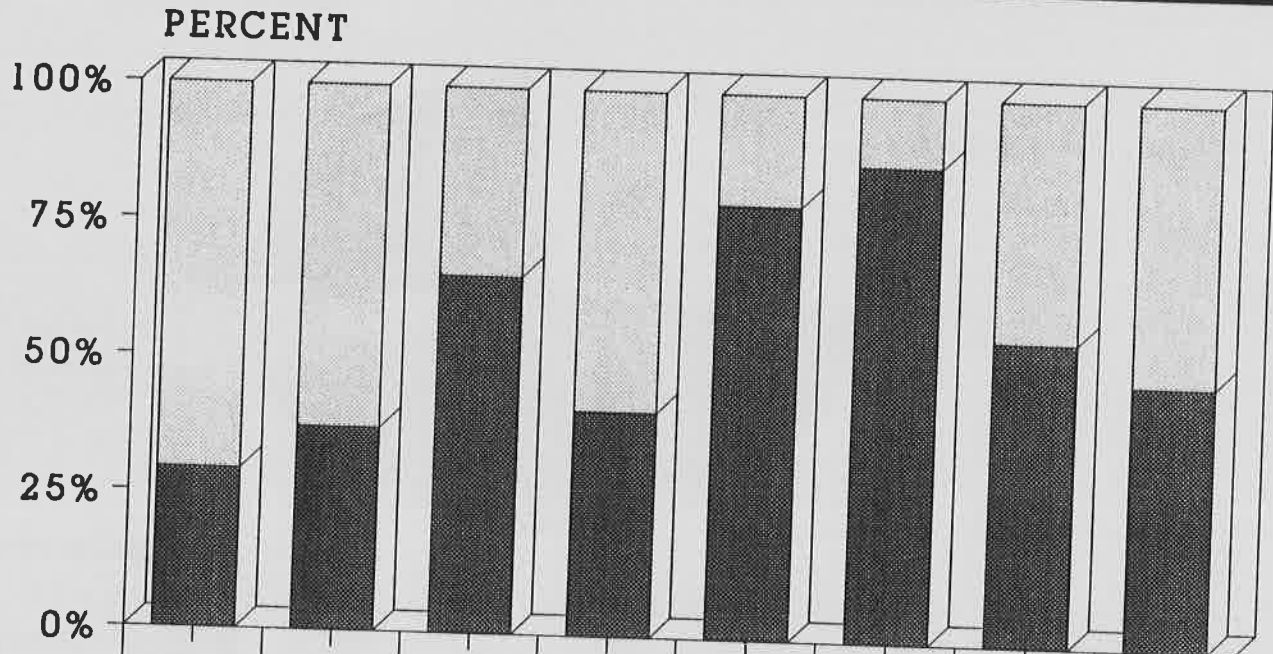
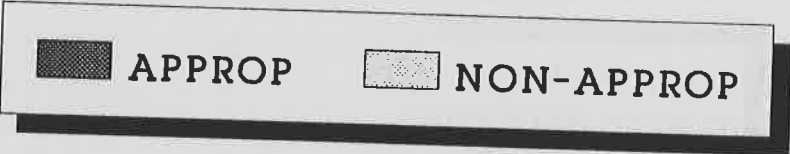
17/ Includes \$275,000 appropriated by Laws 1990, Chapter 113.

DISTRIBUTION OF TOTAL STATE SPENDING AUTHORITY APPROPRIATED AND NON-APPROPRIATED FUNDS BY FUND SOURCE



FISCAL YEAR 1992

APPROPRIATED AND NON-APPROPRIATED SHARES OF TOTAL FY 1992 SPENDING AUTHORITY FOR EACH FUNCTION OF GOVERNMENT



	GG	HW	IR	HE	OE	PS	TR	NR
NON-APPROP	70.7	62.8	34.6	58.9	20.5	12.7	44.3	51.7
APPROP	29.3	37.2	65.4	41.1	79.5	87.3	55.7	48.3

GG=General Government

HW=Health & Welfare

IR=Inspection & Regulation

HE=Higher Education

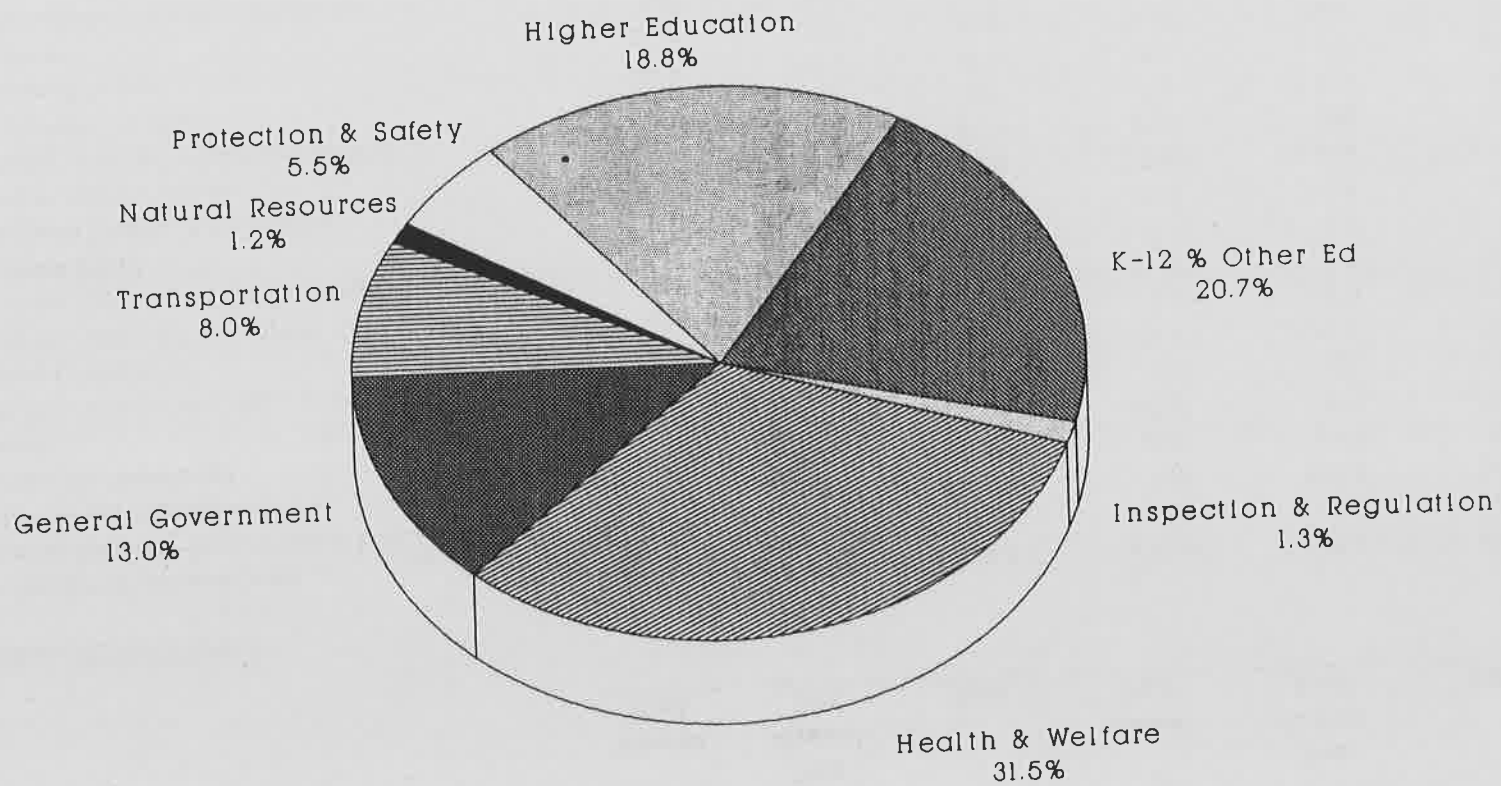
OE=K-12 & Other Ed

PS=Protection & Safety

TR=Transportation

NR=Natural Resources

DISTRIBUTION OF TOTAL STATE SPENDING AUTHORITY BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

STATE PERSONNEL SUMMARY 1/2/

By Full-Time Equivalent Positions

	FY 1991			FY 1992		
	General Fund	Non General Fund	Total	General Fund	Non General Fund	Total
<u>GENERAL GOVERNMENT</u>						
Department of Administration	572.3	11.0	583.3	452.0	125.5	577.5
Attorney General--Department of Law	367.5	0.0	367.5	344.0	0.0	344.0
Coliseum and Exposition Center	0.0	248.0	248.0	0.0	248.0	248.0
Commerce, Department	57.0	15.0	72.0	52.5	15.0	67.5
Courts	396.3	0.0	396.3	395.8	0.0	395.8
Law Enforcement Merit System Council	1.0	0.0	1.0	1.0	0.0	1.0
Lottery Commission	0.0	134.0	134.0	0.0	131.3	131.3
Governor, Office of Affirmative Action	5.0	0.0	5.0	5.0	0.0	5.0
Governor, Off of Strat Plan & Budgeting	22.0	0.0	22.0	23.0	0.0	23.0
Personnel Board	3.0	0.0	3.0	3.0	0.0	3.0
Retirement System, Arizona State	0.0	86.5	86.5	0.0	85.0	85.0
Revenue, Department of	1,140.0	0.0	1,140.0	1,277.8	0.0	1,277.8
Secretary of State--Department of State	37.0	0.0	37.0	37.0	0.0	37.0
Tax Appeals, Board of	9.5	0.0	9.5	9.5	0.0	9.5
Tourism, Office of	19.0	0.0	19.0	19.0	0.0	19.0
Treasurer	32.0	0.0	32.0	31.0	0.0	31.0
Uniform State Laws, Commission on	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL - GENERAL GOVERNMENT	2,661.6	494.5	3,156.1	2,650.6	604.8	3,255.4
<u>HEALTH AND WELFARE</u>						
AHCCCS Administration	830.1	0.0	830.1	878.7	0.0	878.7

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	FY 1991			FY 1992		
	Gen Fund	Non GF	Total	Gen Fund	Non GF	Total
Economic Security, Department of	2,953.3	13.4	2,966.7	2,821.4	13.4	2,834.8
Environmental Quality, Department of	258.0	0.0	258.0	255.3	3.0	258.3
Health Services, Department of	1,604.5	45.0	1,649.5	1,673.1	43.6	1,716.7
Hearing Impaired, Council for the	5.0	0.0	5.0	5.0	0.0	5.0
Indian Affairs, Commission of	4.0	0.0	4.0	4.0	0.0	4.0
Pioneers' Home	110.0	0.0	110.0	107.4	0.0	107.4
Rangers' Pensions	0.0	0.0	0.0	0.0	0.0	0.0
Veterans' Service Commission	20.0	14.0	34.0	20.0	14.0	34.0
TOTAL - HEALTH AND WELFARE	5,784.9	72.4	5,857.3	5,764.9	74.0	5,838.9

INSPECTION AND REGULATION

Agriculture Employment Relations Board	4.0	0.0	4.0	4.0	0.0	4.0
Agriculture, Department of	285.4	36.6	322.0	271.7	39.6	311.3
Banking Department	90.0	0.0	90.0	81.8	0.0	81.8
Building & Fire Safety, Department of	72.5	0.0	72.5	70.2	0.0	70.2
Contractors, Registrar of	108.1	0.0	108.1	103.6	0.0	103.6
Corporation Commission	122.0	105.5	227.5	121.0	104.0	225.0
Industrial Commission	0.0	257.0	257.0	0.0	256.5	256.5
Insurance, Department of	84.0	0.0	84.0	85.0	0.0	85.0
Liquor Licenses & Control, Department of	56.0	0.0	56.0	55.0	0.0	55.0
Mine Inspector	11.0	0.0	11.0	10.5	0.0	10.5
Occupational Safety & Health Review Bd	0.0	0.0	0.0	0.0	0.0	0.0
Racing, Department of	51.4	6.9	58.3	47.2	6.5	53.7
Radiation Regulatory Agency	24.0	2.0	26.0	20.0	2.0	22.0
Real Estate Commission	76.0	0.0	76.0	76.0	0.0	76.0
Residential Utility Consumer Office	12.0	0.0	12.0	0.0	12.0	12.0
Weights & Measures, Department of	54.0	7.0	61.0	60.1	6.0	66.1
Ninety-Ten Agencies	0.0	9.0	9.0	0.0	9.0	9.0
Accountancy, Board of						

	FY 1991			FY 1992		
	Gen Fund	Non GF	Total	Gen Fund	Non GF	Total
Appraisal, Board of	0.0	4.0	4.0	0.0	4.0	4.0
Barber Examiners Board	0.0	3.0	3.0	0.0	3.0	3.0
Behavioral Health Examiners, Board of	0.0	2.0	2.0	0.0	3.0	3.0
Boxing Commission	1.5	0.0	1.5	1.5	0.0	1.5
Chiropractic Examiners Board	0.0	4.0	4.0	0.0	4.0	4.0
Cosmetology, Board of	0.0	14.5	14.5	0.0	15.5	15.5
Dental Examiners, Board of	0.0	8.0	8.0	0.0	8.0	8.0
Dispensing Opticians Board	0.0	0.8	0.8	0.0	0.8	0.8
Funeral Directors & Embalmers Board	0.0	1.5	1.5	0.0	2.0	2.0
Homeopathic Medical Examiners Board	0.0	0.3	0.3	0.0	0.3	0.3
Medical Examiners, Board of	0.0	39.0	39.0	0.0	39.0	39.0
Naturopathic Physicians Examiners Bd	0.0	0.0	0.0	0.0	0.0	0.0
Nursing, Board of	0.0	21.2	21.2	0.0	21.7	21.7
Nursing Care Institution Admin Bd	0.0	0.7	0.7	0.0	0.7	0.7
Occupational Therapy, Board of	0.7	0.0	0.7	0.0	0.7	0.7
Optometry, Board of	0.0	1.5	1.5	0.0	1.5	1.5
Osteopathic Examiners Board	0.0	4.5	4.5	0.0	4.5	4.5
Pharmacy, Board of	0.0	11.0	11.0	0.0	11.0	11.0
Physical Therapy Examiners Board	0.0	1.0	1.0	0.0	1.0	1.0
Podiatry Examiners Board	0.0	0.0	0.0	0.0	0.0	0.0
Private Postsecondary Education, Bd of	0.0	3.2	3.2	0.0	3.0	3.0
Psychologist Examiners Board	0.0	1.0	1.0	0.0	1.0	1.0
Respiratory Care Examiners, Board of	0.0	0.0	0.0	0.0	2.0	2.0
Structural Pest Control Commission	0.0	26.0	26.0	0.0	26.0	26.0
Technical Registration, Board of	0.0	15.0	15.0	0.0	15.0	15.0
Veterinary Medical Examining Board	0.0	3.0	3.0	0.0	3.0	3.0
SUB-TOTAL-Ninety-Ten Agencies	2.2	174.2	176.4	1.5	179.7	181.2
TOTAL-INSPECTION AND REGULATION	1,052.6	589.2	1,641.8	1,007.6	606.3	1,613.9

EDUCATION

	FY 1991			FY 1992		
	Gen Fund	Non GF	Total	Gen Fund	Non GF	Total
Arts, Commission on the	11.5	0.0	11.5	11.5	0.0	11.5
Community Colleges, Board of	10.0	0.0	10.0	10.0	0.0	10.0
Deaf and Blind, School for the	482.9	0.0	482.9	477.7	0.0	477.7
Education, Department of	212.4	0.0	212.4	204.4	0.0	204.4
Historical Society, Arizona	49.5	0.0	49.5	49.5	0.0	49.5
Historical Society, Prescott	15.5	0.0	15.5	15.5	0.0	15.5
Medical Student Loans Board	0.0	0.0	0.0	0.0	0.0	0.0
Universities/Board of Regents	41.0	0.0	41.0	32.6	0.0	32.6
Board of Regents	4,912.0	0.0	4,912.0	4,841.0	0.0	4,841.0
Arizona State University--Main Campus	511.2	0.0	511.2	535.3	0.0	535.3
Arizona State University--West Campus	1,884.5	0.0	1,884.5	1,937.0	0.0	1,937.0
Northern Arizona University	5,380.2	0.0	5,380.2	5,381.9	0.0	5,381.9
University of Arizona--Main Campus	625.7	0.0	625.7	623.7	0.0	623.7
University of Arizona--College of Med	13,354.6	0.0	13,354.6	13,351.5	0.0	13,351.5
SUB-TOTAL-Universities/Bd of Regents	14,136.4	0.0	14,136.4	14,120.1	0.0	14,120.1
TOTAL - EDUCATION						

PROTECTION AND SAFETY

Corrections, Department of	5,829.2	0.0	5,829.2	6,062.4	0.0	6,062.4
Criminal Justice Commission	6.0	0.0	6.0	6.0	0.0	6.0
Emergency & Military Affairs, Dept of	63.5	0.0	63.5	62.5	0.0	62.5
Juvenile Corrections, Department of	785.0	0.0	785.0	598.0	55.0	653.0
Pardons & Parole, Board of	43.0	0.0	43.0	43.0	0.0	43.0
Public Safety, Department of	1,231.0	398.0	1,629.0	901.8	715.0	1,616.8
TOTAL - PROTECTION AND SAFETY	7,957.7	398.0	8,355.7	7,673.7	770.0	8,443.7

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	FY 1991			FY 1992		
	Gen Fund	Non GF	Total	Gen Fund	Non GF	Total
<u>TRANSPORTATION</u>						
Department of Transportation	3.0	3,331.0	3,334.0	3.0	3,292.3	3,295.3
TOTAL - TRANSPORTATION	3.0	3,331.0	3,334.0	3.0	3,292.3	3,295.3
<u>NATURAL RESOURCES</u>						
Environment, Commission on the Game & Fish, Department of	3.0	0.0	3.0	3.0	0.0	3.0
Geological Survey	0.0	276.0	276.0	0.0	272.0	272.0
Land Department	13.3	0.0	13.3	14.3	0.0	14.3
Mines & Mineral Resources, Department of	166.0	0.0	166.0	164.0	0.0	164.0
Oil & Gas Conservation Commission	8.5	0.0	8.5	8.0	0.0	8.0
Parks Board	4.0	0.0	4.0	0.0	0.0	0.0
Water Resources, Department of	168.0	9.5	177.5	172.5	0.0	172.5
	234.0	0.0	234.0	214.7	0.0	214.7
TOTAL - NATURAL RESOURCES	596.8	285.5	882.3	576.5	272.0	848.5
TOTAL APPROPRIATED FUNDS	32,193.0	5,170.6	37,363.6	31,796.4	5,619.4	37,415.8
TOTAL NON-APPROPRIATED FUNDS 3/	0.0	16,734.2	16,734.2	0.0	18,173.3	18,173.3
GRAND TOTAL	32,193.0	21,904.8	54,097.8	31,796.4	23,792.7	55,589.0

1/ Positions shown for individual agencies include only those supported by appropriated funds. Positions supported by non-appropriated funds are shown in total on a separate line.

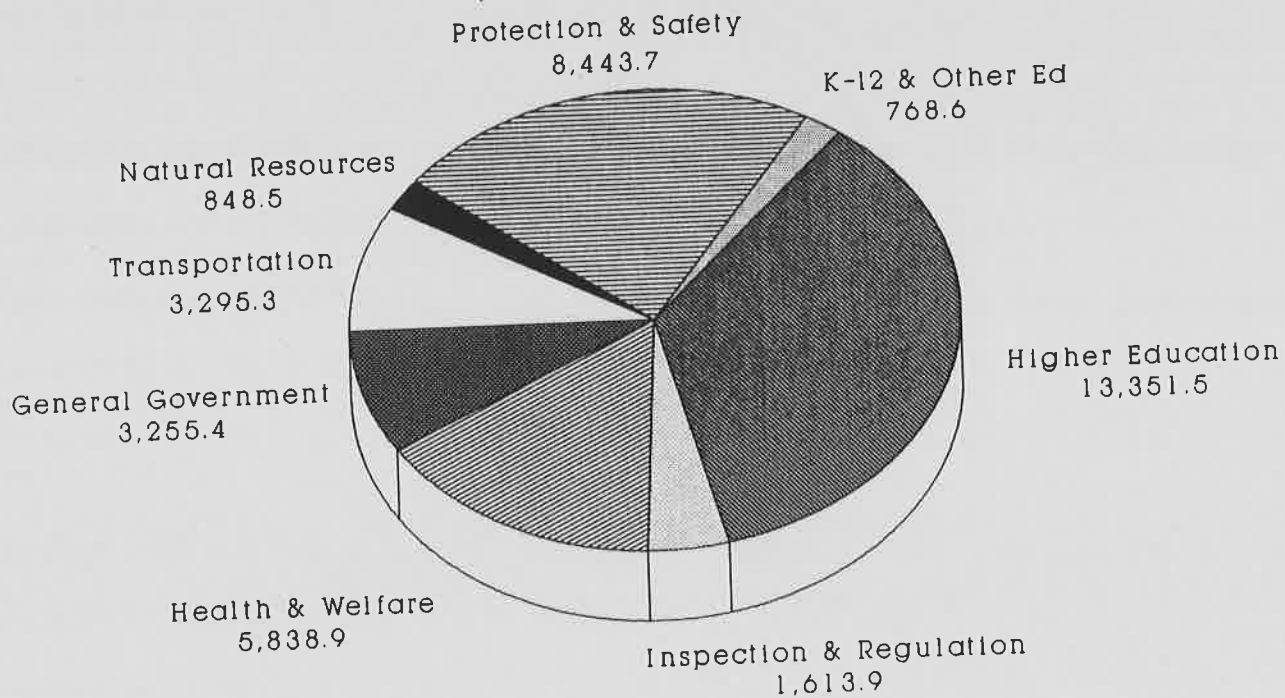
2/ Estimates do not include positions in the Office of the Governor nor the Legislature.

3/ Based on agency information as of December 1990.

STATE PERSONNEL SUMMARY

FULL-TIME EQUIVALENT POSITIONS

BY FUNCTION OF GOVERNMENT



FISCAL YEAR 1992

FTE Positions Supported by Appropriated Funds = 37,415.8

GENERAL PROVISIONS OF THE APPROPRIATION ACT

In addition to the specific appropriations to agencies, departments and institutions, the General Appropriation Act (Laws 1991, Chapter 287, 1st Regular Session) provides funding for state employee health insurance and provides direction with regard to several general provisions.

Health Insurance Adjustments

Section 104 appropriates \$5,300,000, of which no more than \$5,200,000 shall be from the General Fund, for the additional state share of health insurance costs for employees. These amounts, when combined with health insurance monies already incorporated into individual agency appropriations, are to provide full funding for contracts to begin August 1, 1991. Pursuant to Section 104 of Chapter 287, the Joint Legislative Budget Committee (JLBC) Staff has determined the appropriate amounts to be allocated to each agency for this adjustment. The JLBC Staff is allocating \$4,630,000 of the \$5,200,000 General Fund appropriation. The balance in the Special Employee Health Insurance Trust Fund is projected to be \$570,000 greater than originally anticipated, thereby permitting a corresponding reduction in the General Fund allocation. The amounts shown for each agency in this report include the allocations of Section 104 health insurance funds. A table in this report lists the Section 104 adjustments and total medical and dental insurance appropriations for each agency by budget program and fund source.

Other General Provisions

Sections 105 and 106 address the overall intent of the Legislature concerning agency expenditure reporting and the phased in appropriation of full time equivalent (FTE) positions. Each is discussed below.

Expenditure Reporting

Section 105 states that it is the intent of the Legislature that all departments, agencies or budget units receiving lump sum appropriations continue to report actual, estimated and requested expenditures by budget programs and classes in a format which is similar to the one used for budgetary purposes in prior years. The purpose of this section is to ensure stability and consistency in expenditure reporting regardless of yearly changes in appropriation formats.

FTE Position Reporting

For the first time, FTE positions have been incorporated into the General Appropriation Act as a line item within each agency's budget. Section 106 states that the FTE positions are shown for informational purposes only. It is the intent of the Legislature that FTE positions will be appropriated beginning in FY 1993. The Department of Administration (DOA) is instructed to prepare for the future appropriation of FTE positions by developing the necessary systems to account for the utilization of all appropriated FTE positions and to insure that budget units do not exceed the number of FTE positions appropriated. The Director of DOA shall submit quarterly reports to the Joint Legislative Budget Committee on the progress being made toward this goal, the schedule for implementation, and any issues raised in conjunction with this issue.

OVERALL ISSUES IN THE GENERAL APPROPRIATION ACT

The appropriations made in the General Appropriation Act reflect the adoption of certain policies by the Legislature for FY 1992. The Legislature approved standard reductions in FTE positions, Professional and Outside Services, Travel-State and Travel-Out of State. Exceptions were made in various cases for each of these areas. These major policies are shown below.

Standard FTE Reduction

In addition to any specific FTE positions that were removed, the Legislature eliminated unfunded vacant positions in agencies of more than 50 FTE positions, and then imposed a new vacancy factor that was equal to one half of the prior vacancy factor. In this manner, permanent staff reductions were made without requiring a reduction in force (RIF). Exceptions were made in some agencies with unique needs. The individual agency pages show the savings from this policy.

Standard Policy on Professional and Outside Services and Travel Reductions

Professional and Outside Services were reduced by 20% in most agencies, with exemptions for medical expenses, state data processing charges, payments to counties for jail costs, and other specific areas. Travel-State and Travel-Out of State were reduced by 5% and 10% respectively. In each circumstance, exceptions were made where appropriate. The savings from these items are shown in the detail for each agency, along with any exemptions that were made.

Cost Factors in FY 1992 Appropriations

The cost factors shown below are included in the FY 1992 appropriations to state agencies. In general, these percentages were added to the amounts originally appropriated for each category in FY 1991. The cost factors may vary for some agencies, due to special circumstances.

<u>Category</u>	<u>FY 1992 Increase</u>
Medical	
AHCCCS Capitation	5.0%
Private Car Mileage (24 cents per mile)	7.5%
State Employee Salaries	0.0%
Inflation (General, Postage, Provider, Utilities, etc.)	0.0%

The FY 1992 appropriations for Other Appropriated Fund agencies and divisions include \$11.00 per square foot for rent in state-owned buildings; the General Fund agencies and divisions were not appropriated money for rent in state-owned buildings.

OVERALL ISSUES IN THE GENERAL APPROPRIATION ACT
(Continued)

The FY 1992 appropriations include the following employer contribution rates for the different state retirement systems, expressed as a percent of Personal Services funding:

<u>Retirement System</u>	<u>Rate</u>
State Retirement	3.60%
Correctional Officers (CORP)	6.35%
Elected Officials	6.00%
Department of Public Safety	0.00%
Northern Arizona University Police	4.10%
University of Arizona Police	0.94%
Arizona State University Police	5.95%
Game and Fish Department	17.52%
Dept. of Emergency & Military Affairs Firefighters	5.00%

DEPARTMENT OF ADMINISTRATION - SUMMARY

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Director's Office	414,000	539,200	450,100
Executive Budget Office	984,400	-0-	-0-
Data Management	3,713,800	4,844,500	5,103,900
Finance	13,927,449	6,780,111	5,636,000
Personnel	4,125,700	4,775,000	4,752,100
Facilities Management	11,558,300	13,981,000	16,005,700
General Services	-0-	95,100	91,800
TOTAL APPROPRIATION	34,723,649	31,014,911	32,039,600
<u>Expenditure Detail</u>			
FTE Positions	558.3	583.3	577.5
Personal Services	12,369,300	12,309,200	12,525,900
Employee Related Exp.	2,526,800	3,026,800	3,219,600
Prof. & Outside Services	2,282,000	2,960,100	2,758,400
Travel - State	189,800	140,700	138,300
Travel - Out of State	25,600	28,900	21,700
Other Operating Exp.	2,317,900	2,429,100	2,897,500
Equipment	195,200	242,100	340,400
All Other Operating Exp.	5,010,500	5,800,900	6,156,300
OPERATING SUBTOTAL	19,906,600	21,136,900	21,901,800
Special Line Items ^{1/}	14,817,049	9,566,100	10,137,800
Additional Appropriations	-0-	311,911	-0-
TOTAL APPROPRIATIONS	34,723,649	31,014,911	32,039,600
<u>Fund Summary</u>			
General Fund	34,175,889	30,646,287 ^{2/}	26,975,600
Personnel Division Fund	-0-	-0-	4,752,100
Corrections Fund	509,760 ^{3/}	358,700	311,900
State Highway Fund	37,800 ^{4/}	9,674 ^{5/}	-0-
Industrial Commission Fund	200 ^{6/}	250 ^{7/}	-0-
TOTAL APPROPRIATIONS	34,723,649	31,014,911	32,039,600

(Continued)

^{1/} Details for the Special Line Items are included on the individual program pages.

(Footnotes Continued on Following Page)

DEPARTMENT OF ADMINISTRATION - SUMMARY Cont'd)
GENERAL FUND AND OTHER FUNDS

Employee Related Expenditures - The approved General Fund amount contains \$1,137,100 for medical insurance, including a \$68,900 Section 104 lump sum allocation, and \$56,600 for dental insurance. The approved Other Appropriated Funds amount contains \$303,900 for medical insurance, including a \$2,400 Section 104 lump sum allocation, and \$16,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Changes certain provisions relating to the Personnel Division and Risk Management Division of the Department of Administration. The bill brings the Risk Management Division under the annual appropriation process beginning in FY 1993, with budget requests due by September 1, 1991.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350), 1st Regular Session - The Capital Outlay Bill provides \$2,009,334 to the Department of Administration for the following purposes:

1. Section 1C appropriates \$1,509,334 from the following funds to the Department of Administration for major maintenance and repair of state buildings:

1) Capital Outlay Stabilization Account (COSA)	\$ 807,334
2) Coliseum & Exposition Fund	422,000
3) State Compensation Fund	101,100
4) Game & Fish Fund	95,300
5) Industrial Commission Special Fund	40,400
6) Aviation Fund	21,900
7) Retirement System Administration Account	15,200
8) State Lottery Fund	6,100
TOTAL BUILDING RENEWAL	\$1,509,334

2. Section 2C appropriates \$500,000 from the Capital Outlay Stabilization Account to the Department of Administration to refurbish vacated state office space. These monies are intended to be expended in accordance with the "Backfill Plan" prepared by the Department of Administration Facilities Management Division.

In addition, Section 3 of the Capital Outlay Bill appropriates \$15,000,000 from the General Fund to the Department of Administration for the acquisition of existing office space, which is to be repaid by the end of FY 1992. The Director of the Department of Administration may use this appropriation to acquire and refurbish properties held by the Resolution Trust Corporation or other properties with a purchase price that is no more than 40% of the estimated replacement cost. The Director of the Department of Administration is required to repay the amount expended from this appropriation by June 30, 1992 from the proceeds of lease-purchase financing. It is the intent of the Legislature that the facilities acquired with this appropriation be used to house state agencies that were previously leasing privately owned space.

(Footnotes Continued From Previous Page)

- 2/ The total General Fund amount for FY 1991 does not match the figure shown in the Tables and Graphs Section because of the impact of Laws 1990, Chapter 355, which provided for an "automatic" appropriation of all pro rata share revenues to the Personnel Division. The Personnel Division appropriation included in this total, \$4,775,000, reflects the most recent estimates by the Department of pro rata share revenues, not the original appropriation approved for FY 1991.
- 3/ Of this amount, \$190,160 was transferred from the Corrections Fund to the General Fund for payment of claims, pursuant to Laws 1989, Chapter 248.
- 4/ This amount was transferred from the State Highway Fund to the General Fund for payment of claims, pursuant to Laws 1989, Chapter 248.
- 5/ This amount was transferred from the State Highway Fund to the General Fund for payment of claims, pursuant to Laws 1991, Chapter 263.
- 6/ This amount was transferred from the Industrial Commission Fund to the General Fund for payment of claims, pursuant to Laws 1990, Chapter 194.
- 7/ This amount was transferred from the Industrial Commission Fund to the General Fund for payment of claims, pursuant to Laws 1991, Chapter 263.

DEPARTMENT OF ADMINISTRATION - DIRECTOR'S OFFICE

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	8.0	8.0	8.0
Personal Services	278,500	295,600	295,500
Employee Related Exp.	45,700	56,200	51,800
Prof. & Outside Services	8,800	-0-	-0-
Travel - State	1,000	800	800
Travel - Out of State	1,000	500	400
Other Operating Exp.	23,500	18,300	18,300
Equipment	1,800	-0-	-0-
All Other Operating Exp.	36,100	19,600	19,500
OPERATING SUBTOTAL	360,300	371,400	366,800
Hearing Office	53,700	67,800	83,300
Executive Training	-0-	100,000 ^{2/}	-0-
TOTAL APPROPRIATIONS	414,000	539,200	450,100 ^{3/}

Employee Related Expenditures - The approved amount contains \$17,200 for medical insurance, including a \$1,000 Section 104 lump sum allocation, and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100 in Travel - Out of State.

Hearing Office - The approved amount includes \$3,700 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. In addition, the approved amount reflects the restoration of \$40,300 eliminated as part of the FY 1991 mid-year reductions and subsequent reduction of \$25,000, resulting in a net increase of \$15,300.

Executive Training - No funding was approved for Executive Training in FY 1992. (The amount approved for FY 1991 was transferred from the unspent monies appropriated for the general salary adjustment and did not appear as a specific appropriation to this special line in the FY 1991 Appropriations Report.)

^{1/} Includes 1 FTE position from the Hearing Office special line.

^{2/} The amount approved for Executive Training for FY 1991 was transferred from the unspent monies appropriated for the general salary adjustment and did not appear as a specific appropriation to this special line in the FY 1991 Appropriations Report.

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - EXECUTIVE BUDGET OFFICE

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	22.0	0.0	0.0
Personal Services	702,100	-0-	-0-
Employee Related Exp.	131,300	-0-	-0-
Prof. & Outside Services	15,100	-0-	-0-
Travel - State	3,500	-0-	-0-
Travel - Out of State	5,500	-0-	-0-
Other Operating Exp.	108,300	-0-	-0-
Equipment	5,700	-0-	-0-
All Other Operating Exp.	138,100	-0-	-0-
OPERATING SUBTOTAL	971,500	-0-	-0-
Governor's Reg. Rev. Council	12,900	-0-	-0-
TOTAL APPROPRIATIONS	984,400	-0-^{1/}	-0-

During FY 1991, by Executive Order, the Executive Budget Office was renamed the Office of Strategic Planning and Budgeting and moved to the Governor's Office. See the "Office of the Governor" for FY 1991 and FY 1992 appropriation information.

^{1/} The 1990 General Appropriation Act appropriated \$1,145,700 to the Executive Budget Office for FY 1991. This appropriation, subsequently reduced to \$1,099,200, was transferred to the newly created Governor's Office of Strategic Planning and Budgeting. For information purposes, the FY 1991 appropriation is shown under the Governor's Office of Strategic Planning and Budgeting.

DEPARTMENT OF ADMINISTRATION - DATA MANAGEMENT

A.R.S. § 41-702

JLBC Analyst: Pitcairn

Gerard W. Tobin, Deputy Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	39.0	38.0	38.0
Personal Services	1,325,200	1,340,600	1,347,800
Employee Related Exp.	223,000	250,300	265,600
Prof. & Outside Services	1,920,000	2,355,500	2,462,400
Travel - State	600	600	600
Travel - Out of State	10,000	2,900	2,600
Other Operating Exp.	209,900	144,600	150,000
Equipment	25,100	-0-	24,900
All Other Operating Exp.	2,165,600	2,503,600	2,640,500
OPERATING SUBTOTAL	3,713,800	4,094,500	4,253,900
Statewide Accounting System	-0-	750,000	850,000
TOTAL APPROPRIATIONS	3,713,800	4,844,500	5,103,900 ^{1/}

Personal Services - A new vacancy factor of 0.5% was applied which reduces Personal Services by \$6,800. The approved amount also reflects the restoration of \$14,000 eliminated as part of the FY 1991 mid-year adjustments.

Employee Related Expenditures - The approved amount contains \$93,100 for medical insurance, including a \$5,600 Section 104 lump sum allocation, and \$4,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$119,100, or 5%, in Professional and Outside Services and \$300 in Travel-State. The lower-than-standard reduction from Professional and Outside Services reflects the relative inflexibility in internal data processing charges, which comprise most of this line.

Professional and Outside Services - The approved amount includes the restoration of \$26,000 eliminated as part of the FY 1991 mid-year adjustments and the addition of \$200,000 transferred from the Finance Division for operation of the current automated purchasing system.

Other Operating Expenditures and Equipment - The approved amount for Other Operating Expenditures includes \$5,400 for replacement of 3 dot-matrix printers and miscellaneous office furniture. The Equipment line includes \$2,400 for replacement of a laser printer and \$22,500 for 3 microcomputers to be used for programming.

Statewide Accounting System - The \$100,000 increase in the Statewide Accounting System special line reflects a transfer from the Finance Division. The total amount of \$850,000 is for the second year of a 3-year program to implement the new accounting system, which includes an automated purchasing module.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - FINANCE

Gerard W. Tobin, Deputy Director

A.R.S. § 41-702

JLBC Analyst: Pitcairn

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	112.0	115.0	115.1
Personal Services	2,091,100	2,163,600	2,183,000
Employee Related Exp.	410,300	464,500	510,500
Prof. & Outside Services	292,400	379,300	215,200
Travel - State	9,700	3,000	3,900
Travel - Out of State	2,400	13,500	7,500
Other Operating Exp.	702,900	558,700	570,600
Equipment	98,300	2,000	23,400
All Other Operating Exp.	1,105,700	956,500	820,600
OPERATING SUBTOTAL	3,607,100	3,584,600	3,514,100
SLIAG	113,300	245,100	331,700
GAAP	647,900	568,100	602,800
Rental of Facilities	602,500	570,400	599,400
Courts Building	-0-	-0-	49,000
Tucson State Office Building	-0-	-0-	519,000 ^{2/}
Agency Close-Out	-0-	-0-	20,000 ^{3/}
Water Rights Settlement	1,500,000	1,500,000	-0-
Named Claimants, Laws 1989, Ch. 248	1,789,772	-0-	-0-
Named Claimants, Laws 1990, Ch. 194	115,087	-0-	-0-
Special Employee Health Ins. Trust Fund	1,673,976	-0-	-0-
Corrections Fund Transfer	3,845,000	-0-	-0-
Woolsey Flood Protection	32,814	-0-	-0-
TOTAL	13,927,449	6,468,200	5,636,000 ^{3/4/5/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Named Claimants, Ch. 263	-0-	311,911	-0-
Hazardous Waste Property, Ch. 282	-0-	-0-	-0- ^{6/}
TOTAL APPROPRIATIONS	13,927,449	6,780,111	5,636,000 ^{6/7/}
<u>Fund Summary</u>			
General Fund	13,699,289	6,770,187	5,636,000
Corrections Fund	190,160	-0-	-0-
State Highway Fund	37,800	9,674	-0-
Industrial Commission Fund	200	250	-0-
TOTAL APPROPRIATIONS	13,927,449	6,780,111	5,636,000

(See Footnotes on Following Page)

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
GENERAL FUND AND OTHER FUNDS

Personal Services - The approved amount reflects a reduction of 0.9 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$16,500. The amount also includes 1 FTE position and \$34,500 to coordinate an Indirect Cost Recovery Program, funding for which was shifted from Professional and Outside Services.

Employee Related Expenditures - The approved amount contains \$228,700 for medical insurance, including a \$13,900 Section 104 lump sum allocation, and \$11,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100 in Travel-State. No reductions were taken in Professional and Outside Services or Travel - Out of State because of other major reductions taken in these areas.

Professional and Outside Services - The approved amount reflects the transfer out of \$100,000 to the Data Management Division for support of the new Statewide Accounting System and a reduction of \$2,100. In addition, \$88,000 was reallocated to other lines within the division and \$62,000 was reallocated within the Professional and Outside Services line as follows:

-- \$50,000 was shifted to Personal Services and other lines for 1 FTE position to coordinate an Indirect Cost Recovery Program;

(Continued)

- 1/ The approved amounts include 3 FTE positions in FY 1990 and FY 1991 and 6 FTE positions in FY 1992 from the "SLIAG" special line, and 17 FTE positions for all 3 fiscal years from the "GAAP" special line.
- 2/ The appropriation of \$519,000 for the new Tucson State Office Building, when combined with rental payments made by agencies occupying the building, is intended to provide full funding for the required lease-purchase payment on that facility. The Department of Administration is authorized to collect the rent amounts budgeted for private space that was vacated by agencies the department moves into the new Tucson State Office Building. Such amounts collected shall be based on the period of time that agencies vacate their private space and occupy the Tucson State Office Building. (General Appropriation Act footnote)
- 3/ The sum of \$20,000 is appropriated for agency close-out costs and shall revert to the General Fund immediately if no agencies are eliminated in FY 1991 and FY 1992. Upon completion of the process, but not later than June 30, 1992, the Department of Administration shall submit a report to the Legislature outlining the process and expenditures for close-out of any state agencies. (General Appropriation Act footnote)
- 4/ In accordance with A.R.S. § 35-142.01: (a) the Department of Economic Security shall remit to the Department of Administration any monies received as reimbursement from the federal government or any other source for the operation of the Department of Economic Security West building and (b) the Department of Administration shall deposit such monies to the General Fund. The Department of Administration, with the cooperation of the Department of Economic Security, shall submit quarterly reports to the Director of the Joint Legislative Budget Committee regarding the amount of federal reimbursement received by the General Fund for the costs of operating the DES West building.
- 5/ Included in the lump sum appropriation is \$75,000 and one FTE positions to establish an indirect cost recovery program. The Department of Administration shall report quarterly to the Chairmen of the House of Representatives and Senate Appropriations Committees and the Director of the Joint Legislative Budget Committee as to the effectiveness of the indirect cost recovery program. The reports shall identify potential or pending sources of federal reimbursement for indirect costs as well as amounts actually collected. (General Appropriation Act footnote)
- 6/ In addition, chapter 282 appropriates \$1,350,000 from the General Fund to the Department of Administration for costs related to the settlement agreement between the State of Arizona and ENSCO, Inc. The act provides that the Department of Administration shall reimburse this amount to the General Fund through the sale and lease-back of state-owned property.
- 7/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
GENERAL FUND AND OTHER FUNDS

- \$38,000 was shifted to Other Operating Expenditures for postal rate increases;
- \$25,000 was reallocated within Professional and Outside Services for a study of potential Indirect Cost Recovery revenue sources;
- \$12,000 was reallocated within Professional and Outside Services for microfilm cost increases;
- \$25,000 was reallocated within Professional and Outside Services for a study of Pass-Through Audit review needs.

Travel - Out of State - The amount reflects a reduction of \$6,000 as requested by the agency.

Other Operating Expenditures - The approved amount includes a \$4,100 reduction in risk management charges (for a total of \$186,500), a \$12,000 increase for postage increases (reallocated from Professional and Outside Services), and \$4,000 to support the 1 FTE Indirect Cost Recovery position.

Equipment - The approved amount includes \$20,700 for replacement of check printing equipment and \$2,700 for a microcomputer and furniture for the new indirect cost recovery staff position.

SLIAG - The approved amount contains \$14,900 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes a reduction of \$2,500 from an ERE adjustment and an increase of \$88,000 to develop a tracking system to identify expenditures within AHCCCS and the Department of Security which may be reimbursed from the federal State Legalization Impact Assistance Grant program. This expenditure is also directly reimbursable from SLIAG funds.

GAAP - This special line funds the on-going conversion of the state's accounting reports to comply with the federal Single Audit Act of 1984. The approved amount contains \$43,100 for medical insurance, including a \$2,600 Section 104 lump sum allocation, and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also reflects the restoration of \$32,100 of a \$110,000 reduction taken as part of the FY 1991 mid-year adjustments.

Rental of Facilities - This special line includes funding for lease-purchase payments on the 16th Avenue Parking Garage, space occupied by DOA at 1616 West Adams Street, and common area costs charged to Facilities Management. The increase of \$29,000 reflects adjustments in these common area costs.

Courts Building - The total lease-purchase payment for the State Courts Building for FY 1992 is \$3,395,200. The \$49,000 shown in this special line is to cover the cost of space in the new building that will be vacant until final improvements are completed. The Board of Tax Appeals is scheduled to begin occupancy in the building in September; the Residential Utilities Consumer Office and the Arizona Criminal Justice Commission are scheduled to begin occupancy in November. The table below lists the amounts funded for each agency scheduled to occupy the building and the amount included in the Department of Administration's budget for unoccupied space.

<u>AGENCY</u>	<u>SQUARE FEET</u>	<u>REQUIRED PAYMENT</u>	<u>GENERAL FUND</u>	<u>OTHER FUNDS</u>
Courts				
Dept. of Education	207,280	\$3,058,900	\$3,058,900	\$ -0-
Board of Tax Appeals	10,680	158,100	158,100	-0-
Residential Utility Consumer Office	4,005	49,400	49,400	-0-
Criminal Justice Commission	3,304	32,800	-0-	32,800
Dept. of Administration	4,735	47,000	-0-	47,000 ^{1/}
	<u>-0-</u>	<u>49,000</u>	<u>49,000</u>	<u>-0-</u>
TOTAL	230,004	\$3,395,200	\$3,315,400	\$79,800

^{1/} Of the \$47,000, \$23,500 has been appropriated from the Arizona Commission on Criminal Justice Fund. The remaining \$23,500 will be provided from available federal funds.

(Continued)

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
 GENERAL FUND AND OTHER FUNDS

Tucson State Office Building - The total lease-purchase payment for the Tucson State Office Building for FY 1992 is \$1,877,100. The \$519,000 approved for DOA provides funding for the entire building for the first 3 months of FY 1992 and for the space to be occupied by DOA for the remainder of the fiscal year. This amount will be supplemented by appropriations to other agencies shown in the following table. The amounts under the column "9 Month Requirement" reflect the cost of occupancy for the final nine months of FY 1992 based on a cost per square foot of \$17.45. The date of occupancy will range from September to November of 1991. The amounts under the column "1st Quarter Lease" reflect the estimated funds needed by agencies to pay for their private lease rent until they occupy the new building. These 1st Quarter lease amounts are included in the individual agency budgets.

The Department of Administration is authorized, pursuant to a General Appropriation Act footnote, to collect amounts budgeted for private office space vacated by agencies the department moves into the Tucson State Office Building. As of the beginning of FY 1992, tenants for 17,192 square feet in the building have yet to be assigned.

AGENCY	SQUARE FEET	9-MONTH REQ'MT.	1ST QTR. LEASE	TOTAL	GENERAL FUND	OTHER FUNDS
		\$ 519,000	\$ -0-	\$ 519,000	\$ 519,000	\$ -0-
Dept. of Administration	7,994	519,000	-0-	519,000	519,000	-0-
Supreme Court	4,427	57,900	-0-	57,900	57,900	-0-
Court of Appeals Div II	22,559	295,200	-0-	295,200	295,200	-0-
Office of the Governor	1,846	24,200	-0-	24,200	24,200	-0-
Legislature	1,152	15,100	-0-	15,100	15,100	-0-
Dept. of Economic Security	23,190	303,500	91,300	394,800	188,600	206,200
Dept. of Environmental Quality	1,702	22,300	-0-	22,300	22,300	-0-
Dept. of Health Services	5,999	78,500	9,000	87,500	87,500	-0-
Veterans' Service Commission	621	8,100	-0-	8,100	8,100	-0-
Dept. of Agriculture	1,490	19,500	-0-	19,500	19,500	-0-
Building and Fire Safety	1,318	17,200	4,700	21,900	21,900	-0-
Registrar of Contractors	1,398	18,300	-0-	18,300	18,300	-0-
Corporation Commission	3,385	44,300	-0-	44,300	31,400	12,900
Dept. of Insurance	1,003	13,100	-0-	13,100	13,100	-0-
Dept. of Liquor Licenses	143	1,900	-0-	1,900	1,900	-0-
Real Estate Department	2,234	29,200	9,400	38,600	38,600	-0-
Board of Medical Examiners	309	4,000	-0-	4,000	-0-	4,000
Board of Pharmacy	223	2,900	-0-	2,900	-0-	2,900
Dept. of Education	894	11,700	-0-	11,700	11,700	-0-
Dept. of Corrections	2,966	38,800	9,000	47,800	47,800	-0-
Dept. of Water Resources	5,998	52,400	11,600	64,000	64,000	-0-
Unallocated Space	17,192	300,000	-0-	300,000	300,000 ^{1/}	-0-
TOTAL	108,043	\$1,877,100	\$135,000	\$2,012,100	\$1,786,100	\$226,000

^{1/} This is the amount required to pay for space not yet allocated as of the beginning of FY 1992. The source of the funds is not yet known, and is shown under General Fund for computation purposes only. The amount is assumed to be included in the budgets of the agencies which the Department moves into the space, pursuant to the General Appropriation Act footnote.

Agency Close-out - The \$20,000 approved for this new special line is for costs of transferring the inspection and permitting functions of the Oil and Gas Commission to the Arizona Geological Survey.

Water Rights Settlement - Laws 1989, Chapter 122 appropriated \$1,500,000 from the General Fund to the Department of Administration for both FY 1990 and FY 1991 for payment of this state's contribution to the Salt River Community Trust Fund established by the Salt River Pima-Maricopa Indian Community Water Right Settlement Act of 1988, P.L. 100-512.

(Continued)

DEPARTMENT OF ADMINISTRATION - FINANCE (Cont'd)
GENERAL FUND AND OTHER FUNDS

Named Claimants (Laws 1989) - Laws 1989, Chapter 248 appropriated \$1,797,340 to the Department for payment of various claims against the state. The claims were paid in FY 1990, as the bill was passed without the emergency clause.

Named Claimants (Laws 1990) - Laws 1990, Chapter 194 appropriated \$115,087 to the Department for payment of various claims against the state. Of this amount, \$200 was transferred from the Industrial Commission Fund to the General Fund for payment of claims.

Special Employee Health Insurance Trust Fund - This line represents the net amount paid from the General Fund in FY 1990 for remaining health insurance claims prior to start-up of the newly created Special Employee Health Insurance Trust Fund.

ADDITIONAL APPROPRIATIONS

Named Claimants - Ch. 263 - Appropriates \$311,911 to the department for payment of various claims against the state. Of this amount, \$9,674 is to be transferred from the State Highway Fund and \$250 from the Industrial Commission Fund to the General Fund for payment of claims. The claims will be paid in FY 1991, as the bill was passed with the emergency clause.

Hazardous Waste Property - Ch. 282 (H.B. 2503) - Appropriates \$1,350,000 from the General Fund to the Department of Administration for costs related to the settlement agreement between the State of Arizona and ENSCO, Inc. Of the \$1,350,000 appropriated to the Department, \$350,000 is to satisfy the requirements of paragraph 3.9 of the settlement agreement relating to payment of property taxes on the facility, and \$1,000,000 is to acquire the state trust land on which the lease-purchase property is located. The bill provides for the \$1,350,000 to be reimbursed through the sale and lease-back of state-owned property. The remaining settlement amounts are described under the Department of Environmental Quality.

DEPARTMENT OF ADMINISTRATION - PERSONNEL

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND AND PERSONNEL DIVISION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	114.0	115.7	116.5
Personal Services	3,091,700	3,292,800	3,345,900
Employee Related Exp.	558,400	726,300	705,400
Prof. & Outside Services	18,500	210,000	64,800
Travel - State	6,100	8,500	10,600
Travel - Out of State	4,100	4,500	4,500
Other Operating Exp.	405,200	434,400	432,400
Equipment	3,500	35,000	150,000
All Other Operating Exp.	437,400	692,400	662,300
OPERATING SUBTOTAL	4,087,500	4,711,500	4,713,600
Special Recruitment	38,200	38,500	38,500
CPS Study (Laws 1990, Ch. 237)	-0-	25,000	-0-
TOTAL APPROPRIATIONS	4,125,700	4,775,000	4,752,100 ^{1/}
<u>Fund Summary</u>			
General Fund	4,125,700	4,775,000	-0-
Personnel Division Fund	-0-	-0-	4,752,100
TOTAL APPROPRIATIONS	4,125,700	4,775,000 ^{2/}	4,752,100

Personal Services - The approved amount reflects a reduction of 1.2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied. Due to other base adjustments this resulted in a net increase of \$100. In addition, \$53,000 was added for 2 FTE positions to implement a grievance response process for lower level grievances which are now handled within each agency.

Employee Related Expenditures - The approved amount contains \$274,100 for medical insurance, including a \$2,200 Section 104 lump sum allocation, and \$14,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items are shown for information only.
- 2/ The total General Fund amount for FY 1991 does not match the figure shown in the Tables and Graphs Section because of the impact of Laws 1990, Chapter 355, which provided for an "automatic" appropriation of all pro rata share revenues to the Personnel Division. The amount of \$4,775,000 reflects the most recent estimate by the Department of pro rata share revenues, not the original appropriation approved for FY 1991.

DEPARTMENT OF ADMINISTRATION - PERSONNEL (Cont'd)
GENERAL FUND AND PERSONNEL DIVISION FUND

All Other Operating Expenditures - The approved amount includes a reduction of \$145,200 in Professional and Outside Services, reflecting one-time consulting expenditures for development of a storage and retrieval and networking automation system for the job application process and related functions. The amount also includes \$150,000 in equipment funding for the first-year payment for the automation project. Some of the project's funding may be subsequently transferred to the Professional and Outside Services line item.

CPS Study - Laws 1990, Chapter 237, the Omnibus Child Protection Act, appropriated \$25,000 to the department to conduct a Child Protective Services study. The amount was a one-time expenditure for FY 1991.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Amends A.R.S. § 41-764 resulting in the following: 1) brings the Personnel Division back under the annual appropriation process; 2) creates the Personnel Division Fund for deposit and expenditure of all pro rata share revenues; and 3) defers the scheduled increase in the pro rata share percentage for one year, retaining the rate at the current 0.7% of payroll through FY 1992. Beginning in FY 1993 the percentage would increase in increments of 0.05% annually until reaching 1% of payroll.

State Employee Health Insurance: Expenditures - Chapter 291 (S.B.1022) - This is the annual health insurance rate adjustment legislation. It establishes the maximum rates the state will pay for health insurance policies at \$183.50 per month for individual coverage and \$410.46 per month for family coverage and for coverage in which both spouses are state employees.

School Employees: State Health Insurance - Chapter 319 (H.B. 2461) - Allows school districts with no more than 500 employees to participate in the state's health insurance coverage beginning August 1, 1993. The bill also establishes an advisory task force to obtain detailed data on the program and its implications for the state and school employees. The task force is to report its findings to the Joint Legislative Budget Committee by November 1, 1992, which is then to report its review to the President of the Senate and Speaker of the House by December 31, 1992. In addition, the Auditor General is to perform a study of the cost implications of the program after implementation and report its findings to the President of the Senate and the Speaker of the House of Representatives by December 1, 1998.

DEPARTMENT OF ADMINISTRATION - FACILITIES MANAGEMENT

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND AND CORRECTIONS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	263.25	302.6	295.9
Personal Services	4,880,700	5,151,400	5,288,600
Employee Related Exp.	1,158,300	1,507,800	1,667,400
Prof. & Outside Services	27,200	15,300	16,000
Travel - State	168,900	120,600	115,600
Travel - Out of State	2,600	7,500	6,700
Other Operating Exp.	867,900	1,272,100	1,725,200
Equipment	60,800	205,100	142,100
All Other Operating Exp.	1,127,400	1,620,600	2,005,600
OPERATING SUBTOTAL	7,166,400	8,279,800	8,961,600
Relocation	8,000	600,000	600,000
Utilities	4,383,900	5,101,200	6,444,100
TOTAL APPROPRIATIONS	11,558,300	13,981,000	16,005,700
<u>Fund Summary</u>			
General Fund	11,238,700	13,622,300	15,693,800
Corrections Fund	319,600	358,700	311,900
TOTAL APPROPRIATIONS	11,558,300	13,981,000	16,005,700 ^{2/}

Personal Services - The approved amount reflects a reduction of 4.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$81,000. The amount also reflects: the restoration of \$54,600 of \$75,800 eliminated as part of the FY 1991 mid-year adjustments; the elimination of 4 FTE positions from the Planning and Support and/or Design and Construction sections, resulting in reductions of \$70,000 from the General Fund and \$48,000 from the Corrections Fund; the addition of \$234,200 to annualize the staffing costs of the new buildings under the alternate-day cleaning schedule; and the addition of 2 FTE positions and \$44,300 to implement a lighting reduction and relamping program, funds for which were reallocated from the Utilities special line.

Employee Related Expenditures - The approved General Fund amount contains \$726,600 for medical insurance, including a \$44,100 Section 104 lump sum allocation, and \$36,200 for dental insurance. The approved Other Appropriated Funds amount contains \$29,800 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$1,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} The approved amounts include 11 FTE positions in FY 1990 and FY 1991 and 9 FTE positions in FY 1992 for the prison construction program.
^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items are shown for information only.

DEPARTMENT OF ADMINISTRATION - FACILITIES MANAGEMENT (Cont'd)
GENERAL FUND AND CORRECTIONS FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,000 in Travel - State and \$800 in Travel - Out of State. No reduction was taken in Professional and Outside Services because of a reduction taken as part of the FY 1991 mid-year adjustments.

All Other Operating Expenditures - The approved amount reflects the restoration of \$700 in Professional and Outside Services and \$35,800 in Other Operating Expenditures eliminated as part of the FY 1991 mid-year adjustments. The amount also includes: a reduction in Other Operating Expenditures of \$2,000 from the General Fund and \$2,000 from the Corrections Fund resulting from the 4 FTE position reduction in the Planning and Support and/or Design and Construction section; an increase of \$1,000 in Travel - State funding and \$327,500 in Other Operating Expenditures to annualize the costs of operating the new buildings; \$10,000 in Other Operating Expenditures and \$7,900 in Equipment funding for a truck for the lighting program; \$37,200 for the Tucson Garage shared-use agreement with the City of Tucson; \$12,200 from the Corrections Fund for Risk Management adjustments; and replacement funding of \$34,400 for Non-Capitalized Equipment and \$134,200 for Capitalized Equipment after backing out FY 1991 Equipment funding of \$205,100. The Capitalized Equipment funding is intended for replacement of a dump truck, 2 riding mowers, 3 microcomputers, a boom truck, 6 utility carts, 3 floor buffers, and a radio base station.

Relocation - \$600,000 was approved for the costs of relocating agencies to new office space and renovating or altering the vacated space for the next occupants, the same amount as in FY 1991.

Utilities - The approved amount includes restoration of \$330,000 eliminated as part of the FY 1991 mid-year adjustments, \$1,088,700 to annualize the utility costs for the new buildings, and a reduction of \$75,800 due to the anticipated savings from the lighting program.

DEPARTMENT OF ADMINISTRATION - GENERAL SERVICES

A.R.S. § 41-702

Gerard W. Tobin, Deputy Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	4.0	4.0
Personal Services	-0-	65,200	65,100
Employee Related Exp.	-0-	21,700	18,900
Prof. & Outside Services	-0-	-0-	-0-
Travel - State	-0-	7,200	6,800
Travel - Out of State	-0-	-0-	-0-
Other Operating Exp.	-0-	1,000	1,000
Equipment	-0-	-0-	-0-
All Other Operating Exp.	-0-	8,200	7,800
TOTAL APPROPRIATIONS	0	95,100	91,800

Employee Related Expenditures - The approved amount contains \$9,800 for medical insurance, including a \$600 Section 104 lump sum allocation, and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$400 in Travel - State.

ADDITIONAL LEGISLATION

Motor Pool; Alternative Fuels - Chapter 176 (H.B. 2433) - Requires the Director of the Department of Administration to purchase alternative-fueled vehicles for motor vehicle fleet replacement as these vehicles become commercially available, and if the net operating costs do not exceed the costs of the existing fleet vehicles by more than 10%. The impact of these provisions is not anticipated to occur before approximately FY 1995. Alternative-fueled vehicles are defined as those which use compressed natural gas, liquified petroleum gas, hydrogen, fuels with no less than 85% alcohol, solar energy, or electric power. The bill also requires the Department, working in conjunction with the State Energy Office of the Department of Commerce, to purchase vehicles with the highest fuel efficiency in their class.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - SUMMARY

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administration			
Civil	2,973,300	2,839,700	1,954,600
Human Services	3,802,000	6,742,600	7,008,200
Criminal	550,300	672,300	1,048,000
Organized Crime	1,903,100	7,766,400	7,700,500
Financial Fraud	2,415,000	-0-	-0-
Solicitor General	2,079,000	-0-	-0-
Antitrust	236,700	-0-	-0-
Special Investigations	238,600	-0-	-0-
Tax	2,237,500	-0-	-0-
	1,185,400	-0-	-0-
TOTAL APPROPRIATIONS	17,620,900	18,021,000	17,711,300
<u>Expenditure Detail</u>			
FTE Positions	366.0	367.5	344.0
Personal Services	11,807,300	13,219,600	12,846,200
Employee Related Exp.	2,002,400	2,489,800	2,750,100
Prof. & Outside Services	88,200	208,400	38,000
Travel - State	111,200	144,000	155,000
Travel - Out of State	35,600	43,500	40,000
Other Operating Exp.	1,366,500	1,711,800	1,493,500
Equipment	306,900	203,900	74,000
All Other Operating Exp.	1,908,400	2,311,600	1,800,500
OPERATING SUBTOTAL	15,718,100	18,021,000	17,396,800
Special Line Items ^{1/}	1,902,800	-0-	297,600
Additional Appropriations	-	-	16,900
TOTAL APPROPRIATIONS	17,620,900	18,021,000 ^{2/}	17,711,300 ^{3/}

Personal Services - The approved amount reflects a reduction of 9.5 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$125,400. Also, the elimination of an additional 17 FTE positions further reduced Personal Services by \$658,300. The approved amount also includes \$347,900 for restoration of the FY 1991 ex-appropriation and \$25,800 for annualization of 4.5 FTE positions for Child Welfare Mediation.

(Continued)

^{1/} Details for the Special Line Items are included on the individual program pages.

^{2/} Includes \$101,100 in a carry forward appropriation from Laws 1990, Chapter 2.

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The amounts for individual programs are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - SUMMARY (Cont'd)

GENERAL FUND

Employee Related Expenditures - The approved amount contains \$865,500 for medical insurance, including a \$52,500 Section 104 lump sum allocation, and \$43,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$18,000 in Professional and Outside Services, \$7,400 in Travel - State and \$1,600 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes \$135,300 for risk management.

ADDITIONAL LEGISLATION

Anti-Racketeering Fund - Chapter 320 (H.B. 2465) - This bill authorizes the Attorney General and the county attorneys to use monies available in their respective Anti-Racketeering Revolving Funds for funding gang and substance abuse prevention and education programs. Monies are to be transmitted to the Arizona Drug and Gang Policy Council. A total of \$500,000 is to be deposited by December 31, 1991. The Criminal Justice Commission is to develop a formula for assessing proportional shares of this sum to the Attorney General and each county attorney and political subdivision that receives monies pursuant to state forfeiture statutes (A.R.S. § 13-4315). The formula is to be based on county and political subdivision populations. The Attorney General assessment is to be equal to the average of the assessments on all counties having a population greater than 500,000.

The bill also mandates that the Attorney General submit quarterly reports to the Arizona Criminal Justice Commission regarding its Anti-Racketeering Revolving Fund. The reports are to set forth the sources of all monies and expenditures, excluding identifying information about specific investigations. The Criminal Justice Commission is directed to submit this report to the Governor with copies to the Director of the Department of Administration, the President of the Senate, the Speaker of the House of Representatives and the Director of the Joint Legislative Budget Committee.

ATTORNEY GENERAL - DEPARTMENT OF LAW - ADMINISTRATION

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	41.0	46.0	46.0
Personal Services	1,461,300	1,370,000	1,487,800
Employee Related Exp.	258,500	260,500	319,500
Prof. & Outside Services	43,200	55,200	2,000
Travel - State	6,600	6,000	18,000
Travel - Out of State	12,500	13,000	17,000
Other Operating Exp.	734,300	996,300	99,100
Equipment	223,200	138,700	11,200
All Other Operating Exp.	1,019,800	1,209,200	147,300
OPERATING SUBTOTAL	2,739,600	2,839,700	1,954,600
Library	66,900	-0-	-0-
Outside Litigation	43,400	-0-	-0-
Computer Services	123,400	-0-	-0-
TOTAL APPROPRIATIONS	2,973,300	2,839,700	1,954,600 ^{1/}

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. Library, Outside Litigation, and Computer Services were moved above the line. None of the former divisions were incorporated into the new Administration Division.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CIVIL

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	91.0	144.5	131.0
Personal Services	2,311,100	5,298,000	4,930,600
Employee Related Exp.	368,900	968,400	1,055,600
Prof. & Outside Services	8,600	142,400	25,000
Travel - State	3,000	5,400	5,400
Travel - Out of State	2,800	13,200	9,000
Other Operating Exp.	143,400	283,600	808,600
Equipment	800	31,600	26,400
All Other Operating Exp.	158,600	476,200	874,400
OPERATING SUBTOTAL	2,838,600	6,742,600	6,860,600
Environmental Quality	260,400	-0-	-0-
Water Litigation	703,000	-0-	-0-
Tax Division - Property Tax Appeals	-0-	-0-	147,600 ^{1/}
TOTAL APPROPRIATIONS	3,802,000	6,742,600	7,008,200 ^{2/}

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. Environmental Quality and Water Litigation have been incorporated into the new Criminal Division. The new Civil Division is comprised of the old Civil Division and the Financial Fraud, Solicitor General, Antitrust, and Tax Divisions. Also included are Child Welfare Mediation and Property Tax Supplement special line items.

^{1/} The \$147,600 appropriated to the Tax Division includes 3 FTE positions (2 attorneys and 1 legal secretary) for assistance to the counties for property tax appeals. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - HUMAN SERVICES

A.R.S. § 41-1401

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	15.0	27.0	27.0
Personal Services	370,700	514,400	799,300
Employee Related Exp.	61,600	102,000	172,000
Prof. & Outside Services	-0-	-0-	2,000
Travel - State	3,100	8,600	3,600
Travel - Out of State	-0-	3,200	2,000
Other Operating Exp.	20,200	41,900	65,300
Equipment	4,000	2,200	3,800
All Other Operating Exp.	27,300	55,900	76,700
OPERATING SUBTOTAL	459,600	672,300	1,048,000
Fair Housing	90,700	-0-	-0-
Child Welfare Mediation	-0-	-0-	-0-
TOTAL APPROPRIATIONS	550,300	672,300	1,048,000 ^{1/}

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The new Human Services Division is comprised of the old Civil Rights Division and the Elderly Abuse and Fair Housing special lines. Child Welfare Mediation has been incorporated into the new Civil Division.

ADDITIONAL LEGISLATION

Fair Housing - Chapter 181 (S.B. 1293) - The Fair Housing legislation is substantially equivalent to the federal Fair Housing Act. It extends housing discrimination protection to the handicapped and families with children but exempts certain housing for the elderly from the provisions prohibiting discrimination against families with children. It also provides for resolution of housing disputes at the local level. The bill authorizes the use of \$65,400 from the Antitrust Enforcement Revolving Fund in FY 1992.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - CRIMINAL

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	40.0	150.0	140.0
Personal Services	1,507,000	6,037,200	5,628,500
Employee Related Exp.	261,100	1,158,900	1,203,000
Prof. & Outside Services	2,300	10,800	9,000
Travel - State	1,100	124,000	128,000
Travel - Out of State	5,400	14,100	12,000
Other Operating Exp.	94,700	390,000	520,500
Equipment	31,500	31,400	32,600
All Other Operating Exp.	135,000	570,300	702,100
OPERATING SUBTOTAL	1,903,100	7,766,400	7,533,600
Grand Jury	-0-	-0-	150,000 ^{1/}
TOTAL	1,903,100	7,766,400	7,683,600
Additional Appropriations - 40th Leg, 1st Reg. Session			
Special and Hazardous Waste, Ch. 315	--	--	16,900
TOTAL APPROPRIATIONS	1,903,100	7,766,400	7,700,500 ^{2/}

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The new Criminal Division is comprised of the old Criminal Division, Organized Crime and Racketeering Division and the Special Investigations Division. Also included are the Water Litigation, Medical Fraud, and the two Environmental Quality special line items.

ADDITIONAL APPROPRIATIONS

Special and Hazardous Waste - Chapter 315 (H.B. 2121) - This bill requires that the Attorney General's Office aid in the development of rules and in the enforcement of the solid, special, and hazardous waste laws set forth therein. The bill authorizes an appropriation of \$16,900 for 3 months funding of an Attorney and 2 months funding of a Legal Secretary. Another Attorney position was authorized but was not funded.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - This bill eliminates the State Grand Jury Fund administered by the State Treasurer and authorizes state grand jury expenses to be paid directly with monies appropriated to the Attorney General and the Supreme Court.

- 1/ The \$150,000 appropriated for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-428. It is legislative intent that State Grand Jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided. (General Appropriation Act footnote)
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line item. The program and line item detail are shown for information only.

ATTORNEY GENERAL - DEPARTMENT OF LAW - ORGANIZED CRIME A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	46.0	0.0	0.0
Personal Services	1,577,600	-0-	-0-
Employee Related Exp.	250,800	-0-	-0-
Prof. & Outside Services	1,800	-0-	-0-
Travel - State	3,500	-0-	-0-
Travel - Out of State	2,800	-0-	-0-
Other Operating Exp.	101,200	-0-	-0-
Equipment	2,000	-0-	-0-
All Other Operating Exp.	111,300	-0-	-0-
OPERATING SUBTOTAL	1,939,700	-0-	-0-
Medical Fraud Cont. Unit	143,100	-0-	-0-
Environmental Quality	332,200	-0-	-0-
TOTAL APPROPRIATIONS	2,415,000	-0-	-0-

Cost Centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Organized Crime Division, including the special line items, has been incorporated into the new Criminal Division.

ATTORNEY GENERAL - DEPARTMENT OF LAW - FINANCIAL FRAUD

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	43.0	0.0	0.0
Personal Services	1,651,600	-0-	-0-
Employee Related Exp.	274,600	-0-	-0-
Prof. & Outside Services	21,900	-0-	-0-
Travel - State	1,000	-0-	-0-
Travel - Out of State	2,900	-0-	-0-
Other Operating Exp.	113,300	-0-	-0-
Equipment	13,700	-0-	-0-
All Other Operating Exp.	152,800	-0-	-0-
TOTAL APPROPRIATIONS	2,079,000	-0-	-0-

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Financial Fraud Division has been incorporated into the new Civil Division.

ATTORNEY GENERAL - DEPARTMENT OF LAW - SOLICITOR GENERAL A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	0.0	0.0
Personal Services	189,800	-0-	-0-
Employee Related Exp.	29,200	-0-	-0-
Prof. & Outside Services	100	-0-	-0-
Travel - State	800	-0-	-0-
Travel - Out of State	2,100	-0-	-0-
Other Operating Exp.	11,400	-0-	-0-
Equipment	3,300	-0-	-0-
All Other Operating Exp.	17,700	-0-	-0-
TOTAL APPROPRIATIONS	236,700	-0-	-0-

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Solicitor General Division has been incorporated into the new Civil Division.

ATTORNEY GENERAL - DEPARTMENT OF LAW - ANTITRUST

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	5.0	0.0	0.0
Personal Services	206,500	-0-	-0-
Employee Related Exp.	32,100	-0-	-0-
TOTAL APPROPRIATIONS	238,600	-0-	-0-

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Antitrust Division has been incorporated into the new Civil Division.

ATTORNEY GENERAL - DEPARTMENT OF LAW - SPECIAL INVESTIGATIONS

A.R.S. § 41-192

The Honorable Grant Woods, Attorney General

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	57.0	0.0	0.0
Personal Services	1,622,400	-0-	-0-
Employee Related Exp.	306,000	-0-	-0-
Prof. & Outside Services	700	-0-	-0-
Travel - State	91,400	-0-	-0-
Travel - Out of State	1,300	-0-	-0-
Other Operating Exp.	103,500	-0-	-0-
Equipment	21,400	-0-	-0-
All Other Operating Exp.	218,300	-0-	-0-
OPERATING SUBTOTAL	2,146,700	-0-	-0-
Elderly Abuse Program	90,800	-0-	-0-
TOTAL APPROPRIATIONS	2,237,500	-0-	-0-

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Special Investigations Division has been incorporated into the new Criminal Division. The Elderly Abuse Program has been incorporated into the new Human Services Division.

ATTORNEY GENERAL - DEPARTMENT OF LAW - TAX

A.R.S. § 41-192

JLBC Analyst: Burgess

The Honorable Grant Woods, Attorney General

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	24.0	0.0	0.0
Personal Services	909,300	-0-	-0-
Employee Related Exp.	159,600	-0-	-0-
Prof. & Outside Services	9,600	-0-	-0-
Travel - State	700	-0-	-0-
Travel - Out of State	5,800	-0-	-0-
Other Operating Exp.	44,500	-0-	-0-
Equipment	7,000	-0-	-0-
All Other Operating Exp.	67,600	-0-	-0-
OPERATING SUBTOTAL	1,136,500	-0-	-0-
Property Tax Supplement	48,900	-0-	-0-
TOTAL APPROPRIATIONS	1,185,400	-0-	-0-

Cost centers and special line items were regrouped to reflect the reorganization of the Attorney General's Office. The Tax Division, including the special line item, has been incorporated into the new Civil Division.

ARIZONA COLISEUM AND EXPOSITION CENTER

Gary D. Montgomery, Executive Director

A.R.S. § 3-1001

JLBC Analyst: Bradley

ARIZONA COLISEUM AND EXPOSITION CENTER FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	248.0	248.0	248.0
Personal Services	4,641,600	4,055,000	4,237,500
Employee Related Exp.	641,900	880,900	1,258,700
Prof. & Outside Services	1,556,200	1,595,000	1,652,000
Travel - State	9,900	12,000	12,400
Travel - Out of State	26,100	27,800	29,900
Other Operating Exp.	3,914,700	4,488,800	4,144,500
Equipment	451,000	691,600	525,000
All Other Operating Exp.	5,957,900	6,815,200	6,363,800
TOTAL APPROPRIATIONS	11,241,400	11,751,100	11,860,000 ^{1/}

A.R.S. § 3-1005 states "monies received by the Board...shall be under full control and jurisdiction of the Board." The appropriation for the Coliseum and Exposition Center is, then, 100% of its collections, and the amounts shown are for information only.

Employee Related Expenditures - The approved amount contains \$226,800 for medical insurance, including a \$1,800 Section 104 lump sum allocation, and \$11,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350), 1st Regular Session - Section 1(C)2 of the Capital Outlay Bill appropriates \$422,000 from the Coliseum and Exposition Center Fund to the Department of Administration for the major maintenance and repair of state buildings in accordance with the building renewal formula established in Laws 1986, Chapter 85.

ADDITIONAL LEGISLATION

Coliseum Revolving Fund - Chapter 254 (S.B. 1231) - This act reduces the Coliseum and Exposition Center share of pari-mutuel racing revenues from 6% to 5%, beginning in FY 1992, and eliminates all subsidy effective from and after July 1, 1994 at which point the Coliseum Bonds will have been fully repaid. The act also establishes a Stallion Award Fund which will receive 0.25% of pari-mutuel revenues. Revenues to this fund will be distributed by the Department of Racing to owners or lessees of stallions that breed winning horses in this state. The act also increases the pari-mutuel wagering share to the County Fair Betterment Fund from 7.5% to 8.25%.

^{1/} All collections paid into the State Treasury are appropriated for Personal Services, Employee Related Expenditures, and All Other Operating Expenditures. (General Appropriation Act footnote)

DEPARTMENT OF COMMERCE

A.R.S. § 41-1501

JLBC Analyst: Siegwarth

James E. Marsh, Acting Director

GENERAL FUND AND OTHER APPROPRIATED FUNDS

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	66.0	72.0	67.5
Personal Services	1,710,400	2,089,600	1,813,800
Employee Related Exp.	351,300	443,000	377,900
Prof. & Outside Services	116,200	108,700	142,700
Travel - State	73,100	128,400	100,700
Travel - Out of State	80,800	124,600	92,000
Other Operating Exp.	605,800	677,000	653,300
Equipment	134,100	67,200	10,700
All Other Operating Exp.	1,010,000	1,105,900	999,400
OPERATING SUBTOTAL	3,071,700	3,638,500	3,191,100
Econ. Development Matching Funds	104,000	104,000	104,000
CEDC Commission	55,000	200,000	200,000
Advertising and Promotion	625,600	802,400	567,500
Asian Pacific Trade Office	140,900	157,800	157,800
REDI Matching Grants	45,000	45,000	45,000
Motion Picture Development	24,900	50,000	479,100 ^{2/}
Procurement Assist. Network	-0-	50,000	-0-
Indian Economic Development	-0-	77,700	77,700
Solar Projects	41,400	81,300	-0-
Oil Overcharge Administration	88,300	123,400	123,400
Europe/Mexico Trade Office	-0-	188,800	300,000
TOTAL APPROPRIATIONS	4,196,800	5,518,900	5,245,600 ^{3/4}
<u>Fund Summary</u>			
General Fund	3,248,700	4,070,000	3,746,600
Bond Fund	53,200	55,300	86,800
CEDC Fund	751,600	991,400	985,000
Lottery Fund	55,000	200,000	200,000
Oil Overcharge Fund	88,300	123,400	123,400
Housing Trust Fund	-0-	78,800	103,800
TOTAL APPROPRIATIONS	4,196,800	5,518,900	5,245,600

^{1/} Includes 2 FTE positions funded from certain special line items in FY 1990, 3 FTE positions in FY 1991 and 8 FTE positions in FY 1992.

^{2/} Notwithstanding A.R.S. § 35-173 (c), any transfer of the \$478,200 appropriated for Motion Picture Development shall require approval by the Joint Legislative Budget Committee. (General Appropriation Act footnote) The amount shown above includes \$900 from Section 104 lump sum allocation for higher medical insurance premiums.

^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with a special line item for Motion Picture Development. The line items, with the exception of Motion Picture Development, are shown for information only. (Footnotes Continued on Following Page)

DEPARTMENT OF COMMERCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount reflects a reduction of 2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$20,100. The approved amount reflects a reduction of \$83,500 associated with the elimination of 2.5 FTE positions, one administrative intern, and a transfer of \$172,200 to the Motion Picture Development special line item.

Employee Related Expenditures - The approved General Fund amount contains \$120,300 for medical insurance, including a \$7,300 Section 104 lump sum allocation, and \$6,100 for dental insurance. The approved Other Appropriated Funds amount contains \$25,400 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$1,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount reflects a reduction of \$37,300 associated with the elimination of FTE positions and a transfer of \$35,200 to the Motion Picture Development special line item.

Statewide Policy on P&O Services and Travel Reductions - The approved amount reflects a reduction of \$21,700 in Professional and Outside Services, \$6,400 in Travel-State and \$12,500 in Travel-Out of State.

Professional and Outside Services - The approved amount reflects an increase of \$31,500 from the bond fund for bond litigation expenses, \$25,000 from the housing trust fund for assistance in completing the statewide housing plan and a transfer of \$800 to the Motion Picture Development special line item.

Travel-State - The approved amount reflects a reduction of \$3,800 associated with the elimination of FTE positions and a transfer of \$17,500 to the Motion Picture Development special line item.

Travel-Out of State - The approved amount reflects a reduction of \$3,900 associated with the elimination of FTE positions and a transfer of \$16,200 to the Motion Picture Development special line item.

Other Operating Expenditures - The approved amount includes \$182,600 for rent of the department's office space, which is an increase of \$90,600; \$6,800 for risk management, which is an increase of \$2,500; a decrease of \$25,500 associated with the elimination of FTE positions; \$16,000 for non-capitalized equipment; and a transfer of \$91,300 to the Motion Picture Development special line item.

Equipment - The approved amount represents partial funding of the 3-year automation plan.

Advertising and Promotion - The approved amount includes a reduction of \$139,900 and a transfer of \$95,000 to the Motion Picture Development special line item.

Motion Picture Development - The approved amount includes \$50,000 for the Motion Picture Board, \$95,000 for advertising and promotion and \$334,100 for the funding of 5 FTE positions. Funding for the 5 FTE positions contains \$14,100 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Previously, only funding for the Motion Picture Board was reflected in this special line item.

Procurement Assist. Network - Funds were provided in FY 1991 to expand the system's programming and provide for maintenance of the system. As the program is still in the planning stage, no additional funding is provided in FY 1992.

Indian Economic Development - The approved amount includes funding for 1 FTE position. The approved amount includes \$2,800 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Footnotes Continued From Previous Page)

(Continued)

^{4/} The Department of Administration and the Department of Commerce shall jointly submit a report to the Joint Legislative Budget Committee by January 1, 1992, that would identify costs and/or potential savings from moving the Department of Commerce back to the capitol complex by FY 1993. (General Appropriation Act footnote)

DEPARTMENT OF COMMERCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Solar Projects - General Fund support was eliminated in FY 1992 for this special line item.

Oil Overcharge Administration - The approved amount includes funding for 2 FTE positions. The approved amount includes \$5,300 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Europe/Mexico Trade Office - The approved amount is an increase of \$111,200 due to the restoration of the ex-appropriation of the same amount in FY 1991. Funds are to be matched in accordance with A.R.S. § 41-1504(C).

Additional Legislation

Motor Pool: Alternative Fuels - Chapter 176 (H.B. 2433) - This bill establishes the non-appropriated Solar Energy Projects Fund which consists of monies from gifts, grants or other donations. Monies shall be used for:

1. Solar economic development projects and programs.
2. Solar energy demonstration and education projects and programs.
3. Solar transportation projects.
4. Applied solar energy research programs.

The bill also establishes the appropriated Solar Qualification Assurance Fund which consists of solar contractor qualification fee revenues. The department shall administer the fund and use the monies for enforcement of solar energy device warranties and installation standards. The bill also requires the department to study the use of zero emission vehicles and submit a report of its findings and recommendations to the Governor, the President of the Senate and the Speaker of the House by November 1, 1991.

SUPREME COURT - SUMMARY

Honorable Frank X. Gordon, Chief Justice

A.R.S. § 12-101

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Supreme Court	4,412,700	6,536,100	9,398,000
Foster Care Review Board	830,000	1,220,200	1,247,800
TOTAL APPROPRIATIONS	5,242,700	7,756,300	10,645,800
<u>Expenditure Detail</u>			
FTE Positions	103.3	149.3	145.3
Personal Services	3,457,900	4,413,000	4,460,500
Employee Related Exp.	542,000	841,700	960,300
Prof. & Outside Services	8,900	257,100	67,300
Travel	97,600	131,800	125,200
Other Operating Exp.	827,500	825,100	4,230,200
Equipment	53,400	726,300	104,700
All Other Operating Exp.	987,400	1,940,300	4,527,400
OPERATING SUBTOTAL	4,987,300	7,195,000	9,948,200
Special Line Items ^{1/}	255,400	561,300	697,600
TOTAL APPROPRIATIONS	5,242,700	7,756,300	10,645,800

Employee Related Expenditures - The approved amount contains \$375,000 for medical insurance, including a \$22,700 Section 104 lump sum allocation, and \$18,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Details for the Special Line Items are included on the individual program pages.

SUPREME COURT

Honorable Frank X. Gordon, Chief Justice

A.R.S. § 12-101

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	82.3	118.3	116.3
Personal Services	2,967,600	3,737,200	3,743,400
Employee Related Exp.	429,300	677,100	788,900
Prof. & Outside Services	2,500	159,300	44,300
Travel	46,600	72,000	68,400
Other Operating Exp.	658,600	624,600	3,972,400
Equipment	52,700	704,600	83,000
All Other Operating Exp.	760,400	1,560,500	4,168,100
OPERATING SUBTOTAL	4,157,300	5,974,800	8,700,400
Judicial Assistance	40,700	20,800	40,800
Judicial Education	214,700	204,400	210,400 ^{1/}
Law Library	-0-	336,100	296,400 ^{2/}
Grand Jury	-0-	-0-	150,000
TOTAL APPROPRIATIONS	4,412,700	6,536,100	9,398,000 ^{3/}

Personal Services - The approved amount reflects a reduction of 2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied to non-elected positions, which reduces Personal Services by \$35,000. Also included is \$21,800 for annualization of 1 FTE position, an Administrative Assistant for the Chief Justice. In addition, the approved amount reflects \$19,400 for annualization of the elected officials' salary adjustment of 4% beginning January 1, 1991 and partial year funding of the 5% salary adjustment which begins January 1, 1992.

Employee Related Expenditures - The approved amount contains \$291,800 for medical insurance, including a \$17,700 Section 104 lump sum allocation, and \$14,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$11,100 in Professional and Outside Services and \$3,600 in Travel.

(Continued)

- ^{1/} The \$296,400 appropriated for the Law Library in the State Courts Building is for an Intergovernmental Agreement with the Department of Library, Archives, and Public Records for the operation of the Law Library. (General Appropriation Act footnote)
- ^{2/} The \$150,000 appropriated for State Grand Jury expenses is for counties' costs incurred in the operation of the State Grand Jury pursuant to A.R.S. § 21-428(B). It is legislative intent that State Grand Jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

SUPREME COURT (Cont'd)
GENERAL FUND

Professional and Outside Services - The approved amount includes a reduction of \$144,300 for one-time costs associated with moving into the State Courts Building. Also included is \$40,400 for annualization of service contracts for the State Courts Building.

Other Operating Expenditures - The approved amount includes \$291,800 for annualization of maintenance and service contracts on equipment as well as the lease-purchase payment on a copy machine. Also included is a \$121,000 restoration of the FY 1991 ex-appropriation. In addition, there is \$16,700 for risk management. The approved amount also includes \$3,058,900 for the lease-purchase payment on the State Courts Building. Other tenants in the building are the Department of Education, the Board of Tax Appeals, the Residential Utility Consumer Office, and the Criminal Justice Commission. (See the Department of Administration - Finance Division for further details on the State Courts Building rent.)

Equipment - The approved amount includes a reduction of \$621,600 for one-time equipment purchases associated with moving into and operating the State Courts Building.

Law Library - The approved amount includes \$45,400 for annualization of 9 FTE positions and a reduction of \$141,500 for one-time equipment purchases.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - This bill eliminates the State Grand Jury Fund administered by the State Treasurer and authorizes State Grand Jury expenses to be paid directly with monies appropriated to the Attorney General and the Supreme Court.

Gangs and Drugs Bill - Chapter 316 (H.B. 2179) - This bill reduced the Supreme Court's deposit to the General Fund (mandated by the General Government Omnibus Reconciliation Bill - Chapter 265) from \$1,501,300 to \$1,201,300. The Supreme Court is to expend the \$300,000 difference for staff, utilities and security at certain recreational facilities during June, July and August, 1991. The facilities are to be those in communities where youth are involved in, or are at risk of becoming involved in, criminal gang activity.

SUPREME COURT - FOSTER CARE REVIEW BOARD

A.R.S. § 8-515.04

Honorable Frank X. Gordon, Chief Justice

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	21.0	31.0	29.0
Personal Services	490,300	675,800	717,100
Employee Related Exp.	112,700	164,600	171,400
Prof. & Outside Services	6,400	97,800	23,000
Travel	51,000	59,800	56,800
Other Operating Exp.	168,900	200,500	257,800
Equipment	700	21,700	21,700
All Other Operating Exp.	227,000	379,800	359,300
TOTAL APPROPRIATIONS	830,000	1,220,200	1,247,800 ^{1/}

Personal Services - The approved amount reflects a restoration of the FY 1991 ex-appropriation of \$7,500 and \$10,000 vacancy savings. Also included is a vacancy factor of 1.5%, which reduces Personal Services by \$11,300. In addition, the reduction of 1 FTE position further reduced Personal Services by \$27,900. Also included is \$91,000 for annualization of Parent Assistance Hotline personnel as well as a reduction of \$28,000, which reflects the elimination of 1 Hotline FTE position.

Employee Related Expenditures - The approved amount contains \$83,200 for medical insurance, including a \$5,000 Section 104 lump sum allocation, and \$4,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,700 in Professional and Outside Services and \$3,000 in Travel.

Professional and Outside Services - The approved amount reflects a reduction of \$20,000 in the Parent Assistance Hotline for the elimination of contract services during the hours of 11:00 p.m. and 8:00 a.m. Also included is a reduction of \$72,600 for one-time funding of 2 studies, \$20,000 for Board member training and \$48,500 for costs associated with moving into the new Tucson State Office Building.

Other Operating Expenditures - The approved amount includes \$57,900 for rent in the new Tucson State Office Building and a \$37,500 reduction for current space rent. Also included is \$23,700 for installation of equipment in the Tucson State Office Building and \$13,200 annualization of telephone expenses for the Parent Assistance Hotline.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

COURT OF APPEALS - SUMMARY

A.R.S. § 12-120

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Court of Appeals (Div. I)	4,789,800	5,631,200	5,410,500
Court of Appeals (Div. II)	1,835,700	2,204,500	2,523,500
TOTAL APPROPRIATIONS	6,625,500	7,835,700	7,934,000
<u>Expenditure Detail</u>			
FTE Positions	132.5	133.5	130.5
Personal Services	5,029,800	5,777,000	5,822,600
Employee Related Exp.	557,900	984,200	1,008,200
Prof. & Outside Services	31,800	109,400	15,500
Travel	77,600	105,600	100,300
Other Operating Exp.	699,600	527,700	793,000
Equipment	228,800	331,800	194,400
All Other Operating Exp.	1,037,800	1,074,500	1,103,200
TOTAL APPROPRIATIONS	6,625,500	7,835,700	7,934,000

Employee Related Expenditures - The approved amount contains \$327,600 for medical insurance, including a \$19,800 Section 104 lump sum allocation, and \$16,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

COURT OF APPEALS - DIVISION I

A.R.S. § 12-120

Honorable Noel Fidel, Chief Judge

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	100.5	100.5	97.5
Personal Services	3,630,600	4,280,000	4,298,000
Employee Related Exp.	365,300	744,100	746,400
Prof. & Outside Services	22,600	91,000	800
Travel	50,300	67,300	63,900
Other Operating Exp.	520,500	355,000	291,400
Equipment	200,500	93,800	10,000
All Other Operating Exp.	793,900	607,100	366,100
TOTAL APPROPRIATIONS	4,789,800	5,631,200	5,410,500 ^{1/}

Personal Services - The approved amount reflects a reduction of 1 unfunded FTE position associated with the statewide FTE policy. A new vacancy factor of 1% was applied to non-elected positions, which reduces Personal Services by \$29,700. The approved amount also includes a reduction of 2 FTE positions, for a savings of \$66,000. In addition, \$55,300 is included as restoration of the FY 1991 ex-appropriation and \$58,400 is included for annualization of the elected officials' salary adjustment of 4% beginning January 1, 1991 and partial year funding of the 5% salary adjustment which begins January 1, 1992.

Employee Related Expenditures - The approved amount contains \$244,800 for medical insurance, including a \$14,800 Section 104 lump sum allocation, and \$12,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$200 in Professional and Outside Services and \$3,400 in Travel.

Professional and Outside Services - The approved amount includes a reduction of \$90,000 for costs associated with moving into the State Courts Building.

Other Operating Expenditures - The approved amount includes a reduction of \$60,000 for non-capitalized equipment. Also included is \$3,400 for risk management.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

COURT OF APPEALS - DIVISION II

Honorable Joseph M. Livermore, Chief Judge

A.R.S. § 12-120

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	32.0	33.0	33.0
Personal Services	1,399,200	1,497,000	1,524,600
Employee Related Exp.	192,600	240,100	261,800
Prof. & Outside Services	9,200	18,400	14,700
Travel	27,300	38,300	36,400
Other Operating Exp.	179,100	172,700	501,600
Equipment	28,300	238,000	184,400
All Other Operating Exp.	243,900	467,400	737,100
TOTAL APPROPRIATIONS	1,835,700	2,204,500	2,523,500 ^{1/}

Personal Services - The approved amount includes a 0.5% vacancy savings of \$5,000 on non-elected positions. Also included is \$23,500 for annualization of the elected officials' salary adjustment of 4% beginning January 1, 1991 and partial year funding of the 5% salary adjustment which begins January 1, 1992.

Employee Related Expenditures - The approved amount contains \$82,800 for medical insurance, including a \$5,000 Section 104 lump sum allocation, and \$4,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$3,700 in Professional and Outside Services and \$1,900 in Travel.

Other Operating Expenditures - The approved amount includes \$295,200 for rent in the Tucson Office Building and \$2,600 for risk management. Also included is a \$33,100 restoration of the FY 1991 ex-appropriation.

Equipment - The approved amount includes a reduction of \$53,600 for one-time FY 1991 costs associated with moving into the Tucson Office Building. The remaining \$184,400 is for equipment in the Tucson Office Building to be expended in FY 1992.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

SUPERIOR COURT

A.R.S. § 12-121

William L. McDonald, Administrative Director

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	107.0	112.0	118.0 ^{1/}
Personal Services	4,323,800	4,654,700	5,032,700
Employee Related Exp.	228,500	594,700	663,000
Other Operating Exp.	812,000	619,600	583,400
All Other Operating Exp.	812,000	619,600	583,400
OPERATING SUBTOTAL	5,364,300	5,869,000	6,279,100
Medical Malpractice	500	-0-	-0-
Family Counseling	319,900	346,700	379,000
Probation State Aid	1,630,900	1,552,200	1,660,000
Probation Enhancement	9,239,100	10,635,500	10,914,500
Intensive Probation-Adult	7,547,000	8,704,200	9,282,600
Intensive Probation-Juvenile	4,662,500	4,628,500	4,653,900
Juvenile Probation Services	14,545,100	17,188,700	17,793,800 ^{2/}
Court Appointed Special Advocate	196,000	199,900	-0- ^{3/}
Community Punishment	2,342,700	2,579,300	2,500,000 ^{4/}
Child Support Enforcement	37,800	48,100	48,100
TOTAL	45,885,800	51,752,100	53,511,000
Additional Appropriations - 40th Leg., 1st Reg. Session			
Court Appointed Special Advocate, Ch. 230	--	--	400,000
TOTAL APPROPRIATIONS	45,885,800	51,752,100	53,911,000 ^{5/}

Personal Services - The approved amount includes \$255,900 to annualize 6 new Judges' salaries. Also included is \$207,200 for annualization of the elected officials' salary adjustment of 4% beginning January 1, 1991 and partial year funding of the 5% salary adjustment beginning January 1, 1992.

(Continued)

^{1/} The 118 FTE positions represent Superior Court judges. One-half of their salaries are provided by state General Fund appropriations pursuant to A.R.S. § 12-128. This is not meant to limit the counties' ability to add additional judges pursuant to A.R.S. § 12-121. (General Appropriation Act footnote)

^{2/} Up to 4.6% of the \$17,793,800 appropriated for Juvenile Probation Services may be retained and expended by the Supreme Court to administer the programs established by A.R.S. § 8-230.02, and to conduct evaluations as needed. The remaining portion of the Juvenile Probation Services line item shall be deposited to the Juvenile Probation Fund established by A.R.S. § 8-230.02. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

SUPERIOR COURT (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount contains \$303,700 for medical insurance, including an \$18,400 Section 104 lump sum allocation, and \$15,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$583,400 for risk management.

Medical Malpractice Panels - The elimination of funding for the Medical Malpractice Review Board is due to the repeal of A.R.S. § 12-567 by Laws 1989, Chapter 289.

Family Counseling - The appropriation provides funding for prevention of delinquency and incorrigibility and to strengthen family relationships of juvenile offenders. The amount shown reflects an increase of \$19,400 due to the growing number of families attending these programs and restoration of the FY 1991 ex-appropriation of \$12,900.

Probation - State Aid - State Aid to Probation provides funding for probation services to nearly 2,000 juveniles annually. Legislation requires that the funds be used primarily for the salaries of supervising probation officers. The approved amount reflects restoration of the FY 1991 ex-appropriation of \$108,100 and a \$25,000 transfer to Personal Services. Also included is a 1.5% reduction of \$25,300.

Probation Enhancement - The approved amount includes \$202,100 for annualization of 17 probation officers partially funded in FY 1991 to maintain the statutory requirement of 1 supervising probation officer for each 60 probationers. The total number of probationers is approximately 27,078 annually. Also included is restoration of the FY 1991 ex-appropriation of \$243,100 and a 1.5% reduction of \$166,200, which may result in non-compliance with the statutory 1:60 supervision ratio.

Adult Intensive Probation Supervision - The Adult Intensive Probation Supervision program was created to divert serious, non-violent adult offenders from prison. Total program capacity is approximately 2,050. The approved amount includes \$459,000 for annualization of positions partially funded in FY 1991 and a 1.5% reduction of \$141,400. Also included is restoration of the FY 1991 ex-appropriation of \$248,600 and a \$12,200 transfer to Personal Services.

Juvenile Intensive Probation Supervision - Juvenile Intensive Probation Supervision was created to divert serious, non-violent juvenile offenders from incarceration or residential care and to provide intensive supervision for high risk offenders already on probation. Total program capacity is approximately 825. The approved amount reflects a reduction of \$154,600 due to a less-than-projected caseload and a 1.5% reduction of \$70,900. Also included is restoration of the FY 1991 ex-appropriation of \$217,900 and a \$33,000 transfer to Personal Services.

(Footnotes Continued From Previous Page)

(Continued)

- 3/ With the enactment of H.B. 2419 (See Additional Appropriations) FY 1992 funding for the Court Appointed Special Advocate program became earmarked within the General Fund.
- 4/ The Supreme Court shall provide a quarterly report on the Community Punishment Program to the Chairmen of the House of Representatives and Senate Appropriations Committees which shall describe progress toward the legislative goal of diverting 408 offenders from the state corrections system and 275 offenders from the county jail system. The Supreme Court shall maintain records which track the source of offenders for Community Punishment placement. This data shall validate the diversion of offenders from the state corrections and county jail systems and shall include the names and complete criminal histories of diverted offenders as well as their placements in the criminal justice system immediately prior to placement in the Community Punishment Program. This information shall be made available to the Joint Legislative Budget Committee upon request. (General Appropriation Act footnote)
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

SUPERIOR COURT (Cont'd)
GENERAL FUND

Juvenile Probation Services - The appropriation provides funding for Juvenile Courts to meet the requirements of A.R.S. §§ 8-230.01 and 8-230.02, and to provide services to children referred for incorrigibility or delinquency and placed in foster care, day treatment programs, residential treatment centers, counseling, shelter care and other programs. The approved amount reflects a 1.5% reduction of \$270,900 and includes restoration of the FY 1991 appropriation of \$876,000.

Court Appointed Special Advocate - The Court Appointed Special Advocate program provides trained community volunteers appointed by a judge to advocate for abused and neglected children in Juvenile Court proceedings. The FY 1992 appropriation is from the newly established Court Appointed Special Advocate Fund (see Additional Appropriations).

Community Punishment Program - This program was established to provide probation departments with behavioral treatment. The program also allows for intensive supervision, such as electronic monitoring and specialized probation caseloads. The program is intended to divert offenders from prison and jail (see footnote 4) as well as enhance probation programs. The approved amount reflects a reduction of \$79,300, or 3.1%, from FY 1991.

A footnote to the General Appropriation Act of FY 1990 (Laws 1990, Chapter 1, 3rd Special Session) requires the Director of the Joint Legislative Budget Committee to provide a final report evaluating the effectiveness of the Community Punishment Program and its impact on the Department of Corrections. The report is to be provided to the Chairmen of the Senate and the House of Representatives Appropriations Committees by December 31, 1991.

Child Support Enforcement - The appropriation provides for a secretarial position, operating costs and a 10% match of federal funds anticipated through the Department of Economic Security (DES). The state and federal funds will provide for 3 FTE positions to coordinate automation implementation at the local level (court clerks), to serve as liaisons between the local courts and DES and to refine and maintain child support program hardware and software at each court site.

ADDITIONAL APPROPRIATIONS

Court Appointed Special Advocate - Chapter 230 (H.B. 2419) - This bill establishes the Court Appointed Special Advocate program in statute (A.R.S. § 8-522). The Court Appointed Special Advocate Fund is also established as an account within the General Fund and funding is provided from 30% of unclaimed state lottery prize money. The bill appropriates \$400,000 for FY 1992 to expand and enhance the statewide program.

ADDITIONAL LEGISLATION

Juvenile Probation Services Fund - Chapter 133 (S.B. 1035) - This legislation establishes appropriations to the Juvenile Probation Services Fund as exempt from the provisions of A.R.S. § 35-190 relating to lapsing of appropriations.

COMMISSION ON JUDICIAL CONDUCT

Honorable Bernardo P. Velasco, Chairman

Arizona Constitution Article VI.I

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	1.5	2.0
Personal Services	-0-	52,400	82,200
Employee Related Exp.	100	13,000	14,000
Prof. & Outside Services	60,100	23,800	19,000
Travel	4,500	8,700	8,300
Other Operating Exp.	17,500	14,100	14,100
Equipment	5,000	1,000	1,000
All Other Operating Exp.	87,100	47,600	42,400
TOTAL APPROPRIATIONS	87,200	113,000	138,600 ^{1/}

Personal Services - The approved amount includes \$62,400 for 1 FTE Executive Director position, converted from a 0.5 FTE position.

Employee Related Expenditures - The approved amount contains \$3,700 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$4,800 in Professional and Outside Services and \$400 in Travel.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

COMMISSIONS ON APPELLATE AND TRIAL COURT APPOINTMENTS

Arizona Constitution Article VI Section 36

JLBC Analyst: Burgess

Honorable Frank X. Gordon, Chief Justice

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Other Operating Exp.	2,500	4,000	3,500
OPERATING SUBTOTAL	2,500	4,000	3,500
TOTAL APPROPRIATIONS	2,500	4,000	3,500 ^{1/}

The Commissions on Appellate and Trial Court Appointments are the merit selection committees for the Superior Court in Maricopa and Pima counties, Court of Appeals and Supreme Court vacancy appointments. The approved amount represents operating expenses, primarily postage, printing, advertising and travel and per diem for committee members.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

GOVERNOR - OFFICE OF THE GOVERNOR

The Honorable Fife Symington, Governor

A.R.S. § 41-101

JLBC Analyst: Morris

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Lump Sum Appropriations	3,152,400	3,245,000	4,044,200 ^{1/2/3/}
Substance Abuse - Education and Prevention Programs	80,000 ^{4/}	-0-	-0-
Transition Expenses - Governor Elect	-0-	78,000	-0-
Governor's Education Task Force	-0-	-0-	125,000
TOTAL	3,232,400	3,323,000	4,169,200 ^{5/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Appropriation; Hazardous Waste Property Ch. 282	--	-0- ^{6/}	--
TOTAL APPROPRIATIONS	3,232,400	3,323,000	4,169,200
Fund Summary			
General Fund	3,232,400	3,323,000	3,369,200
Legislative, Executive & Judicial Public Buildings Land Earnings Fund	--	--	800,000
TOTAL APPROPRIATIONS	3,232,400	3,323,000	4,169,200

Lump Sum Appropriation - The approved amount contains \$103,500 for medical insurance, including a \$6,300 Section 104 lump sum allocation, and \$5,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved, also, is \$10,000 for the Governor's Protocol Fund, \$24,200 for rent of the new Tucson Office Building and \$8,800 for risk management charges. Funding for one FTE position was transferred to the Office of Strategic Planning and Budgeting. The approved amount also includes an \$800,000, non-lapsing appropriation, from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund which is contained in Section 101 of the General Appropriation Act.

(Continued)

- 1/ The lump sum appropriation [for the Office of the Governor, Section 11, of the General Appropriation Act] is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- 2/ Includes an appropriation of \$800,000 from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund, appropriated by Section 101 of the General Appropriation Act. This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- 3/ Included in the lump sum appropriations is \$10,000 for the Governor's Protocol Fund. (General Appropriation Act footnote)
- 4/ Appropriated by Laws 1989, First Special Session, Chapter 2.
- 5/ Represents General Appropriation Act funds. Appropriated as a lump sum with a special line item in Section 11 and as a lump sum in Section 101.
- 6/ Chapter 282 appropriates \$70,000 from the General Fund to the Office of the Governor for costs related to the settlement agreement between the State of Arizona and ENSCO, Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund through the sale and lease-back of state-owned property.

GOVERNOR - OFFICE OF THE GOVERNOR (Cont'd)

GENERAL FUND

Governor's Education Task Force - Established by Executive Order 91-9 to develop recommendations to restructure and reform the education of Arizona's elementary and secondary school students and produce legislative recommendations. Members of the task force will be appointed by the Governor representing the education system, state agencies, community educational services providers and others interested in quality education for Arizona's children. The task force shall utilize staff and resources within other departments of state government as designated by the Governor. A report shall be submitted to the Governor and the citizens of Arizona by December 1, 1991.

ADDITIONAL APPROPRIATIONS

Appropriation: Hazardous Waste Property - Chapter 282 (H.B. 2503) - Appropriates \$70,000 from the General Fund for legal expenses related to the settlement agreement between the State of Arizona and ENSCO, Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund in FY 1992 through the sale and lease back of state owned property.

GOVERNOR'S OFFICE OF AFFIRMATIVE ACTION

Bruce Mayberry, Director

Executive Order 87-9

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	5.0	5.0	5.0
Personal Services	148,800	157,400	153,700
Employee Related Exp.	27,500	33,300	32,500
Prof. & Outside Services	2,900	5,000	5,400
Travel - State	5,400	3,000	3,800
Travel - Out of State	3,500	-0-	-0-
Other Operating Exp.	25,600	25,800	29,300
Equipment	4,900	-0-	-0-
All Other Operating Exp.	42,300	33,800	38,500
TOTAL APPROPRIATIONS	218,600	224,500	224,700 ^{1/}

Personal Services - A vacancy factor of 3.5%, or \$5,600, was deducted when the approved amount was computed.

Employee Related Expenditures - The approved amount contains \$12,900 for medical insurance, including an \$800 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,400 in Professional and Outside Services and \$200 in Travel - State from the original FY 1991 appropriation of \$6,800 for Professional and Outside Services and \$4,000 for Travel - State. These 2 lines were decreased \$1,800 and \$1,000, respectively, to fulfill the required mid-year budget reduction.

Other Operating Expenditures - The approved amount reflects a net increase of \$3,500 over FY 1991 estimated expenditures. The original FY 1991 appropriation of \$29,600 was decreased mid-year by \$3,800 to fulfill the required mid-year budget reduction. The approved amount also includes \$1,000 for risk management which is \$300 lower than in FY 1991.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

Executive Order
No. 90-22

Peter J. Burns, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	22.0	23.0
Personal Services	-0-	792,300	864,400
Employee Related Exp.	-0-	162,500	167,100
Prof. & Outside Services	-0-	38,000	40,000
Travel - State	-0-	3,700	3,500
Travel - Out of State	-0-	3,000	3,600
Other Operating Exp.	-0-	77,700	81,300
Equipment	-0-	10,000	9,900
All Other Operating Exp.	-0-	132,400	138,300
OPERATING SUBTOTAL	-0-	1,087,200	1,169,800
Regulation Review Council	-0-	12,000	11,600
Statewide Long-Term Improved Management	-0-	-0-	1,250,000 ^{1/2}
TOTAL APPROPRIATIONS	-0-	1,099,200	2,431,400 ^{3/}

Functional Transfer - The Governor's Office of Strategic Planning and Budgeting was established by Executive Order 90-22, dated November 27, 1990. For FY 1991, the Office was funded by an appropriation to the Department of Administration for the Executive Budget Office. As a result of the establishment of this new office, the Executive Budget Office was not funded in FY 1992.

Personal Services - The approved amount provides funding for 22 FTE positions transferred from the Executive Budget Office in FY 1991, and includes \$58,900 for 1 FTE position to be transferred from the Office of the Governor. A vacancy factor of 1% was applied which reduces Personal Services by \$8,100. The remaining difference is the restoration of funding eliminated by the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount contains \$57,700 for medical insurance, including a \$3,500 Section 104 lump sum allocation, and \$3,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The \$1,250,000 appropriated for Statewide Long-Term Improved Management [SLIM] is for an in-depth examination of State agency organization and operations. It is the intent of the Legislature that existing state agency administrators, budget and planning and other personnel be used to the greatest extent possible in order to reduce costs associated with the SLIM project and to help ensure that suggested changes are workable and realistic. (General Appropriation Act footnote)
- ^{2/} In addition, \$1,250,000 is appropriated for FY 1993 from the State General Fund for Statewide Long-Term Improved Management. See Section 103, FY 1992, General Appropriation Act.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING (Cont'd)
GENERAL FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,000 in Professional and Outside Services, \$200 in Travel - State and \$400 in Travel - Out of State.

Professional and Outside Services - The approved amount includes \$5,000 for maintenance and enhancement of the automated budget development system, \$28,000 for a contract with Arizona State University for economic forecasting and \$5,000 for consulting services relating to special budget related projects requested by the Governor. As indicated above, the approved amount for FY 1992 was reduced \$10,000 as a result of the statewide policy on Professional and Outside Services. Included in the approved amount is the restoration of \$2,000 eliminated by the FY 1991 Ex-Appropriation Act.

Travel - Out of State - The approved amount reflects a net increase of \$600. The changes include the restoration of \$1,000 eliminated by the FY 1991 Ex-Appropriation Act and a \$400 decrease, as noted above, in the Statewide Policy on Travel Reductions.

Equipment - The approved amount is for the replacement of 3 microcomputers.

Regulation Review Council - The Governor's Regulatory Review Council, A.R.S. § 41-1051, consists of six members appointed by the Governor and the Director of the Department of Administration. The Director of the Department of Administration is an ex officio member of the Council and serves as its chairperson. The Council reviews and approves or returns all proposed rules, economic impact statements and small business statements prepared by non-exempt state agencies, before such rules or statements are filed with the Secretary of State. In cooperation with each state agency, the Council is also responsible for conducting periodic reviews of all adopted rules. The approved amount is for council members' per diem and other administrative costs.

Statewide Long-Term Improved Management (SLIM) - The approved amount is for an in-depth organizational review of 13 major state agencies with the purpose of:

- improving agency effectiveness;
- improving the responsiveness and quality of service delivery;
- improving management structure and systems, and
- improving the skills and effectiveness of state employers.

This review is to be conducted in cooperation with the Legislature. It is the intent of the Legislature that existing state agency administrators, budget and planning, and other personnel be used to the greatest extent possible in order to reduce the cost associated with the SLIM project and to help insure that any suggested changes are workable and realistic. In addition to the amount approved for FY 1992, an additional \$1,250,000 is appropriated from the General Fund for this project in FY 1993. That appropriation is contained in Section 103 of the General Appropriation Act for FY 1992.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Section 29 establishes a Joint Legislative Committee on the Statewide Long-Term Improved Management project, beginning on the effective date of this legislation, June 20, 1991, and continuing through June 30, 1993. Members of this joint committee are the majority and minority leaders of the Senate and the House of Representatives and the chairmen of the Senate and the House of Representatives Appropriations Committees. This act directs the Governor to consult with the committee on matters relating to the Statewide Long-Term Improved Management program.

LAW ENFORCEMENT MERIT SYSTEM COUNCIL

A.R.S. § 28-235

JLBC Analyst: Blanton

Capt. J.E. Raynor, Business Manager

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Personal Services	<u>23,400</u>	<u>24,500</u>	<u>24,500</u>
Employee Related Exp.	<u>4,900</u>	<u>5,100</u>	<u>5,000</u>
Prof. & Outside Services	700	3,400	4,000
Travel - State	900	2,800	3,400
Other Operating Exp.	5,300	5,200	4,900
Equipment	<u>3,800</u>	<u>-0-</u>	<u>-0-</u>
All Other Operating Exp.	<u>10,700</u>	<u>11,400</u>	<u>12,300</u>
TOTAL APPROPRIATIONS	<u>39,000</u>	<u>41,000</u>	<u>41,800</u> ^{1/}

Employee Related Expenditures - The approved amount contains \$1,800 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

LEGISLATURE - SUMMARY

Arizona Constitution
Article IV, Section 1

JLBC Analyst: Morris

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Senate	5,035,400	5,553,100	6,470,900 ^{1/2/3/}
House of Representatives	6,342,900	6,580,400	7,560,300 ^{1/2/3/}
Legislative Council	2,386,700	2,537,600	2,640,800 ^{1/2/4/}
Joint Legislative Budget Committee	1,657,700	1,630,100	1,673,300 ^{1/2/}
Auditor General	6,625,100	6,986,700	7,250,700 ^{1/2/}
Dept. of Library, Archives and Public Records	4,710,600	4,538,400	4,725,100
Taxation Revisions	153,700 ^{5/}	-0-	-0-
Criminal Code Study	105,200 ^{5/}	-0-	-0-
Schools; Omnibus Budget and Finance	-0-	70,000 ^{6/}	-0-
Behavioral Health	-0-	100,000 ^{5/}	-0-
TOTAL APPROPRIATIONS	27,017,300	27,996,300	30,321,100
<u>Fund Summary</u>			
General Fund	27,017,300	27,996,300	29,921,100
Legislative, Executive & Judicial Public Buildings Land Earnings Fund	--	--	400,000
TOTAL APPROPRIATIONS	27,017,300	27,996,300	30,321,100

(Continued)

- 1/ This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency.
- 3/ Includes a lump sum appropriation, shown in Section 101 of the General Appropriation Act, of \$200,000 for the Senate and \$200,000 for the House of Representatives from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund. These appropriations are exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- 4/ Included in the lump sum appropriation is \$48,500 for expenses associated with employing staff to develop a Title XIX (Medicaid) health care delivery demonstration project proposal for the Indian reservations which shall be presented to the Joint Legislative Council Committee for the Arizona Health Care Cost Containment System no later than June 30, 1992. It is the intent of the Legislature that the Joint Legislative Council Committee work with the Arizona Health Care Cost Containment System administration in order to obtain matching federal funds to be passed through by AHCCCS to the Legislative Council for this project. (General Appropriations Act footnote)
- 5/ Appropriated to the Legislative Council.
- 6/ Appropriated to the Auditor General.

LEGISLATURE - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

Senate - The approved amount contains \$369,400 for medical insurance, including a \$22,400 Section 104 lump sum allocation, and \$18,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Reapportionment expenses of \$500,000 were approved, as was \$15,100 for rent of the new Tucson Office Building. Although both the House of Representatives and the Senate will share space in the new Tucson Building, the annual rent was appropriated to the Senate. Approved also was \$10,000 for intern compensation adjustments and \$6,000 for risk management charges. The approved amount includes a \$200,000, non-lapsing appropriation, from the Legislative, Executive and Judicial Public Building Land Earnings Fund, which is contained in Section 101 of the General Appropriation Act.

House of Representatives - The approved amount contains \$403,900 for medical insurance, including a \$24,500 Section 104 lump sum allocation, and \$20,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Reapportionment expenses of \$500,000 were approved, as was \$187,700 for expenses of the House Select Committee on Ethics. Included also is \$10,000 for intern compensation adjustments and \$5,700 for risk management charges. The approved amount includes a \$200,000, non-lapsing appropriation from the Legislative, Executive and Judicial Public Buildings Land Earnings Fund, which is contained in Section 101 of the General Appropriation Act.

Legislative Council - The approved amount contains \$86,200 for medical insurance, including a \$5,200 Section 104 lump sum allocation and \$4,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Included in the approved amount is \$48,500 for the development of a Title XIX (Medicaid) health care delivery demonstration project proposal for the Indian reservations. The proposal is to be presented to the Joint Legislative Council Committee for the Arizona Health Care Cost Containment System (AHCCCS) no later than June 30, 1992. It is the intent of the Legislature that additional funding for this project be obtained from federal funds available to AHCCCS. The approved amount also includes \$11,300 for risk management charges.

Joint Legislative Budget Committee - The approved amount contains \$68,700 for medical insurance, including a \$4,300 Section 104 lump sum allocation, and \$3,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount reflects a reduction of \$4,300 in Professional and Outside Services, \$800 in Travel - State and \$900 in Travel - Out of State. Risk management charges of \$2,100 are included in the approved amount.

Auditor General - The approved amount includes \$395,900 for medical insurance, including a \$24,000 Section 104 lump sum allocation, and \$19,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Risk management charges of \$68,300 are included in the approved amount.

Department of Library, Archives and Public Records - See the individual program report on the following pages.

**LEGISLATURE - DEPARTMENT OF LIBRARY,
ARCHIVES AND PUBLIC RECORDS**

A.R.S. § 41-1331

Sharon Womack, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	113.0	113.0	112.5 ^{1/}
Personal Services	2,230,800	2,210,600	2,253,000
Employee Related Exp.	471,100	540,800	556,800
Prof. & Outside Services	42,200	106,200	85,000
Travel - State	8,300	14,500	13,800
Travel - Out of State	11,500	5,900	5,300
Other Operating Exp.	776,900	746,000	909,200
Equipment	151,100	80,400	80,000
All Other Operating Exp.	990,000	953,000	1,093,300
OPERATING SUBTOTAL	3,691,900	3,704,400	3,903,100
Acquisitions	350,000	380,000	380,000
Grants-in-Aid	620,000	400,000	300,000
Museum Furnishings	3,700	9,000	9,000 ^{2/}
Statewide Radio Reading Service for the Blind	45,000	45,000	45,000
Talking Book Program	-0-	-0-	88,000
TOTAL APPROPRIATIONS	4,710,600	4,538,400	4,725,100 ^{3/}

Personal Services - The approved amount reflects a reduction of 3.5 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 3.28% was applied which reduces Personal Services by \$76,300.

In addition, the appropriation includes \$2,400 in Personal Services and \$600 in ERE to annualize the cost of the FY 1991 classification maintenance review (CMR) adjustments for museum curators. The approved amount also includes a \$116,200 restoration in Personal Services and \$24,100 in ERE for the mid-year ex-appropriation.

Employee Related Expenditures - The approved amount contains \$268,100 for medical insurance, including a \$16,300 Section 104 lump sum allocation, and \$13,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$21,200 in Professional and Outside Services, \$700 in Travel - State and \$600 in Travel - Out of State.

(Continued)

^{1/} Includes 3 FTE positions funded through the Talking Book Program line item in FY 1992.
^{2/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
^{3/} Represents General Appropriation Act funds. Appropriated as a operating lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

LEGISLATURE - DEPARTMENT OF LIBRARY, ARCHIVES AND PUBLIC RECORDS (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount represents an increase of \$163,200 over FY 1991 estimated expenditures. The appropriation includes \$188,900 for the lease-purchase payment of the Records Storage building. The approved amount also reflects a \$12,100 lump sum reduction and a \$4,400 decrease for a one-time non-capital equipment adjustment. The appropriation also includes \$3,300 for risk management which is a \$9,200 decrease over FY 1991 estimated expenditures.

Equipment - The approved amount is a decrease of \$400 from FY 1991 estimated expenditures for replacement equipment.

Acquisitions - The approved amount provides for the purchase of necessary updates of publications.

Grants-in-Aid - The approved amount includes a decrease of \$100,000 from the FY 1991 appropriation. Grants-in-Aid are monies provided to county and municipal libraries for library development. In 1986, the Legislature passed legislation which allows for the creation of county free library districts. These districts may tax to provide monies for necessary expenses of the county free library district.

Museum Furnishings - Museum Furnishings monies provide for the purchase and preparation of artifacts and museum exhibits for the state Capitol Museum and the Arizona Hall of Fame Museum.

Statewide Radio Reading Service for the Blind - This appropriation provides for a statewide radio information service for the blind, visually impaired, and physically disabled. An additional \$15,000 was approved in the Department of Economic Security, Division of Employment and Rehabilitation Services for transfer to this program.

Talking Book Program - The approved amount provides funding for 3 FTE positions (Personal Services, \$70,600; ERE, \$14,400; and Other Operating Expenditures, \$3,000), books and magazines in braille, on phonodisc and on audio cassette, and the machines to play them. The program serves persons throughout the state who are blind, visually impaired, and physically handicapped. The appropriation fulfills the requirement of Laws 1990, Chapter 59 which transferred the program out of the Department of Economic Security, Division of Employment and Rehabilitation Services, to the Department of Library, Archives and Public Records.

Support for the Law Library in the State Courts' Building - Funding for 9 FTE positions and acquisitions to provide materials and support for the Law Library in the new State Courts' Building will be provided through an intergovernmental agreement with the Supreme Court.

ARIZONA LOTTERY

Bob Lightfoot, Acting Director

A.R.S. § 5-502

JLBC Analyst: Bradley

LOTTERY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	148.0	134.0	131.3
Personal Services	3,192,000	3,451,100	3,411,600
Employee Related Exp.	649,100	868,200	759,700
Prof. & Outside Services	129,000	222,500	72,600
Travel - State	221,800	208,300	197,900
Travel - Out of State	12,100	17,400	18,800
Other Operating Exp.	2,934,800	3,327,300	1,939,800
Equipment	28,800	28,600	-0-
All Other Operating Exp.	3,326,500	3,804,100	2,229,100
OPERATING SUBTOTAL	7,167,600	8,123,400	6,400,400
Advertising	5,572,100	7,125,000	7,125,000 ^{1/}
On-Line Vendor Fees	7,449,000	7,440,000	7,920,000 ^{2/}
Retailer Commissions	16,732,500	18,600,000	18,684,000 ^{3/}
Instant Tickets	-0-	-0-	1,116,000 ^{4/}
TOTAL APPROPRIATIONS	36,921,200	41,288,400	41,245,400 ^{5/6/}

Personal Services - The approved amount reflects a reduction of 2.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.0 % was applied which reduces Personal Services by \$34,500.

Employee Related Expenditures - The approved amount contains \$306,600 for medical insurance, including a \$2,400 Section 104 lump sum allocation, and \$16,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ If net sales exceed the estimated \$311,400,000, amounts above \$7,125,000 may be expended for advertising in accordance with A.R.S. § 5-505, which states that not more than 4% of the annual gross revenues shall be expended for advertising. (General Appropriations Act footnote)
- 2/ If net on-line Pick game ticket sales exceed the estimated \$264,000,000, amounts above \$7,920,000 may be expended for on-line vendor fees, in accordance with the matrix of percentages set forth in contract. (General Appropriations Act footnote)
- 3/ If net sales exceed the estimated \$311,400,000, amounts above \$18,684,000 may be expended for sales commissions at the rate of 6% of net sales plus incentives, in accordance with A.A.C. R4-37-206.B and 301.N. (General Appropriations Act footnote)
- 4/ If instant ticket sales exceed \$72,000,000, amounts above \$1,116,000 may be expended at the rate of \$15.50 per 1000 tickets purchased. These funds shall only be used for the purchase of instant tickets. (General Appropriations Act footnote)
- 5/ The Arizona State Lottery Commission is not required to spend all monies appropriated.
- 6/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

ARIZONA LOTTERY (Cont'd)
LOTTERY FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$29,400 in Professional and Outside Services, \$10,400 in Travel - State and \$2,100 in Travel - Out of State.

Professional and Outside Services - The approved amount reflects the elimination of \$45,000 for an interagency agreement with the Attorney General. The approved amount includes \$42,500 for accounting and auditing services, \$16,000 for outside security services, and \$14,100 for other professional services.

Travel - Out of State - The approved amount includes an increase of \$3,500 due to the relocation of ticket printing operations from Gilroy, California to Alpharetta, Georgia.

Other Operating Expenditures - The portion of other operating expenditures associated with instant ticket purchases has been moved to the special line item "Instant Tickets". The appropriation includes \$938,200 for telecommunication charges, \$201,500 for data processing equipment rental, \$162,900 for data processing maintenance contracts, \$56,800 for rental of space in Tucson, \$45,300 for risk management charges and \$535,100 for other expenses.

On-Line Vendor Fees - The approved amount is based upon current contract rates that average 3% of sales. Pick ticket sales are projected to be 264,000,000 for FY 1992.

Retailer Commissions - The appropriation is based upon 6% retailer commissions for sales of 311,400,000 tickets.

Instant Tickets - The approved amount is based on the purchase of an estimated 72,000,000 tickets at \$15.50 per 1000 tickets purchased.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350), 1st Regular Session - Section 1(C)8 of the Capital Outlay Bill appropriates \$6,100 from the State Lottery Fund to the Department of Administration for the maintenance and repair of state owned buildings.

ADDITIONAL LEGISLATION

Court Appointed Special Advocates - Chapter 230 (H.B. 2419) - The legislation alters the distribution of unclaimed prizes. The act creates a Court Appointed Special Advocate Fund into which the first 30% of all unclaimed prizes will be deposited on a monthly basis. This legislation will become effective in September of 1991. The intent is that this fund will provide the full level of funding needed for this program.

OTHER ISSUES

Addition of a Second On-line Lottery Game - During FY 1992, the Arizona Lottery will begin a second on-line lottery game. This game is forecasted to generate an additional \$7.5 million in State General Fund revenue.

PERSONNEL BOARD

Judy Henkel, Director

A.R.S. § 41-781

JLBC Analyst: Britt

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	66,200	82,200	74,200
Employee Related Exp.	18,400	22,900	16,000
Prof. & Outside Services	93,900	88,700	98,400
Travel - State	1,400	3,000	1,700
Other Operating Exp.	37,200	38,900	20,600
Equipment	-0-	3,400	5,300
All Other Operating Exp.	132,500	134,000	126,000
TOTAL APPROPRIATIONS	217,100	239,100	216,200 ^{1/}

Personal Services - The appropriation includes a reduction of \$8,000 to reflect a lower Personal Services requirement. The Board was exempt from the standard statewide reduction of FTE positions.

Employee Related Expenditures - The approved amount contains \$6,700 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The statewide policy on Professional and Outside Services was not applied. Professional and Outside Services was increased \$9,700 for increased "whistle blower" appeals and higher hearing officer costs. Hearing officer costs for the Board increased 49% for disciplinary cases and 30% for "whistle blower" cases in FY 1991. Travel - State was reduced \$1,300. No funding was provided for rent, resulting in a savings of \$16,400. It is the intent of the Legislature for the Board to move into Department of Administration-owned office space. Risk management was reduced \$400 to a total of \$900. Funding for a personal computer and a laser printer totalling \$5,300 was appropriated to enable the Board to transcribe more documents in-house.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE RETIREMENT SYSTEM

A.R.S. § 38-701

David S. Hunt, Director

JLBC Analyst: Brainard

STATE RETIREMENT FUND ADMINISTRATION ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	78.5	86.5	85.0
Personal Services	1,758,400	1,912,300	1,899,600
Employee Related Exp.	319,800	464,700	444,700
Prof. & Outside Services	221,100	219,300	115,000
Travel - State	20,200	25,300	24,000
Travel - Out of State	16,300	10,000	9,000
Other Operating Exp.	390,600	412,100	464,600
Equipment	50,700	138,200	47,700
All Other Operating Exp.	698,900	804,900	660,300
OPERATING SUBTOTAL	2,777,100	3,181,900	3,004,600
Automated Facilities General Design	-0-	250,000	143,700
Mailing Equipment	-0-	145,000	-0-
Automated Facilities Development	-0-	-0-	1,785,500 ^{1/}
TOTAL APPROPRIATIONS	2,777,100	3,576,900	4,933,800 ^{2/}

Personal Services - The approved amount reflects a reduction of 1.5 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$15,700.

Employee Related Expenditures - The approved amount contains \$200,200 for medical insurance, including a \$1,600 Section 104 lump sum allocation, and \$10,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$26,200 in Professional and Outside Services, \$1,300 in Travel - State and \$1,000 in Travel - Out of State. The approved amount for Professional and Outside Services provides funding for the agency's actuarial and audit services.

Other Operating Expenses - The approved amount includes \$121,800 for contract repair and maintenance of data processing equipment; \$98,000 for data processing and office supplies; \$61,100 for telephone expenses; \$56,500 for postage; \$78,200 for lease-purchase payments of data processing equipment; and \$4,300 for risk management.

Equipment - The approved amount provides funding for 1 replacement copier, 7 replacement personal computers, and 4 replacement printers.

(Continued)

^{1/} Prior to expending monies for Automated Facilities Development, the State Retirement System shall submit to the Joint Legislative Budget Committee a plan for the expenditure of these monies, including an estimate of the total cost of developing the data processing system. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

STATE RETIREMENT SYSTEM (Cont'd)
STATE RETIREMENT FUND ADMINISTRATION ACCOUNT

Automated Facilities General Design - This appropriation completes the payment to an outside contractor for the design of the Retirement System's data processing system.

Automated Facilities Development - The approved amount includes funding for a new mini-mainframe, a high-speed printer, 6 temporary clerical positions to transfer member files to computer disks, and software development expenses. The system is expected to be complete by the summer of 1993.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 1C of the Capital Outlay Bill appropriates \$15,200 from the Retirement System Administration Account to the Department of Administration for the maintenance and repair of state buildings in accordance with the building renewal formula established pursuant to Laws 1986, Chapter 85.

ADDITIONAL LEGISLATION

ASRS Tax Equity Benefit - Chapter 270 (S.B. 1406) - Makes the following changes to the State Retirement System and other retirement systems:

- Provides a 2.3% benefit increase to ASRS members who retired on or before June 30, 1990.
- Reduces from 82 to 80 the number of points (combined years of service and years of age) needed by members of the State Retirement System to retire with full benefits, effective July 1, 1992, and directs the Retirement System's actuary to disregard this reduction when determining the FY 1993 ASRS retirement contribution rate.
- Extends the "hold harmless" provision, designed to offset the taxation of pension income resulting from the U.S. Supreme Court Davis v. Michigan decision, to members who retire between September 14, 1990 and September 15, 1991 increasing the benefit provided for members of the State Retirement System and the Elected Officials Retirement Plan by 3% and the Correctional Officers' Retirement Plan by 1.5%.
- Recalculates the benefits of Arizona State Retirement Plan retirees who retired with a retirement factor of less than 2%, increasing their benefits based on a 2% factor plus \$2 per month for each year of credited service.
- Eliminates the requirement that members of the Elected Officials Retirement Plan have at least 5 years of credited service and be between the ages of 50 to 65 to qualify for disability retirement benefits.
- Establishes disability benefits for members of the Elected Officials Retirement Plan who have fewer than 5 years of credited service.
- Increases the pension for spouses of members of the Public Safety Personnel Retirement System who are killed in the line of duty from two-thirds to 100% of the member's benefits.
- Requires ASRS to contract for an experience study for FY 1991 and at least every fifth fiscal year thereafter; requires ASRS to conduct an annual actuarial valuation of the System's assets and liabilities; directs that both be paid from the Retirement System Administration Account.
- Permits retired members who select the joint and survivor annuity benefit option and who survive their designated beneficiary to receive an increased retirement income equal to what the retiree would have received had they not chosen the joint option. This is known as the "pop-up" option.
- Permits members who are transferring between retirement systems to accept a reduced level of credited service in lieu of paying the actuarial shortfall to the system to which the member is transferring.
- Establishes the primary intent of the state retirement system, i.e. to provide an incentive to recruit and retain high quality employees and to contribute toward providing a total compensation package that is comparable with other public and private employment in Arizona.
- Establishes a joint legislative study committee to evaluate post-retirement benefit enhancements, directs the committee to make recommendations regarding its findings.
- Statutorily recognizes the system as a trust fund, specifying that assets of the system should not be used for purposes inconsistent with protecting the assets of the plan.

(Continued)

STATE RETIREMENT SYSTEM (Cont'd)
STATE RETIREMENT FUND ADMINISTRATION ACCOUNT

Retirement; Military; Contributions; Paid - Chapter 175 (H.B. 2355) - Requires employers of the State Retirement System, the Correctional Officers' Retirement Plan, the Public Safety Personnel Retirement System, and the Elected Officials' Retirement Plan to make both employee and employer contributions for members called into military service, retroactive to August 7, 1990.

DEPARTMENT OF REVENUE - SUMMARY

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Director's Office	354,700	434,600	427,500
Administrative Services	9,465,600	9,211,900	10,166,800
Property Valuation	4,038,100	4,193,700	4,448,000
Special Support	1,595,500	2,066,100	2,342,800
Revenue Enforcement	14,101,000	14,854,700	18,542,900
Taxpayer Support & Educ. Svc.	2,622,700	2,606,600	3,051,500
Data Management	10,323,500	10,933,800	11,922,700
TOTAL APPROPRIATIONS	42,501,100	44,301,400	50,902,200
<u>Expenditure Detail</u>			
FTE Positions	1,152.0	1,140.0	1,277.8
Personal Services	22,661,400	24,736,900	27,387,900
Employee Related Exp.	4,876,000	5,675,000	6,716,200
Prof. & Outside Services	1,953,300	1,715,200	1,853,100
Travel - State	671,100	527,000	915,400
Travel - Out of State	500,700	536,700	654,700
Other Operating Exp.	9,522,800	9,533,600	11,219,400
Equipment	2,083,700	1,237,000	1,925,500
All Other Operating Exp.	14,731,600	13,549,500	16,568,100
OPERATING SUBTOTAL	42,269,000	43,961,400	50,672,200
Special Line Items	232,100	250,000	-0-
Additional Appropriations	-0-	90,000	230,000
TOTAL APPROPRIATIONS	42,501,100	44,301,400	50,902,200 ^{1/2}

(Continued)

^{1/} Included in the lump sum appropriation is \$6,061,900 and 148 FTE positions in support of a second Program for Increased Enforcement Revenues (PIER II). The PIER II program is expected to generate \$20,160,000 for the General Fund for Fiscal Year 1991-1992. Quarterly progress reports shall be provided to the Speaker of the House of Representatives, the President of the Senate, the Chairmen of the House of Representatives Ways and Means, Senate Finance, House of Representatives and Senate Appropriations Committees, and the Director of the Joint Legislative Budget Committee as to the effectiveness of the PIER II program and the Department's overall enforcement and collections program. The reports shall include a comparison of projected and actual revenue enforcement collections for Fiscal Year 1991-1992. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act Funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - SUMMARY (Cont'd)
GENERAL FUNDS

Employee Related Expenditures - The approved amount contains \$3,104,100 for medical insurance, including a \$188,300 Section 104 lump sum allocation, and \$154,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

PIER II - For FY 1992 the Legislature has approved \$6,061,900 and 148 FTE positions for a second Program for Increased Enforcement Revenues (PIER II). This program of enhanced audits and collections is expected to result in \$20,160,000 in additional General Fund revenues in FY 1992. The first PIER program, implemented in FY 1990, received an appropriation of \$6.3 million for 149 FTE positions and resulted in \$21.7 million in additional revenues. Those positions and approximately \$4 million in continuing expenditures have been integrated into the existing enforcement and related programs of the Department.

Property Audit and Compliance Program - This program, with a total of \$272,800 and 5 FTE positions, is designed to bring additional personal property onto the property tax rolls and improve compliance with property tax laws and procedures. It is a follow-up step to the Property Recanvassing Program expected to be completed in FY 1992 or early 1993. The Department currently has no centralized property audit program.

Agency-wide Reallocation of 17 FTE Positions - This reallocation of positions and related funding among cost centers was implemented by the Department to achieve management and operating efficiencies. It results in no net increase in expenditures for the Department as a whole.

DEPARTMENT OF REVENUE - DIRECTOR'S OFFICE

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	6.0	6.0	6.0
Personal Services	286,600	297,700	297,600
Employee Related Exp.	46,500	56,000	49,900
Prof. & Outside Services	-0-	53,200	53,200
Travel - State	1,600	2,500	2,400
Travel - Out of State	2,800	4,000	3,600
Other Operating Exp.	17,200	21,200	20,800
All Other Operating Exp.	21,600	80,900	80,000
TOTAL APPROPRIATION	354,700	434,600	427,500 ^{1/}

Employee Related Expenditures - The approved amount contains \$14,700 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100 in Travel - State and \$400 in Travel - Out of State.

Other Operating Expenditures - The approved amount reflects a \$400 general reduction.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - ADMINISTRATIVE SERVICES

A.R.S. § 42-102

JLBC Analyst: Pitcairn

Paul Waddell, Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	98.0	96.0	103.3
Personal Services	1,705,600	1,789,100	1,942,600
Employee Related Exp.	395,100	447,400	512,300
Prof. & Outside Services	331,700	100,000	110,000
Travel - State	18,900	18,000	18,500
Travel - Out of State	1,400	2,000	1,600
Other Operating Exp.	6,868,300	6,789,400	7,569,500
Equipment	144,600	66,000	12,300
All Other Operating Exp.	7,364,900	6,975,400	7,711,900
TOTAL APPROPRIATIONS	9,465,600	9,211,900	10,166,800 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.7 unfunded FTE position associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$13,700. In addition, the amount includes \$115,000 and 5 FTE positions as part of an agency-wide reallocation of 17 FTE positions and \$54,100 and 3 FTE positions as part of the second Program for Increased Enforcement Revenue (PIER II).

Employee Related Expenditures - The approved amount contains \$256,700 for medical insurance, including a \$15,600 Section 104 lump sum allocation, and \$12,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$400 in Travel - Out of State. No reductions are shown in Professional and Outside Services and Travel - State as these were already taken by the agency as part of the FY 1991 mid-year adjustments.

All Other Operating Expenditures - The approved amount includes the following adjustments in Other Operating Expenditures: restoration of \$39,700 eliminated as part of the FY 1991 mid-year adjustments; \$34,500 for increased risk management charges, for a total of \$199,600; \$21,700 in increased rent for the lease-purchase payment; a general reduction of \$137,900; an increase of \$4,500 related to the 17 FTE position agency-wide reallocation; \$153,000 for postal rate increases; \$10,500 for the property tax audit and compliance program; \$105,000 for data purification costs; \$555,100 to implement PIER II; and a decrease of \$6,000 related to skip-trace and refund processing reductions.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - PROPERTY VALUATION

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	116.0	115.0	118.9
Personal Services	2,651,200	2,794,600	2,926,300
Employee Related Exp.	505,900	621,100	701,000
Prof. & Outside Services	279,800	350,000	244,800
Travel - State	431,800	280,000	437,300
Travel - Out of State	12,300	7,000	10,800
Other Operating Exp.	128,200	137,000	114,600
Equipment	28,900	4,000	13,200
All Other Operating Exp.	881,000	778,000	820,700
TOTAL APPROPRIATIONS	4,038,100	4,193,700	4,448,000 ^{1/2/3/}

Personal Services - The approved amount reflects a reduction of 1.1 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$28,500. In addition, the amount includes \$54,900 for 1 FTE position as part of the agency-wide reallocation of 17 FTE positions and \$102,700 for 4 FTE positions to administer the property tax audit and compliance program, particularly focussing on the area of personal property.

Employee Related Expenditures - The approved amount contains \$296,300 for medical insurance, including an \$18,000 Section 104 lump sum allocation, and \$14,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$61,200 in Professional and Outside Services and \$1,200 in Travel - State.

All Other Operating Expenditures - The approved amount reflects the restoration of \$120,000 in Travel - State funding and \$5,000 in Travel - Out of State funding which were reduced by the agency as part of the FY 1991 mid-year adjustments. In addition, the amount includes \$38,000 in Travel - State and \$25,900 in Other Operating Expenditures for property tax compliance. The amount also reflects the elimination of \$47,000 in Other Operating Expenditures and \$44,000 in Professional and Outside Services added by the agency as part of the FY 1991 mid-year adjustments and an \$1,800 general reduction in Other Operating Expenditures. The approved amount for Equipment reflects the removal of \$4,000 in one-time FY 1991 funding and the addition of \$13,200 for the property tax audit and compliance program.

- 1/ The appropriation includes funding for 43 limited status FTE positions to perform property canvassing functions. These positions are scheduled to expire no later than the close of Fiscal Year 1991-1992. (General Appropriation Act footnote)
- 2/ An annual progress report shall be provided to the Speaker of the House of Representatives, the President of the Senate, the chairmen of the House of Representatives Ways and Means, Senate Finance, House of Representatives and Senate Appropriations Committees, and the Director of the Joint Legislative Budget Committee as to the effectiveness of the property canvassing program. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - SPECIAL SUPPORT

A.R.S. § 42-102

JLBC Analyst: Pitcairn

Paul Waddell, Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>55.0</u>	<u>54.0</u>	<u>59.0</u>
Personal Services	<u>1,235,100</u>	<u>1,650,600</u>	<u>1,809,600</u>
Employee Related Exp.	<u>249,600</u>	<u>329,700</u>	<u>378,500</u>
Prof. & Outside Services	4,500	4,000	17,100
Travel - State	5,300	9,000	15,300
Travel - Out of State	5,700	5,000	12,500
Other Operating Exp.	73,400	59,800	90,000
Equipment	<u>21,900</u>	<u>8,000</u>	<u>19,800</u>
All Other Operating Exp.	<u>110,800</u>	<u>85,800</u>	<u>154,700</u>
TOTAL APPROPRIATIONS	<u>1,595,500</u>	<u>2,066,100</u>	<u>2,342,800</u> ^{1/}

Personal Services - The approved amount reflects a new vacancy factor of 0.75%, which reduces Personal Services by \$12,400. The amount also includes: the addition of \$9,300 and reduction of 1 FTE position as part of the agency-wide reallocation of 17 FTE positions; \$28,100 and 1 FTE position to support the property tax audit and compliance program; and \$134,000 and 5 FTE positions for PIER II.

Employee Related Expenditures - The approved amount contains \$145,600 for medical insurance, including an \$8,800 Section 104 lump sum allocation, and \$7,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$3,200 in Professional and Outside Services and \$700 in Travel - Out of State.

All Other Operating Expenditures - In addition to the statewide policy reductions shown above, the following amounts reduced as part of the FY 1991 mid-year adjustments were restored: \$12,000 in Professional and Outside Services, \$1,700 in Travel - State and \$2,000 in Travel - Out of State. The approved amount also includes a \$2,000 reduction as part of the 17 FTE position agency-wide reallocation; an increase of \$16,600 for the property tax audit and compliance program; \$59,200 for PIER II; and a \$1,000 general reduction in Other Operating Expenditures. In addition, \$7,700 in Other Operating Expenditures and \$8,000 in Equipment added as part of the FY 1991 mid-year adjustments were eliminated.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - REVENUE ENFORCEMENT

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	505.0	503.0	599.5
Personal Services	9,913,300	10,789,900	12,679,000
Employee Related Exp.	2,153,300	2,511,300	3,115,300
Prof. & Outside Services	39,000	19,000	50,000
Travel - State	190,800	195,000	400,000
Travel - Out of State	473,000	515,000	619,800
Other Operating Exp.	645,200	396,500	1,235,500
Equipment	454,300	178,000	443,300
All Other Operating Exp.	1,802,300	1,303,500	2,748,600
OPERATING SUBTOTAL	13,868,900	14,604,700	18,542,900
Automated Collection System	232,100	250,000	-0-
TOTAL APPROPRIATIONS	14,101,000	14,854,700	18,542,900 ^{1/}

Personal Services - The approved amount reflects a reduction of 7.5 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$168,900. The amount also includes a reduction of \$168,600 and 9 FTE positions as part of the agency-wide reallocation of 17 FTE positions, an increase of \$2,298,900 and 119 FTE positions associated with PIER II, and a reduction of \$83,700 and 6 FTE positions resulting from scaling back skiptrace and refund processing activities.

Employee Related Expenditures - The approved amount contains \$1,450,600 for medical insurance, including an \$88,000 Section 104 lump sum allocation, and \$72,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - This cost center was exempted from the statewide policy reductions in Professional and Outside Services and Travel in consideration of its direct revenue collection functions.

All Other Operating Expenditures - The approved amount includes restoration of the following amounts reduced as part of the FY 1991 mid-year adjustments: \$88,000 in Professional and Outside Services, \$135,100 in Travel - State, and \$34,900 in Travel - Out of State. In addition, \$30,000 in Other Operating Expenditures and \$178,000 in Equipment added as part of the FY 1991 mid-year adjustments were deleted for FY 1992. The FY 1991 amount for Equipment reflects the delay in part of the FY 1990 payment for the Auto Dial system. The approved amount also reflects the following: a \$7,300 general reduction in Other Operating Expenditures; a reduction of \$4,500 as part of the 17 FTE position reallocation; an increase of \$1,409,900 in operating support for PIER II; and a reduction of \$3,000 resulting from scaling back the skiptrace and refund processing activities.

Automated Collection System - The reduction of \$250,000 in this special line reflects the anticipated completion of the purchase of the Auto Dial system in FY 1991.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - TAXPAYER SUPPORT & EDUC. SVC.

A.R.S. § 42-102

Paul Waddell, Director

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	114.0	112.0	123.9
Personal Services	1,789,100	1,956,400	2,149,100
Employee Related Exp.	435,800	465,700	587,000
Prof. & Outside Services	99,300	89,000	98,000
Travel - State	12,900	14,000	31,800
Travel - Out of State	900	2,000	1,000
Other Operating Exp.	175,000	48,500	171,500
Equipment	109,700	31,000	13,100
All Other Operating Exp.	397,800	184,500	315,400
TOTAL APPROPRIATION	2,622,700	2,606,600	3,051,500 ^{1/}

Personal Services - The approved amount reflects a reduction of 1.1 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$20,300. The amount also reflects: the reduction of \$63,000 and 3 FTE positions as part of the agency-wide reallocation of the 17 FTE positions; the addition of \$78,600 and 5 FTE to perform data purification as part of the software conversion; and an increase of \$179,800 and 11 FTE positions for PIER II.

Employee Related Expenditures - The approved amount contains \$300,100 for medical insurance, including an \$18,200 Section 104 lump sum allocation, and \$15,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$17,000 in Professional and Outside Services and \$800 in Travel - Out of State.

All Other Operating Expenditures - The approved amount reflects the restoration of the following amounts reduced as part of the FY 1991 mid-year adjustments: \$26,000 for Professional and Outside Services, \$1,000 for Travel - State, and \$35,000 for Other Operating Expenditures. In addition, \$31,000 for Equipment and \$1,000 in Other Operating Expenditures added by the agency as part of the FY 1991 mid-year adjustments were eliminated in FY 1992. The approved amount also includes: \$6,000 for data purification, \$117,400 for PIER II, a \$1,700 general reduction in Other Operating Expenditures, and a \$3,000 reduction as part of the agency-wide reallocation of 17 FTE positions.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - DATA MANAGEMENT

Paul Waddell, Director

A.R.S. § 42-102

JLBC Analyst: Pitcairn

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	258.0	254.0	267.2
Personal Services	5,080,500	5,458,600	5,583,700
Employee Related Exp.	1,089,800	1,243,800	1,372,200
Prof. & Outside Services	1,199,000	1,100,000	1,280,000
Travel - State	9,800	8,500	10,100
Travel - Out of State	4,600	1,700	5,400
Other Operating Exp.	1,615,500	2,081,200	2,017,500
Equipment	1,324,300	950,000	1,423,800
All Other Operating Exp.	4,153,200	4,141,400	4,736,800
TOTAL	10,323,500	10,843,800	11,692,700
Additional Appropriations - 40th Leg., 1st Reg. Session			
Tax Revenues; Environment, Ch. 184	-0-	90,000	230,000
TOTAL APPROPRIATIONS	10,323,500	10,933,800	11,922,700

Personal Services - The approved amount reflects a reduction of 3.8 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$86,700. In addition, \$52,400 and 7 FTE positions were added as part of the agency-wide reallocation of 17 FTE positions and \$177,400 and 10 FTE positions were added for PIER II.

Employee Related Expenditures - The approved amount contains \$640,100 for medical insurance, including a \$38,800 Section 104 lump sum allocation, and \$31,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$500 in Travel - State and \$600 in Travel - Out of State. No reduction was taken from Professional and Outside Services because of the potential adverse impact on the processing of tax returns.

All Other Operating Expenditures - The approved amount reflects the restoration of the following amounts reduced as part of the FY 1991 mid-year adjustments: \$105,000 in Professional and Outside Services, \$2,100 in Travel - State, \$4,300 in Travel - Out of State and \$884,500 in Equipment. This Equipment reduction in FY 1991 reflects the delay in the phased purchase of the mainframe computer. In addition, \$170,900 in Other Operating Expenditures added as part of the FY 1991 mid-year adjustments was eliminated in FY 1992. The approved amount for Equipment also reflects a reduction of \$588,000 resulting from the deferral of several software and computer equipment purchases originally planned as part of the mainframe upgrade and software conversion. The approved amount also includes a general reduction of \$38,200 in Other Operating Expenditures; an increase of \$3,500 as part of the 17 FTE position

(Continued)

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF REVENUE - DATA MANAGEMENT (Cont'd)
GENERAL FUNDS

agency-wide reallocation; \$8,100 for Equipment to support the property tax audit and compliance program; \$12,600 for Equipment to support the data purification effort; and \$373,500 for Equipment, Other Operating Expenditures, and Professional and Outside Services for PIER II.

ADDITIONAL APPROPRIATIONS

Tax Revenues: Environment - Chapter 184 (S.B. 1170) - Appropriates \$90,000 for FY 1991 and \$230,000 for FY 1992 from the General Fund to the Department to convert the environmentally hazardous products surtax to a license fee and to administer the collections. Section 3 requires the first \$320,000 in license fee revenues to be reverted to the General Fund, after which all fees are deposited into the Water Quality Assurance Revolving Fund administered by the Department of Environmental Quality. The license fee due in August of 1991 is \$12; subsequently the fee is reduced to \$10.

DEPARTMENT OF STATE - SECRETARY OF STATE

The Honorable Richard D. Mahoney, Secretary of State

A.R.S. § 41-121

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	36.0	37.0	37.0
Personal Services	635,000	659,200	658,700
Employee Related Exp.	133,300	165,400	165,800
Prof. & Outside Services	83,600	91,300	81,900
Travel - State	8,700	11,600	11,000
Travel - Out of State	8,000	8,000	7,200
Other Operating Exp.	386,500	404,600 ^{2/}	438,500
Equipment	76,600	4,000	6,500
All Other Operating Exp.	563,400	519,500	545,100
OPERATING SUBTOTAL	1,331,700	1,344,100	1,369,600
Rules and Regulations	241,300	256,200	228,800
Election Expenses	83,300	2,213,100 ^{2/}	100,900
Proposition 200	140,700	159,600	157,800
Runoff Election, Ch. 1	-0-	2,650,000 ^{3/}	-0-
Special Election - State	-0-	-0-	230,000
Special Election - Counties	-0-	-0-	562,000
TOTAL APPROPRIATIONS	1,797,000	6,623,000	2,649,100 ^{4/}

Personal Services - The approved amount includes a total of \$2,300 in Personal Services and \$600 in Employee Related Expenditures for elected officials' salary adjustments. The Secretary of State's salary increased from \$50,000 to \$52,000 on January 1, 1991 and to \$54,600 on January 1, 1992. Of the total increase of \$2,900, \$1,300 is to annualize the cost of FY 1991 half-year increase and \$1,600 is to fund six months of the January 1, 1992 adjustment. The approved amount also includes a vacancy factor of 1%, or \$6,700.

Employee Related Expenditures - The approved amount contains \$78,700 for medical insurance, including a \$4,800 Section 104 lump sum allocation, and \$3,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$18,300 in Professional and Outside Services, \$600 in Travel - State and \$800 in Travel - Out of State.

(Continued)

- ^{1/} Includes 5 FTE positions funded through Proposition 200 line item in FY 1990, FY 1991, and FY 1992.
- ^{2/} Laws 1991, Chapter 2, 1st Special Session includes a supplemental of \$925,000 which consists of a reduction of \$41,900 in Other Operating Expenditures and a supplemental of \$966,900 in Election Expenses to cover the higher than estimated Fall 1990 elections' costs.
- ^{3/} Appropriated through Laws 1990, Chapter 1, (H.B. 2001), 5th Special Session.
- ^{4/} Represents General Appropriation Act funds. Appropriated as operating budget lump sum with special line items for the agency. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF STATE - SECRETARY OF STATE (Cont'd)
GENERAL FUND

Professional and Outside Services - The appropriation also includes \$8,900 to upgrade the notary public computer system and automate the Intergovernmental Agreement files.

Other Operating Expenditures - The approved amount reflects a net increase of \$33,900 over FY 1991 estimated expenditures. The original FY 1991 appropriation of \$446,500 was decreased by \$41,900 to fulfill the required mid-year budget reduction. The approved amount includes an increase of \$6,500 for one-time operating costs to upgrade the notary public computer system and automate the Intergovernmental Agreement files. In addition, the appropriation includes a \$4,500 reduction in risk management for a total of \$8,400, and a \$10,000 decrease in eliminating the V.I.P. account, which was used to purchase gifts for visiting dignitaries.

Equipment - The approved amount reflects a decrease of \$4,000 for a one-time adjustment and an increase of \$6,500 to upgrade the notary public computer system.

Rules and Regulations - The approved amount represents a decrease of \$27,400 from the FY 1991 estimated expenditures. This reduction reflects the savings gained from purchasing and utilizing computer equipment to compose and print major publications.

Election Expenses - The approved amount provides for a biennial decrease in funding to adjust for expenses which are not required during a "non-election" year.

Proposition 200 - The appropriation provides for personnel costs of administering the requirements of the campaign finance laws. The approved amount includes \$127,000 in Personal Services and \$30,800 in Employee Related Expenditures for 5 FTE positions which is \$1,800 lower than the FY 1991 estimated expenditures. The approved amount does not include a vacancy factor.

The approved amount contains \$14,600 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Runoff Election - Laws 1990, Chapter 1 (H.B. 2001), 5th Special Session provided for defraying state expenses and reimbursement to counties for costs incurred from the March, 1991 Gubernatorial Runoff Election.

Special Election - State - The approved amount provides for costs the Secretary of State will incur from the Congressional District 2 special election.

Special Election - Counties - The approved amount provides for the reimbursement to 5 counties for expenses incurred from the Congressional District 2 special election.

STATE BOARD OF TAX APPEALS

Jeanette Schmidt, Chairman

A.R.S. § 42-141

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	7.5	9.5	9.5
Personal Services	254,200	461,700	453,100
Employee Related Exp.	39,900	52,400	62,500
Prof. & Outside Services	50,900	37,500	30,000
Travel - State	13,800	41,700	37,000
Travel - Out of State	4,700	12,000	6,700
Other Operating Exp.	47,200	64,300	97,800
Equipment	21,800	7,800	9,300
All Other Operating Exp.	138,400	163,300	180,800
TOTAL APPROPRIATIONS	432,500	677,400	696,400

Personal Services - The approved amount includes a reduction of \$8,600 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$24,900 for medical insurance, including a \$1,500 Section 104 lump sum allocation, and \$1,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$7,500 in Professional and Outside Services, \$4,700 in Travel - State and \$5,300 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes a reduction of \$100 for risk management (for a total of \$1,100), \$800 for non-capitalized equipment and a base reduction of \$15,000. The approved amount includes an increase of \$1,500 for capitalized equipment to purchase an office copier. The approved amount also includes \$49,400 to allow the agency to move into the new State Courts Building in September, 1991.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

OFFICE OF TOURISM

A.R.S. § 41-2301

Frank Plencner, Acting Director

JLBC Analyst: Siegwarth

GENERAL FUND AND TOURISM FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	18.0	19.0	19.0
Personal Services	408,600	503,000	502,800
Employee Related Exp.	98,300	116,200	111,200
Prof. & Outside Services	61,200	130,900	104,700
Travel - State	22,100	20,600	19,600
Travel - Out of State	57,500	60,400	54,400
Other Operating Exp.	507,300	695,900	767,900
Equipment	11,100	14,000	-0-
All Other Operating Exp.	659,200	921,800	946,600
OPERATING SUBTOTAL	1,166,100	1,541,000	1,560,600
Tourism Fund	2,000,000	2,000,000	2,080,000 ^{1/}
Media Advertising	2,191,100	1,835,700	2,086,700
TOTAL APPROPRIATIONS	5,357,200	5,376,700	5,727,300
<u>Fund Summary</u>			
General Fund	3,403,000	3,376,700	5,727,300 ^{2/}
Tourism Fund	1,954,200	2,000,000	-0-
TOTAL APPROPRIATIONS	5,357,200	5,376,700	5,727,300 ^{3/}

Personal Services - A vacancy factor of 1% was applied which reduces Personal Services by \$200.

Employee Related Expenditures - The approved amount contains \$46,800 for medical insurance, including a \$2,800 Section 104 lump sum allocation, and \$2,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on P&O Services and Travel Reductions - The approved amount reflects a reduction of \$26,200 in Professional and Outside Services, \$1,000 in Travel-State and \$6,000 in Travel-Out of State.

Other Operating Expenditures - The approved amount includes \$2,000 for risk management, which is a decrease of \$1,400 over FY 1991, \$75,000 for rent, and an increase of \$73,400 due to the restoration of the ex-appropriation of the same amount in FY 1991.

(Continued)

- 1/ The \$2,080,000 appropriated to the Tourism Fund is made pursuant to A.R.S. § 42-1341 C(3)c and is to be used for media advertising. (General Appropriation Act footnote)
- 2/ The Tourism Fund is no longer considered an Other Appropriated Fund as bed tax revenues are first distributed to the General Fund and then appropriated from the General Fund to the Tourism Fund.
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

OFFICE OF TOURISM (Cont'd)
GENERAL FUND AND TOURISM FUND

Equipment - The approved amount reflects a one-time equipment adjustment.

Tourism Fund - Laws 1990, Chapter 391, allocates 75% of the growth of the last 1/2% of bed tax revenues from the General Fund to the Tourism Fund. This amount is in addition to the \$2 million annual appropriation for the Tourism Fund. The additional revenues are projected to be \$80,000 in FY 1992. The Tourism Fund is to be used for media advertising.

Media Advertising - The approved amount includes an increase of \$31,000 due to the restoration of the ex-appropriation of the same amount in FY 1991. An additional increase of \$220,000 is included, which when combined with the increase in the Tourism Fund, provides \$300,000 for increased media advertising. The increased funding will allow the agency to target markets in addition to Los Angeles and Chicago.

STATE TREASURER

The Honorable Tony West, Treasurer

A.R.S. § 41-171

JLBC Analyst: Bradley

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	32.0	32.0	31.0
Personal Services	834,000	862,700	846,700
Employee Related Exp.	166,700	189,100	183,200
Prof. & Outside Services	105,200	110,700	125,200
Travel - State	800	300	900
Travel - Out of State	4,700	9,000	8,200
Other Operating Exp.	98,400	97,100	80,700
Equipment	41,400	54,800	9,500
All Other Operating Exp.	250,500	271,900	224,500
OPERATING SUBTOTAL	1,251,200	1,323,700	1,254,400 ^{1/}
Long Term Care-Counties	5,500,000	2,916,000	-0-
Justice of Peace Salaries	1,463,900	1,766,200	1,879,500
State Grand Jury Fund	600,000	300,000	-0-
Nuclear Emergency Mgmt. - Maricopa County	228,900	-0-	-0-
Economic Development		-0-	-0-
Demo District	850,000	-0-	-0-
Mid-Year Reversion Amount	-0-	(39,700) ^{3/}	-0-
Distribution of Tax Protest Monies	-0-	-0-	3,629,700 ^{4/}
TOTAL APPROPRIATIONS	9,894,000	6,266,200	6,763,600
<u>Fund Summary</u>			
General Fund	8,815,100	6,266,200	6,763,600
Commerce and Econ. Dev. Fund	850,000	-0-	-0-
Nuclear Emerg. Mgmt. Fund	228,900	-0-	-0-
TOTAL APPROPRIATIONS	9,894,000	6,266,200	6,763,600

Personal Services - The approved amount reflects the elimination of 1 Accounting Technician II position and \$15,000 in Personal Services. The duties of this position were primarily cashing checks of state employees. Funding has not been provided for this non-statutory service for FY 1992. A vacancy factor of 7.81% was applied, which reduces Personal Services by \$71,700.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information purposes only.
^{2/} Funding for the State Grand Jury Fund is now appropriated to the Attorney General's Office and the Supreme Court.

(Footnotes Continued on Following Page)

STATE TREASURER (Cont'd)
GENERAL FUND AND OTHER FUNDS

Employee Related Expenditures - The approved amount contains \$76,600 for medical insurance, including a \$4,600 Section 104 lump sum allocation, and \$3,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$0 in Professional and Outside Services, \$100 in Travel State and \$900 in Travel - Out of State. All Professional and Outside Services were exempted from the statewide reduction.

Professional and Outside Services - The appropriation contains \$44,700 for banking services, \$79,500 for credit and market information services and \$1,000 for data center charges.

Equipment - The approved amount consists of \$9,500 for the purchase of a separate computer workstation and associated equipment necessary to monitor collateral securities. The purchase of this equipment is intended to free up other work stations during peak periods in order to maintain on-line communications with custodian institutions.

Justice of the Peace Salaries - The Justice of the Peace Salaries line item is for pass-through funds used to pay the state portion of Justice of the Peace salaries. The state share is 40% of the total salaries in accordance with A.R.S. § 22-117. The salaries are determined by a calculation of judicial productivity credits as defined in A.R.S. § 22-125, which are then used to determine the percentage of Superior Court Judge salary to be paid to each Justice of the Peace. Justice of the Peace salaries range from 25% to 70% of Superior Court salaries. The increase of \$113,300 is attributable to two factors. First, the dollar limit for court jurisdiction was raised from \$10,000 to \$25,000 by referendum. This is expected to raise Justice of the Peace salaries due to increased workload, and thus increased judicial productivity credits. Secondly, Superior Court judges received a salary increase in FY 1991. Since Justice of the Peace salaries are directly tied to Superior Court salaries, they also received a proportional increase which will be fully felt in FY 1992.

Distribution of Tax Protest Monies - Laws 1990, Chapter 332 appropriates \$3,629,666 to the State Treasurer each year for FY 1992-1994 for disbursement to cities, towns and counties. This is a reimbursement for undistributed transaction privilege tax revenues collected by the state.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - This act removed the responsibility of administering the State Grand Jury Fund from the State Treasurer. In addition, the State Grand Jury Fund was eliminated and appropriations are now made directly to the Attorney General and the Supreme Court for those expenses. The Supreme Court is now responsible for validation and distribution to individual counties for their costs.

(Footnotes Continued From Previous Page)

3/ Line item breakout of the mid-year reversion amount was unavailable.

4/ Laws 1990, Chapter 332, appropriates \$3,629,666 to the State Treasurer in each of FY 1992-1994, to pay cities, towns, and counties as reimbursement for undistributed transaction privilege tax revenues.

ARIZONA COMMISSION ON UNIFORM STATE LAWS

A.R.S. § 41-1306

JLBC Analyst: Fusak

James M. Bush, Commissioner

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.0	0.0
Personal Services	1,300	1,800	1,800
Employee Related Exp.	100	100	100
Travel - State	100	400	500
Travel - Out of State	7,800	5,300	5,000
Other Operating Exp.	9,600	9,800	15,500
All Other Operating Exp.	17,500	15,500	21,000
TOTAL APPROPRIATIONS	18,900	17,400	22,900 ^{1/}

Statewide Policy on Travel Reductions - The approved amount reflects a reduction of \$300 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes an increase of \$100 for Travel - State. The approved amount for Other Operating Expenditures includes an increase of \$5,700 to pay for the state's annual assessed membership fee for the National Conference of Commissioners on Uniform State Laws (NCCUSL). Each state pays a base fee of \$5,000 plus an additional \$2.50 per 1,000 population.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - SUMMARY A.R.S. § 36-2901

JLBC Analyst: McNeil

Dr. Leonard Kirschner, Director

GENERAL FUND, FEDERAL FUNDS, COUNTY FUNDS, AND OTHER FUNDS		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Program Summary				
Administration	(S)	23,580,900	17,018,900	25,389,400
	(T)	45,553,200	50,520,200	51,299,000
DES-AHCCCS	(S)	7,989,400	10,706,700	13,273,000
	(T)	15,983,900	21,393,900	26,547,600
DHS-AHCCCS	(S)	6,994,400	10,510,900	682,700
	(T)	8,646,400	13,095,900	6,561,600
Acute Care	(S)	228,655,200	312,365,400	330,600,800
	(T)	494,103,200	661,829,400	802,205,500
Long Term Care	(S)	-0-	-0-	-0-
	(T)	183,846,900	285,282,200	232,450,400
PROGRAM TOTAL	(S)	267,219,900	350,601,900	369,945,900
	(T)	748,133,600	1,032,121,600	1,119,064,100
FTE Positions	(S)	764.7	830.0	878.7
	(T)	1,447.3	1,576.8	1,740.7
Personal Services	(S)	13,877,000	11,555,400	18,535,400
	(T)	26,091,000	32,756,200	36,668,200
Employee Related Exp.	(S)	2,750,700	2,475,400	4,624,900
	(T)	5,162,900	7,140,100	9,151,700
Prof. & Outside Services	(S)	6,792,400	8,649,900	8,323,800
	(T)	14,800,500	19,640,800	17,918,700
Travel - State	(S)	235,300	167,100	283,200
	(T)	450,300	442,800	562,000
Travel - Out of State	(S)	22,100	19,900	16,800
	(T)	43,000	41,700	33,000
Other Operating Exp.	(S)	5,412,800	4,798,300	6,363,600
	(T)	10,075,300	11,690,100	12,412,100
Equipment	(S)	1,781,000	172,400	207,400
	(T)	3,535,500	358,300	415,900
All Other Operating Exp.	(S)	14,243,600	13,807,600	15,194,800
	(T)	28,904,600	32,173,700	31,341,700
OPERATING SUBTOTAL	(S)	30,871,300	27,838,400	38,355,100
	(T)	60,158,500	72,070,000	77,161,600
Special Line Items	(S)	236,348,600	322,763,500	331,489,500
	(T)	687,975,100	960,051,600	1,041,699,900
Additional Appropriations	(S)	--	--	101,300
	(T)	--	--	202,600

1/2
1/2
2/2

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - SUMMARY (Cont'd)
GENERAL FUND, FEDERAL FUNDS, COUNTY FUNDS, AND OTHER FUNDS

TOTAL EXP. AUTHORITY	(T)	<u>748,133,600</u>	<u>1,032,121,600</u>	<u>1,119,064,100</u>
Less Federal Funds		(357,087,200)	(521,222,700)	(589,885,600)
Less County Funds		(118,224,500)	(154,432,600)	(152,619,200)
Less Miscellaneous Funds		(5,602,000)	(5,864,400)	(6,613,400)
TOTAL APPROPRIATIONS	(S)	<u>267,219,900</u> ^{3/}	<u>350,601,900</u> ^{3/4/}	<u>369,945,900</u> ^{3/5/}

(S) = State General Fund
(T) = Total Expenditure Authority

Employee Related Expenditures - The approved amount contains \$2,227,300 (S) and \$4,413,400 (T) for medical insurance, including a \$135,000 (S) and \$274,600 (T) Section 104 lump sum allocation, and \$111,800 (S) and \$221,800 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- 1/ Details for the Special Line Items are included on the individual program pages.
- 2/ Details for the Additional Appropriations are included on the individual program pages.
- 3/ General Fund Appropriation.
- 4/ Reflects the reversion of \$228,600 (S) and \$457,400 (T) associated with the footnote contained in the FY 1991 General Appropriation Act (Laws 1990, Chapter 1, 3rd Special Session).
- 5/ Represents General Appropriation Act funds [\$369,844,600] and additional appropriations [\$101,300].

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
ADMINISTRATION**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: McNeil

GENERAL FUND AND FEDERAL FUNDS		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/2}	(S)	487.8	508.25	477.7
	(T)	<u>888.0</u>	<u>927.8</u>	<u>932.7</u>
Personal Services	(S)	9,054,100	5,411,300	10,847,900
	(T)	<u>16,445,200</u>	<u>20,468,100</u>	<u>21,293,200</u>
Employee Related Exp.	(S)	1,742,000	960,700	2,615,800
	(T)	<u>3,145,500</u>	<u>4,110,800</u>	<u>5,133,500</u>
Prof. & Outside Services	(S)	6,505,500	8,066,200	7,814,100
	(T)	14,226,700	18,444,900	16,899,300
Travel - State	(S)	124,300	31,400	108,400
	(T)	228,300	171,300	212,500
Travel - Out of State	(S)	19,300	18,600	15,600
	(T)	37,400	39,200	30,600
Other Operating Exp.	(S)	3,892,100	2,272,000	3,451,500
	(T)	7,033,900	6,725,000	6,779,800
Equipment	(S)	1,449,300	164,100	71,800
	(T)	<u>2,872,100</u>	<u>341,700</u>	<u>144,600</u>
All Other Operating Exp.	(S)	11,990,500	10,552,300	11,461,400
	(T)	<u>24,398,400</u>	<u>25,722,100</u>	<u>24,066,800</u>
OPERATING SUBTOTAL	(S)	22,786,600	16,924,300	24,925,100
	(T)	43,989,100	50,301,000	50,493,500
Indian Advisory Council	(S)	24,500	94,600	95,000
	(T)	24,500	189,200	190,000
Board of Nursing	(S)	-0-	-0-	70,000
	(T)	-0-	30,000	214,900
QMB Eligibility	(S)	769,800	-0-	-0-
	(T)	1,539,600	-0-	-0-
Health Care Group	(S)	-0-	-0-	198,000
	(T)	-0-	-0-	198,000
TOTAL	(S)	23,580,900	17,018,900	25,288,100
	(T)	45,553,200	50,520,200	51,096,400 ^{2/3/4}
Additional Appropriations - 40th Leg., 1st Reg. Session				
General Government ORB, Ch. 265	(S)	--	--	101,300
	(T)	--	--	202,600
TOTAL EXP. AUTHORITY	(T)	45,553,200	50,520,200	51,299,000

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Less Federal Funds	(21,972,300)	(25,044,100)	(25,909,600)
Less County Funds	-0-	(8,457,200)	-0-
TOTAL APPROPRIATIONS	(S) 23,580,900	17,018,900	25,389,400

(S) = State General Fund
(T) = Total Expenditure Authority

Personal Services - The approved amount reflects a reduction of 11.8 (S) and 23.1 (T) unfunded FTE positions associated with the statewide FTE policy. This reduction represents 50% of the unfunded FTE positions. These reductions result in a base vacancy factor of 2.5%. In addition a new vacancy factor of 2.5% was applied which reduces Personal Services by \$284,200 (S) and \$557,200 (T).

The approved amount reflects the following changes from FY 1991:

- 6.3 (S) and 14 (T) FTE positions and \$178,200 (S) and \$397,000 (T) related to the completion and full implementation of the Prepaid Medical Management Information System.
- 1.4 (S) and 2 (T) FTE positions and \$47,100 (S) and \$68,200 (T) related to a 2nd in-house legal services team. Professional and Outside Services was reduced by \$91,900 (S) and \$169,000 (T) as a result of adopting this policy issue.
- 2.2 (S) and 4 (T) FTE positions and \$43,900 (S) and \$79,900 (T) related to the Program for Avoidance of State Expenditures' (PASE) Third Party Cost Recovery enhancements.
- 1 (S) and 2 (T) FTE positions and \$21,900 (S) and \$43,800 (T) related to the Omnibus Budget Reconciliation Act of 1990 (OBRA '90) provision which requires states to pay, when applicable and cost-beneficial, private health insurance premiums of categorically-eligible Medicaid enrollees. This OBRA '90 provision was added to Arizona Revised Statutes in Laws 1991, Chapter 213 (S.B. 1140).
- \$40,800 (S) and \$85,600 (T) to cover the costs of reclassifying 45 Member File Integrity System Grade 11 positions to Grade 13. This policy issue is an element of PASE.
- 0.5 (S) and 1 (T) FTE position related to Maternity Outreach which is to be funded from AHCCCS' administrative resources or other funds.
- Changes in the administrative funding mix allowed for 35.2 FTE positions to be paid out of additional federal funds, thereby lowering the state-funded FTE position count by a like amount.

Employee Related Expenditures - The approved amount contains \$1,210,900 (S) and \$2,365,000 (T) for medical insurance, including a \$73,400 (S) and \$143,400 (T) Section 104 lump sum allocation, and \$60,600 (S) and \$118,400 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$902,300 (S) and \$2,918,900 (T) in Professional and Outside Services and \$1,700 (S) and \$2,100 (T) in Travel - Out of State. Travel - State was not reduced.

(Continued)

- 1/ Includes 1 (S) and 2 (T) FTE positions from the Indian Advisory Council special line item in FY 1990 and 2 (S) and 4 (T) in FY 1991 and FY 1992, and 5 (S) and 5 (T) FTE positions from the Health Care Group special line item in FY 1992.
- 2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum with special line items for the program. The line items within the "Operating Subtotal" are shown for information only.
- 3/ It is the intent of the Legislature that a maternity outreach liaison position be funded out of the \$51,096,400 expenditure authority or other funds. (General Appropriation Act footnote)
- 4/ Any retroactive federal funding which may be received in fiscal year 1991-1992 upon certification of the prepaid medical management information system shall be transferred to the General Fund as reimbursement. (General Appropriation Act footnote)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Professional and Outside Services - The approved amount includes the following:

- \$37,500 (S) and \$75,000 (T) for the OBRA '90 payment of insurance premiums provision.
- \$11,200 (S) and \$20,400 (T) related to PASE - Third Party Cost Recovery enhancements.
- \$250,000 (S) and \$657,900 (T) related to PASE - Utilization Review savings.

The approved amount is based on the following:

	S	T
Programming & Data Services	2,979,000	6,580,800
Data Processing - DOA	3,139,400	6,976,500
Auditing	341,900	551,300
Consulting		
Management	102,700	201,200
Actuarial	438,900	755,400
Attorneys	253,000	454,400
Medical Evaluation Services	473,300	1,218,900
Interpreters	3,300	5,100
Security	42,800	76,400
Temporary Clerical	26,800	49,800
Interns	5,400	9,500
U of A College of Pharmacy	7,600	20,000
	7,814,100	16,899,300

Indian Health Care Advisory Council - The Advisory Council on Indian Health Care was established in Laws 1989, Chapter 293. The Council's primary mission is to develop a comprehensive health care delivery system for Arizona's Indian population.

The approved amount contains \$6,000 (S) and \$12,100 (T) for medical insurance, including a \$400 (S) and \$800 (T) Section 104 lump sum allocation, and \$300 (S) and \$600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

The line item detail is as follows:

	S	T
-- Personal Services	52,900	105,800
-- Employee Related Expenditures	12,800	25,600
-- All Other Operating	29,300	58,600
-- Total	95,000	190,000

Board of Nursing (BON) - The approved amount includes \$70,000 (S) and \$140,000 (T) for testing costs associated with the Nurse Aid Testing and Competency Evaluation Program (NATCEP). Additionally, total expenditure authority reflects \$74,900 in federal Title XIX (Medicaid) funds to be passed-thru by AHCCCS as the match for BON administrative expenditures on NATCEP.

Health Care Group - The approved amount reflects state funding for 5 FTE positions and a portion of the administrative costs for AHCCCS' group insurance program for small businesses. The program offers health insurance to companies with 25 or fewer employees who currently do not have group insurance (see discussion of Laws 1991, Chapter 299 under "Additional Legislation"). A significant amount of the program's administrative costs were previously covered by private grants, however, those monies are no longer available, and another funding source was required. With additional enrollment, the program should become self-supporting through the use of revenue raised from administrative surcharges on member premiums.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

ADDITIONAL APPROPRIATIONS

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Appropriates from the General Fund the unexpended balance from the non-lapsing appropriation made in Laws 1990, Chapter 334, section 9 for the purpose of developing a plan to implement a Title XIX (Medicaid) adult mental health services program. This legislation also extends the life of the Joint Legislative Council Committee for AHCCCS until September 30, 1992. The unexpended balance at the time of this writing was approximately \$101,300. This appropriation should be equally matched with federal Title XIX (Medicaid) funds.

ADDITIONAL LEGISLATION

Health Insurance Policies: Conversion - Chapter 299 (H.B. 2027) - Increases the maximum employee count for Health Care Group (HCG) eligibility from 25 to 40. The legislation also allows the AHCCCS Administration to require, as a condition of HCG participation, that any applicant not have had health benefits for its employees for at least 90 days prior to system coverage. The Administration, however, may begin coverage immediately if an employer's health benefit plan was terminated or discontinued by a health benefit carrier.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
DES-AHCCCS**

A.R.S. § 36-2901

JLBC Analyst: McNeil

Dr. Leonard Kirschner, Director

GENERAL FUND AND FEDERAL FUNDS		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	(S)	261.9	305.5	388.0
	(T)	<u>527.8</u>	<u>615.0</u>	<u>780.0</u>
Personal Services	(S)	4,695,900	5,898,100	7,406,100
	(T)	<u>9,391,800</u>	<u>11,796,100</u>	<u>14,812,200</u>
Employee Related Exp.	(S)	981,100	1,456,100	1,921,500
	(T)	<u>1,962,200</u>	<u>2,912,200</u>	<u>3,843,000</u>
Prof. & Outside Services	(S)	286,900	535,200	494,500
	(T)	573,800	1,098,900	989,000
Travel - State	(S)	104,000	125,400	163,100
	(T)	208,000	250,900	326,100
Travel - Out of State	(S)	2,800	1,300	1,200
	(T)	5,600	2,500	2,400
Other Operating Exp.	(S)	1,511,900	2,502,900	2,885,600
	(T)	3,023,800	4,918,300	5,579,300
Equipment	(S)	331,700	8,300	130,500
	(T)	<u>663,400</u>	<u>16,600</u>	<u>261,200</u>
All Other Operating Exp.	(S)	2,237,300	3,173,100	3,674,900
	(T)	<u>4,474,600</u>	<u>6,287,200</u>	<u>7,158,000</u>
OPERATING SUBTOTAL	(S)	7,914,300	10,527,300	13,002,500
	(T)	15,828,600	20,995,500	25,813,200
DES DDSA	(S)	72,500	159,400	173,800
	(T)	145,100	318,900	347,600
DES PASARR	(S)	2,600	20,000	96,700
	(T)	<u>10,200</u>	<u>79,500</u>	<u>386,800</u>
TOTAL EXP. AUTHORITY	(T)	<u>15,983,900</u>	<u>21,393,900</u>	<u>26,547,600</u>
Less Federal Funds		<u>(7,994,500)</u>	<u>(10,687,200)</u>	<u>(13,274,600)</u>
TOTAL APPROPRIATIONS	(S)	<u>7,989,400</u>	<u>10,706,700</u>	<u>13,273,000</u> ^{2/}

(S) = State General Fund
(T) = Total Expenditure Authority

(Continued)

^{1/} Includes 4.15 (S) and 8.3 (T), and 2 (S) and 4 (T) DES DDSA FTE positions for FY 1990, and FY 1991 and FY 1992, respectively. Also includes 2 (S) and 8 (T) DES PASARR FTE positions for FY 1990 through FY 1992.

(Footnotes Continued on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DES-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Personal Services - The approved amount reflects a vacancy factor of 1% [\$59,600 (S) and \$119,200 (T)]. The approved amount reflects the following increases from FY 1991:

- 58.5 (S) and 117 (T) FTE positions and \$1,061,000 (S) and \$2,122,100 (T) related to anticipated increases in AHCCCS-related caseload.
- 13 (S) and 26 (T) FTE positions and \$248,900 (S) and \$497,800 (T) related to the mandatory Title XIX (Medicaid) eligibility determination process for the Children's Rehabilitative Services and Behavioral Health programs in the Department of Health Services. This requirement was included in Laws 1991, Chapter 213 (S.B. 1140).
- 4.5 (S) and 9 (T) FTE positions and \$80,200 (S) and \$160,300 (T) related to the OBRA '90 provision (section 4603) regarding SOBRA infant eligibility retention. This OBRA '90 provision was added to Arizona Revised Statutes in Laws 1991, Chapter 213 (S.B. 1140).
- 3.5 (S) and 7 (T) FTE positions and \$63,600 (S) and \$127,200 (T) related to the OBRA '90 provision (section 4602) requiring the stationing of eligibility determination workers in outreach locations other than welfare offices. The positions will enable the Department to staff community health centers in El Mirage, Ganado, Phoenix (Memorial Hospital), Casa Grande, and Nogales. Although this OBRA '90 provision did not have to be added to Arizona Revised Statutes, it is referred to in Laws 1990, Chapter 213 (S.B. 1140), section 17.
- 3 (S) and 6 (T) FTE positions and \$54,300 (S) and \$108,200 (T) FTE positions related to the OBRA '90 provision (section 4601) expanding the federal-matched SOBRA Children's program. This OBRA '90 provision was added to Arizona Revised Statutes in Laws 1991, Chapter 213 (S.B. 1140).

Employee Related Expenditures - The approved amount contains \$951,700 (S) and \$1,903,400 (T) for medical insurance, including a \$57,700 (S) and \$115,400 (T) Section 104 lump sum allocation, and \$47,800 (S) and \$95,600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$40,700 (S) and \$81,400 (T) in Professional and Outside Services and \$100 (S) and \$200 (T) in Travel - Out of State. The Travel - State line item was not reduced.

DES DDSA - The Department's Disability Determination Services Administration (DDSA), through an intergovernmental agreement with AHCCCS, determines disability entitlement for Arizona Long Term Care System claims.

The approved amount is based on the following:

	S	T
FTE Positions	2.0	4.0
Personal Services	68,800	137,600
Employee Related Exp.	14,800	29,600
All Other Operating Exp.	49,100	98,200
"Below the Line"	41,100	82,200
TOTAL	173,800	347,600

The approved amount contains \$5,500 (S) and \$10,900 (T) for medical insurance, including a \$300 (S) and \$600 (T) Section 104 lump sum allocation, and \$300 (S) and \$600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Footnotes Continued From Previous Page)

(Continued)

- 2/ Represents General Appropriation Act Funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 3/ The amounts appropriated shall be used for intergovernmental agreements with the Department of Economic Security for the purpose of eligibility determination and other functions as set forth above.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DES-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

DES PASARR - The Department, via an intergovernmental agreement with AHCCCS, conducts Level II screens for patients in TITLE XIX (Medicaid) certified nursing facilities who have been identified through a Level I screen as potentially having a mental retardation.

The approved amount is based on the following:

	S	T
FTE Positions	2.0	8.0
Personal Services	38,600	154,500
Employee Related Exp.	11,000	44,100
All Other Operating Exp.	47,100	188,200
TOTAL	96,700	386,800

The approved amount contains \$5,000 (S) and \$19,700 (T) for medical insurance, including a \$300 (S) and \$1,200 (T) Section 104 lump sum allocation, and \$300 (S) and \$1,200 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
DHS-AHCCCS**

Dr. Leonard Kirschner, Director

A.R.S. § 36-2901

JLBC Analyst: McNeil

GENERAL FUND AND FEDERAL FUNDS		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	(S)	15.0	16.25	13.0
	(T)	31.5	34.0	28.0
Personal Services	(S)	127,000	246,000	281,400
	(T)	254,000	492,000	562,800
Employee Related Exp.	(S)	27,600	58,600	87,600
	(T)	55,200	117,100	175,200
Prof. & Outside Services	(S)	-0-	-0-	15,200
	(T)	-0-	-0-	30,400
Travel - State	(S)	7,000	10,300	11,700
	(T)	14,000	20,600	23,400
Other Operating Exp.	(S)	8,800	23,400	26,500
	(T)	17,600	46,800	53,000
Equipment	(S)	-0-	-0-	5,100
	(T)	-0-	-0-	10,100
All Other Operating Exp.	(S)	15,800	33,700	58,500
	(T)	31,600	67,400	116,900
OPERATING SUBTOTAL	(S)	170,400	338,300	427,500
	(T)	340,800	676,500	854,900
DHS PASARR	(S)	71,300	261,300	94,700
	(T)	183,500	1,258,600	385,800
Children's Rehab. Services	(S)	6,752,700	9,783,600	-0-
	(T)	8,122,100	10,905,400	5,000,000
Indirect Cost - Licensure	(S)	-0-	127,700	160,500
	(T)	-0-	255,400	320,900
TOTAL EXP. AUTHORITY	(T)	8,646,400	13,095,900	6,561,600
Less Federal Funds		(1,652,000)	(2,585,000)	(5,878,900)
TOTAL APPROPRIATIONS	(S)	6,994,400	10,510,900	682,700 ^{2/3}

(S) = State General Fund
(T) = Total Expenditure Authority

^{1/} Includes 0.75 (S) and 3 (T), 2 (S) and 8 (T), and 1 (S) and 4 (T) DHS PASARR FTE positions for FY 1990, FY 1991, and FY 1992, respectively. Also includes 3.75 (S) and 7.5 (T), and 3.75 (S) and 5 (T) Children's Rehabilitative Services FTE positions for FY 1990 and FY 1991, respectively.

(Footnotes Continued on Following Page)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - DHS-AHCCCS (Cont'd)
GENERAL FUND AND FEDERAL FUNDS

Personal Services - The approved amount reflects an increase of 1.5 (S) and 3 (T) FTE positions and \$35,400 (S) and \$70,800 (T) for nursing facility monitoring and regulation enforcement activities. The provisions governing these activities were covered in Laws 1991, Chapter 213, (S.B. 1140).

Employee Related Expenditures - The approved amount contains \$45,000 (S) and \$89,800 (T) for medical insurance, including a \$2,700 (S) and \$5,400 (T) Section 104 lump sum allocation, and \$2,300 (S) and \$4,600 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DHS PASARR - The Department, via an intergovernmental agreement with AHCCCS, conducts Level II psychiatric evaluations of patients in Title XIX (Medicaid) certified nursing facilities who have been identified through a Level I screening as potentially having a mental illness.

The approved amount, which reflects a reduction of 1 (S) and 4 (T) FTE positions from FY 1991, is based on the following:

	S	T
FTE Positions	1.0	4.0
Personal Services	26,200	105,000
Employee Related Exp.	7,500	37,100
All Other Operating Exp.	34,300	137,000
"Below the Line"	26,700	106,700
TOTAL	94,700	385,800

The approved amount contains \$3,200 (S) and \$12,500 (T) for medical insurance, including a \$200 (S) and \$7,800 (T) Section 104 lump sum allocation, and \$200 (S) and \$800 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Children's Rehabilitative Services (CRS) - The approved amount reflects an estimate of the federal Title XIX (Medicaid) pass-thru to the Department. State-match amounts for AHCCCS-related CRS expenditures are included in the Department's appropriation. Also, 5 FTE positions associated with this program were transferred to the Department.

(Footnotes Continued From Previous Page)

- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 3/ The amounts appropriated shall be used for intergovernmental agreements with the Department of Health Services for the purpose of Medicaid-related licensure, certification and registration, and other functions as set forth above.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
ACUTE CARE**

Dr. Leonard Kirschner, Director

A.R.S. § 36-2901

JLBC Analyst: McNeil

**GENERAL FUND, FEDERAL FUNDS,
AND COUNTY FUNDS**

		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Acute Care Capitation	(S)	142,750,900	207,072,700	267,748,400
	(T)	373,705,500	495,523,300	620,408,900
Fee for Service	(S)	39,616,100	55,779,400	34,958,200
	(T)	54,855,700	87,012,800	90,539,100
Reinsurance	(S)	20,774,700	24,934,300	16,626,100
	(T)	25,509,300	32,001,000	28,862,800
Deferred Liability	(S)	22,116,700	18,919,100	9,921,800
	(T)	32,753,400	32,848,300	32,255,400
Medicare Premiums	(S)	3,379,800	2,156,000	218,500
	(T)	7,222,400	6,457,500	5,810,700
OMB	(S)	17,000	239,600	127,800
	(T)	56,900	1,439,100	649,900
EPSDT Mental Health	(S)	-0-	3,264,300	1,000,000
	(T)	-0-	6,547,400	23,678,700
TOTAL EXP. AUTHORITY	(T)	494,103,200	661,829,400	802,205,500
Less Federal and Other Funds		(207,015,400)	(291,031,400)	(406,528,600)
Less County Funds		(58,432,600)	(58,432,600)	(65,076,100)
TOTAL APPROPRIATIONS	(S)	228,655,200	312,365,400	330,600,800 ^{1/}

(S) = State General Fund

(T) = Total Expenditure Authority

Acute Care Capitation - Represents payments which are made directly to the health plans under contract to AHCCCS for the cost of care rendered to enrolled members. These payments are made on a monthly basis and cover the full range of services required in statute. The approved amount is predicated upon a base 7.51% rate increase, plus an additional amount to annualize the Adjusted Billed Charges (ABC) reimbursement level increase that became effective on January 1, 1991 (Laws 1990, Chapter 334).

The following represents an enrollment and fund summary of this line item:

Group	Member Years	General Fund	County & Misc. Funds	Federal Funds	Total
Categorically-Eligible	218,129	113,050,900	14,080,300	211,089,000	338,220,200
Other Federal	75,695	51,374,700	3,665,000	91,405,700	146,445,400
State-Only	61,559	103,322,800	27,420,500	5,000,000	135,743,300
TOTAL	355,383	267,748,400	45,165,800	307,494,700	620,408,900

^{1/} Represents General Appropriation Act funds with special line items for the program.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Fee for Service Payments - Payments made on behalf of individuals eligible for medical services, but not yet enrolled in a prepaid health plan. Categorically-eligible persons have a 10-day period in which to choose a health plan. During this period (and any additional time between eligibility and the effective date of plan enrollment), these individuals are eligible to have medically necessary services paid on their behalf. Additionally, if these persons have unpaid bills for services received in the 90-day period prior to their application for eligibility, AHCCCS pays these bills on a fee-for-service basis.

Non-categoricals are to be enrolled with a prepaid health plan within 3 days of the determination of eligibility through an automatic assignment process. Under current law, AHCCCS covers emergency services received up to 48 hours prior to the date of notification of eligibility by a county office.

Categorically-eligible Native Americans who live on reservation and are referred off-reservation by the Indian Health Service (IHS) for services are covered on a fee-for-service basis. Those categoricals receiving treatment on reservation in an IHS facility are covered entirely by the federal government with AHCCCS serving as the pass-through entity for the federal funds.

The approved amount includes an increase of \$1,750,300 (S) and (T) for the costs of providing care to MN/MI-eligible Native Americans who live on reservations but are referred off-reservation by the IHS. This amount is associated with the anticipated increase in the state's liability for medical services costs due to a settlement with the IHS regarding payment responsibility.

The following represents a fund summary of this line item:

<u>Group</u>	<u>General Fund</u>	<u>County & Misc. Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Categorically-Eligible	5,386,700	1,419,900	31,437,100	38,243,700
Other Federal	5,374,500	1,920,100	20,455,000	27,749,600
State-Only	25,931,900	4,219,300	-0-	30,151,200
Less PASE Savings/Recovery	<u>(1,734,900)</u>	<u>-0-</u>	<u>(3,870,500)</u>	<u>(5,605,400)</u>
TOTAL	<u>34,958,200</u>	<u>7,559,300</u>	<u>48,021,600</u>	<u>90,539,100</u>

Program for the Avoidance of State Expenditures (PASE) Savings/Recovery are associated with administrative expenditures that are detailed in the narrative of the AHCCCS Administration cost center.

Deferred Liability - Represents a concept developed by AHCCCS in which the Director has the prerogative to defer a percentage of the financial liability of an enrolled member back to the Administration. The Administration assumes 50% of the costs for patients who are already incurring expenses on the day they are assigned to a health plan. In order for AHCCCS to defer liability, one of the following conditions must exist:

- The eligible person is in the last 2 weeks of a high-risk pregnancy;
- The eligible person is receiving either active chemotherapy or active radiation for a malignancy or a metastatic disease;
- The eligible person is hospitalized on the effective date of enrollment. Liability may be deferred until the person is discharged or for 15 days, whichever is less, subject to a utilization review by the Administration; or
- The eligible person is an infant who has been continually hospitalized since birth and had a birth weight of less than 2250 grams; or a gestational age of less than 36 weeks; or a major malformation requiring special neonatal care; or received more than 2 days of intensive neonatal care; or required intensive care and subsequently died.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

The following represents a fund summary of this line item:

<u>Group</u>	<u>General Fund</u>	<u>County & Misc. Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Categorically-Eligible	689,800	2,248,300	4,746,700	7,684,800
Other Federal	1,320,400	3,060,500	7,077,500	11,458,400
State-Only	8,211,000	5,577,100	-0-	13,788,100
Less PASE Savings	<u>(299,400)</u>	<u>-0-</u>	<u>(376,500)</u>	<u>(675,900)</u>
TOTAL	<u>9,921,800</u>	<u>10,885,900</u>	<u>11,447,700</u>	<u>32,255,400</u>

Reinsurance - Represents AHCCCS' efforts to limit a prepaid health plan's liability in catastrophic care cases. The Administration has set \$10,000 as the reinsurance deductible for all Medically Needy/Medically Indigent (MN/MI), EAC, and ELIC members (without Medicare Part A coverage). Reinsurance deductibles for categorically-eligible individuals are dependent upon plan enrollment by county as of November of each year and vary as follows:

<u>Enrollment</u>	<u>Reinsurance Deductible</u>
1 - 999 members	\$10,000
1,000 - 9,999 members	\$20,000
10,000+ members	\$30,000

For categoricals and other federal members, 80% of the cost incurred by a prepaid health plan in excess of the appropriate deductible is borne by AHCCCS (90% for state-only members), under the following circumstances when costs have been incurred:

- In the provision of payment for covered inpatient hospitalization, emergency care, and certain covered outpatient services such as dialysis not covered by Title XIX, total parenteral nutrition, and other ambulatory services.
- During the contract year or such part of that year in which the individual is enrolled with a plan. Any movement to another plan shall be cause for resetting the reinsurance level.

Additionally, for state-only members, 95% of the cost incurred by a prepaid health plan in excess of the \$10,000 deductible is borne by AHCCCS for related outpatient services that are authorized by AHCCCS and which were incurred within 14 days after discharge from the hospital.

Finally, the reinsurance deductible for enrolled members diagnosed as having Acquired Immune Deficiency Syndrome (AIDS), and persons requiring organ transplants, is \$1,000 regardless of the type of eligibility or plan size. The Administration assumes 90% of the liability for medical costs in excess of this threshold.

The following represents a fund summary of this line item:

<u>Group</u>	<u>General Fund</u>	<u>County & Misc. Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Categorically-Eligible	2,802,300	1,383,200	5,694,400	9,879,900
Other Federal	1,047,100	88,200	1,119,900	2,255,200
State-Only	13,193,200	4,474,800	-0-	17,668,000
Less PASE Savings	<u>(416,500)</u>	<u>-0-</u>	<u>(523,800)</u>	<u>(940,300)</u>
TOTAL	<u>16,626,100</u>	<u>5,946,200</u>	<u>6,290,500</u>	<u>28,862,800</u>

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

Eligibility

The line items described above are paid on behalf of the following eligibility groups:

Categorically-eligible

AFDC - Individuals who are receiving cash payments from the Aid to Families with Dependent Children (AFDC) program are automatically eligible for AHCCCS services. Federal law also allows, under certain conditions, for some individuals not, or who are no longer, receiving cash payments (e.g. Ribicoff children or transitional assistance cases), to still be eligible for Medicaid; these cases are commonly known as Medical Assistance Only (MAO) cases. In addition, the state implemented an AFDC - Unemployed Parent program on October 1, 1990. Individuals entitled to benefits under this program are also entitled to medical benefits under AHCCCS.

The Comprehensive Medical and Dental Program (CMDP) in the Department of Economic Security (DES) has AHCCCS-eligible children among its total population. AHCCCS passes through funds to CMDP on behalf of these eligible children. AHCCCS also passes through state and federal funds to DES to cover the costs of determining AFDC MAO eligibility.

SSI - Individuals receiving Supplemental Security Income (SSI) monthly cash payments are automatically eligible for AHCCCS services. These individuals are divided up between the 3 major SSI groups - those age 65 or older (aged), the blind, and the disabled. Eligibility for the SSI program is based on uniform nationwide requirements. Like AFDC, SSI also has related MAO groups. Additionally, AHCCCS passes through funds to CMDP on behalf of SSI-eligible children enrolled in that program.

The state's financial responsibility for individuals with Medicare coverage is reduced since that coverage, in effect, serves as a source of third-party funds.

The Social Security Administration performs eligibility determinations for aged, blind, and disabled SSI applicants (DES does certain SSI MAO eligibility work).

Other Federally-Required Groups

SOBRA Women and Infants - Based on changes included in the Omnibus Budget Reconciliation Act of 1989 (OBRA '89), the federal government currently requires states to provide care to pregnant women and infants (under 1 year old) whose family incomes do not exceed 133% of the Federal Poverty Level (FPL) (\$17,822 for a family of 4). AHCCCS commonly refers to these individuals as "SOBRA Women and Infants", after the Sixth Omnibus Budget Reconciliation Act, which took effect in 1987.

The federal government also allows states the option to increase the income limit to 185% of the FPL. The legislature acted up this option and moved the state's income standard to 140% of the FPL (\$18,760 for a family of 4) in Laws 1990, Chapter 333. Coverage for women is limited to pregnancy (including prenatal care, delivery, postpartum care (60 days), and family planning services) and to other conditions which might complicate the pregnancy. Infants (and SOBRA children) are entitled to the full range of services offered by the state program.

AHCCCS passes through state and federal funds to DES to cover the costs of determining SOBRA eligibility.

SOBRA Children - The federal government currently requires states to provide medical assistance to children under age 6 whose family incomes do not exceed 133% of the FPL. Additionally, states are required to cover children ages 18 and under with family incomes up to 100% of the FPL. Due to the phase-in language in federal law, the state is now covering 7 year olds, and on October 1, 1991 8 year old coverage will begin. The next age group will be added each year as of October 1st.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

State-Only Groups (no matching federal funds)

Medically Needy/Medically Indigent (MN/MI) - Arizona Revised Statutes provide for AHCCCS eligibility for individuals meeting specified resource limits and the following income criteria (blended from Titles 11 and 36):

<u>Family Size</u>	<u>Maximum Net Income</u>
1	\$ 3200
4	\$ 5354
8	\$ 7530

Unlike the criteria for eligibility in other groups, the MN/MI statutes allow medical expenses to be used to reduce the applicant's total annual income; this is commonly known as allowing an applicant to "spend-down" into eligibility. The spend-down provisions, however, do not apply to the calculation of the applicant's net worth of resources.

The counties determine MN/MI eligibility.

Eligible Assistance Children (EAC) - These children, ages 0-13 years, belonging to families certified by DES to be eligible for the Federal Food Stamp Program. The following represents Food Stamp income criteria as of October 1, 1990:

<u>Family Size</u>	<u>Maximum Gross Income</u>	<u>Maximum Net Income</u>
1	\$ 8,172	\$ 6,288
4	\$16,512	\$12,708
8	\$27,648	\$21,264

Because of the expansion of the federal SOBRA program, the state has been able to transfer a large number of these children into the federally-matched SOBRA group.

DES determines eligibility for this group of children.

Eligible Low-Income Children (ELIC) - These are children, ages 0-13 years, belonging to families whose annual income falls between the following guidelines, which represent the gap between the upper limit of MN/MI income and the Federal Poverty Level (counties determine eligibility):

<u>Family Size</u>	<u>Minimum Income</u>	<u>Maximum Income</u>
1	\$3,201	\$ 6,620
4	\$5,355	\$13,400
8	\$7,531	\$22,440

Medicare Premiums - This line item represents the purchase of Medicare Part B (supplemental medical insurance) on behalf of those eligible for Medicaid and Part A (hospital insurance) coverage. This "buy-in" reduces state costs since the federal government, through Medicare, absorbs some costs that otherwise would have been paid by AHCCCS. In addition, the line also includes the costs of payment of Part A premium costs for certain disabled workers. An OBRA '90 provision requires the Part B monthly premium to increase to \$31.80 effective January 1, 1992, or \$0.60 over what had been originally anticipated.

(Continued)

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ACUTE CARE (Cont'd)
GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS

The details for the approved amount follow:

Total Member Months	165,949
Total Cost	<u>\$5,810,700</u>
Less Federal Funds	(3,576,400)
Less County and Misc. Funds	<u>(2,015,800)</u>
General Fund	<u>\$ 218,500</u>

Qualified Medicare Beneficiaries (QMBs) - Federal law requires the state to pay Medicare Part A and Part B premiums, deductibles, and co-payments on behalf of certain low-income Medicare beneficiaries. An individual is eligible if:

- They are entitled to Part A Medicare benefits;
- Their resources do not exceed twice the SSI resource limit, or \$4,000; and
- Their income does not exceed 100% of the FPL (\$6,620).

The details for the approved amount follow:

Total Member Months	16,800
Total Cost	<u>\$649,900</u>
Less Federal Funds	(405,600)
Less Misc. Funds	<u>(116,500)</u>
General Fund	<u>\$127,800</u>

EPSDT Mental Health - The approved amount reflects \$1,000,000 (S) and \$2,658,700 pharmaceutical and laboratory costs related to the provision of mental health care services. Additionally, the total expenditure authority reflects an estimate of federal funds to be passed through to the Department of Health Services for mental health services rendered to Title XIX (Medicaid)-eligible children.

ADDITIONAL LEGISLATION

AHCCCS; Federal Legislation: Coordination - Chapter 213 (S.B. 1140) - This legislation updates Arizona Revised Statutes to reflect federally-required changes in Medicaid law. The legislation establishes the requirement for applicants to Children's Rehabilitative Services and/or Behavioral Health programs undergo a process that would attempt to establish federal Title XIX (Medicaid) eligibility. Finally, the legislation also establishes a study committee to consider possible reforms to the existing AHCCCS eligibility process.

AFDC Omnibus Reconciliation Bill - Chapter 281 (H.B. 2500) - This legislation delays the scheduled July 1, 1991 benefit increase for AFDC recipients to June 1, 1992. Annual benefit increases will occur each June, starting in 1992, rather than each July. Since the bill was enacted without the emergency clause, however, the benefit increase will go into effect from July 1991 to September 1991. Between October 1991 and May 1992, benefits will revert to their June 1991 level. The JLBC Staff estimates the net savings associated with this legislation at \$781,600 (S) and \$2,197,200 (T). The cost of not having the emergency clause is \$544,900 (S) and \$1,523,800 (T).

AHCCCS; County Expenditure Limits; Exemption - Chapter 296 (S.B. 1311) - This legislation raises the county acute care contribution for FY 1992 from \$58,432,588 to \$65,076,098, with the increase being borne by Maricopa and Pima Counties.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM -
LONG TERM CARE**

A.R.S. § 36-2901

Dr. Leonard Kirschner, Director

JLBC Analyst: McNeil

GENERAL FUND, FEDERAL FUNDS, AND COUNTY FUNDS		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Lump Sum Appropriation	(S)	-0-	-0-	-0-
	(T)	140,597,300	227,620,400	231,540,400
NATCEP	(S)	-0-	-0-	-0-
	(T)	-0-	-0-	910,000
DES Long Term Care	(S)	-0-	-0-	-0-
	(T)	43,249,600	57,661,800	-0-
TOTAL EXP. AUTHORITY	(T)	<u>183,846,900</u>	<u>285,282,200</u>	<u>232,450,400</u> ^{1/2}
Less Federal Funds		(124,055,000)	(197,739,400)	(144,907,300)
Less County Funds		(59,791,900)	(87,542,800)	(87,543,100) ^{3/}
TOTAL APPROPRIATIONS	(S)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

(S) = State General Fund

(T) = Total Expenditure Authority

AHCCCS implemented the first phase (developmental disabilities) of the Arizona Long Term Care System (ALTCS) on December 19, 1988, and the second phase (elderly and physically disabled) on January 1, 1989. The program contracts with prepaid capitated providers to deliver long term care services to eligible populations, with the Department of Economic Security serving as the sole contractor for services rendered to the developmentally disabled.

ALTCS is supported entirely with federal and county funds.

FY 1991 Estimate - The estimate reflects a reduction of \$21,989,600 in total expenditure authority associated with the \$8,457,200 transfer of funds to the administration cost center made in Laws 1990, Chapter 2 (1st Special Session).

Lump Sum Appropriation - The approved amount is based on a total of 8,978 member years. The approved amount reflects total medical services expenditures which include amounts for capitation, fee for service, and Medicare premium payments.

NATCEP - The approved amount is for expenditures associated with NATCEP training costs, and is based on \$455,000 in state-match expenditures and a like amount in federal funds.

DES LTC - Funding for this special line item is now accounted for in the Department of Economic Security.

ADDITIONAL LEGISLATION

AHCCCS; County Expenditure Limits; Exemptions - Chapter 296 (S.B. 1311) - This session law removes the ALTCS state-match (non-DD) from the county expenditure limitation and places it under the state's appropriation limitation for FY 1992 only. Under the new law the state treasurer will withhold from sales tax revenues designated to be shared with the counties an amount to serve as the state match (non-DD) for ALTCS. The withholding for FY 1992 is set at \$87,543,100.

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items.
- 2/ Any federal funds that AHCCCS passes through to the Department of Economic Security for use in long-term care for the developmentally disabled shall not count against the long term care expenditure authority above.
- 3/ From monies otherwise payable to the counties but withheld by the State Treasurer instead of being disbursed. See "ADDITIONAL LEGISLATION" on Laws 1991, Chapter 296 (S.B. 1311).

DEPARTMENT OF ECONOMIC SECURITY - SUMMARY

A.R.S. § 41-1951

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

SUMMARY OF GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Program Summary			
Administration	22,483,500	26,853,400	26,318,400
Developmental Disabilities	50,533,600	49,645,400	45,260,500
Long Term Care	25,420,300	46,041,100	54,137,300
Family Support	84,080,600	103,226,100	116,231,400
Child Support Enforcement	-0-	-0-	3,048,200
Social Services	89,057,900	99,934,700	103,646,300
Child Protective Svcs. Training	269,700	135,200	427,100
Employment and Rehabilitation	4,150,600	6,568,500	8,388,600
TOTAL APPROPRIATIONS	275,996,200	332,404,400	357,457,800
Expenditure Detail			
FTE Positions ^{1/}	2,445.0	2,966.7	2,834.8
Personal Services	55,651,900	64,269,800	64,417,300
Employee Related Exp.	11,946,400	15,557,300	16,243,200
Prof. & Outside Services	2,215,900	2,906,600	2,750,700
Travel - State	1,492,000	1,812,000	1,771,500
Travel - Out of State	52,300	53,500	56,200
Other Operating Exp.	15,340,500	19,104,800	17,449,800
Food	691,900	661,000	589,000
Equipment	1,498,100	1,304,500	817,700
All Other Operating Exp.	21,290,700	25,842,400	23,434,900
OPERATING SUBTOTAL	88,889,000	105,669,500	104,095,400
Special Line Items ^{2/}	187,107,200	226,734,900	253,362,400
TOTAL APPROPRIATIONS	275,996,200	332,404,400	357,457,800
Fund Summary			
General Fund	275,581,600	332,069,100	356,830,500
Other Appropriated Funds	414,600	335,300	627,300
TOTAL APPROPRIATIONS	275,996,200	332,404,400	357,457,800 ^{3/45/}

(Continued)

- ^{1/} Includes 52.2 FTE positions funded from certain special line items in FY 1990, 99.7 FTE positions in FY 1991 and 19.4 FTE positions in FY 1992. In addition, 0.5 FTE position is funded in the Long Term Care (LTC) Ombudsman special line item in FY 1990 through FY 1992.
- ^{2/} Details for the Special Line Items are included on the individual program pages.

(Footnotes Continued On Following Page)

DEPARTMENT OF ECONOMIC SECURITY - SUMMARY (Cont'd)
SUMMARY OF GENERAL FUND AND OTHER FUNDS

Personal Services - The approved amount reflects a reduction of 20.9 unfunded FTE positions. Whereas the statewide FTE policy eliminated all unfunded vacant positions, the approved amount reduced one-half of these positions in DES. The remaining unfunded FTE positions are reflected in the new vacancy factors in each individual cost center.

Employee Related Expenditures - The approved General Fund amount contains \$7,151,700 for medical insurance, including a \$433,700 Section 104 lump sum allocation, and \$358,300 for dental insurance. The approved Other Appropriated Funds amount contains \$27,600 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$128,400 in Professional and Outside Services, \$93,200 in Travel - State and \$6,100 in Travel - Out of State.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 2(B)3 of the Capital Outlay Bill appropriates \$43,000 from the General Fund to the Department of Economic Security for expansion of a computer room in the DES Computer Building.

The Capital Outlay Bill also amends Laws 1990, Chapter 8, Section 7, 3rd Special Session, to add Ganado as a site which may receive funding for youth centers.

ADDITIONAL LEGISLATION

DES Reorganization - Chapter 127 (H.B. 2246) - The bill establishes a joint legislative committee on the administration and reorganization of the Department of Economic Security. The committee shall study the need for and feasibility of reorganizing the administration of services relating to the following:

1. Child Support Enforcement program
2. Children's Services
3. Developmental Disability Services
4. state and federal job training programs

The committee shall prepare and present a report by January 31, 1992 to the Governor, the President of the Senate and the Speaker of the House of Representatives.

(Footnotes Continued From Previous Page)

- 3/ The above appropriation is in addition to funds granted to the state by the federal government for the same purposes, but shall be deemed to include the sums deposited in the state treasury to the credit of the Department of Economic Security, pursuant to the provisions of A.R.S. § 42-1341. (General Appropriations Act footnote)
- 4/ A monthly report comparing total expenditures for the month and year-to-date shall be forwarded to the President of the Senate, the Speaker of the House of Representatives and the Staff Director of the Joint Legislative Budget Committee by the twenty-fifth of the following month. The report shall include an estimate of (a) potential shortfalls in entitlement programs and (b) potential federal and other funds, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, (c) shortfalls resulting from new leases or renegotiation of current leases and associated costs, and (d) total expenditure authority of the Child Support Enforcement Program for the month and year-to-date as compared to prior year totals. The report shall include an estimate of deviations from estimated total expenditures of \$17,211,700 and explanations for the estimated deviations. (General Appropriation Act footnote)
- 5/ The Department shall report to the Joint Legislative Budget Committee by January 1, 1992 on its efforts to train health care professionals in the delivery of services to people with developmental disabilities. (General Appropriations Act footnote)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION

A.R.S. § 41-1951

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	334.0	388.3	344.0
Personal Services	8,767,600	9,481,800	9,151,800
Employee Related Exp.	1,700,600	2,076,800	2,086,400
Prof. & Outside Services	364,000	367,300	359,800
Travel - State	165,600	190,300	179,600
Travel - Out of State	51,100	47,800	49,000
Other Operating Exp.	9,606,300	10,989,900	11,305,800
Equipment	1,340,000	932,000	777,200
All Other Operating Exp.	11,527,000	12,527,300	12,671,400
OPERATING SUBTOTAL	21,995,200	24,085,900	23,909,600
Public Assistance Collection Fund	101,200	200,100	200,200 ^{2/}
AZTECS Modification	97,400	569,300	635,900
Welfare Reform Start-Up	119,000	-0-	-0-
DES West Opening	-0-	298,000	-0-
LAN Lease-Purchase	-0-	2,800	-0-
Interagency Coordinating Committee	-0-	-0-	200,000
ACYF ASSISTS	-0-	395,900	-0-
Aging ASSISTS	43,700	180,600	-0-
DD ASSISTS	-0-	208,800	-0-
FMCS Modification	127,000	131,300	131,300
Lease-Purchase Equipment	-0-	237,300	1,241,400
Alzheimers' Subcommittee	-0-	15,000	-0-
Children's Mental Health	-0-	245,400	-0-
Fingerprinting	-0-	10,000	-0-
Omnibus CPS Act	-0-	273,000	-0-
TOTAL APPROPRIATIONS	22,483,500	26,853,400	26,318,400 ^{3/}
<u>Fund Summary</u>			
General Fund	22,338,600	26,653,300	26,118,200
Other Funds	144,900	200,100	200,200
TOTAL APPROPRIATIONS	22,483,500	26,853,400	26,318,400

(Continued)

- ^{1/} Includes 5.8 FTE positions funded from special line items in FY 1990, 6.4 FTE positions in FY 1991 and 8.4 FTE positions in FY 1992.
- ^{2/} As authorized by Laws 1987, Chapter 55, the \$200,200 appropriated for public assistance collection is available for deposit into the Public Assistance Collections Fund (Personal Services, \$126,800; Employee Related Expenditures, \$28,300; and All Other Operating Expenditures, \$45,100). (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as an operating lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND OTHER FUNDS

FTE Positions - The approved amount reflects a decrease of 44.3 FTE positions:

- **FTE Reduction Policy** - Eliminates 5.6 FTE positions and \$169,400 as part of the FTE reduction policy.
- **Interagency Coordinating Committee** - Adds 2 FTE positions and \$200,000.
- **ACYF ASSISTS** - Transfers 30 FTE positions and \$610,700 to Social Services.
- **Aging ASSISTS** - Transfers 1 FTE position and \$36,300 to Social Services.
- **DD ASSISTS** - Transfers 1.4 FTE positions to Other Non-appropriated Funds.
- **Children's Mental Health** - Transfers 1.5 FTE positions and \$45,400 to Developmental Disabilities and 2 FTE positions and \$58,600 to Social Services.
- **Reduce Training Activities** - Reflects a 45% reduction in training activities which eliminated 3.3 FTE positions and \$106,300.
- **Eliminate the Centralized Information and Referral Activity** - Includes the reduction of 1.5 FTE positions and \$33,700 through the elimination of the centralized information and referral activity in the Office of the Director.

Personal Services - The approved amount is based upon a 7% vacancy factor which results in vacancy savings of \$734,700. The appropriation includes the following permanent reductions: \$169,400 associated with the FTE reduction policy; \$23,400 from the elimination of the centralized information and referral activity in the Office of the Director; and \$78,900 related to the 45% reduction in agencywide training activities. In addition, due to more timely payment, \$500,000 of federal Title IV-E fund monies, may be utilized to finance some of these existing state-funded FTE positions, which lowers the state funding requirement.

The approved amount also reflects the transfer in of \$481,300 from special line items, \$57,400 for the full-year funding of 7.5 FTE positions appropriated through the Omnibus Child Protection Act, Laws 1990, Chapter 237, and a \$350,000 restoration of the mid-year ex-appropriation.

Employee Related Expenditures - The approved amount contains \$805,300 for medical insurance, including a \$52,000 Section 104 lump sum allocation, and \$43,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$90,000 in Professional and Outside Services, \$9,500 in Travel - State and \$5,400 in Travel - Out of State.

Professional and Outside Services - The approved amount includes the transfer in of \$82,500 appropriated for Children's Mental Health Services (EPSDT) through Chapter 334, 39th Legislature, 2nd Regular Session.

Travel - Out of State - The approved amount reflects a transfer in of \$6,600 from other divisions.

Other Operating Expenditures - The approved amount reflects a \$315,900 increase over FY 1991 estimated expenditures. Included in the appropriation is an increase of \$1,090,200 to cover a shortfall in occupancy costs due to higher private leases and increased utility and janitorial costs in both DES-owned buildings and privately leased buildings. In the past two years, DES has covered its occupancy costs shortfalls by internally transferring funds from other line items where a surplus existed. In FY 1991, DES transferred in \$922,700.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND OTHER FUNDS

The appropriation also includes \$983,600 for the DES West lease-purchase and \$188,600 for DES' lease-purchase payment for the Tucson State Office Building. Due to the staff moving into these 2 new state buildings, the department will experience a \$631,500 reduction in private space rent.

In addition, the approved amount reflects a net transfer in of \$444,300 from other divisions and special line items, and an annualization amount of \$192,100 for the telephone leases in the DES West building. Other reductions reflected in the appropriation are: \$249,600 for a one-time equipment adjustment; \$106,100 for a general lump sum decrease; \$5,100 related to the elimination of the centralized information and referral activity; and \$8,300 related to the reduction in agencywide training activities. A risk management payment of \$2,345,200 is also included, which is a reduction of \$659,600.

Equipment - The approved amount includes \$293,900 for general replacement equipment and \$483,300 for automation replacement equipment. The appropriation reflects a \$154,800 reduction in a one-time equipment adjustment.

Public Assistance Collection Fund - A.R.S. § 46-295 requires 25% of repaid erroneous public assistance benefits to be deposited into the Public Assistance Collections Fund. This special line funded 5.8 FTE positions in FY 1990, 6.4 FTE positions in FY 1991 and FY 1992, all of which have been included in the FTE positions line of the fund summary.

The approved amount contains \$11,300 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

AZTECS Modification - The approved amount funds modifications to the Arizona Technical Eligibility Computer System (AZTECS) to reduce on-line processing time and provide capacity for caseload expansion. AZTECS is the automated eligibility determination system for AFDC and Food Stamps.

The approved amount includes \$179,000 for Professional and Outside Services and \$456,900 for the third year of a 5-year lease-purchase. The lease-purchase schedule appears on page 83 of the FY 1990 Appropriations Report.

DES West Opening - The approved amount, which funds the leasing of telephones from the Department of Administration, was transferred to this division's operating budget.

LAN Lease Purchase - The local area computer network to support the project team implementing automation changes required by the federal welfare reform legislation was purchased outright during FY 1991.

Interagency Coordinating Committee - The approved amount funds \$90,000 and 2 FTE positions (\$57,400, Personal Services; \$12,300, ERE; \$4,000, Travel - State; and \$16,300, Other Operating Expenditures). The appropriation also provides \$110,000 to fund services for 19 children. This appropriation provides financial support for the state to demonstrate that its early intervention system is operational, as established by the federal government under P.L. 99-457, Part H. This legislation provides federal funds to participating states for planning, developing and implementing a statewide, interagency, early intervention services system for infants and toddlers.

ACYF ASSISTS - The approved amount funds a comprehensive on-line case management system to track Administration for Children, Youth and Families (ACYF) clients and providers. In FY 1992, \$610,700 and 30 FTE positions are transferred to Social Services and \$235,500 is transferred to the operating budget within this division. The FY 1992 appropriation is reduced by \$153,400 which reflects a one-time equipment adjustment.

Aging ASSISTS - The approved amount funds continuing development of the Aging and Adult Administration (AAA) ASSISTS system, which was initially financed in the FY 1990 budget. The approved amount provides for training, case conversion, implementation and ongoing maintenance of the system. In FY 1992, \$36,300 and 1 FTE position are

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - ADMINISTRATION (Cont'd)
GENERAL FUND AND OTHER FUNDS

transferred to Social Services and \$82,900 is transferred to the operating budget in this division. The FY 1992 appropriation is reduced by \$61,400 which reflects a one-time equipment adjustment.

DD ASSISTS - The approved amount funds a project team to provide program maintenance and enhancements to the Developmental Disabilities (DD)/Long Term Care Automated System, which was initially implemented in 1989. This team should permit DES to improve the timeliness and accuracy of a) provider payments and b) client characteristic data. In FY 1992, 1.4 FTE positions are transferred from the General Fund to Other Non-appropriated Funds, and \$148,700 is transferred to the operating budget within this division. The approved amount also reflects a one-time equipment reduction of \$60,100.

FMCS Modification - The approved amount includes \$131,300 for Professional and Outside Services for continual modifications to the Department's Financial Management Control System (FMCS). In addition, another \$44,300 is funded in the Professional and Outside Services line item. The approved amount funds developing FMCS interfaces with the Department of Administration's Arizona Financial Information System (AFIS) and the Human Resources Management System (HRMS) and instituting the Auditor General's costing methodology.

Lease-Purchase Equipment - The approved amount includes three lease-purchases for computer equipment. The oldest lease-purchase was initially authorized in FY 1987 and FY 1988 budgets for Aid to Families with Dependent Children (AFDC) and other federal programs. The lease purchase schedule appears on page 82 of the FY 1990 Appropriations Report. The FY 1992 payment is \$449,000.

The second lease-purchase permits DES to expand the memory and storage capacity of the existing mainframe computer. The lease-purchase schedule appears on page 96 of the FY 1991 appropriations Report. The FY 1992 payment is \$240,500.

The third lease-purchase funds the acquisition of a second mainframe computer. The additional workload generated by the new federal welfare reform legislation exceeds the capacity of the current mainframe. The mainframe lease-purchase schedule appears on page 97 of the FY 1991 Appropriations Report. Due to a delay in federal approval for this lease-purchase, the FY 1991 appropriation was reverted. The FY 1992 payment is \$551,900. The delay in the lease-purchase may change the lease-purchase schedule.

Alzheimer's Subcommittee - The approved amount funds administrative support to the Advisory Council on Aging's subcommittee on Alzheimer's and related disorders. The appropriation is transferred to this division's operating budget.

Children's Mental Health - The approved amount provides for staff, training and computer programming for the administration of the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health Program. The appropriation reflects a transfer of \$45,400 and 1.5 FTE positions to Developmental Disabilities, \$58,600 and 2 FTE positions to Social Services, and \$113,800 to this division's operating budget. The approved amount also reflects a one-time equipment reduction of \$27,600.

Fingerprinting - The approved amount funds the cost of mandatory fingerprinting of department employees. The appropriation is transferred to this division's operating budget.

Omnibus Child Protection Act - The approved amount funds 7.5 FTE positions to provide additional protective services representation from the Attorney General's Office. The additional staff is needed to meet the juvenile courts 120-day dependency hearing requirement. In FY 1992, \$233,600 is transferred to this division's operating budget. The approved amount also reflects a one-time equipment reduction of \$39,400. The FTE positions are included in the FTE positions line of the fund summary.

**DEPARTMENT OF ECONOMIC SECURITY -
DEVELOPMENTAL DISABILITIES**

A.R.S. § 41-1951

JLBC Analyst: Cawley/Siegwarth

Linda Moore-Cannon, Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	518.4	702.3	545.4
Personal Services	13,789,000	15,188,700	11,712,400
Employee Related Exp.	3,277,000	3,963,600	3,165,200
Prof. & Outside Services	868,900	1,438,600	1,273,000
Travel - State	282,800	342,900	273,100
Other Operating Exp.	1,506,200	1,179,400	882,300
Food	521,000	412,800	331,800
Equipment	32,600	56,000	-0-
All Other Operating Exp.	3,211,500	3,429,700	2,760,200
OPERATING SUBTOTAL	20,277,500	22,582,000	17,637,800
ASH Community Placement	46,000	108,000	118,300
Assistance to Families	353,200	463,200	463,200
DD Coolidge Delay	2,565,100	-0-	-0-
DD Foster Care	3,919,100	3,343,100 ^{1/}	3,888,700
Housekeeping Payments	243,500	204,800	197,400
Out-of-District Placement	588,300	786,800	729,700
DD Purchase of Care	22,340,800	22,023,600 ^{2/}	22,091,500
Stipends & Allowances	9,400	10,400	10,400
Voc. Rehab. Contracts	190,700	123,500	123,500
TOTAL APPROPRIATIONS	50,533,600	49,645,400	45,260,500 ^{3/}

With the implementation of the Title XIX federal long term care program in FY 1989, developmental disability resources were split into 2 budget programs. Clients eligible for federal reimbursement are funded from the Long Term Care System Fund budget program. All other clients receive assistance through this 100% state-funded program, Developmental Disabilities.

(Continued)

- ^{1/} This amount includes a \$1,000,000 transfer from DD Purchase of Care.
- ^{2/} This amount includes a \$1,000,000 transfer to DD Foster Care, a \$2,800,400 transfer to LTC Purchase of Care, \$699,600 to LTC Acute Care, and a \$69,000 transfer to Vocational Rehabilitation Services in the Division of Employment and Rehabilitation Services.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

Certification Schedule - DES plans to phase in federal certification of the Coolidge residential cottages. As soon as a cottage is certified, its residents will become eligible for federal funding. In the interim, these clients' cost of care will be incurred in the 100% state-funded Developmental Disabilities program. The approved amount assumes that 58 clients will be in 4 certified facilities prior to July 1, 1991. The 4th facility, with 20 residents, was expected to be certified by June 30, 1991. In addition, a 5th facility with 18 residents is expected to be certified by January 1, 1992.

Caseload Projections - The overall Developmental Disabilities client projections are as follows:

	<u>End of FY 1991</u>	<u>End of FY 1992</u>	<u>Reasons for Change</u>
Arizona Training Program: at Coolidge (ATPC)	125	107	18 clients transfer to Long Term Care.
Large State-Operated Group Homes-Phoenix	5	5	
Other State-Operated Homes	36	36	Estimated court-ordered placements.
ASH Community Placements	13	13	
Assistance to Families	188	188	
Foster Care	136	158	
Housekeeping Payments	235	235	
Out-of-District Placement	20	20	
Purchase of Care			
Residential	334	350	16 aging-out clients
Adult Day	711	751	40 aging-out clients
Children Services	1,366	1,366	
Support Services	1,418	1,418	
Stipends and Allowances	17	17	

Realignment - In FY 1992, alignments were made between the Developmental Disabilities and Long Term Care programs to equalize average costs for above the line items.

FTE Positions - The approved amount reflects a decrease of 156.9 FTE positions:

- **Client Conversions** - Includes a transfer out of 132.5 FTE positions and \$3,331,300 to the Long Term Care Program from the Developmental Disabilities program. This includes 17.4 FTE positions and \$588,500 associated with the conversion of the 5th cottage at the Arizona Training Program at Coolidge.
- **FTE Reduction Policy** - Eliminates 4.7 FTE positions as part of the FTE reduction policy.
- **Fewer Institutional Placements** - Reflects a reduction of 18.2 FTE positions and \$629,500 associated with the transfer of clients at the Arizona Training Program at Tucson (ATPT) to private group homes.
- **Other Adjustments** - Includes a transfer in of 1.5 FTE positions from Administration for the Children's Mental Health Program. A base reduction of 3 FTE positions was also achieved through consolidation.

Personal Services - A new vacancy factor of 0.9% was applied which reduces Personal Services by \$104,200. The approved amount includes a \$394,300 reduction due to fewer institutional placements at ATPT, a transfer out of \$2,870,700 to the Long Term Care Program for client conversions, a transfer in of \$32,100 for Children's Mental Health, a reduction of \$139,200 for alignment with the Long Term Care Program, and a permanent reduction of \$102,000 associated with the FTE reduction policy.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount contains \$1,340,400 for medical insurance, including an \$81,300 Section 104 lump sum allocation, and \$66,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$14,400 in Travel - State. Professional and Outside Services was not reduced as the charges are client related.

Professional and Outside Services - The approved amount includes \$21,300 for medical inflation, a transfer out of \$133,200 to the Long Term Care Program for client conversions, a reduction of \$155,400 due to fewer institutional placements at ATPT, and a \$101,700 increase for alignment with the Long Term Care Program.

Travel - State - The approved amount includes a transfer out of \$70,500 to the Long Term Care Program for client conversions, a reduction of \$9,700 due to fewer institutional placements at ATPT, and a \$24,800 increase for alignment with the Long Term Care Program.

Other Operating Expenditures - The approved amount reflects a \$60,800 one-time equipment adjustment, a \$32,500 occupancy transfer to the Administration program, a \$29,700 reduction due to fewer institutional placements at ATPT, a transfer out of \$216,200 to the Long Term Care Program for client conversions, and a \$42,100 increase for alignment with the Long Term Care Program.

Food - The approved amount reflects a transfer out of \$40,600 to the Long Term Care Program for client conversions, and a reduction of \$40,400 due to fewer institutional placements at ATPT.

Equipment - The approved amount reflects a one-time equipment adjustment.

ASH Community Placement - The approved amount will permit 13 "dually-diagnosed" clients in the Arizona State Hospital to be placed in community settings. These clients need a joint service plan to address both their mental health needs and their developmental disabilities. Title XIX will fund the clients' residential costs. The appropriation will provide non-Title XIX services such as psychiatric care.

Assistance to Families - This program provides payments to families or a guardian to purchase services needed to keep a developmentally disabled person in his or her own home or in a semi-independent environment. A maximum of \$400 per month is available for any one individual. The approved amount will fund an estimated 124 clients living with parents or guardians and 64 clients that live independently, the same number as in FY 1991.

Foster Care - The approved amount provides services for 158 developmentally disabled children, adjudicated dependent by the courts, an increase of 22 children over FY 1991. The approved amount funds 47 children in group homes, 105 in family settings, and 6 in other settings.

Housekeeping Payments - A.R.S. § 46-252 requires DES to make a \$70 monthly payment to any person who requires housekeeping services and receives Supplemental Security Income (SSI). The approved amount will fund 235 clients, which is a decrease of 9 clients from FY 1991. The decrease is due to the conversion of clients to the Long Term Care program.

Out-of-District Placement - A.R.S. § 15-765 provides that the non-medical and non-educational expenses of mentally handicapped and autistic children are payable by the department when a school district cannot provide satisfactory education services within the district. The approved amount will provide services to at least 20 children in FY 1992, the same number as in FY 1991.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - DEVELOPMENTAL DISABILITIES (Cont'd)
GENERAL FUND

Purchase of Care for Developmental Disabilities - The approved amount funds contracted providers for the following services:

Residential Services	\$ 8,728,900
Adult Day Services	5,033,400
Children Services	3,889,600
Support Services	4,439,600
TOTAL	<u>\$22,091,500</u>

The approved amount includes the following:

- Aging-out residential services - Funds part-year residential services for 18 year-olds no longer receiving foster care. The approved amount includes an additional \$144,100 to annualize the cost for 18 clients partially funded in FY 1991 and \$273,200 to fund 6 months of care for 19 foster care children turning 18 during FY 1992. The higher cost in FY 1992 is due to more intensive client settings.
- Aging-out adult day programs - Funds part-year adult day services for 22 year-olds no longer receiving a public education. The approved amount includes \$133,100 to annualize the cost for 40 clients partially funded in FY 1991 and \$133,100 for 40 clients newly eligible in FY 1992.
- Children Services
 - Funds the following services: 749 children for 12 months in family-based developmental day training; 523 children up to age 2 for 12 months in preschool-based training; and 94 children up to age 5 in a summer program. Any new services can be funded by the federal Child Care and Development Block Grant.
 - In addition the Department of Education (ADE) will provide funding for the preschool-based training of 256 children, ages 3 to 5. Federal legislation (PL 99-457) mandates that the state set standards for handicapped preschool services by the 1991-92 school year. Funding is appropriated to ADE to ensure that a single state agency is responsible for all educational services to children with special needs. DES will retain at least short-term responsibility for the children's summer program.

Stipends and Allowances - The approved amount provides weekly allowances to 17 residents of the Arizona Training Programs at Coolidge.

Vocational Rehabilitation Contracts - The approved amount provides vocational rehabilitation services to developmentally disabled persons. The federal government matches the state funds at an 80/20% rate.

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE

A.R.S. § 41-1951

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T) ^{1/}		FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	(S)	348.3	296.7	338.7
	(T)	899.0	772.8	898.2
Personal Services	(S)	4,651,300	6,245,000	7,290,100
	(T)	12,003,300	16,235,100	19,324,900
Employee Related Exp.	(S)	1,054,800	1,631,600	1,969,100
	(T)	2,722,100	4,241,200	5,220,800
Prof. & Outside Services	(S)	692,200	646,300	657,100
	(T)	1,786,300	1,683,500	1,746,700
Travel - State	(S)	61,800	169,400	173,900
	(T)	159,500	441,500	458,400
Travel - Out of State	(S)	-0-	-0-	700
	(T)	-0-	-0-	1,400
Other Operating Exp.	(S)	376,600	714,500	560,300
	(T)	971,800	1,860,500	1,478,100
Food	(S)	170,900	248,200	257,200
	(T)	302,400	414,600	455,200
Equipment	(S)	30,600	115,400	3,000
	(T)	78,100	300,200	6,000
All Other Operating Exp.	(S)	1,332,100	1,893,800	1,652,200
	(T)	3,298,100	4,700,300	4,145,800
OPERATING SUBTOTAL	(S)	7,038,200	9,770,400	10,911,400
	(T)	18,023,500	25,176,600	28,691,500
Acute Care	(S)	4,232,500	7,137,000	9,508,300
	(T)	9,889,100	15,301,100	20,386,700
Fee for Service	(S)	475,800	1,382,500	1,862,200
	(T)	1,227,900	2,701,300	4,950,200
LTC Foster Care	(S)	1,748,800	2,728,100	3,194,300
	(T)	4,641,200	6,970,700	7,373,100
LTC Purchase of Care	(S)	11,792,600	24,817,700	28,455,700
	(T)	31,715,900	64,222,100	68,358,000
Stipends & Allowances	(S)	132,400	205,400	205,400
	(T)	132,400	205,400	205,400
TOTAL EXP. AUTHORITY	(T)	65,630,000	114,577,200	129,964,900
Less Title XIX and Other Funds		40,209,700	68,536,100	75,827,600
TOTAL APPROPRIATIONS	(S)	25,420,300	46,041,100	54,137,300 ^{5/}

(S) = State General Fund
(T) = Total Expenditure Authority

(See Footnotes on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

Long Term Care Program - Laws 1987, Chapter 332, established a Long Term Care program for the elderly, physically disabled and developmentally disabled (DD). While the elderly and physically disabled are a county responsibility, DES administers the DD program.

With the implementation of this program, the state is eligible for federal Title XIX Medicaid funding. While DES had paid almost 100% of the cost of DD services, the federal government has now begun to share 62% of this expense for certain individuals.

To qualify for federal funding, an individual must have an income below 300% of the Supplemental Security Income eligibility limit and have functional needs that require institutionalization. Whenever possible, DES is required to provide care in home-based settings rather than in nursing homes.

Title XIX is an entitlement program -- any individual meeting the financial and functional requirements must receive assistance. The prior 100% state-funded program did not serve all Title XIX eligible clients. As a result, the new federal program has increased participation and reduced the waiting list for services.

Based on an agreement with the federal government, the program operates on a capitated payment basis. As part of this system, the state and federal government have negotiated a fixed payment per day per client.

With the implementation of Title XIX, developmental disability resources have been split into 2 budget programs. This program, the Long Term Care System Fund, finances the care of DD clients who will qualify for federal aid. All other clients continue to receive assistance through the 100% state-funded Developmental Disabilities budget program. The substantial increase in Long Term Care expenditures from FY 1989 reflects an on-going phase-in of clients from the state to federal programs.

Caseload Projections - The approved amount is based upon an expected end of FY 1992 Long Term Care caseload of 6,334 participants. This estimate includes:

	<u>End of FY 1991</u>	<u>End of FY 1992</u>	<u>Reasons for Change</u>
Arizona Training Program at Coolidge	78	96	18 clients will transfer from Developmental Disabilities
Arizona Training Program at Tucson	43	43	
State Operated Group Homes - Phoenix	40	40	
State Operated Group Homes - Other	72	72	
Fee for Service	210	232	10% caseload growth
Foster Care	290	314	8% caseload growth
Purchase of Care			
Residential	1,322	1,534	212 client caseload growth
Adult Day	1,700	1,953	95 "aging out" clients, 158 client caseload growth
Children Services	750	820	9% caseload growth
Support Services	2,376	2,961	25% caseload growth
Acute Care	5,512	6,334	822 client caseload growth

(Continued)

- 1/ A.R.S. § 36-2953 establishes a Long Term Care System Fund. Subject to legislative appropriation, this fund consists of all Arizona Health Care Cost Containment System (AHCCCS) monies, state appropriations and other grants used to finance developmentally disabled long term care. The following chart displays both the State General Fund contribution (S) and the Total Expenditure Authority (T) of the Long Term Care System Fund.
- 2/ The amount reflects a transfer in of \$699,600 (S) and \$1,500,000 (T) from the Developmental Disabilities Program.
- 3/ This amount reflects a transfer in of \$890,300 (S) and \$2,318,900 (T) to LTC Purchase of Care.
- 4/ This amount reflects a transfer in of \$3,300,400 (S) and \$11,965,600 (T) from the Developmental Disabilities program.
- 5/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

Certification Schedule - DES plans to phase in federal certification of the Coolidge residential cottages. As soon as a cottage is certified, its residents will become eligible for federal funding. In the interim, these clients' cost of care will be incurred in the 100% state-funded Developmental Disabilities program.

The approved amount assumes that 58 clients will be in 4 certified facilities prior to July 1, 1991. The 4th facility, with 20 residents, was expected to be certified by June 30, 1991. In addition, a 5th facility with 18 residents is expected to be certified by January 1, 1992.

Realignment - In FY 1992, alignments were made between the Developmental Disabilities and Long Term Care programs to equalize average costs for above the line items.

FTE Positions - The approved amount includes a net increase of 42 (S) and 125.4 (T) FTE positions for the following:

- **Third Party Liability** - Includes 2 (S) and 4 (T) FTE positions and \$75,000 (S) and \$150,000 (T) to provide for the establishment of a third party liability system. The federal government requires DES to bill and collect payment from liable third parties.
- **Children's Mental Health Program** - Includes a transfer from Administration of 1 (S) and 2 (T) FTE positions and \$53,100 (S) and \$106,200 (T) to coordinate and administer the program. The Long Term Care Program requires funding in order to continue to meet children's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health Program requirements. It is estimated that the DES has over 50% of the total statewide number of children who are eligible to receive mental health services under this Children's (EPSDT) Mental Health Program.
- **Client Conversion** - Includes 49.8 (S) and 132.5 (T) FTE positions and \$1,253,200 (S) and \$3,331,300 (T) associated with the conversion of clients from the Development Disabilities Program during FY 1991. These amounts include 6.5 (S) and 17.4 (T) FTE positions and \$221,400 (S) or \$588,500 (T) associated with the conversion of the 5th cottage at the Arizona Training Program at Coolidge.
- **FTE Reduction Policy** - Eliminates 2.9 (S) and 7.6 (T) FTE positions as part of the FTE reduction policy.
- **Other Adjustments** - The change in the Federal Medical Assistance Percentage (FMAP) for FY 1992 has increased federal participation which reduces 5.8 (S) and 0 (T) FTE positions. A base reduction of 2.1 (S) and 5.5 (T) FTE positions was also achieved through consolidation.

Personal Services - A new vacancy factor of 0.9% was applied, which reduces Personal Services by \$63,400 (S) and \$115,100 (T). The approved amount includes a transfer in of \$1,080,000 (S) and \$2,870,700 (T) from the Developmental Disabilities Program due to client conversion, \$15,000 (S) and \$24,000 (T) for annualization of 4 FTE positions partially funded in FY 1991, \$80,900 (S) and \$101,800 (T) for new FTE positions, and an increase of \$55,800 (S) and \$148,400 (T) for alignment with the Developmental Disabilities Program. The state's share is further reduced by \$123,200 due to increased federal participation.

Employee Related Expenditures - The approved amount contains \$833,300 (S) and \$2,215,000 (T) for medical insurance, including a \$50,000 (S) and \$134,200 (T) Section 104 lump sum allocation, and \$41,500 (S) and \$110,300 (T) for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on P&O Services and Travel Reductions - The approved amount reflects a reduction of \$8,900 (S) or \$23,500 (T) in Travel-State. Professional and Outside Services was not reduced as the charges are client related.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

Professional and Outside Services - The approved amount includes \$11,000 (S) and \$29,200 (T) for 5% medical inflation, and a transfer in of \$50,100 (S) and \$133,200 (T) from the Developmental Disabilities Program due to client conversion. A reduction of \$50,300 (S) and \$99,200 (T) was made for the remaining FTE adjustments and alignment with the Developmental Disabilities Program.

Travel - State - The approved amount includes a transfer in of \$26,500 (S) and \$70,500 (T) from the Developmental Disabilities Program due to client conversion. A reduction of \$13,100 (S) and \$30,100 (T) was made for the remaining FTE adjustments and alignment with the Developmental Disabilities Program.

Other Operating Expenditures - The approved amount includes a reduction of \$116,300 (S) and \$302,900 (T) for one-time equipment, a transfer out of \$70,900 (S) and \$184,600 (T) for occupancy to the Administration program, a transfer in of \$81,300 (S) and \$216,200 (T) from the Developmental Disabilities Program due to client conversion, and a reduction of \$48,300 (S) and \$111,100 (T) for alignment with the Developmental Disabilities Program. The approved amount includes \$6,800 (S) and \$13,600 (T) in one-time expenditures for non-capitalized equipment and telephone installation and \$2,500 (S) and \$5,000 (T) for occupancy for the new FTE positions.

Food - The approved amount includes a transfer of \$9,000 (S) or \$40,600 (T) from the Developmental Disabilities Program due to client conversion.

Equipment - The approved amount funds equipment for new FTE positions.

Acute Care - The department is required by state law to provide acute as well as long term care for its Title XIX clients. The approved amount will fund an average of 5,923 clients throughout the year and 6,334 clients by the end of FY 1992. The approved amount has also been adjusted by 7.5% for medical inflation.

Fee for Service - Medically fragile children and on-reservation American Indians receive assistance on a traditional fee for service basis rather than through a capitated payment system. The approved amount will fund 216 American Indians and 16 medically fragile children by the end of FY 1992, which is an increase of 22 clients over FY 1991.

Foster Care - The approved amount provides services for 314 developmentally disabled children adjudicated dependent by the courts, which is an increase of 24 clients over FY 1991. The approved amount funds 80 children in group homes, 215 children in family settings, and 11 in other settings.

The federal government does not reimburse the state for Foster Care room and board, which is projected to cost \$1,218,400 in FY 1992. The approved amount is based upon the state paying \$550,300, or 45.2% of this cost, with the remaining \$668,100 being financed by client billing revenue.

Purchase of Care - The approved amount funds contracts with providers of community services, including:

	<u>(S)</u>	<u>(T)</u>
Residential Services	\$14,145,700	\$37,601,500
Residential Room and Board	1,547,600	5,659,200
Adult Day (100% state)	3,838,500	3,838,500
Adult Day (Title XIX)	3,778,700	10,044,300
Children Services (100% state)	1,704,000	1,704,000
Children Services (Title XIX)	247,100	656,700
Support Services	3,194,100	8,392,200
Preschool Transfer	-0-	461,600
Total	<u>\$28,455,700</u>	<u>\$68,358,000</u>

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - LONG TERM CARE (Cont'd)
GENERAL FUND (S) AND LONG TERM CARE SYSTEM FUND (T)

The approved amount includes the following:

- Aging-out residential services - Funds part-year residential services for 18 year-olds no longer receiving foster care. The Legislature has approved a) \$71,300 (S) and \$185,700 (T) to annualize the cost for 17 clients partially funded in FY 1991 and b) \$85,600 (S) and \$239,500 (T) to fund 6 months of care for 22 foster care children turning 18 during FY 1992.
 - Residential Services -- Caseload Growth - Includes \$1,079,600 (S) and \$3,418,800 (T) in residential services and \$439,700 (S and T) in room and board for 16% caseload growth. Caseload is expected to grow from 1,322 clients at the end of FY 1991 to 1,534 clients at the end of FY 1992.
 - Residential Room and Board - The federal government does not reimburse the state for room and board, which is projected to cost \$5,659,200 in FY 1992. The approved amount is based upon the state General Fund paying \$1,547,600 or 27.4% of this cost, which the remaining \$4,111,600 being financed by client billing revenue.
 - Aging-out Adult Day Programs - Funds part-year adult day services for 22 year-olds no longer receiving a public education and 18 year-olds aging out of Foster Care. The Legislature has approved a) \$27,100 (S) and \$70,600 (T) to annualize the cost for 24 clients partially funded in FY 1991 and b) \$419,500 (S and T) to fund 6 months of care for 109 newly-eligible FY 1992 clients.
 - Adult Day (100% state) - Funds 450 clients, the same as in FY 1991, that are ineligible to receive federal reimbursement for their adult day program. Caseload growth of 109 clients, for a total of 559 clients, is represented in the Aging-out Adult Day Programs. While a client may receive Long Term Care residential services, the federal government will not reimburse certain types of adult day vocational training for that client.
 - Adult Day (Title XIX) - Includes \$205,800 (S) and \$549,000 (T) for 17% caseload growth. Caseload is expected to grow from 1,250 clients at the end of FY 1991 to 1,394 clients at the end of FY 1992.
 - Children Services (100% state) - The approved amount is based upon the assumption that the Title XIX federal Medicaid program will not reimburse educational expenses such as developmental day training. The approved amount includes:
 - \$80,200 (S and T) for 9.3% caseload growth for an average of 6 months. Caseload is expected to grow from 750 clients at the end of FY 1991 to 820 clients at the end of FY 1992.
 - In addition, total expenditure authority is increased by \$461,600 as the Department of Education (ADE) will transfer funding to DES for the preschool-based training of 178 children age 3 to 5. Federal legislation (PL (99-457) mandates that the state set standards for handicapped preschool services by the 1991-92 school year. Funding is appropriated to ADE to ensure that a single state agency is responsible for all educational services to children with special needs. DES will retain at least short-term responsibility for the children's summer program.
 - Children Services (Title XIX) - The approved amount is based upon the assumption that the Title XIX federal Medicaid program will reimburse a summer training program. Caseload is expected to grow from 418 clients at the end of FY 1991 to 474 clients at the end of FY 1992.
 - In addition, \$1,038,000 (S) and \$2,759,100 (T) is provided in the Department of Health Services for services to Long Term Care clients eligible for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health Program. It is projected that 484 children will be served in FY 1992.
 - Support Services - Includes \$395,500 (S) and \$953,100 (T) for 24.6% caseload growth. Caseload is expected to grow from 2,376 clients at the end of FY 1991 to 2,961 at the end of FY 1992.
- Stipends and Allowances - The approved amount provides weekly allowances to 334 residents of state facilities.

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT

Linda Moore-Cannon, Director

A.R.S. § 41-1951

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	709.9	878.8	803.2
Personal Services	13,812,700	16,422,500	16,534,500
Employee Related Exp.	2,976,800	4,047,100	4,251,900
Prof. & Outside Services	108,900	110,900	89,100
Travel - State	347,700	358,500	350,900
Other Operating Exp.	2,688,600	4,121,700	3,295,200
Equipment	94,900	102,000	37,500
All Other Operating Exp.	3,240,100	4,693,100	3,772,700
OPERATING SUBTOTAL	20,029,600	25,162,700	24,559,100
AFDC	48,698,200	58,955,000 ^{2/}	75,678,900 ^{3/}
Child Support Automation ^{4/}	230,700	291,100	-0-
Child Support Restructuring ^{4/}	1,069,300	2,551,700	-0-
Emergency Assistance	1,032,900	849,500	849,500
General Assistance	11,664,800	14,098,700	12,948,700
SLIAG Reimbursement	9,800	-0-	-0-
Tuberculosis Control	22,200	13,600	19,400
Food Distribution Information	22,100	24,000	24,000
Homeless Shelter	245,300	1,023,900	1,023,900
Information and Referral	81,800	111,000	111,000 ^{5/}
Rural Food Bank Project	59,200	64,900	200,900
Homeless Coordinator	-0-	80,000	-0-
Veterans' Housing	914,700	-0-	600,000 ^{6/}
Navajo Senior Center	-0-	-0-	216,000
TOTAL APPROPRIATIONS	84,080,600	103,226,100	116,231,400 ^{7/}

(Continued)

- ^{1/} Included 38.4 FTE positions funded in the Child Support Restructuring special line in FY 1990, 85.3 FTE positions in FY 1991, and 0 FTE positions in FY 1992.
- ^{2/} The amount includes a \$3,260,500 transfer as approved by the Joint Legislative Budget Committee, May 13, 1991.
- ^{3/} Notwithstanding A.R.S. § 35-173 (C), any transfer to or from the \$75,678,900 appropriated for Aid to Families with Dependent Children shall require approval of the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{4/} Child Support Enforcement was established as a separate cost center in FY 1992. Funding for these special line items has been transferred to the new cost center. Due to lower than anticipated State Share of Retained Earnings (SSRE) in FY 1991, \$1,322,500 was transferred in from the Comprehensive Mental and Dental Program in Social Services to make up for this shortfall. The transfer in allowed General Fund support for 46.9 FTE positions previously funded by SSRE.

(Footnotes Continued on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

FTE Positions - The approved amount includes a reduction of 28.7 FTE positions for the following:

- Eligibility Workers - Includes 25 FTE positions and \$732,100 for additional Aid to Families with Dependent Children (AFDC) and Food Stamp eligibility workers. Since the federal government will match AFDC/Food Stamp state administrative expenses on a dollar-for-dollar basis, this appropriation will result in a total increase of 50 positions. The new staff includes 36 Eligibility Workers and 14 related staff.
- Food Stamp Postage - Eliminates 9 FTE positions and \$341,400 due to the purchase of automated mailing equipment. Previously, mailings were done manually.
- FTE Reduction Policy - Eliminates 4.3 FTE positions as part of the FTE reduction policy.
- Child Support Enforcement - Transfers 87.3 FTE positions and 3,038,100 to the new Child Support Enforcement cost center. Of the 87.3 FTE positions, 85.3 FTE positions were funded in the Child Support Restructuring special line item.

Personal Services - The approved amount is based upon a vacancy factor of 1.1%, which reduces Personal Services by \$183,300. The approved amount includes \$448,700 for new Eligibility Staff; reduces \$269,400 for the elimination of 9 FTE positions associated with automated mailing equipment; transfer out of \$54,900 to the Child Support Enforcement Program; provides \$52,200 for the annualization of 3 FTE positions partially funded in FY 1991; transfers in \$52,100 from special line items, and permanently reduces \$66,600 associated with the FTE reduction policy.

Employee Related Expenditures - The approved amount contains \$2,088,500 for medical insurance, including a \$126,600 Section 104 lump sum allocation, and \$104,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on P&O Services and Travel Reductions - The approved amount reflects a reduction of \$21,800 in Professional and Outside Services and \$18,000 in Travel - State.

Travel - State - The approved amount includes \$10,400 for new FTE positions.

Other Operating Expenditures - The approved amount includes a transfer out of \$348,300 for occupancy to the Administration Program and a reduction of \$322,200 for one-time, non-capitalized equipment, a reduction of \$19,000 associated with the elimination of 9 FTE positions associated with the automated mailing equipment, a transfer out of \$500 to Child Support Enforcement Program, a transfer in of \$20,800 from special line items, and an increase of \$125,000 for the new eligibility workers. Of the \$125,000, \$51,200 is for one-time expenditures of non-capitalized equipment and telephone installation and \$67,500 for occupancy.

A transfer of \$900,000 was made to meet the Food Stamp Postage shortfall in FY 1991. This level of funding is replaced in FY 1992 by the following: an increase of \$41,100 for the first year lease-purchase cost of mail processing equipment, \$19,900 for the annual service contract and \$566,700 for increased food stamp postage. Under the following schedule, the state will pay 100% of the interest cost and 50% of the principal for the mail processing equipment:

(Continued)

(Footnotes Continued From Previous Page)

- 5/ It is the intent of the Legislature that the \$111,000 appropriated for Information and Referral Services shall be used to fund services in each city of the state with a population of more than 250,000 persons according to the last United States decennial or special census. (General Appropriation Act footnote)
- 6/ The \$600,000 appropriated for Veterans' Housing provides funds to purchase building materials for veteran-owned and occupied single family residences on the Navajo Reservation. The Navajo nation must contribute an amount equal to or greater than the DES contribution. (General Appropriation Act Footnote)
- 7/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating" are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
 GENERAL FUND

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>State</u>	<u>Federal</u>
FY 1992	58,500	34,700	23,800	41,100	17,400
FY 1993	58,500	39,000	19,500	39,000	19,500
FY 1994	58,500	43,700	14,800	36,600	21,900
FY 1995	58,500	49,000	9,500	34,000	24,500
FY 1996	58,500	55,000	3,500	31,000	27,500

Equipment - The approved amount is for the purchase of one-time equipment for the new Eligibility Staff.

Aid to Families with Dependent Children

-- Single-parent households - The approved amount includes \$70,869,900 for monthly payments to an average of 170,528 recipients in single-parent households -- an increase of 27,446, or 19.1%, above estimated FY 1991 participation. This percentage growth is based upon a base rate of 15.3%, which reflects historical growth patterns. Additional growth is projected as more households will qualify for benefits due to the change from 47.2% of need, as defined by the 1983 payments standard, to 36% of the 1990 federal poverty level (FPL).

The initial change to 36% of the 1990 FPL occurred on June 1, 1991 and is projected to increase recipients by 4,050 or 2.8%.

Updating to the 1991 FPL was originally scheduled to take place on July 1, 1991 but has been moved to June 1, 1992 by H.B. 2500 (see Additional Legislation). As the bill did not have an emergency clause, recipients will receive the 1991 increase in benefits for the first 3 months of FY 1992, which will add 319 recipients, or 0.2%, to the participation average and cost \$783,700. Thereafter, the monthly benefit will rollback to 36% of the 1990 FPL, until June 1, 1992, when it will be updated to 36% of 1992 FPL. The projected cost for the June 1, 1992 adjustment is \$655,200 and will add an additional 1,200 recipients, or 0.8%.

The approved amount also incorporates the following assumptions:

- 1) an average monthly grant of \$96.62, a 7.4%, or \$6.63, increase above the estimated FY 1991 average cost; and
- 2) a state match rate of 35.6%, with the federal government financing the remainder.

-- Two-parent households - The approved amount includes \$4,809,000 for the benefits for the AFDC-Unemployed Parent (UP) Program. Federal law required the state to implement AFDC-UP by October 1, 1990. While the state had previously opted to assist only one-parent households, this program provides cash payments to two-parent families if the principal wage earner is unemployed or otherwise incapacitated.

The approved amount will fund monthly payments for an average of 11,571 recipients in two-parent households-- an increase of 1,862 recipients, or 19.1%, above estimated FY 1991 participation. This percentage growth is based upon a base rate of 15.3% which reflects AFDC historical growth patterns. Additional growth is projected as more households will qualify for benefits due to the change from 47.2% of need, as defined by the 1983 payments standard, to 36% of the federal poverty level.

The initial change to 36% of the federal poverty level occurred on June 1, 1991 and is projected to increase recipients by 275, or 2.8%. As the federal poverty standard is updated pursuant to H.B. 2500, the next adjustment will occur on June 1, 1992 and add an additional 82 recipients, or 0.8%. The projected cost for the June, 1992 adjustment is \$41,900.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

The lack of an emergency clause in H.B. 2500 (see Additional Legislation) will allow the scheduled July 1, 1991 benefit increase to occur for 3 months prior to its delay until June 1, 1992. This will add 21 recipients, or 0.2%, and cost \$53,200.

The approved amount also incorporates the following assumptions:

- 1) an average monthly grant of \$89.25, a 5.6% or \$4.76 increase above the estimated FY 1991 average cost;
- 2) a state match rate of 35.6% with the federal government financing the remainder; and
- 3) AFDC-UP caseload is 5% of AFDC caseload and 6.8% of AFDC recipients. Nationwide, UP households represent 11.88% of the AFDC caseload. Two factors, however, are likely to reduce Arizona's UP participation below the nationwide average: a) households can only participate for 6 of every 12 months, an option previously not exercised by most states; and b) UP households must participate in some work activity prior to receiving benefits.

Child Support Automation and Child Support Restructuring - These special line items are now included in the new Child Support Enforcement cost center.

Emergency Assistance - This state-funded program provides temporary financial assistance in emergency situations without reference to certain eligibility factors required for other welfare programs. The approved amount, which is the same as FY 1991, will fund an average of 548 payments per month at an average cost of \$129.18.

General Assistance - This state-funded program provides financial aid to persons who are unemployable because of a physical or mental disability. The recommendation is based on an average of 7,639 clients with a monthly payment of \$157.20. This would provide for 11.88% growth over actual FY 1991 clients of 6,828.

The approved amount includes a net savings of \$400,000 as S.B. 1134 (see Additional Legislation) provides for assistance in converting General Assistance clients to the 100% federally-funded Supplemental Security Income program (SSI). It is projected that 811 clients will be converted in FY 1992 for a 6 month average savings of \$764,900. DES will contract out to the counties for representative payee services which will allow the conversions to take place. These contracts are projected to cost \$364,900 for net savings of \$400,000.

The approved amount includes a savings of \$1,061,900, as beginning in FY 1992 benefits will be prorated based on the date of application. Previously, benefits were based upon the month of application.

SLIAG Reimbursement - In 1986, Congress established an amnesty program under which certain illegal aliens may become legal residents. The enabling legislation bars these eligible legalized aliens (ELAs) from qualifying for federal needs-based financial assistance until 1992. During the interim, state and local governments are expected to provide public welfare, public health and educational assistance to these individuals. These costs are then reimbursable under the State Legalization Impact Assistance Grant. This special line item provides for the up-front monies for this program. The approved amount does contain funds for SLIAG due to the historical low rate of participation and the end of the program in FY 1992.

Tuberculosis Control - The appropriation provides assistance to persons certified unemployable by the State Tuberculosis Control Office because of communicable tuberculosis. The approved amount will fund payments to 12 recipients at an average monthly cost of \$134.72.

Food Distribution Information - A.R.S. § 41-1954 requires the department to coordinate and assist public and private nonprofit organizations that aid the hungry throughout the state. These funds are used to a) inform the hungry about potential sources of food and b) operate a toll-free telephone line for donors to notify food banks of the availability of food.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - FAMILY SUPPORT (Cont'd)
GENERAL FUND

Homeless Shelter - Along with private sector, city, county and federal funds, this program addresses the emergency and transition shelter needs of the homeless. The approved amount is the same as FY 1991 with increased federal participation expected in FY 1992. The agency anticipates \$500,000 in federal Title IV-A funding due to the new Emergency Assistance to Needy Families with Children Program. Emergency shelter and services to eligible families will be provided for a period of up to 30 days from the date of application.

Information and Referral Services - The approved amount provides information and referral services on a 24-hour toll-free, statewide telephone system. This system serves all individuals requesting specific information regarding available resources.

Rural Food Bank - The approved amounts include continued funding of \$64,900 for the rural food bank in Willcox, \$60,000 to develop a second rural food bank in the western part of the state, an increase of \$50,000 for higher operating costs associated with the expanded usage of the food network truck and an increase of \$26,000 for outreach to high need populations or geographic areas.

Homeless Coordinator - This funding, which was the result of additional legislation in FY 1991, is now reflected in the operating budget in FY 1992.

Veterans' Housing - The approved amount provides funds to purchase building materials for veteran-owned and occupied single family residences on the Navajo Reservation.

Navajo Senior Centers - The approved amount funds improvements in Senior Programs on the Navajo reservation.

ADDITIONAL LEGISLATION

Telephone Discount Program; Extension - Chapter 82 (H.B. 2018) - The bill eliminates the repeal of the utility and Telecommunications Assistance Programs for low-income senior citizens.

AFDC Omnibus Reconciliation Bill - Chapter 281 (H.B. 2500) - The bill delays the scheduled July 1, 1991, benefit increase for AFDC recipients to June 1, 1992. Annual benefit increases will occur each June, starting in 1992, rather than each July. Since the bill was enacted without the emergency clause, however, the benefit increase will go into effect from July 1991 to September 1991. Between October 1991 and May 1992, benefits will revert to their June 1991 level.

	<u>June 1991</u>	<u>July 1991</u>	<u>October 1991</u>	<u>June 1992</u>
Maximum Benefit for 3 Person Family	\$317	\$334	\$317	\$350
Basis of Benefit *	1990 FPL	1991 FPL	1990 FPL	1992 FPL

* AFDC payments are based on 36% of the federal poverty level (FPL).

Representative Payee Program - Chapter 153 (S.B. 1134) - The bill allows the agency to establish a representative payee program to manage Social Security or Supplemental Security Income benefits for persons who are receiving General Assistance Benefits. As the General Assistance program is 100% state financed, the conversion of clients to the federal program will provide funding for the representative payee program as well as benefit savings (see General Assistance).

**DEPARTMENT OF ECONOMIC SECURITY
CHILD SUPPORT ENFORCEMENT**

A.R.S. § 41-1951

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	-0-	-0-	87.3
Personal Services	-0-	-0-	1,606,900
Employee Related Exp.	-0-	-0-	374,300
Prof. & Outside Services	-0-	-0-	6,800
Travel - State	-0-	-0-	12,700
Other Operating Exp.	-0-	-0-	169,500
All Other Operating Exp.	-0-	-0-	189,000
OPERATING SUBTOTAL	-0-	-0-	2,170,200
Financial Reconciliation	-0-	-0-	625,200 ^{1/}
Automation Equipment	-0-	-0-	252,800
TOTAL APPROPRIATIONS	-0-	-0-	3,048,200 ^{2/3/4}

Child Support Enforcement - Laws 1989, Chapter 295, appropriated \$1,200,000 as part of a multi-year restructuring plan to increase child support collections. Under the restructuring plan originally provided by DES, the Child Support Enforcement Administration would eventually become self-sufficient through the use of retained AFDC child support collections. In FY 1991, several factors combined to create a shortfall of \$1,322,500 due to lower than expected collections. These factors included the withdrawal from the program of several contracting attorneys, cost increases in the Arizona Tracking and Locating Automated System (ATLAS), and efforts to comply with several federal audits. The \$1,322,500 was transferred in from the Comprehensive Medical and Dental Program in Social Services which provided General Fund support for 46.9 FTE positions which had previously been funded by the State Share of Retained Earnings (SSRE).

(Continued)

- 1/ The approved amount represents the lease-purchase plan of automation equipment for the Child Support Enforcement Administration. The lease purchase schedules appear on page 98 of the FY 1990 Appropriations Report.
- 2/ A General Appropriation Act footnote requires that DES include information in its monthly expenditure report on total expenditures for the month and year-to-date as compared to prior year totals. The report shall include an estimate of a) deviations from estimated total expenditures of \$17,211,700 and b) explanations for the estimated deviations.
- 3/ Funding of \$1,368,900 in FY 1990 and \$2,911,700 in FY 1991 are reflected in the Family Support cost center.
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - CHILD SUPPORT ENFORCEMENT (Cont'd)
GENERAL FUNDS

As the goal of self sufficiency is dependent upon the increase in SSRE, the agency is to include in its monthly report deviations from the following total expenditures (includes both state, federal and other funds):

Personal Services	\$8,293,100
Employee Related Exp.	1,939,900
Prof. & Outside Services	1,875,200
Travel - State	187,500
Travel - Out of State	41,400
Other Operating Exp.	1,574,100
Equipment	<u>721,900</u>
All Other Operating Exp.	4,400,100
Operating Subtotal	14,633,100
Financial Reconciliation	1,838,800
Automation Equipment	<u>749,900</u>
Child Support Enforcement ^{1/}	17,221,800
Plus Indirect Costs ^{2/}	<u>6,310,600</u>
Total Program	23,532,400
Less Federal Funds	16,832,400
Less SSRE ^{3/}	2,835,700
Less Other Funds	<u>816,100</u>
TOTAL GENERAL FUND	<u>\$3,048,200</u>

^{1/} Includes a \$10,100 Section 104 lump sum allocation.

^{2/} Indirect costs are costs incurred by other cost centers which are related to Child Support Enforcement.

^{3/} This amount represents a 15% increase over estimated FY 1991.

Employee Related Expenditures - The approved amount contains \$165,900 for medical insurance, including a \$10,100 Section 104 lump sum allocation, and \$8,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Financial Reconciliation - The approved amount will fund the financial reconciliation of 32,400 cases through an outside contract. This will ensure that cases loaded into the Arizona Tracking and Locate Automated System (ATLAS) are correct and usable in a court of law. The estimated 24,300 remaining cases will be reconciled in FY 1993.

Child Support Automation - The approved amount funds the lease-purchase of automation equipment for the Child Support Enforcement Administration. Several studies had singled out the department's lack of automation as the biggest obstacle to improving the program's collection rate. The approved amount represents the third year of a 5-year lease-purchase of both a central processing unit upgrade and individual hardware. The lease-purchase schedules appear on page 98 of the FY 1990 Appropriations Report.

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES

A.R.S. § 41-1951

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	452.0	575.5	596.0
Personal Services	13,078,400	14,607,700	17,076,200
Employee Related Exp.	2,626,700	3,299,200	4,110,000
Prof. & Outside Services	103,000	251,500	270,800
Travel - State	571,000	704,700	693,700
Travel - Out of State	-0-	-0-	-0-
Other Operating Exp.	985,700	1,675,800	1,096,300
Equipment	-0-	79,600	-0-
All Other Operating Exp.	1,659,700	2,711,600	2,060,800
OPERATING SUBTOTAL	17,364,800	20,618,500	23,247,000
Adoption Services	9,595,300	12,156,100 ^{2/}	12,523,300
Adult Services	6,550,600	7,772,600	7,590,800
Children Services	32,543,100	33,637,200	37,495,800
High Risk Infant Services	-0-	475,000	475,000
Intensive Family Services	-0-	489,700	489,700
Child Severance Project	174,300	189,200	189,200
CMDP	4,878,400	4,880,900 ^{2/}	4,754,900 ^{3/}
Day Care	17,386,100	16,437,900 ^{2/}	14,617,800 ^{3/}
JOBS Child Care	65,200	200,000	571,200
Transitional Child Care	-0-	648,600	948,600
Institution Support Payments	428,000	420,000	427,000
LTC Ombudsman ^{1/}	72,100	116,000	116,000
Omnibus CPS Act	-0-	1,893,000	-0-
Videotaping ^{1/}	-0-	-0-	200,000
TOTAL APPROPRIATIONS	89,057,900	99,934,700	103,646,300 ^{4/}

(Continued)

- ^{1/} In addition, 0.5 FTE position is funded from the Long-Term Care (LTC) Ombudsman line item in FY 1990 - FY 1992. FY 1992 total includes 3 FTE positions funded from the Videotaping line item.
- ^{2/} The amount includes a transfer out as approved by the Joint Legislative Budget Committee, May 13, 1991: Adoption Services, \$211,100; CMDP, \$1,251,800; and Day Care, \$954,700.
- ^{3/} The \$14,617,800 appropriated for day care is for a program in which the upper income limit is at least 65% of the state median income as determined by the Department of Economic Security. Prior to implementation of the new federal Child Care and Development Block Grant, a report shall be provided to the Joint Legislative Budget Committee detailing the organization, implementation and integration with other federally mandated child care programs (JOBS Child Care and Transitional Child Care) and the state Day Care program. The report shall include expected client counts, estimated expenditures, family eligibility criteria, and the sliding fee scale structure. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS

FTE Positions - The approved amount reflects an increase of 20.5 FTE positions:

- FTE Reduction Policy - Eliminates 1.5 FTE positions and \$43,300 as part of the FTE reduction policy.
- ACYF ASSISTS - Transfers in 30 FTE positions and \$610,700 from Administration.
- Aging ASSISTS - Transfers in 1 FTE position and \$36,300 from Administration.
- Children's Mental Health - Transfers in 2 FTE positions and \$58,600 from Administration.
- Reduction in State Day Care Subsidy Program - Eliminates 11 FTE positions and \$335,300 from the State Day Care Subsidy Program.

Personal Services - The approved amount is based upon a 0.5% vacancy factor which results in vacancy savings of \$93,700. The following positions are exempt from a vacancy factor: Human Services Unit Supervisor, Human Services Specialist I, II, and III, Human Services Worker II, Contract Management Specialist II, Secretary and Clerk Typist II. The appropriation includes the following permanent reductions: \$43,300 associated with the FTE reduction policy, and \$239,700 related to the reduction of 11 FTE positions in the state Day Care Subsidy program.

The approved amount also reflects the transfer of \$1,659,200 from special line items, \$1,369,100 for the full-year funding of FTE positions appropriated through the Omnibus Child Protection Act, Laws 1990, Chapter 237, and a \$578,600 restoration for the mid-year ex-appropriation. In addition, due to more timely payment of federal Title IV-E funds, \$761,700 of federal funds will be utilized which lower the state funding requirement.

Employee Related Expenditures - The approved amount contains \$1,606,100 for medical insurance, including a \$97,400 Section 104 lump sum allocation, and \$80,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$12,700 in Professional and Outside Services and \$37,100 in Travel - State.

Professional and Outside Services - The approved amount includes \$211,900 for full-year funding related to the Omnibus Child Protection Act, Laws 1990, Chapter 237, and a decrease of \$200,000 related to the Comprehensive Medical and Dental Program (CMDP). In addition, the appropriation includes \$20,100 for a 5% medical inflation adjustment.

Other Operating Expenditures - The approved amount is a \$579,500 reduction from FY 1991 estimated expenditures. The appropriation includes a transfer out of \$192,900 to Administration for occupancy costs, a transfer in of \$137,000 from special line items, a decrease of \$496,100 for a one-time equipment adjustment, and a \$27,500 decrease related to the elimination of state Day Care Subsidy program staff.

Adoption Services - The approved amount subsidizes the adoption of children who otherwise would entail high financial risks to prospective parents because of physical, mental or emotional disorders or who, because of age, sibling relationship, or racial or ethnic background would be otherwise difficult to place in adoption.

The approved amount will fund services for an average of 1,669 children per year -- an increase of 122 children, or 7.9%, above estimated FY 1991 participation. The approved amount is also based upon a) an average annual cost per child of \$8,028.05 which reflects a 5% increase in medical costs, and b) Title IV-E federal and other trust revenues of \$875,500. This amount does not reflect any change in the adoptive parents' average cash subsidy. The amount includes \$30,000 for non-recurring adoption expenses.

(Footnotes Continued From Previous Page)

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4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS

Adult Services - The appropriation provides a community-based continuum of care and services for abused, neglected, and exploited adults. The approved amount is based upon the following allocation:

				\$124,500
• Adult Protective Services				
Evaluates allegations of abuse.				
				3,643,800
• Supplemental Payment				
Provides housekeeper, home health aide and visiting nurse services for SSI-eligible households. The approved amount is based upon the current caseload growth rates for the 3 programs: 9.2% in housekeeping, (18.3)% in home health aid, and (16.1)% in visiting nurse services. The average cost is based upon DES estimates, which are considerably higher than FY 1991 budgeted amounts. The caseload and the average cost estimates are as follows:				
	<u># of New</u>	<u>Average #</u>	<u>Average</u>	
	<u>Clients</u>	<u>of Clients</u>	<u>Monthly Cost</u>	
Home Health Aide	(116)	518	\$77.03	
Housekeeping Payments	309	3,686	69.63	
Visiting Nurse	(70)	365	68.42	
				2,202,400
• Home Care				
Provides supplemental payment services plus personal care to non-SSI households. The approved amount will fund an average of 60 hours of services for 2,264 individuals at an average cost of \$16.21 per hour.				835,900
• Older Americans Act				
Matches federal funds for congregate and home-delivered meals as well as other social services. The approved amount will provide home-delivered meals to 10,358 individuals and congregate meals to 41,456 individuals. The approved amount includes a \$22,500 state match for the federal cost sharing requirements of Title III-B, and \$100,000 in 100% state funds to the 8 Area Agencies on Aging to provide support services, senior centers, and nutrition services.				764,200
• Assessments and Case Management				
Through contracted agencies, assesses the elderly's service need by measuring mobility and family and financial status. A contracted case manager assists the client in matching needs to available resources. The approved amount will provide case management services to 16,458 persons.				20,000
• Geriatric Nurse				
The approved amount will help fund the cost of a geriatric nurse to dispense drugs to the elderly.				<u>\$7,590,800</u>
TOTAL				

Children Services - The appropriation funds a range of services to ensure the well-being of children. The approved amount is based on an estimated 10% increase in Child Protective Services reports that are classified as "appropriate for investigation". Investigations result in use of contracted services. Based on the 10% increase in reports, the funds for each of the following type of services has increased 10% over FY 1991 estimates.

• In-home services	\$ 6,968,500
Resolves family problems through the use of counseling, day support and parent aides while the child remains in the home.	

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DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
 GENERAL FUNDS

- Out-of-home services (Foster Care) 29,148,600
 Requires removal of the child from the home and his/her placement in family foster care or other residential setting.
- Child protective services 6,383,800
 Provides support services -- assessments, transportation -- related to removing abused children from the home.
- Title IV-E Offset (4,219,000)
 Title IV-E represents federal funds for foster care children from Aid to Families with Dependent Children (AFDC) households.

 This large offset reflects the federal government's attempt to reimburse states in a timely fashion for its share of foster care children expenditures. The \$4,219,000 represents the increase anticipated for current year reimbursements.
- Title XIX (EPSDT Offset) (786,100)
 Title XIX represents federal funds for foster care children qualifying for the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Mental Health Program. EPSDT is a program to provide mental health services to categorically-eligible children. This program is mandated under the federal Omnibus Budget Reconciliation ACT (OBRA) of 1989.

TOTAL

\$37,495,800

High Risk Infant Services - The approved amount funds contracted case management services for 200 families whose children are exposed to substance abuse. Eleven contracted counselors/parent aides will provide in-home services including parent education. Services per family will be limited to 6 months with the contracted counselor aiding 18 families a year. The contracted counselors/parent aides will also work closely with the Department of Health Services and county public health nurses who will provide medical services for the infant and behavioral services and substance abuse treatment for the parent.

Intensive Family Services - The approved amount funds 5 contracted teams to target 200 families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. A team consists of 1 Parent Aide, 1 Counselor, and 1 Coordinator. A team will respond within 24 hours to the child abuse report and to family emergencies as well as provide services to the family within its home. The services are to be intensive, time-limited (6 to 8 weeks) and geared toward keeping the child in the home. The program will emphasize in-home crisis intervention and parent education.

Child Severance Project - Based upon Laws 1986, Chapter 205, this project is designed to expedite the procedures for making a child eligible for adoption after the original parent-child relationship has been severed. DES may use the funds (a) to enter into an intergovernmental agreement with the Attorney General for legal and paralegal services or (b) to contract for social services incurred in expediting severance and adoption.

Comprehensive Medical and Dental - The appropriation provides full coverage of the medical and dental expenses of foster children under the jurisdiction of the Department of Economic Security, Juvenile Probation Offices and the Department of Corrections.

The approved amount will fund medical services for an average of 5,861 children, which is the same as the estimated FY 1991 participation. The amount is based upon an average annual cost of \$1,774.48 per child, a 9.1% increase from

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS

the FY 1991 cost. The total estimated program would be expected to cost \$10,400,200, which includes \$228,400 in Independent Professional Review Team fees. The program will be funded from the following sources:

• State General Fund	\$4,754,900
• AHCCCS Title XIX	4,496,500
<p>This amount reflects Arizona Health Care Cost Containment System reimbursement of children eligible for federal assistance. This amount includes the federal as well as the state matching share of the per person capitation rate. Of this amount, \$1,000,000 comes from the Early Periodic Screening Diagnosis and Treatment (EPSDT) Mental Health program which is mandated under the federal Omnibus Budget Reconciliation Act (OBRA) of 1989. The Title XIX reimbursement increased during FY 1991 and is anticipated to continue in FY 1992.</p>	
• ALTCS	952,500
<p>This amount reflects Arizona Long Term Care System reimbursement of children eligible for disabled long-term care.</p>	
• Third Party Liability Payments	196,300
<p>This amount includes the private insurance share of medical costs.</p>	
	<u>\$10,400,200</u>
TOTAL	

Day Care - The appropriation provides a child day care subsidy. The upper income limit of participating families is at least 65% of the state median income. The approved amount funds an average of 19,565 children, a net increase of 30 above the estimated FY 1991 caseload. The average monthly cost per child is estimated at \$92.45, which is the same as the FY 1991 level.

Day Care has traditionally been funded through 2 sources, a state appropriation and the federal Social Services Block Grant. During FY 1991, federal Title IV-A funds also became available. As required by the federal Family Support Act, the state began receiving matching federal funds for eligible Aid to Families with Dependent Children (AFDC) recipients who are employed. It is estimated that the state received \$644,000 in FY 1991.

The FY 1992 program total is estimated at \$21,706,000. The state General Fund will pay \$14,617,800. Another \$6,088,200 will be paid through the use of the Social Services Block Grant (SSBG). The SSBG amount is \$562,000 higher than in FY 1991. Based on current monthly revenues, the state should receive approximately \$1,000,000 in Title IV-A funds.

During FY 1992, the federal Child Care and Developmental Block Grant (CCDBG) will be implemented. In FY 1992, Arizona is expected to receive \$11,630,000. Federal funds provided through this program do not require state matching funds. However, these funds cannot be used to supplant state spending. Supplanting criteria are currently being developed. Prior to implementation of CCDBG, DES shall provide a report to the Joint Legislative Budget Committee detailing the organization, implementation, and integration with other federally mandated child care programs and the state Day Care program. The program will include expected client counts, estimated expenditures, family eligibility criteria, and the sliding fee scale structure.

JOBS Child Care - The approved amount funds child care assistance to AFDC recipients in the Job Opportunities and Basic Skills (JOBS) program. Federal law required the state to begin providing assistance by October 1, 1990. The appropriation provides child care funds for single-parent AFDC households, consisting of single-parents attending job training 3 days each week, job search applicants, and tribal participants. Funds are also included for AFDC-UP households assuming the parents attend job training 3 days each week. Those AFDC-UP households having children under 3 years of age are exempt from the program.

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DEPARTMENT OF ECONOMIC SECURITY - SOCIAL SERVICES (Cont'd)
GENERAL FUNDS

The approved amount is based upon the following assumptions:

- an average caseload of approximately 791 children;
- an average cost of \$160 per month, assuming the parent attends job training 3 days each week; and
- a 62.38% federal matching rate, which will result in the state receiving \$947,100 in federal funds.

Transitional Child Care - The approved amount funds transitional day care assistance. Starting April 1, 1990, federal law required the state to guarantee child care for 1 year to former AFDC recipients who are no longer eligible for cash assistance due to increased earnings. The approved amount is based upon the following assumptions:

- an average caseload of approximately 1,105 children;
- an average cost of \$190 per month, after deducting a parental co-payment as determined by a sliding fee schedule based on ability to pay; and
- a 62.38% federal matching rate, which will result in the state receiving \$1,572,900 in federal funds.

Institutional Support Payments - This program provides monthly payments to eligible aged, blind or disabled persons in the following settings: private nursing homes; public nursing homes and supervisory care homes. The approved amount is based upon the following monthly payments and the current caseload growth rates in the 3 settings:

	<u>Change in # of Clients</u>	<u>Avg. # of Clients</u>	<u>Monthly Payment</u>	<u>FY 1992 Cost</u>
Private Nursing Homes	(15)	41	\$ 80	\$ 39,400
Public Nursing Homes	(1)	-0-	174	-0-
Supervisory Care Homes	(78)	647	50	388,200

Prior to FY 1990, this program had been funded in Family Support.

Long-Term Care (LTC) Ombudsman - The approved amount funds the administrative costs and a 0.5 FTE position of the Office of State Long-Term Care Ombudsman (Laws 1989, Chapter 215). The Office was established during FY 1990 in accordance with the requirements of the federal Older Americans Act. The 0.5 FTE position is for legal services provided by the Attorney General.

Omnibus CPS Act - The approved amount funds 32 FTE positions to provide for "relative placement" and out-of-home removal reviews and to meet federal requirements that the state make "reasonable efforts" to maintain the child within the family. In FY 1992, \$1,699,500 is transferred to this division's operating budget. The approved amount also reflects a one-time equipment reduction of \$143,500.

Videotaping - The approved amount provides funds for DES to conduct a pilot program for videotaping child sex abuse victims. To lessen the number of investigative interviews of a victim, the department is to coordinate all such interviews with law enforcement officials and the county attorney's office. The Omnibus CPS Act required DES to submit a report evaluating the program to the Governor, the Joint Legislative Committee on Children and Family Services, the President of the Senate, the Speaker of the House of Representatives on or before April 1, 1992.

The approved amount includes \$137,300 for full-year funding of 3 FTE positions and \$12,700 to evaluate the program.

**DEPARTMENT OF ECONOMIC SECURITY -
CHILD PROTECTIVE SERVICES TRAINING**

A.R.S. § 8-503.01

Linda Moore-Cannon, Director

JLBC Analyst: Cawley/Siegwarth

CHILDREN AND FAMILY SERVICES TRAINING PROGRAM	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Personal Services	<u>75,700</u>	<u>65,200</u>	<u>193,600</u>
Employee Related Exp.	<u>15,300</u>	<u>15,600</u>	<u>44,600</u>
Prof. & Outside Services	28,200	31,400	57,100
Travel - State	24,200	4,200	60,400
Travel - Out of State	1,400	2,100	6,500
Other Operating Exp.	27,600	16,700	64,900
All Other Operating Exp.	<u>81,400</u>	<u>54,400</u>	<u>188,900</u>
TOTAL APPROPRIATIONS	<u><u>172,400</u></u>	<u><u>135,200</u></u> ^{1/}	<u><u>427,100</u></u> ^{2/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	372,400	352,400	391,700
Add Revenues	<u>152,400</u>	<u>174,500</u>	<u>174,500</u>
TOTAL FUNDS AVAILABLE	<u>524,800</u>	<u>526,900</u>	<u>566,200</u>
Expenditures	<u>172,400</u>	<u>135,200</u>	<u>427,100</u>
BALANCE END OF FISCAL YEAR	<u><u>352,400</u></u>	<u><u>391,700</u></u>	<u><u>139,100</u></u>

A.R.S. § 8-503.01 establishes a Children and Family Services Training Program Fund for child protective services staff training. Revenue is generated through the collection of support fees assessed on the parents or guardian of a child in the custody of the Department or a county juvenile probation office. The Department may also expend up to 10% of the fund on collecting these fees. The Department also utilizes federal Title IV-E monies that are available for training activities. These federal funds offset state expenditures.

Personal Services - The approved amount does not include a vacancy factor.

Employee Related Expenditures - The approved amount contains \$16,300 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$14,300 in Professional and Outside Services, \$3,200 in Travel - State and \$700 in Travel - Out of State from the original FY 1991 appropriation of \$71,400 for Professional and Outside Services, \$63,600 for Travel - State, and \$7,200 for Travel - Out of State.

- ^{1/} Represents estimated expenditures. The original FY 1991 appropriation was \$450,000. The total FY 1991 estimated expenditures including federal Title IV-E monies is \$380,400.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

**DEPARTMENT OF ECONOMIC SECURITY -
EMPLOYMENT AND REHAB. SERVICES**

Linda Moore-Cannon, Director

A.R.S. § 41-1951

JLBC Analyst: Cawley/Siegwarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	75.4	118.1	113.2
Personal Services	1,414,600	2,258,900	2,403,800
Employee Related Exp.	283,500	523,400	592,300
Prof. & Outside Services	41,400	60,600	43,800
Travel - State	31,300	42,000	39,900
Travel - Out of State	-0-	3,600	-0-
Other Operating Exp.	143,200	406,800	244,500
Equipment	-0-	19,500	-0-
All Other Operating Exp.	215,900	532,500	328,200
OPERATING SUBTOTAL	1,914,000	3,314,800	3,324,300
Ind. Living Rehab. Services	530,700	552,700	552,700
Vocational Rehab. Services	1,702,000	1,832,300	1,800,000 ^{2/}
Job Search Stipends	-0-	191,600	139,100
Manpower Services	2,100	-0-	-0-
Navajo Employment Service ^{2/}	-0-	234,000	234,000
WIDP-GED	1,800	-0-	-0-
JOBS	-0-	1,443,100 ^{3/}	3,338,500 ^{4/}
TOTAL EXPENDITURE AUTHORITY	4,150,600	7,568,500	9,388,600
Other Receipts	-0-	(1,000,000)	(1,000,000) ^{5/}
TOTAL APPROPRIATIONS	4,150,600	6,568,500	8,388,600 ^{6/}

(Continued)

- 1/ Includes 8 FTE positions funded from the Navajo Employment Services line item in FY 1990 - FY 1992.
- 2/ It is the intent of the Legislature that Vocational Rehabilitation Services will receive \$200,000 from the Industrial Commission's Special Fund for the purpose of assisting injured workers. (General Appropriation Act footnote)
- 3/ The amount includes a transfer out of \$842,900 as approved by the Joint Legislative Budget Committee, May 13, 1991.
- 4/ It is the intent of the Legislature that the \$3,338,500 appropriated for JOBS may be used to support non-permanent and seasonal positions to fulfil federal program requirements when contracts for services cannot be established with outside parties. The use of such positions shall be reported to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- 5/ It is the intent of the Legislature that the Special Administration Fund serve as the source for the \$1,000,000 of Other Receipts. (General Appropriation Act footnote)
- 6/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

FTE Positions - The approved amount reflects a decrease of 4.9 FTE positions.

- **FTE Reduction Policy** - Eliminates 1.9 FTE positions and \$45,000 as part of the FTE reduction policy.
- **Talking Book Program Transfer** - Transfers out 3 FTE positions to the Department of Library, Archives and Public Records as required by Laws 1990, Chapter 59. This transfer reduces DES' funding by \$103,000.

Personal Services - The approved amount is based upon a 1.7% vacancy factor which results in vacancy savings of \$41,300. The following positions are exempt from the vacancy factor: Vocational Rehabilitation (VR) District Program Representative and VR Services Specialist II and III. The appropriation includes the following permanent reductions: \$45,000 associated with the the FTE reduction policy and \$70,600 related to the Talking Book Program transfer. The approved amount also includes \$290,300 for full-year funding of 45.7 state-funded FTE positions related to the Job Opportunities and Basic Skills (JOBS) Program.

Employee Related Expenditures - The approved amount contains \$260,200 for medical insurance, including a \$15,800 Section 104 lump sum allocation, and \$13,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$3,900 in Professional and Outside Services and \$2,100 in Travel - State.

Professional and Outside Services - The approved amount reflects a \$2,100 medical inflation adjustment increase and a \$15,000 decrease related to the Talking Book Program transfer.

Travel - Out of State - The approved amount reflects a \$3,600 transfer to Administration.

Other Operating Expenditures - The approved amount reflects a decrease of \$162,300 from the FY 1991 estimated expenditures. The appropriation includes: a \$124,400 transfer to Administration for occupancy costs; a \$3,000 reduction due to the Talking Book Program transfer; a \$62,100 one-time equipment adjustment, and a \$27,200 increase for full-year funding related to JOBS.

Equipment - The approved amount reflects a one-time equipment adjustment.

Independent Living rehabilitative Services - The approved amount will allow severely disabled individuals to live more independently. DES assists the disabled to overcome or circumvent their handicaps through training, counseling, and adaptive aids. The program consists of:

- Services to Individuals, \$338,600. An estimated 1,535 persons will receive independent living services during the year, including case management and counseling.
- Medical Services for Clients, \$214,100. This program will fund 8,212 eye examinations and 6,613 eye glasses and other eye appliances for eligible low-income individuals at an average cost of \$27.36 per person.

Vocational Rehabilitative Services - The approved amount will provide an array of individually planned services for the disabled. Services include case management, counseling, prostheses and remedial education. The federal government matches the state funds at an 80/20% rate.

The approved amount will permit the department to serve 15,610 individuals at an average cost of \$640.61.

To ensure the drawdown of all available federal dollars, DES has identified other sources of state match -- either existing appropriated or non-appropriated funds.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

In FY 1991, these other matching sources are:

-- Developmental Disabilities General Fund Transfer	\$192,500
-- Pima County Schools	65,400
-- Department of Health Services - Behavioral Health	137,300
-- Blind Enterprises Program	263,900
-- Client Billing Revenue	200,000
-- Arizona Industries for the Blind	481,600
-- Establishment Grant Contributions	211,800
Total	<u>\$1,552,500</u>

Local non-profit organizations are usually the source of the Establishment Grant Contributions. These funds can be used to establish new facilities, but cannot finance a client's actual rehabilitation.

The department may also consider expanding its relationship with the Department of Corrections (DOC) and the Division of Behavioral Health in the Department of Health Services (DHS), both of which currently fund rehabilitative programs with 100% state dollars. DOC and DHS could use their existing State appropriations as the match and possibly expand their programs four-fold -- given the 80/20 federal matching ratio.

Job Search Stipends - The federal food stamp statute requires states to pay allowances to recipients searching for a job. The state provides \$25 per participant for up to 2 months. The approved amount will fund 1,128 participants for 1 month and 5,000 participants for 2 months.

The approved amount reflects a decrease from FY 1991 estimated expenditures. Due to increased number of food stamp recipients in FY 1991, \$52,500 was transferred in from the JOBS program.

Manpower Services - The program provided state matching funds for job training, transportation, stipends and other training-related expenses of the "Arizona Works!" program. Manpower Services was replaced by the JOBS program on October 1, 1990.

Navajo Employment Services - Laws 1988, Chapter 304 established 2-person employment services offices in Window Rock, Chinle, Kayenta and Tuba City. The approved amount represents funding for 8 FTE positions: Personal Services, \$160,000; Employee Related Expenditures \$37,800; and All Other Operating Expenditures, \$36,200.

Work Incentive Demonstration Project (WIDP) - This project provided remedial education services to AFDC recipients. WIDP was replaced by the JOBS program on October 1, 1990.

JOBS - The approved amount funds contracted services under the Job Opportunities and Basic Skills (JOBS) program. Federal law required the state to begin offering this education, employment and/or training program to AFDC recipients by October 1, 1990. The approved amount funds the following:

AFDC Households	\$ 757,600
AFDC-UP Households	<u>2,580,900</u>
TOTAL	\$3,338,500

Both the AFDC and AFDC-UP amounts will be matched by a like amount of federal funds, \$3,338,500.

-- **AFDC** - For single-parent households, DES staff will provide case management and initial appraisal and assessment services to 2,034 active participants.

The approved amount funds development of employment plans, literacy tests, employment search and training, and a work experience (workfare) program. Training includes English as a second language, remedial training, or general equivalency degree (G.E.D.) preparation. Funds are also provided for vocational training and the Teen Parent Project.

(Continued)

DEPARTMENT OF ECONOMIC SECURITY - EMPLOYMENT AND REHAB. SERVICES (Cont'd)
GENERAL FUND

-- AFDC-UP - For two-parent households in the AFDC-UP program, DES will either contract out its case management function or hire non-permanent and seasonal positions to provide case management if outside contracts cannot be established. Besides case management, the approved amount will fund employment plan development, skills training, basic education and employment services for up to 2,486 active participants.

Other Receipts - It is the intent of the Legislature that the cost of the Employment and Rehabilitative Services program be offset by \$1,000,000 from the Special Administration Fund, which consists of penalties collected for late payment of unemployment compensation charges. The federal government permits states flexibility in their use of these funds. In FY 1992, these "Other Receipts" will be used to fund the JOBS line item.

ADDITIONAL LEGISLATION

Unemployment Benefits - Chapter 313, H.B. 2053 - The bill increases the maximum weekly unemployment compensation benefit from \$165 in FY 1991 to \$175 in FY 1992 and to \$185 in FY 1993 and thereafter. The change does not involve state appropriated funds.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Edward Z. Fox, Acting Director

A.R.S. § 49-101

JLBC Analyst: Blanton/Bock

**GENERAL FUND AND
AIR QUALITY FUND**

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	259.0	258.0	258.3
Personal Services	6,595,000	6,718,500	7,124,900
Employee Related Exp.	1,310,900	1,486,000	1,600,100
Prof. & Outside Services	240,600	214,500	214,400
Travel - State	217,000	235,100	234,100
Travel - Out of State	19,700	18,700	18,200
Other Operating Exp.	1,337,600	1,410,800	1,484,100
Equipment	155,300	68,500	196,500
All Other Operating Exp.	1,970,200	1,947,600	2,147,300
OPERATING SUBTOTAL	9,876,100	10,152,100	10,872,300
Water Quality Assurance	5,000,000	-0-	-0-
TOTAL	14,876,100	10,152,100	10,872,300 ^{1/2/3/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Special and Hazardous Wastes, Ch. 315	--	--	835,400
Hazardous Waste Property, Ch. 282	--	--	-0- ^{4/}
TOTAL APPROPRIATIONS	14,876,100	10,152,100	11,707,700
Fund Summary			
General Fund	14,876,100	10,152,100	11,602,900
Other Funds (Air Quality Fund)	-0-	-0-	104,800 ^{5/}
TOTAL APPROPRIATIONS	14,876,100	10,152,100	11,707,700

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency.
- 2/ Up to \$1,250,000 of the General Fund appropriation may be utilized temporarily to maintain existing environmental programs for which application for federal funds have been submitted. (General Appropriation Act footnote)
- 3/ Includes \$557,100 for 10 FTE positions to expand the safe drinking water program. At least 3 of the positions and \$120,000 shall be dedicated for small and rural drinking water systems. (General Appropriation Act footnote)
- 4/ Chapter 282 appropriates \$44,214,500 from the General Fund to the Department of Environmental Quality for costs related to the settlement agreement between the State of Arizona and ENSCO, Inc. The act, however, provides that the Department of Administration shall reimburse this amount to the General Fund through the sale of state-owned property.
- 5/ This amount reflects the transfer of 3 existing FTE positions from the General Fund to the Air Quality Fund.

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND AIR QUALITY FUND

Personal Services - The approved amount reflects a reduction of 9.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$161,500. The amount also reflects several changes as follows:

- Three FTE positions (1 Executive Staff Assistant, 1 Librarian, and 1 Clerk Typist II) and \$79,100 are eliminated.
- Three new Environmental Engineering Specialist FTE positions and \$97,900 are added for the Air Quality Permits unit. These engineers will analyze air pollution permit applications from new, existing, and expanding industrial facilities, to ensure that plants are built and operated according to applicable air pollution laws.
- Ten new FTE positions and \$277,400 are added for the Safe Drinking Water Program to meet expanded requirements of the Federal Safe Drinking Water Act. Included are Environmental Engineering Specialists, Environmental Health Specialists, and support staff. These positions are to evaluate surface water plants, groundwater sources, and water delivery systems, and to increase compliance and enforcement activities. Of the new FTE positions, at least 3 will be dedicated to improving small and rural drinking water system performance.

Employee Related Expenditures - The approved General Fund amount contains \$640,900 for medical insurance, including a \$38,900 Section 104 lump sum allocation, and \$31,700 for dental insurance. The approved Other Appropriated Funds amount contains \$6,600 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$42,900 in Professional and Outside Services, \$11,800 in Travel - State, and \$1,800 in Travel - Out of State.

All Other Expenditures - The approved amount includes the following adjustments:

- reduces Other Operating Expenditures by \$2,000 for the 3 eliminated FTE positions;
- for the 3 new air pollution permit FTE positions, adds \$6,000 in Professional and Outside Services, \$2,700 in Travel - State, \$21,400 in Other Operating Expenditures and \$30,000 in Equipment; and
- for the new safe drinking water positions, adds \$36,500 in Professional and Outside Services, \$8,100 in Travel - State, \$1,300 in Travel - Out of State, \$75,000 in Other Operating Expenditures, and \$98,000 in Equipment.

Also, the approved amount includes \$578,600 for rent, of which \$22,300 is for the Tucson Office Building, and \$19,400 for Risk Management (a \$13,700 reduction).

Air Quality Fund Report - It is the intent of the Legislature that DEQ submit an Air Quality Fund financial report on the 25th of the month following the close of each fiscal quarter, which does the following: Shows fund revenues by source; demonstrates complete contract and grant development history; and indicates expected expenditure and award activity for the upcoming quarter. One copy of the report shall be submitted to each of the following: The President of the Senate, the Speaker of the House, and the Director of the JLBC Staff.

ADDITIONAL APPROPRIATIONS

Special and Hazardous Wastes - Ch. 315 (H.B. 2121) - Appropriates \$835,400 to the Department of Environmental Quality to implement several new programs. The appropriation will fund 30 FTE positions, including Personal Services, ERE, Equipment and Other Operating Expenditures, for an average of approximately 3 months each in FY 1992. These positions will be the basis for annualizing program costs for FY 1993. It is the intent of the Legislature that expenditures related to the act's provisions be accounted for separately in order to facilitate tracking the program costs over time. The act also:

(Continued)

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND AIR QUALITY FUND

- Prescribes regulation of special wastes, their transportation, handling, and disposal. It creates a new Special Waste Fund consisting principally of a \$2-per-ton disposal fee for special wastes. The fund is subject to legislative appropriation and shall be used to implement the act's public information, planning, compliance, enforcement, and administrative requirements for special waste.
- Makes the existing Hazardous Waste Fund subject to appropriation and requires that 10% of fund monies be transferred to the new Emergency Response Fund to support Local Emergency Planning Committees. The act establishes specified fees related to hazardous waste generation and management. The Hazardous Waste Fund's list of uses is expanded to include supporting the new pollution prevention program, which requires specified hazardous waste reduction and management planning by industries, with DEQ required to review the plans and administer and enforce the program.
- Creates a new 15-member Special Waste Best Management Practices Advisory Committee to recommend management practices for specified substances. DEQ must provide support staff and technical and expert assistance for the committee.

Hazardous Waste Property - Chapter 282 (H.B. 2503) - Authorizes the sale and lease-back of state buildings with an aggregate market value of \$44,634,500 or more, to recover the costs of the settlement agreement between ENSCO, Inc. and the state of Arizona. For this settlement, the following amounts are appropriated to the Department of Environmental Quality:

- \$37,000,000 for obtaining all right, title, and interest of ENSCO, Inc. in the hazardous waste facility and its related contract;
- \$7,000,000 for the complete settlement of all claims between ENSCO, Inc. and the state of Arizona; and
- \$214,500 for potential late penalties, which apply from August 15, 1991 if payment to ENSCO, Inc. of \$44,000,000 is not made by then.

Since the act requires that these appropriations are to be reimbursed to the General Fund, they are not included in the table for this cost center. Additional appropriations are made to the Department of Administration and to the Office of the Governor.

ADDITIONAL LEGISLATION

Water Quality Assurance Fee; Application - Chapter 23 (H.B. 2011) - This act clarifies that the water quality assurance fee, which is levied on specified types of groundwater withdrawals, is only applicable to groundwater withdrawn for beneficial use. As a result, deposits to the Water Quality Assurance Revolving Fund are projected to be at least \$20,000 less than they would have been otherwise.

Tax Revenues: Environment - Chapter 184 (S.B. 1170) - Alters the dedicated funding mechanism for the Water Quality Assurance Revolving Fund (WQARF). It replaces the "environmentally hazardous products surtax" established by A.R.S. § 42-1391 with an "environmentally hazardous products license fee." For a \$10 fee, the Department of Revenue will license retailers of environmentally hazardous products. Monies collected will be deposited into the WQARF. Revenues are projected to be approximately the same from the license as from the surtax. The act also requires DEQ to study and report on commercial consumption of environmentally hazardous products, and to recommend a permanent fee structure, by December 31, 1991.

Used Oil - Chapter 220 (S.B. 1375) - Changes the disposition of used oil management monies. In addition to the existing Used Oil Management Fund, the act creates a Weights and Measures Used Oil Fund. Of used oil penalties collected, 50% shall be deposited to the Used Oil Management Fund and 50% to the new Weights and Measures Used Oil Management Fund. The act subjects the funds to legislative appropriation. Used oil testing fees will now be deposited to the Weights and Measures Used Oil Fund rather than to the General Fund.

(Continued)

DEPARTMENT OF ENVIRONMENTAL QUALITY (Cont'd)
GENERAL FUND AND AIR QUALITY FUND

Aquifer Protection Permits - Chapter 280 (H.B. 2478) - The act requires the Director of DEQ to expend or transfer \$500,000 from the Water Quality Assurance Revolving Fund (WQARF) for 10 new FTE positions for processing aquifer protection permit applications for existing facilities. It establishes a schedule for completing permit application review, and allows DEQ to establish new aquifer protection permit application fees to fully recover all costs related to application review. For 5 years beginning January 1, 1993, the act requires DEQ to transfer \$150,000 to the WQARF from the aquifer protection permit application fees collected. It also clarifies the intent of the Legislature regarding WQARF uses.

DEQ: Air Quality Enforcement Measures - Chapter 283 (H.B. 2490) - Raises the fee ceiling for industrial facility installation and operating permits for pollution emissions from \$10,000 to \$25,000. This will allow the department to recover a greater proportion of permit application processing costs. The act establishes the Permit Administration Fund consisting of fees and penalties related to air quality permits. Monies in the fund are to be used by DEQ for permit administration, and are not subject to legislative appropriation. Other provisions relate to county air pollution control programs.

Waste Tire Disposal: Manifest; Fees - Chapter 294 (S.B. 1252) - Changes the motor vehicle tire fee structure as it relates to new tire and new vehicle sales. As a result of the new provisions, fund receipt projections are reduced by \$300,000, or 12%, from the original total fund receipt projections. The act also clarifies the manner in which grants are to be awarded from the fund to counties.

DEPARTMENT OF HEALTH SERVICES - SUMMARY

Ted Williams, Director

A.R.S. § 36-103

JLBC Analyst: Blanton

GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND

FY 1990
Actual

FY 1991
Estimate

FY 1992
Approved

Program Summary

Office of the Director	9,120,100	10,076,800	10,411,900
EMS/Health Care Facilities	5,473,300	6,933,800	7,415,600
Disease Prevention Services	5,887,000	6,663,500	6,502,900
Family Health	11,746,500	17,094,200	30,728,900
Behavioral Health	98,841,300	131,237,400	143,985,700
Division of Lab Services	2,363,500	2,592,800	2,704,900
TOTAL APPROPRIATIONS	133,431,700	174,598,500	201,749,900

Expenditure Detail

FTE Positions ^{1/}	1,567.0	1,649.46	1,716.7
Personal Services	33,123,100	33,706,200	36,398,500
Employee Related Exp.	7,208,700	8,306,600	10,108,500
Prof. & Outside Services	4,205,700	4,105,200	4,308,300
Travel - State	325,700	455,500	487,300
Travel - Out of State	40,000	62,900	58,100
Other Operating Exp.	7,203,400	7,394,600	8,586,100
Food	899,600	795,000	1,129,400
Equipment	670,900	466,500	505,600
All Other Operating Exp.	13,345,300	13,279,700	15,074,800
OPERATING SUBTOTAL	53,677,100	55,292,500	61,581,800
Special Line Items ^{2/}	79,754,600	119,306,000	140,168,100
TOTAL APPROPRIATIONS	133,431,700	174,598,500	201,749,900 ^{3/}

Fund Summary

General Fund	131,564,700	172,073,400	198,802,400
EMS Operating Fund	1,867,000	2,525,100	2,947,500
TOTAL APPROPRIATIONS	133,431,700	174,598,500	201,749,900

(Continued)

- ^{1/} Includes the following FTE positions funded in special line items: 45 in FY 1990, 150 in FY 1991, and 170.4 in FY 1992.
- ^{2/} Details for the Special Line Items are included on the individual program pages.
- ^{3/} In addition to the amounts appropriated, earnings on state lands and interest on the investment of the permanent land funds are appropriated to the State Hospital in compliance with the Enabling Act and the Constitution. (General Appropriation Act footnote)

DEPARTMENT OF HEALTH SERVICES - SUMMARY (Cont'd)
GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND

Employee Related Expenditures - The approved General Fund amount contains \$4,385,100 for medical insurance, including a \$265,900 Section 104 lump sum allocation, and \$219,500 for dental insurance. The approved Other Appropriated Funds amount contains \$103,900 for medical insurance, including an \$800 Section 104 lump sum allocation, and \$5,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - Includes a total of \$87,500 for Tucson Office Building rent.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 2(B)5 of the Capital Outlay Bill appropriates \$10,000 from the General Fund to the Department of Health Services for an Oxygen Monitoring System for use at the State Hospital Infirmary.

DEPARTMENT OF HEALTH SERVICES - OFFICE OF THE DIRECTOR

A.R.S. § 36-103

Ted Williams, Director

JLBC Analyst: Blanton

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	187.0	182.0	180.7
Personal Services	4,382,400	4,493,800	4,657,700
Employee Related Exp.	884,700	1,020,900	1,101,500
Prof. & Outside Services	571,900	573,300	723,300
Travel - State	18,200	41,800	40,600
Travel - Out of State	5,300	6,200	5,600
Other Operating Exp.	1,867,600	2,494,800	2,592,400
Equipment	112,000	168,000	126,000
All Other Operating Exp.	2,575,000	3,284,100	3,487,900
OPERATING SUBTOTAL	7,842,100	8,798,800	9,247,100
Relocate Vital Records	-0-	-0-	190,500
Direct Grants	578,000	578,000	578,000 ^{1/}
Reimbursement to Counties	700,000	700,000	396,300 ^{2/}
TOTAL APPROPRIATIONS	9,120,100	10,076,800	10,411,900 ^{3/}

Personal Services - The approved amount reflects a reduction of 3.3 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.9% was applied which reduces Personal Services by \$42,400. The approved amount includes funding for 3 new FTE positions: 3 Program Compliance Auditor III's to improve internal audit capability; and, the transfer out of 1 FTE position to the Emergency Medical Services/Health Care Facilities Division.

Employee Related Expenditures - The approved amount contains \$445,000 for medical insurance, including a \$27,000 Section 104 lump sum allocation, and \$22,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,100 in Travel - State and \$600 in Travel - Out of State. Professional and Outside Services was not cut since these expenses represent Department of Administration data processing charges.

(Continued)

- ^{1/} This appropriation provides for local health work and is to be divided equally among the 15 counties on a non-matching basis, with each county to employ 1 Public Health Nurse and 1 Sanitarian. All funds received by a county under this appropriation which are not used for the prescribed purposes shall revert to the state General Fund. (General Appropriation Act footnote)
- ^{2/} This appropriation is to provide matching funds to counties for local health work on a fifty-fifty matching basis and shall be distributed to each county on an equal per capita basis as determined by the latest federal decennial census. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - OFFICE OF THE DIRECTOR (Cont'd)
GENERAL FUND

All Other Operating Expenditures - Includes \$1,634,900 for Risk Management and \$123,700 for replacement equipment.

Relocate Vital Records - Provides funding to relocate vital records from 1740 W. Adams to a more accessible central location with adequate fire protection and security for vital records.

DEPARTMENT OF HEALTH SERVICES - EMS/HEALTH CARE FACILITIES

Ted Williams, Director

A.R.S. § 36-103

JLBC Analyst: Blanton

GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	136.5	160.5	154.5
Personal Services	1,850,800	2,265,200	2,625,100
Employee Related Exp.	369,300	539,200	834,700
Prof. & Outside Services	39,100	105,600	84,500
Travel - State	83,500	138,400	136,100
Travel - Out of State	4,900	12,400	11,200
Other Operating Exp.	684,400	786,700	776,500
Equipment	199,300	22,200	-0-
All Other Operating Exp.	1,011,200	1,065,300	1,008,300
OPERATING SUBTOTAL	3,231,300	3,869,700	4,468,100
Arizona Poison Control	375,000	480,000	450,000 ^{2/}
EMS Provider Contracts	387,300	400,000	400,000
State EMS Special Projects	34,000	200,000	200,000
Ambulance Replacement	140,000	150,000	150,000
EMSCOM Development	100,000	100,000	100,000
Emer. Med. Svcs. Oper. Fund	1,205,700	1,645,100	1,647,500
Adult Care Homes	-0-	89,000	-0-
TOTAL APPROPRIATIONS	5,473,300	6,933,800	7,415,600 ^{3/}
<u>Fund Summary</u>			
General Fund	3,606,300	4,408,700	4,468,100
EMS Operating Fund	1,867,000	2,525,100	2,947,500
TOTAL APPROPRIATIONS	5,473,300	6,933,800	7,415,600

GENERAL FUND

Personal Services - The approved amount reflects a reduction of 5.6 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$37,900; the transfer in of 1 Investigator III FTE position from the Office of the Director and the movement of 6 FTE positions from the Adult Care Homes special line item to the operating budget.

(Continued)

- ^{1/} Includes the following FTE positions funded in the Emergency Medical Services Operating Fund special line item: 45 in FY 1990, 45 in FY 1991, and 43.6 in FY 1992.
- ^{2/} No appropriated funds shall be utilized to support any poison control center other than the one at the University of Arizona. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - EMS/HEALTH CARE FACILITIES (Cont'd)
GENERAL FUND AND EMERGENCY MEDICAL SERVICES OPERATING FUND

Employee Related Expenditures - The approved amount contains \$301,700 for medical insurance, including an \$18,300 Section 104 lump sum allocation, and \$15,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$21,100 in Professional and Outside Services, \$6,900 in Travel - State and \$1,200 in Travel - Out of State.

Arizona Poison Control - Provides for a statewide system of poison information, education and treatment services. Funding for this activity was shifted from the General Fund.

Ambulance Emergency Contracts - Provides for contracts with emergency receiving facilities and ambulance services.

EMS Special Projects - At the regional level, primary concern is with upgrading EMS training and documentation and evaluation of clinical performances of pre- and post-hospital phases of EMS delivery.

EMSCOM Development - Replacement and upgrading of the central communications system components.

Rural Ambulance Development - This item funds the upgrading of ambulance services in the rural areas, including the purchase of new ambulances and repair of ambulances.

Adult Care Homes - Funding for this program has been annualized and moved into the operating budget (6 FTE positions and \$163,500).

EMERGENCY MEDICAL SERVICES OPERATING FUND

Personal Services - The approved amount reflects a reduction of 1.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.5% was applied which reduces Personal Services by \$5,400.

Employee Related Expenditures - The approved amount contains \$103,900 for medical insurance, including an \$800 Section 104 lump sum allocation, and \$5,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,100 in Professional and Outside Services, \$1,800 in Travel - State and \$100 in Travel - Out of State.

All Other Operating Expenditures - Includes \$15,100 for Risk Management and \$113,800 for rent.

DEPARTMENT OF HEALTH SERVICES - DISEASE PREVENTION SERVICES

Ted Williams, Director

A.R.S. § 36-103

JLBC Analyst: Blanton

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	77.0	77.0	73.6
Personal Services	1,561,400	1,670,100	1,680,800
Employee Related Exp.	325,700	383,900	429,700
Prof. & Outside Services	100,300	95,100	121,500
Travel - State	53,500	45,700	85,600
Travel - Out of State	9,900	20,000	18,000
Other Operating Exp.	430,600	379,600	495,700
Equipment	20,900	26,100	20,200
All Other Operating Exp.	615,200	566,500	741,000
OPERATING SUBTOTAL	2,502,300	2,620,500	2,851,500
TB Provider Hospital Care	753,200	966,100	873,300
Sex Transmitted Disease Control	70,300	76,800	76,800
Aids Report/Surveillance	83,300	125,000	125,000
Vaccines	2,166,700	2,125,100	2,125,100
Kidney Program	100,000	100,000	100,000
Health Effects Studies	65,100	157,500	158,000
Environmental Assessment - Phoenix Area	-0-	300,000 ^{2/}	-0-
Chronic Disease Surveillance	146,100	192,500	193,200
TOTAL APPROPRIATIONS	5,887,000	6,663,500	6,502,900 ^{3/}

Personal Services - The approved amount reflects a reduction of 3.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$17,000.

Employee Related Expenditures - The approved amount contains \$152,400 for medical insurance, including a \$9,200 Section 104 lump sum allocation, and \$7,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$12,200 in Professional and Outside Services, \$4,500 in Travel - State and \$2,000 in Travel - Out of State.

(Continued)

^{1/} Includes the following FTE positions funded in special line items: 10 in FY 1991, and 10 (4 in Health Effects Studies and 6 in Chronic Disease Surveillance) in FY 1992.
^{2/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
^{3/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - DISEASE PREVENTION SERVICES (Cont'd)
GENERAL FUND

All Other Operating Expenditures - Includes \$20,900 for replacement equipment.

Tuberculosis Provider Hospital Care and Tuberculosis Control Subventions - Provides for reimbursement to contract hospitals and physicians for the care of hospitalized tuberculosis patients, and for assistance to all county health departments for local tuberculosis control programs.

Kidney Program - Provides for reimbursement to provider hospitals and licensed dialysis centers of costs for transportation and medications for patients ineligible for public assistance.

Sexually Transmitted Disease Control Subventions - Provides assistance to local venereal disease control programs.

AIDS Reporting/Surveillance - Provides a data base system to control the spread of AIDS and AIDS related conditions.

Health Effects Study - West - Provides support to investigate areas where reported adverse health effects have occurred and collect environmental samplings used to identify possible source of exposure.

The approved amount contains \$7,500 for medical insurance, including a \$500 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Environmental Assessment - Phoenix Area - This line item is not funded for FY 1992. There is currently \$600,000 of non-lapsing money available for investigating risk factors that may be associated with cancer cases throughout the Phoenix Metropolitan area.

Chronic Disease Surveillance - Operates chronic disease registries and conducts surveillance programs to determine rates, distribution, and factors influencing chronic diseases.

The approved amount contains \$11,500 for medical insurance, including a \$700 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH

Ted Williams, Director

A.R.S. § 36-103

JLBC Analyst: Blanton

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	76.0	77.0	85.4
Personal Services	1,725,400	1,808,100	1,578,200
Employee Related Exp.	357,400	416,900	384,800
Prof. & Outside Services	217,000	150,800	118,800
Travel - State	72,800	99,700	94,700
Travel - Out of State	3,500	3,000	2,700
Other Operating Exp.	433,900	363,400	353,800
Equipment	73,700	-0-	5,000
All Other Operating Exp.	800,900	616,900	575,000
OPERATING SUBTOTAL	2,883,700	2,841,900	2,538,000
Adult Cystic Fibrosis	212,600	221,400	221,400
Adult Sickle Cell Anemia	60,000	69,400	69,400
Information/Referral Services	26,000	52,000	52,100
Child Rehabilitative Services	5,292,400	7,273,800	10,519,600
AHCCCS - CRS	-0-	-0-	9,001,100
Newborn Intensive Care	2,613,100	4,921,200	5,155,300
Perinatal Care Services	214,700	269,400	269,400
Teen Prenatal Express	145,500	715,000	1,072,500
Rural Obstetric Services	-0-	195,000	195,000
Medical Malpractice/Obstetrical	-0-	205,000	205,000
Nutrition Subventions	298,500	330,100	330,100
Prenatal Outreach	-0-	-0-	100,000
WIC Supplemental	-0-	-0-	1,000,000
TOTAL APPROPRIATIONS	11,746,500	17,094,200	30,728,900 ^{2/}

Personal Services - The approved amount reflects a reduction of 3.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$14,000; and, elimination of 14 FTE positions associated with operation of the Tucson Clinic.

Employee Related Expenditures - The approved amount contains \$124,000 for medical insurance, including a \$7,500 Section 104 lump sum allocation, and \$6,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Includes the following FTE positions funded in special line items: 1 in FY 1990, 1 in FY 1991, and 26.8 (1 in Information/Referral Services; 6.5 in Newborn Intensive Care; 5 in the AHCCCS - CRS program; and, 14.3 in the Child Rehabilitative Services program) in FY 1992.

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH (Cont'd)
GENERAL FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$27,000 in Professional and Outside Services, \$5,000 in Travel - State and \$300 in Travel - Out of State.

Cystic Fibrosis - Provides care and treatment services for adult residents of the state suffering from cystic fibrosis.

Adult Sickle Cell Anemia - Provides funding for adults suffering from sickle cell anemia.

Information/Referral - Provides funding for a statewide information and referral service for chronically ill and physically disabled children and a directory of services available from both the public and private sectors.

Child Rehabilitative Services (CRS) - CRS provides comprehensive health care to children suffering from handicapping or potentially handicapping conditions. The goal of the program is to provide early diagnosis and treatment including surgical intervention to prevent or substantially ameliorate medical conditions which, if left untreated, would lead to permanent handicaps. Additionally, the program strives, through rehabilitative medical care, to improve the health and quality of life for children suffering from non-preventable handicaps. In addition, the AHCCCS - CRS line item provides state match for Federal Title XIX eligible children. This program was transferred from Arizona Health Care Cost Containment System (AHCCCS).

Overall, the state General Fund has provided an additional \$6,000,000 of increased funding for the Children's Rehabilitative Services (CRS) program. When coupled with the estimated federal financial participation (FFP) for AHCCCS eligible children, the total available for this program is \$24.5 million. The following chart depicts change from FY 1991.

	<u>FY 1991</u>	<u>FY 1992</u>	<u>Change</u>
CRS	7,273,800	10,519,600	3,245,800
CRS AHCCCS - State Match	5,501,100	9,001,100	3,500,000
CRS AHCCCS - FFP	<u>1,121,800</u>	<u>5,000,000</u>	<u>3,878,200</u>
TOTAL	<u>13,896,700</u>	<u>24,520,700</u>	<u>10,624,000</u>

The change includes \$6,000,000 of new General Fund appropriations, \$381,500 transferred in as result of eliminating 14 FTE positions in the Tucson Clinic, \$363,600 for medical inflation, a \$700 Section 104 medical insurance premium adjustment, and \$3,878,200 in increased FFP.

Newborn Intensive Care - Provides for transport to and care for newborns in intensive care centers.

Perinatal Health Care - Provides funding for adequate prenatal care for women with incomes below the federal poverty level, but above the Arizona Health Care Cost Containment System (AHCCCS) eligibility cutoff.

Nutrition Subventions - Provides support to counties participating in the Nutritional Assessment Program, which provides screening, education, counseling and referrals to persons identified as needing nutrition services.

Teen Prenatal Express Program - Provides funding for prenatal care, hospital delivery and nursing case management for low income pregnant adolescents not enrolled in AHCCCS. This program is a component of the Perinatal Health Care Program.

Rural Obstetrical Services - Provides annual financial assistance for physicians performing obstetrical services in underserved areas of the state as determined by the Department.

Medical Malpractice/Obstetrical - Provides financial assistance to physicians and non-profit, community based, non-hospital affiliated primary care clinics performing obstetrical services in federally designated underserved areas in the state.

(Continued)

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH (Cont'd)
GENERAL FUND

Prenatal Outreach - Provides funding to assist health workers in identifying high risk (low-income, minority and teen) pregnant women and assisting them in obtaining prenatal care early in their pregnancies.

WIC Supplemental - Provides \$1,000,000 of state funding to supply nutritious foods to high risk pregnant and lactating women, infants and children up to their fifth birthday. This is in addition to \$30,172,000 of federal funding for this program.

Special Line Item Health Insurance - The following table summarizes section 104 insurance distribution and the medical and dental sweep for special line items which fund FTE positions:

<u>Special Line Item</u>	<u>Section 104 Distribution</u>	<u>Totals Approved</u>	
		<u>Medical</u>	<u>Dental</u>
Information/Referral	100	2,000	100
Newborn Intensive Care	700	11,200	600
CRS Provider	2,500	41,500	2,100
Teen Prenatal Express	100	2,400	100
Perinatal Care Services	-0-	500	-0-

The medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH

A.R.S. § 36-103

JLBC Analyst: Blanton

Ted Williams, Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	1,030.5	1,092.96	1,163.3
Personal Services	22,170,200	21,958,500	24,338,500
Employee Related Exp.	4,972,700	5,574,500	6,960,000
Prof. & Outside Services	3,276,900	3,171,600	3,253,200
Travel - State	83,000	107,100	108,600
Travel - Out of State	11,400	15,100	15,000
Other Operating Exp.	3,324,200	2,901,200	3,885,200
Food	899,600	795,000	1,129,400
Equipment	116,200	45,800	150,000
All Other Operating Exp.	7,711,300	7,035,800	8,541,400
OPERATING SUBTOTAL	34,854,200	34,568,800	39,839,900
CMI Pilot Program	5,886,700	1,825,000	6,125,000
CMI Services (HB2191)	-0-	12,862,400	-0-
Arizona State Hosp. (HB 2191)	-0-	2,000,000	-0-
Regional Resid./Psych. Beds	3,677,400	3,875,900	5,713,500
Children's Behavioral Health Services	12,178,800	20,544,100	12,961,300
Child BHS Title XIX Match	-0-	-0-	6,768,900
Serious Emotionally Handicapped Children	-0-	-0-	4,332,200
Chronically Mentally Ill Services	19,955,400	21,672,500	39,539,000
Mental Health Services	8,987,800	9,963,800	9,965,300
Substance Abuse	11,650,000	13,144,300	13,145,500 ^{2/}
CMI Medications	1,300,000	1,300,000	2,415,000
CMI Medications (HB 2191)	-0-	1,000,000	-0-
Transitional Living Unit	351,000	393,200	395,300
CMI Pilot Program (HB 2191)	-0-	4,300,000	-0-
Resident IP Beds (HB 2191)	-0-	1,837,600	-0-
EPSDT - DES	-0-	-0-	1,038,000
EPSDT (HB 2554)	-0-	746,800	746,800 ^{3/}
CMI Clozaril Program	-0-	500,000	500,000
Drug Abuse Waiting List	-0-	703,000	500,000
TOTAL APPROPRIATIONS	98,841,300	131,237,400	143,985,700 ^{4/5/}

^{1/} Includes the following FTE positions funded in special line items: 9.5 in FY 1990, 88 in FY 1991, and 88 (15.5 in Children's Behavioral Health; 21 in CMI Services; 6.6 in Mental Health Services; 5.6 in Substance Abuse; 14.5 in Transitional Living; and, 24.8 in EPSDT) in FY 1992.

^{2/} It is the intent of the legislature that counties not reduce funding to provide these medications within their responsibilities under A.R.S. § 11-291 below the level expended during FY 1990. The department will request and report semi-annually on county expenditure levels in comparison with the base year.

(Footnotes Continued on Following Page)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND

Personal Services - The approved amount reflects a reduction of 10.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$362,400. The approved amount included funding for 75 FTE positions for staffing of the Arizona State Hospital and the transfer out of 7 FTE positions. 13 FTE positions were moved above the line from the Arizona State Hospital (H.B. 2191) special line item.

Employee Related Expenditures - The approved amount contains \$2,873,400 for medical insurance, including a \$174,200 Section 104 lump sum allocation, and \$143,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$56,800 in Professional and Outside Services, \$5,400 in Travel - State and \$1,500 in Travel - Out of State.

CMI Pilot Program - Provides an alternative service delivery system for chronically mentally ill persons under which the dollars are capitated and a case management approach is utilized. Laws 1986, Chapter 398 established the CMI Pilot Program beginning July 1, 1987 and scheduled to end on September 30, 1990. The termination date was extended to September 30, 1991 by Laws 1990, Chapter 403. This program was established to determine the feasibility of implementing the pilot program on a statewide basis. Although the pilot program has no continuing legislative basis, the Legislature has funded the CMI Pilot Program and it is the intent of the Legislature that this modality of treatment be continued for as many patients as possible within the appropriation.

Mental Health - The approved amount provides funding for Mental Health services to establish and maintain a continuum of care, more effectively utilize state funds and initiate a phased-in approach to achieve a full range of services for mental health patients.

Substance Abuse - The approved amount provides funding for drug and alcohol abuse services to establish and maintain a continuum of care, more effectively utilize state funds and initiate a phased-in approach to achieve full services for substance abusing clients.

Transitional Living - Provides funding for graduated steps of care between the hospital treatment unit and the living situation in the community.

Regional Beds - The approved amount includes funding for the regional beds program which is designed to provide more appropriate use of funds and reduce growth in the Arizona State Hospital (ASH) census by developing secure residential/ inpatient alternatives in local areas.

Children's Behavioral Health Delivery System (CBHDS) - The approved amount provides an additional \$3,500,000 for expansion of the comprehensive children's behavioral health delivery system to include an increase in the availability of residential services, clinical consultations and case management services for seriously emotionally handicapped children.

(Continued)

(Footnotes Continued From Previous Page)

- 3/ Persons receiving Clozaril will, on a priority basis, be included in this program consistent with the Division of Behavioral Health Services criteria for providing services. The Department will provide the Senate and House Health Committee Chairmen quarterly status reports of the program to include patient utilization and effectiveness.
- 4/ In addition to the amounts appropriated, earnings on state lands and interest on the investment of permanent land funds are appropriated to the State Hospital in compliance with the Enabling Act and the constitution.
- 5/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND

The FY 1992 appropriation for the Children's Behavioral Health Service System has been divided into 3 components to ensure that each of the components receives its proportionate share of the total appropriation.

The following chart depicts increased funding for this program:

	<u>FY 1991</u>	<u>FY 1992</u>	<u>Change</u>
CBHDS	20,544,100	12,961,300	(7,582,800)
CBHDS Title XIX Match		6,768,900	6,768,900
Seriously Emotionally Handicapped Children		<u>4,332,200</u>	<u>4,332,200</u>
TOTAL	<u>20,544,100</u>	<u>24,062,400</u>	<u>3,518,300</u>

In addition to the \$3,500,000 in new General Funds, \$15,400 is added for medical inflation, and \$2,900 is added for the Section 104 medical insurance premium adjustment. In FY 1991, Seriously Emotionally Handicapped Children were provided service within the CBHDS appropriation.

A.R.S. § 36-3433B(1) requires that no less than 20% of the total amount of appropriation requested be set aside for prevention and early identification programs. For FY 1991, the Department applied this formula to the amount appropriated by the Legislature and this amounted to \$4.1 million. Since the FY 1992 funding allocation includes funding for Early Periodic Screening and Diagnostic Testing (Title XIX) children for which the Federal Government does not reimburse for prevention and early intervention programs, the amount of funding available for prevention and early intervention could be reduced below the FY 1991 level.

Therefore, the Chairmen of the Senate and House Appropriations Committees have informed the Department that it is the intent of the Legislature that this program not be reduced below the FY 1991 level of \$4.1 million.

CMI Medications - The approved amount provides for CMI medications to enhance the continuum of care coverage and initiate a phased-in approach to achieve full services for CMI in the community. This service will improve patient lifestyle and ensure more cost effective utilization of appropriated funds.

Chronically Mentally Ill (CMI) - The approved amount provides an additional \$5,000,000 for further expansion of the Chronically Mentally Ill (CMI) program to provide a balance in the continuum of care and initiate a phase-in approach to achieve full services for CMI in the community. These services will improve patient lifestyle and ensure more cost effective utilization of state funds.

CMI funding is divided into several special line items.

The following chart depicts a) the reorganization of these line items and b) the increased funding for this program:

	<u>FY 1991</u>	<u>FY 1992</u>	<u>Net Change</u>
<u>CMI</u>	1,825,000	6,125,000	4,300,000
CMI Pilot Program	4,300,000	-0-	(4,300,000)
CMI Pilot Program (H.B. 2191)	3,875,900	5,713,500	1,837,600
Regional Resid./Psych. Beds	1,837,600	-0-	(1,837,600)
Regional Resid./Psych. Beds (H.B. 2191)	21,672,500	39,539,000	17,866,500
CMI Services	12,862,400	-0-	(12,862,400)
CMI Services (H.B. 2191)	1,300,000	2,415,000	1,115,000
CMI Medications	1,000,000	-0-	(1,000,000)
CMI Medications (H.B. 2191)	500,000	500,000	-0-
CMI Clozaril	<u>49,173,400</u>	<u>54,292,500</u>	<u>5,119,100</u>
TOTAL			

The net change includes \$5,000,000 new funding, \$115,000 medical inflation, and \$4,100 from Section 104 medical insurance adjustment.

(Continued)

DEPARTMENT OF HEALTH SERVICES - BEHAVIORAL HEALTH (Cont'd)
GENERAL FUND

Special Line Item Health Insurance - The following table summarizes the distribution of Section 104 medical insurance funds and total medical costs for special line items which fund FTE positions:

<u>Special Line Item</u>	<u>Section 104 Distribution</u>	<u>Totals Approved</u>	
		<u>Medical</u>	<u>Dental</u>
Children's Behavioral Health	2,900	47,500	2,400
CMI Services	4,100	67,200	3,400
Mental Health Services	1,500	24,400	1,200
Substance Abuse	1,200	19,200	1,000
Transitional Living	2,100	34,700	1,700
EPSDT	4,600	76,300	3,800

The medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Joint Legislative Oversight Committee on Behavioral Health - Chapter 125 (H.B. 2408) - Establishes a joint legislative oversight committee on Behavioral Health Services. The Committee shall examine and analyze:

1. The structure and functioning of the present delivery and administrative system for mental health services to determine:
 - a. Delivery of proper types and amounts of services.
 - b. Accessibility of services to clients.
 - c. Delivery of comprehensive services within regional areas.
 - d. If the behavioral health entity system utilized by the Department of Health Services Division of Behavioral Health is cost effective.
2. The funding of the mental health system including but not limited to:
 - a. Present revenue sources and distribution patterns.
 - b. Authorization for expenditures.
 - c. Criteria or procedures for the purchase of services.
 - d. The utilization of unexpended funds by the administrative entities.
 - e. The purpose, ownership and disposition by administrative entities of capital assets acquired with state monies.
3. The extent to which the system provides for decision making that is representative, responsive and accountable to the community, clients and funding sources.
4. Alternatives to the present delivery and administrative system for mental health services.
5. The use of citizen and professional advisory boards in the development of public policy.

The Committee shall receive and review the recommendations of the Joint Legislative Oversight Committee on Arizona Health Care Cost Containment System concerning Behavioral Health Services.

The Committee shall propose legislation based on the above findings.

DEPARTMENT OF HEALTH SERVICES - DIVISION OF LAB SERVICES A.R.S. § 36-103

JLBC Analyst: Blanton

Ted Williams, Director

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	60.0	60.0	59.3 ^{1/}
Personal Services	1,432,900	1,510,500	1,518,200
Employee Related Exp.	298,900	371,200	397,800
Prof. & Outside Services	500	8,800	7,000
Travel - State	14,700	22,800	21,700
Travel - Out of State	5,000	6,200	5,600
Other Operating Exp.	462,700	468,900	482,500
Equipment	148,800	204,400	204,400
All Other Operating Exp.	631,700	711,100	721,200
OPERATING SUBTOTAL	2,363,500	2,592,800	2,637,200
Blood and Alcohol Program	-0-	-0-	67,700
TOTAL APPROPRIATIONS	2,363,500	2,592,800	2,704,900 ^{2/}

Personal Services - The approved amount reflects a reduction of 2.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$15,300; and, the transfer in of 2 FTE positions associated with the Blood and Alcohol Program.

Employee Related Expenditures - The approved amount contains \$138,400 for medical insurance, including an \$8,400 Section 104 lump sum allocation, and \$6,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,800 in Professional and Outside Services, \$1,100 in Travel - State and \$600 in Travel - Out of State.

All Other Operating Expenditures - Includes \$206,500 for replacement equipment.

Blood and Alcohol Program - The approved amount contains \$4,300 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Includes 2 FTE positions funded in the Blood and Alcohol Program special line item.
^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

ARIZONA COUNCIL FOR THE HEARING IMPAIRED

Stewart R. Brackney, Executive Director

A.R.S. § 36-1941

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Personal Services	<u>122,000</u>	<u>132,700</u>	<u>132,700</u>
Employee Related Exp.	<u>24,200</u>	<u>30,900</u>	<u>33,800</u>
Prof. & Outside Services	4,300	5,400	4,300
Travel - State	4,000	6,500	5,400
Travel - Out of State	1,900	3,000	2,000
Other Operating Exp.	27,400	26,400	24,800
Equipment	16,000	-0-	-0-
All Other Operating Exp.	<u>53,600</u>	<u>41,300</u>	<u>36,500</u>
TOTAL APPROPRIATIONS	<u>199,800</u>	<u>204,900</u>	<u>203,000</u> ^{1/}

Employee Related Expenditures - The approved amount contains \$16,500 for medical insurance, including a \$1,000 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,100 in Professional and Outside Services, \$1,100 in Travel - State and \$1,000 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes a decrease of \$1,600 in Other Operating Expenditures.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ARIZONA COMMISSION OF INDIAN AFFAIRS

A.R.S. § 41-541

Tony Machukay, Director

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	106,200	111,100	111,100
Employee Related Exp.	22,400	27,000	27,700
Prof. & Outside Services	-0-	-0-	-0-
Travel - State	6,400	11,600	7,100
Travel - Out of State	100	-0-	-0-
Other Operating Exp.	17,200	14,400	13,900
Equipment	400	-0-	-0-
All Other Operating Exp.	24,100	26,000	21,000
TOTAL APPROPRIATIONS	152,700	164,100	159,800 ^{1/}

Employee Related Expenditures - The approved amount contains \$12,800 for medical insurance, including a \$800 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Travel - State includes a decrease of \$4,500. The reduction was made to bring the agency more in line with actual expenditures.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

PIONEERS' HOME

Doris Marlowe, R.N.

A.R.S. § 41-921

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	110.0	110.0	107.4
Personal Services	2,055,900	2,077,400	2,055,100
Employee Related Exp.	605,300	600,000	598,300
Food	222,700	219,700	-0-
TOTAL APPROPRIATIONS	2,883,900	2,897,100	2,653,400 ^{1/2}

Personal Services - The approved amount reflects a reduction of 2.6 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.07% was applied which reduces Personal Services by \$22,300.

Employee Related Expenditures - The approved amount contains \$262,000 for medical insurance, including a \$15,900 Section 104 lump sum allocation, and \$13,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Food - FY 1992 food expenditures will be funded through the Pioneers' Home Charitable Endowment Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency.
^{2/} In addition to the amounts appropriated, earnings on state lands and interest on the investment of the permanent land funds are appropriated for the Pioneers' Home and the hospital for disabled miners in compliance with the enabling act and the constitution. (General Appropriation Act footnote)

ARIZONA RANGERS' PENSIONS

A.R.S. § 41-951

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Arizona Rangers' Pension	<u>8,400</u>	<u>8,800</u>	<u>9,200</u>
TOTAL APPROPRIATIONS	<u><u>8,400</u></u>	<u><u>8,800</u></u>	<u><u>9,200</u></u> ^{1/}

The appropriation includes a 4.5% adjustment for inflation, as per the provisions of A.R.S. § 41-951(B). The pension for the remaining sole survivor is \$767 per month.

^{1/} Represents General Appropriation Act funds.

VETERANS' SERVICE COMMISSION - SUMMARY

Norman O. Gallion, Director

A.R.S. § 41-602

JLBC Analyst: Siegarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Veterans' Affairs	690,700	807,600	751,800
Veterans' Conservatorship	348,100	348,200	386,200
TOTAL APPROPRIATIONS	1,038,800	1,155,800	1,138,000
<u>Expenditure Detail</u>			
FTE Positions	34.0	34.0	34.0
Personal Services	645,000	664,100	695,200
Employee Related Exp.	151,900	173,000	179,800
Prof. & Outside Services	200	-0-	-0-
Travel - State	20,400	28,200	27,100
Travel - Out of State	5,400	6,400	5,800
Other Operating Exp.	164,600	157,700	163,200
Equipment	11,400	-0-	6,900
All Other Operating Exp.	202,000	192,300	203,000
OPERATING SUBTOTAL	998,900	1,029,400	1,078,000
Special Line Items ^{1/}	39,900	126,400	60,000
TOTAL APPROPRIATIONS	1,038,800	1,155,800	1,138,000 ^{2/}
<u>Fund Summary</u>			
General Fund	690,700	807,600	751,800
Veterans' Guardianship Fund	348,100	348,200	386,200
TOTAL APPROPRIATIONS	1,038,800	1,155,800	1,138,000

Employee Related Expenditures - The approved General Fund amount contains \$47,600 for medical insurance, including a \$2,900 Section 104 lump sum allocation, and \$2,400 for dental insurance. The approved Other Appropriated Funds amount contains \$36,800 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- ^{1/} Details for the Special Line Items are included on the individual program pages.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information purposes. Details for the Special Line Items are included on the individual program pages.

VETERANS' SERVICE COMMISSION - VETERANS' AFFAIRS

A.R.S. § 41-602

Norman O. Gallion, Director

JLBC Analyst: Siegwarth

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	20.0	20.0	20.0
Personal Services	419,100	441,300	445,200
Employee Related Exp.	96,100	112,900	108,900
Travel - State	15,600	22,500	21,400
Travel - Out of State	4,300	6,400	5,800
Other Operating Exp.	105,500	98,100	103,600
Equipment	10,200	-0-	6,900
All Other Operating Exp.	135,600	127,000	137,700
OPERATING SUBTOTAL	650,800	681,200	691,800
Veterans' Organization Contracts	39,900	40,000	40,000
Veterans' Cemetery Fund	-0-	86,400	20,000
TOTAL APPROPRIATIONS	690,700	807,600	751,800 ^{1/}

Personal Services - The approved amount represents full funding of FTE positions.

Employee Related Expenditures - The approved amount contains \$47,600 for medical insurance, including a \$2,900 Section 104 lump sum allocation, and \$2,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on P&O Services and Travel Reductions - The approved amount reflects a reduction of \$1,100 in Travel-State and \$600 in Travel-Out of State.

Other Operating Expenditures - The approved amount includes an increase of \$8,100 for rent in the new Tucson office building and \$3,600 for risk management, which is an increase of \$100.

Equipment - The approved amount provides funding for the purchase of a Veterans' Service office computer software system. This will enable the commission to fully utilize the computer hardware transferred from the Treasurer's office in FY 1991. The system will provide improved capabilities and aid in the conversion of the record card index file to an electronic medium.

Veterans' Organization Contracts - Provides funding for contracts with Arizona Veterans' organizations that hold charters granted by Congress for the beneficial interest of veterans (A.R.S. § 41-603.A).

Veterans Cemetery Fund - The approved amount reflects the final payment for conveyance of the Arizona Veterans' Cemetery to the U.S. National Cemetery System. Laws 1989, Chapter 29 (H.B. 2046) authorized conveyance to the U.S. National Cemetery System.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

VETERANS' SERVICE COMMISSION - VETERANS' AFFAIRS (Cont'd)
GENERAL FUNDS

CAPITAL OUTLAY

Veterans' Nursing Home - Laws 1990, Chapter 203 - This bill appropriates \$1,250,000 for FY 1991 and \$1,250,000 for FY 1992 from the state General Fund for deposit with and investment by the state treasurer to be used for construction of a state veterans' nursing home on the Indian school land, provided that the federal government pays for 65% of the cost of construction. Interest earned on the monies is also appropriated to the Arizona Veterans' Service Commission for such use. This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations unless the appropriation stands until December 31, 1992 without an expenditure or encumbrance. These monies, in addition to the \$2,500,000 appropriated in Laws 1989, Chapter 205, complete the total (35%) state matching requirement.

VETERANS' SERVICE COMMISSION - VETERANS' CONSERVATORSHIP A.R.S. § 41-602

Norman O. Gallion, Director

JLBC Analyst: Siegwarth

VETERANS' GUARDIANSHIP FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	14.0	14.0	14.0
Personal Services	225,900	222,800	250,000
Employee Related Exp.	55,800	60,100	70,900
Prof. & Outside Services	200	-0-	-0-
Travel - State	4,800	5,700	5,700
Travel - Out of State	1,100	-0-	-0-
Other Operating Exp.	59,100	59,600	59,600
Equipment	1,200	-0-	-0-
All Other Operating Exp.	66,400	65,300	65,300
TOTAL APPROPRIATIONS	348,100	348,200	386,200 ^{1/}

Personal Services - The approved amount represents full funding of FTE positions.

Employee Related Expenditures - The approved amount contains \$36,800 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

AGRICULTURAL EMPLOYMENT RELATIONS BOARD

A.R.S. § 23-1386

Maxine McCarthy, Executive Secretary

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	111,200	120,500	120,500
Employee Related Exp.	22,700	28,900	23,300
Prof. & Outside Services	2,200	10,700	13,200
Travel - State	1,300	9,200	7,500
Other Operating Exp.	9,500	11,300	11,100
All Other Operating Exp.	13,000	31,200	31,800
TOTAL APPROPRIATIONS	146,900	180,600	175,600 ^{1/}

Employee Related Expenditures - The approved amount contains \$15,600 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount reflects a reduction of \$7,000 from the original FY 1991 appropriation of \$20,200. The FY 1991 amount reflects a \$9,500 ex-appropriation for the mid-year budget reduction.

Travel - State - The approved amount includes a reduction of \$1,700 due to expected changes in board membership.

Other Operating Expenditures - The approved amount includes \$1,800 (or a \$200 decrease) for risk management.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF AGRICULTURE - SUMMARY

Keith Kelly, Director

A.R.S. § 3-101

JLBC Analyst: McNeil

GENERAL FUND AND OTHER APPROPRIATED FUNDS

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Office of Director	-0-		
Animal Services	-0-	1,982,600	2,434,100
Plant Industries	-0-	3,893,300	3,998,700
Chemicals/Environment	-0-	4,705,300	4,421,800
Commission of Ag. & Hort. ^{1/}	-0-	861,900	876,500
Dairy Commissioner ^{1/}	6,423,300	-0-	-0-
Arizona Livestock Board ^{1/}	504,700	-0-	-0-
Arizona Livestock Board ^{1/}	3,703,700	-0-	-0-
Egg Inspection Board ^{1/}	156,800	-0-	-0-
TOTAL APPROPRIATIONS	10,788,500	11,443,100	11,731,100
<u>Expenditure Detail</u>			
FTE Positions	319.0	322.0	311.3
Personal Services	6,794,400	6,569,500	6,689,400
Employee Related Exp.	1,426,600	1,675,900	1,727,800
Prof. & Outside Services	370,100	360,200	420,200
Travel - State	809,000	607,800	601,400
Travel - Out of State	39,500	33,400	35,500
Other Operating Exp.	986,700	1,058,900	1,054,400
Equipment	197,100	7,500	67,900
All Other Operating Exp.	2,402,400	2,067,800	2,179,400
OPERATING SUBTOTAL	10,623,400	10,313,200	10,596,600
Special Line Items	165,100	1,129,900	1,090,500
Additional Appropriations	--	--	44,000
TOTAL APPROPRIATIONS	10,788,500	11,443,100	11,731,100
<u>Fund Summary</u>			
General Fund	9,463,100	9,812,100	9,944,800
Pesticide Fund	128,100	207,600	399,200
Commercial Feed Fund	143,900	203,200	185,000
Fertilizer Materials Fund	160,900	187,100	186,600
Citrus, Fruit, & Veg. Fund	735,700	839,500	832,800
Egg Inspection Fund	156,800	193,600	182,700
TOTAL APPROPRIATIONS	10,788,500	11,443,100	11,731,100

(Continued)

^{1/} These 4 separate agencies were combined, effective January 1, 1991, to form the Department of Agriculture (Laws 1989, Chapter 162).

DEPARTMENT OF AGRICULTURE - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Employee Related Expenditures - The approved General Fund amount contains \$683,000 for medical insurance, including a \$41,500 Section 104 lump sum allocation, and \$34,200 for dental insurance. The approved Other Appropriated Funds amount contains \$89,300 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$5,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF AGRICULTURE - OFFICE OF DIRECTOR

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: McNeil

GENERAL FUND AND PESTICIDE FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	48.0	54.3
Personal Services	-0-	1,061,600	1,303,100
Employee Related Exp.	-0-	246,100	313,900
Prof. & Outside Services	-0-	125,900	198,600
Travel - State	-0-	36,200	46,300
Travel - Out of State	-0-	12,700	13,900
Other Operating Exp.	-0-	500,100	508,400
Equipment	-0-	-0-	49,900
All Other Operating Exp.	-0-	674,900	817,100
TOTAL APPROPRIATIONS	-0-	1,982,600	2,434,100 ^{1/}
<u>Fund Summary</u>			
General Fund	-0-	1,982,600	2,218,100
Pesticide Fund	-0-	-0-	216,000
TOTAL APPROPRIATIONS	-0-	1,982,600	2,434,100

Personal Services - The approved amount reflects a reduction of 0.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$14,900. The approved amount includes the restoration of \$54,500 which was eliminated in the FY 1991 Ex-Appropriation Act.

The approved amount includes \$114,700 from the General Fund for 3 new positions (Deputy Director, Assistant Director - Agriculture Safety, and Commodities Development Specialist) and \$84,300 from the Pesticide Fund for 3 Agriculture Safety Inspector positions. A Rules Specialist position, although unfunded, is included in the cost center's FTE count.

Employee Related Expenditures - The approved General Fund amount contains \$131,300 for medical insurance, including an \$8,000 Section 104 lump sum allocation, and \$6,300 for dental insurance. The approved Other Appropriated Funds amount contains \$8,600 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$27,300 in Professional and Outside Services, \$1,800 in Travel - State and \$1,300 in Travel - Out of State.

Professional and Outside Services - The approved amount includes \$50,000 for one-time data processing costs associated with Department consolidation. The amount also reflects an appropriation of \$59,000 from the Pesticide Fund for the Integrated Pest Management program.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

(Continued)

DEPARTMENT OF AGRICULTURE - OFFICE OF DIRECTOR (Cont'd)
GENERAL FUND AND PESTICIDE FUND

Travel - State - The approved amount includes \$5,000 from the General Fund and \$6,900 from the Pesticide Fund for expenditures associated with new positions.

Travel - Out of State - The approved amount includes \$2,500 from the General Fund for expenditures associated with the Commodities Development Specialist.

Other Operating Expenditures - The approved amount includes \$19,500 from the General Fund for Tucson Office Building rent and \$600 from the Pesticide Fund for Agriculture Safety Inspection expenditures. Additionally, the amount includes \$2,700 (General Fund) and \$5,100 (Pesticide Fund) for non-capitalized equipment expenditures.

Equipment - The approved amount includes \$40,200 (Pesticide Fund) and \$9,700 (General Fund) for equipment purchases associated with the new FTE positions.

DEPARTMENT OF AGRICULTURE - ANIMAL SERVICES

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: McNeil

GENERAL FUND AND EGG INSPECTION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	111.8	107.2
Personal Services	-0-	2,442,800	2,436,300
Employee Related Exp.	-0-	502,100	642,800
Prof. & Outside Services	-0-	152,500	155,700
Travel - State	-0-	353,600	337,100
Travel - Out of State	-0-	7,700	9,900
Other Operating Exp.	-0-	166,000	159,200
Equipment	-0-	-0-	-0-
All Other Operating Exp.	-0-	679,800	661,900
OPERATING SUBTOTAL	-0-	3,624,700	3,741,000
Animal Damage Control	-0-	75,000	75,000
Egg Inspection	-0-	193,600	182,700
TOTAL APPROPRIATIONS	-0-	3,893,300	3,998,700 ^{1/}
<u>Fund Summary</u>			
General Fund	-0-	3,699,700	3,816,000
Egg Inspection Fund	-0-	193,600	182,700
TOTAL APPROPRIATIONS	-0-	3,893,300	3,998,700

Personal Services - The approved amount reflects a reduction of 2.1 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$25,600. The approved amount also reflects the elimination of 2.5 Livestock Inspector II positions. The approved amount includes the restoration of \$45,100 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved General Fund amount contains \$257,000 for medical insurance, including a \$15,600 Section 104 lump sum allocation, and \$12,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes \$16,200 for uniform allowances.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$17,700 in Travel - State and \$1,100 in Travel - Out of State. The Professional and Outside Services line item was not reduced in this cost center.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

DEPARTMENT OF AGRICULTURE - ANIMAL SERVICES (Cont'd)
GENERAL FUND AND EGG INSPECTION FUND

Other Operating Expenditures - The approved amount includes \$5,000 for non-capitalized replacement equipment.

Egg Inspection Board - The approved Other Appropriated Funds amount was based on the following line item detail:

FTE Positions	5.6
Personal Services	115,000
Employee Related Exp.	29,300
Travel - State	21,400
Other Operating Exp.	<u>17,000</u>
TOTAL	182,700

The approved amount reflects a decrease of \$20,400 in Personal Services/Employee Related Expenditures due to the replacement of retired employees with new Inspectors hired at lower wage rates. The approved amount for Employee Related Expenditures also contains \$11,800 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The amount also reflects a \$7,100 increase in Travel - State and a \$1,100 increase in Other Operating Expenditures.

DEPARTMENT OF AGRICULTURE - PLANT INDUSTRIES

Keith Kelly, Director

A.R.S. § 3-101

JLBC Analyst: McNeil

GENERAL FUND AND CITRUS, FRUIT, & VEG. FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	144.2	131.8
Personal Services	-0-	2,613,300	2,472,700
Employee Related Exp.	-0-	793,900	663,700
Prof. & Outside Services	-0-	2,200	2,200
Travel - State	-0-	169,700	169,700
Travel - Out of State	-0-	1,000	900
Other Operating Exp.	-0-	263,900	279,800
Equipment	-0-	-0-	-0-
All Other Operating Exp.	-0-	436,800	452,600
OPERATING SUBTOTAL	-0-	3,844,000	3,589,000
Market News	-0-	21,800	-0-
Fruit/Veg. Standardization	-0-	839,500	832,800
TOTAL APPROPRIATIONS	-0-	4,705,300	4,421,800
Fund Summary			
General Fund	-0-	3,865,800	3,589,000
Citrus, Fruit, & Veg. Fund	-0-	839,500	832,800
TOTAL APPROPRIATIONS	-0-	4,705,300	4,421,800 ^{1/2}

Personal Services - The approved amount reflects a reduction of 2.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$82,000. The approved amount also reflects the elimination of 10 Agricultural Inspector positions associated with private vehicle inspections at border stations. The approved amount includes the restoration of \$33,400 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved General Fund amount contains \$278,700 for medical insurance, including a \$16,900 Section 104 lump sum allocation, and \$14,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes \$31,900 for uniform allowances.

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The program and line item detail are shown for information only.
- 2/ It is the intent of the Legislature to provide funding of the border inspection stations only for department-related inspections of commercial vehicles, recreational vehicles, trailers, and boats. (General Appropriation Act footnote)

DEPARTMENT OF AGRICULTURE - PLANT INDUSTRIES (Cont'd)
GENERAL FUND AND CITRUS, FRUIT, & VEG. FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100 in Travel - Out of State. The Professional and Outside Services and Travel - State line items were not reduced in this cost center.

Other Operating Expenditures - The approved amount includes \$12,900 for non-capitalized replacement equipment.

Market News - The Legislature did not make a specific appropriation for Market News, however, 2.2 FTE positions related to this function remain in this cost center's FTE total.

Fruit/Vegetable Standardization - The approved Other Appropriated Funds amount is based on the following line item detail:

FTE Positions	20.0
Personal Services	417,900
Employee Related Exp.	107,000
Prof. & Outside Services	24,700
Travel - State	134,200
Travel - Out of State	1,100
Other Operating Exp.	<u>72,900</u>
Subtotal	<u>757,400</u>
Cooperative Agreement	<u>75,000</u>
TOTAL	832,800

The approved amount for Employee Related Expenditures contains \$44,800 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$2,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount also includes \$3,400 for uniform allowances.

DEPARTMENT OF AGRICULTURE - CHEMICALS/ENVIRONMENTAL

A.R.S. § 3-101

Keith Kelly, Director

JLBC Analyst: McNeil

**GENERAL FUND, PESTICIDE FUND,
COMMERCIAL FEED FUND, AND
FERTILIZER MATERIALS FUND**

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	18.0	18.0
Personal Services	-0-	451,800	477,300
Employee Related Exp.	-0-	133,800	107,400
Prof. & Outside Services	-0-	79,600	63,700
Travel - State	-0-	48,300	48,300
Travel - Out of State	-0-	12,000	10,800
Other Operating Exp.	-0-	128,900	107,000
Equipment	-0-	7,500	18,000
All Other Operating Exp.	-0-	276,300	247,800
TOTAL	-0-	861,900	832,500 ^{1/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Special and Hazardous Waste, Ch. 315	--	--	44,000
TOTAL APPROPRIATIONS	-0-	861,900	876,500
Fund Summary			
General Fund			
Pesticide Fund	-0-	264,000	321,700
Commercial Feed Fund	-0-	207,600	183,200
Fertilizer Materials Fund	-0-	203,200	185,000
TOTAL APPROPRIATIONS	-0-	861,900	876,500

Personal Services - The approved amount includes the restoration of \$31,000 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved General Fund amount contains \$16,000 for medical insurance, including a \$1,000 Section 104 lump sum allocation, and \$900 for dental insurance. The approved Other Appropriated Funds amount contains \$24,100 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The approved amount includes \$1,000 from the General Fund for uniform allowances.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

(Continued)

DEPARTMENT OF AGRICULTURE - CHEMICALS/ENVIRONMENTAL (Cont'd)
GENERAL FUND, PESTICIDE FUND, COMMERCIAL FEED FUND, AND FERTILIZER MATERIALS FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$15,900 in Professional and Outside Services, and \$1,200 in Travel - Out of State. The Travel - State line item was not reduced in this cost center.

ADDITIONAL APPROPRIATIONS

Special and Hazardous Waste - Chapter 315 (H.B. 2121) - Appropriates a total of \$44,000 for Departmental expenses associated with the production of an annual pesticide report. The appropriation was based on the following:

FTE Positions	2.0
Personal Services	15,600
Employee Related Exp.	4,400
All Other Operating Exp.	24,000
TOTAL	<u>44,000</u>

The Personal Services and Employee Related Expenditures amounts reflect funding for 5.25 months of FY 1992.

BANKING DEPARTMENT

William H. Rivoir, III, Superintendent

A.R.S. § 6-110

JLBC Analyst: Headley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	88.0	90.0	81.8 ^{1/}
Personal Services	1,870,100	1,949,700	2,095,800
Employee Related Exp.	441,400	460,000	486,800
Prof. & Outside Services	145,800	117,600	94,100
Travel - State	74,100	103,200	98,000
Travel - Out of State	19,200	22,700	20,400
Other Operating Exp.	262,700	260,900	268,400
Equipment	39,600	12,600	8,800
All Other Operating Exp.	541,400	517,000	489,700
OPERATING SUBTOTAL	2,852,900	2,926,700	3,072,300
Receiverships	352,400	665,800	526,900 ^{2/}
TOTAL APPROPRIATIONS	3,205,300	3,592,500	3,599,200 ^{3/4}

Personal Services - The approved amount reflects a reduction of 2.2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$16,200. In addition to the general FTE reduction, 6 vacant FTE positions are eliminated, reducing Personal Services by \$141,800. Those positions eliminated are: 3 Financial Institution Examiners Associates, and 3 Financial Institution Examiner Assistants. The approved amount includes \$62,100 to upgrade 22 Senior Financial Institution Examiner positions currently staffed by Assistant and Associate Examiners. The additional funding is provided to compensate those employees performing at the Senior level but being paid a lower grade salary. Also, the funding is intended to help address the high turnover rate experienced by the department among the examiner staff. The approved amount includes the restoration of \$243,600 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount contains \$212,000 for medical insurance, including a \$12,900 Section 104 lump sum allocation, and \$10,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} The FTE Positions total includes 9 FTE positions funded in the Receivership special line item.
- ^{2/} From the amount appropriated for Receiverships, the Department will revert at fiscal year-end an amount not greater than the amount credited to the Banking Department Receivership Revolving Fund pursuant to A.R.S. § 6-131.01 in accordance with the following formula: 100% of the first \$250,000, 90% of the next \$100,000, and 80% of any remainder. (General Appropriation Act footnote)
- ^{3/} The Banking Department shall set and assess fees that will ensure that the funds deposited to the General Fund will equal or exceed its expenditure from the General Fund. (General Appropriation Act footnote)
- ^{4/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

BANKING DEPARTMENT (Cont'd)
GENERAL FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$23,500 in Professional and Outside Services, \$5,200 in Travel - State and \$2,300 in Travel - Out of State.

All Other Operating Expenditures - Included in the approved amount is \$30,400 for risk management and \$8,800 to replace 3 portable computers.

Receiverships - The approved amount reflects a reduction of \$140,000 from the FY 1991 funding level. The reduction is based on the anticipation that the Department will not add any new receiverships in FY 1992. The approved amount contains \$17,400 for medical insurance, including a \$1,100 Section 104 lump sum allocation, and \$900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Money Transmitters; Regulation - Chapter 151 (H.B. 2329) - Requires money transmitters to be licensed by the Banking Department. For the purposes of this bill, money transmitters are defined to include check cashers, foreign money exchangers, and firms involved in the electronic transmission of money. Establishes license fees, application requirements, and financial reporting requirements for money transmitters.

Banking Department Amendments - Chapter 188 (H.B. 2239) - Makes numerous changes to department statutes, clarifying certain provisions, making technical corrections, and providing conformance with federal banking laws. Significant provisions include a new \$1,000 fee to amend a bank or savings and loan permit, and language allowing the department to be awarded personal property of a firm under receivership as compensation for administration of the receivership.

DEPARTMENT OF BUILDING AND FIRE SAFETY

Eric Borg, Acting Director

A.R.S. § 41-2141

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	73.0	72.5	70.2
Personal Services	1,743,500	1,825,400	1,827,700
Employee Related Exp.	391,100	446,200	425,100
Prof. & Outside Services	13,600	1,000	800
Travel - State	200,300	210,400	177,200
Travel - Out of State	15,000	9,400	8,500
Other Operating Exp.	348,000	332,000	331,000
Equipment	25,100	16,800	-0-
All Other Operating Exp.	602,000	569,600	517,500
OPERATING SUBTOTAL	2,736,600	2,841,200	2,770,300
Fire Training School	24,000	30,000	30,000
TOTAL APPROPRIATIONS	2,760,600	2,871,200	2,800,300 ^{1/}

Personal Services - The approved amount includes a reduction of \$14,100 due to the elimination of a half-time Hearing Office II position. The approved amount reflects a reduction of 1.8 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$17,100. The approved amount also includes \$40,000 to restore funds ex-appropriated in FY 1991.

Employee Related Expenditures - The approved amount contains \$176,500 for medical insurance, including a \$10,700 Section 104 lump sum allocation, and \$8,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$200 in Professional and Outside Services, \$16,300 in Travel - State and \$900 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes an additional reduction in Travel - State of \$16,900. The approved amount for Other Operating Expenditures includes an increase of \$2,100 for rent in the new Tucson State Office Building, a decrease of \$5,300 for risk management (for a total of \$4,600) and a base reduction of \$20,800 for relocation costs and code books. No funding is provided for capitalized equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

REGISTRAR OF CONTRACTORS

A.R.S. § 32-1103

Michael Goldwater, Acting Registrar

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>108.6</u>	<u>108.1</u>	<u>103.6</u>
Personal Services	<u>2,262,600</u>	<u>2,314,900</u>	<u>2,352,100</u>
Employee Related Exp.	<u>517,300</u>	<u>603,200</u>	<u>575,800</u>
Prof. & Outside Services	40,900	26,500	27,200
Travel - State	188,100	176,400	184,600
Travel - Out of State	4,900	1,800	1,600
Other Operating Exp.	677,600	622,500	706,600
Equipment	<u>209,900</u>	<u>800</u>	<u>-0-</u>
All Other Operating Exp.	<u>1,121,400</u>	<u>828,000</u>	<u>920,000</u>
TOTAL APPROPRIATIONS	<u>3,901,300</u>	<u>3,746,100</u>	<u>3,847,900</u> ^{1/}

Personal Services - The approved amount reflects a reduction of 2.2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$15,800. The approved amount includes a reduction of \$8,500 for a clerical position. The approved amount also includes a reduction of \$31,900 for 1.3 FTE positions associated with the agency's Print Shop. The printing equipment will be transferred to Department of Administration (DOA) print shop. Print jobs can be performed by the DOA print shop without increasing resources in the DOA budget. The approved amount includes \$76,000 to restore funds ex-appropriated in FY 1991.

Employee Related Expenditures - The approved amount contains \$264,100 for medical insurance, including a \$16,000 Section 104 lump sum allocation, and \$13,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Travel Reductions - The approved amount reflects a reduction of \$200 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$7,000 for the Attorney General Mediation Program. The approved amount for Travel - State includes an increase of \$700 for inspector and investigator travel. The approved amount for Other Operating Expenditures includes \$19,300 for rent in the new Tucson State Office Building, an increase of \$22,700 for operating supplies, an increase of \$2,400 provided for risk management (for a total of \$14,800) and a decrease of \$4,000 for non-capitalized equipment. No funding is provided for capitalized equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

CORPORATION COMMISSION - SUMMARY

The Honorable Marcia Weeks, Chairman

A.R.S. § 40-101

JLBC Analyst: Headley

GENERAL FUND AND OTHER APPROPRIATED FUNDS

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administration/Hearing Corporations	1,793,000	1,766,100	1,861,800
Securities	1,007,100	1,063,600	1,063,600
Railroad Safety	1,509,500	1,581,700	1,619,300
Utilities	417,000	338,100	342,900
Legal	4,210,400	4,796,100	4,660,100
	813,400	977,200	987,400
TOTAL APPROPRIATIONS	9,750,400	10,522,800	10,535,100
<u>Expenditure Detail</u>			
FTE Positions	223.0	227.5	225.0
Personal Services	5,935,600	6,432,800	6,392,600
Employee Related Exp.	1,134,100	1,441,300	1,415,300
Prof. & Outside Services	366,900	426,200	387,500
Travel - State	188,900	188,800	184,200
Travel - Out of State	67,000	81,700	72,700
Other Operating Exp.	1,333,100	1,424,900	1,519,700
Equipment	158,000	27,100	19,800
All Other Operating Exp.	2,113,900	2,148,700	2,183,900
OPERATING SUBTOTAL	9,183,600	10,022,800	9,991,800
Special Line Items	566,800	500,000	543,300
TOTAL APPROPRIATIONS	9,750,400	10,522,800	10,535,100
<u>Fund Summary</u>			
General Fund	4,705,000	4,723,700	4,861,800
Other Appropriated Funds	5,045,400	5,799,100	5,673,300
TOTAL APPROPRIATIONS	9,750,400	10,522,800	10,535,100 ^{1/}

Employee Related Expenditures - The approved General Fund amount contains \$294,200 for medical insurance, including a \$17,800 Section 104 lump sum allocation, and \$14,900 for dental insurance. The approved Other Appropriated Funds amount contains \$242,100 for medical insurance, including a \$1,900 Section 104 lump sum allocation, and \$12,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Details for the Special Line Items are included on the individual program pages.

CORPORATION COMMISSION - ADMINISTRATION/HEARING

A.R.S. § 40-101

The Honorable Marcia Weeks, Chairman

JLBC Analyst: Headley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>38.0</u>	<u>35.0</u>	<u>35.0</u>
Personal Services	<u>1,052,400</u>	<u>1,026,500</u>	<u>1,056,800</u>
Employee Related Exp.	<u>200,900</u>	<u>228,300</u>	<u>237,000</u>
Prof. & Outside Services	250,100	222,700	219,700
Travel - State	13,900	11,000	13,200
Travel - Out of State	17,600	17,600	15,800
Other Operating Exp.	234,400	260,000	319,300
Equipment	23,700	-0-	-0-
All Other Operating Exp.	<u>539,700</u>	<u>511,300</u>	<u>568,000</u>
TOTAL APPROPRIATIONS	<u><u>1,793,000</u></u>	<u><u>1,766,100</u></u>	<u><u>1,861,800</u></u> ^{1/}

Personal Services - The approved amount reflects a vacancy rate of 2.5%, or \$26,200. The approved vacancy rate represents an increase of 0.5% over the FY 1991 vacancy rate, or additional savings of \$4,500. The approved amount includes \$6,900 for the Commissioners' salary increase. The approved amount includes the restoration of \$28,600 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount contains \$83,900 for medical insurance, including a \$5,100 Section 104 lump sum allocation, and \$4,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,000 in Professional and Outside Services, \$700 in Travel - State and \$1,800 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$94,700 for risk management and \$10,500 for rent in the new Tucson State Office Building.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

CORPORATION COMMISSION - CORPORATIONS

The Honorable Marcia Weeks, Chairman

A.R.S. § 40-101

JLBC Analyst: Headley

GENERAL FUND AND ARIZONA ARTS TRUST FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	38.0	38.0	38.0 ^{1/}
Personal Services	608,400	659,700	642,200
Employee Related Exp.	150,100	189,700	178,700
Prof. & Outside Services	26,400	37,000	34,600
Travel - State	500	200	100
Travel - Out of State	-0-	1,300	-0-
Other Operating Exp.	179,700	169,200	182,200
Equipment	20,400	6,500	-0-
All Other Operating Exp.	227,000	214,200	216,900
OPERATING SUBTOTAL	985,500	1,063,600	1,037,800
Arts Trust Fund Administration	21,600	-0-	25,800
TOTAL APPROPRIATIONS	1,007,100	1,063,600	1,063,600 ^{2/}
<u>Fund Summary</u>			
General Fund	985,500	1,037,800	1,037,800
Arizona Arts Trust Fund	21,600	25,800	25,800
TOTAL APPROPRIATIONS	1,007,100	1,063,600	1,063,600

Personal Services - The approved amount reflects a vacancy rate of 2.5%, or \$16,400. The approved vacancy rate represents an increase of 0.5% over the FY 1991 vacancy rate, or additional savings of \$3,200. The approved amount includes the restoration of \$4,500 which was eliminated in the FY 1991 Ex-Appropriation Act. The approved amount also reflects the removal of \$18,700 for the Arts Trust Fund FTE position from "above the line", placing all funding in the special line item entitled Arts Trust Fund Administration.

Employee Related Expenditures - The approved amount contains \$90,700 for medical insurance, including a \$5,500 Section 104 lump sum allocation, and \$4,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$8,700 in Professional and Outside Services, \$-0- in Travel - State and \$-0- in Travel - Out of State.

Arts Trust Fund Administration - This line item represents funds appropriated from the Arizona Arts Trust Fund to support 1 FTE who processes the Arts Trust Fund assessment. The approved amount includes \$2,500 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} The FTE positions total includes 1 FTE positions funded in the Arts Trust Fund Administration special line item.
^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

CORPORATION COMMISSION - SECURITIES

A.R.S. § 40-101

JLBC Analyst: Headley

The Honorable Marcia Weeks, Chairman

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	41.0	41.0	40.0
Personal Services	1,166,100	1,190,800	1,220,100
Employee Related Exp.	208,900	263,900	261,200
Prof. & Outside Services	36,800	30,200	24,200
Travel - State	5,100	5,200	4,900
Travel - Out of State	3,200	2,000	1,800
Other Operating Exp.	89,400	89,600	89,600
All Other Operating Exp.	134,500	127,000	120,500
OPERATING SUBTOTAL	1,509,500	1,581,700	1,601,800
Expert Testimony	-0-	-0-	17,500
TOTAL APPROPRIATIONS	1,509,500	1,581,700	1,619,300 ^{1/}

Personal Services - The approved amount reflects a reduction of 1 unfunded FTE position. A new vacancy factor of 1% was applied which reduces Personal Services by \$13,200. The approved amount includes the restoration of \$37,000 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount contains \$99,500 for medical insurance, including a \$6,000 Section 104 lump sum allocation, and \$5,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,000 in Professional and Outside Services, \$300 in Travel - State and \$200 in Travel - Out of State.

Expert Testimony - The approved amount reflects funds for use in hiring professional witnesses who testify on behalf of the Commission in securities fraud cases. The FY 1992 amount restores funding that was eliminated in the FY 1991 Ex-Appropriation Act.

ADDITIONAL LEGISLATION

Business Capital Development; Stock Exchange - Chapter 262 (H.B. 2451) - Authorizes the Commission to study the possible creation of a state stock exchange. If the Commission recommends that such an exchange be created, the Director of the Securities Division is then authorized to facilitate the formation of one or more private corporations that will operate the exchange. The bill also creates the Capital Markets Account within the Commerce and Economic Development Commission Fund. The account will be funded by securities registration fees and may be used by the Securities Director to make loans to private corporations for the purpose of establishing a stock exchange.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

CORPORATION COMMISSION - SECURITIES Cont'd)
GENERAL FUND

Exchange revenues are to be used to repay loans from the Capital Markets Account. Also, the bill requires that \$250,000 in exchange revenue shall be transferred annually from the Capital Markets Account to the Securities Regulatory and Enforcement Fund for use by the Securities Division for stock exchange regulation and the operation of public reference rooms containing public information on all companies listed on the state stock exchange.

CORPORATION COMMISSION - RAILROAD SAFETY

A.R.S. § 40-101

The Honorable Marcia Weeks, Chairman

JLBC Analyst: Headley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	8.0	8.0	8.0
Personal Services	211,900	220,200	228,100
Employee Related Exp.	47,800	55,300	52,200
Prof. & Outside Services	2,900	-0-	-0-
Travel - State	46,500	46,500	46,500
Travel - Out of State	3,800	3,800	3,800
Other Operating Expenditures	12,800	12,300	12,300
All Other Operating Exp.	66,000	62,600	62,600
OPERATING SUBTOTAL	325,700	338,100	342,900
Railroad Warning Systems	91,300	-0-	-0- ^{1/2}
TOTAL APPROPRIATIONS	417,000	338,100	342,900 ^{3/}

Personal Services - The approved amount reflects a vacancy rate of 1%, or \$2,300. The approved amount includes the restoration of \$8,000 which was eliminated in the FY 1991 Ex-Appropriation Act.

Employee Related Expenditures - The approved amount contains \$20,100 for medical insurance, including a \$1,200 Section 104 lump sum allocation, and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- ^{1/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{2/} While no new funds were appropriated for this line item, the fund balance as of June 1991 was \$585,000.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

CORPORATION COMMISSION - UTILITIES

The Honorable Marcia Weeks, Chairman

A.R.S. § 40-101

JLBC Analyst: Headley

UTILITY REGULATION REVOLVING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	84.0	89.0	87.5
Personal Services	2,345,800	2,683,700	2,593,500
Employee Related Exp.	446,500	582,700	549,800
Prof. & Outside Services	44,400	106,300	85,000
Travel - State	118,300	120,900	114,800
Travel - Out of State	29,400	37,000	33,300
Other Operating Exp.	674,100	744,900	763,900
Equipment	98,000	20,600	19,800
All Other Operating Exp.	964,200	1,029,700	1,016,800
OPERATING SUBTOTAL	3,756,500	4,296,100	4,160,100
Audits and Rate Hearings	453,900	500,000	500,000 ^{1/2}
TOTAL APPROPRIATIONS	4,210,400	4,796,100	4,660,100 ^{3/}

Personal Services - The approved amount reflects a reduction of 1.5 unfunded FTE positions. A new vacancy factor of 3.5% was applied which reduces Personal Services by \$96,600.

Employee Related Expenditures - The approved amount contains \$199,900 for medical insurance, including a \$1,600 Section 104 lump sum allocation, and \$10,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$21,300 in Professional and Outside Services, \$6,100 in Travel - State and \$3,700 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$284,300 for risk management, \$33,800 for rent in the new Tucson State Office Building, and \$19,800 to replace 6 computers.

- ^{1/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{2/} Does not include a carry-forward balance of \$260,500 from prior year appropriations.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

CORPORATION COMMISSION - LEGAL

A.R.S. § 40-101

JLBC Analyst: Headley

The Honorable Marcia Weeks, Chairman

UTILITY REGULATION REVOLVING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	14.0	16.5	16.5
Personal Services	551,000	651,900	651,900
Employee Related Exp.	79,900	121,400	136,400
Prof. & Outside Services	6,300	30,000	24,000
Travel - State	4,600	5,000	4,700
Travel - Out of State	13,000	20,000	18,000
Other Operating Exp.	142,700	148,900	152,400
Equipment	15,900	-0-	-0-
All Other Operating Exp.	182,500	203,900	199,100
TOTAL APPROPRIATIONS	813,400	977,200	987,400 ^{1/}

Employee Related Expenditures - The approved amount contains \$39,700 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$2,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,000 in Professional and Outside Services, \$300 in Travel - State and \$2,000 in Travel - Out of State.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

INDUSTRIAL COMMISSION - SUMMARY

Larry Etchechury, Director

A.R.S. § 23-101

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administration	2,413,900	2,880,400	3,004,800
Claims	2,447,900	2,768,500	2,628,700
Administrative Law Judge	3,040,200	3,291,400	3,446,400
Labor	305,500	411,800	390,300
Special Fund	393,900	466,500	449,600
Occupational Safety & Health	1,556,400	1,657,600	1,625,600
Legal Counsel	560,900	674,100	652,300
TOTAL APPROPRIATIONS	10,718,700	12,150,300	12,197,700
<u>Expenditure Detail</u>			
FTE Positions	248.0	257.0	256.5
Personal Services	5,533,700	6,279,600	6,177,800
Employee Related Exp.	1,107,200	1,559,500	1,466,900
Prof. & Outside Services	1,949,900	1,463,200	1,496,600
Travel - State	131,300	160,100	136,700
Travel - Out of State	11,600	12,700	12,100
Other Operating Exp.	1,907,900	2,628,100	2,803,200
Equipment	77,100	47,100	104,400
All Other Operating Exp.	4,077,800	4,311,200	4,553,000
TOTAL APPROPRIATIONS	10,718,700	12,150,300	12,197,700 ^{1/}

Employee Related Expenditures - The approved amount contains \$633,100 for medical insurance, including a \$5,000 Section 104 lump sum allocation, and \$33,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} It is the intent of the legislature that the Industrial Commission allocate \$200,000 from the Special Fund to fund an interagency service agreement with the Department of Economic Security to assist injured workers eligible for workers' compensation. (General Appropriation Act footnote)

INDUSTRIAL COMMISSION - ADMINISTRATION

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	38.0	43.0	42.6
Personal Services	836,300	1,080,800	1,010,900
Employee Related Exp.	167,600	270,700	235,400
Prof. & Outside Services	609,100	106,900	106,900
Travel - State	14,000	16,600	14,900
Travel - Out of State	6,300	3,500	3,100
Other Operating Exp.	741,000	1,384,700	1,537,900
Equipment	39,600	17,200	95,700
All Other Operating Exp.	1,410,000	1,528,900	1,758,500
TOTAL APPROPRIATIONS	2,413,900	2,880,400	3,004,800 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.4 unfunded FTE positions associated with the statewide FTE policy. The approved amount includes a base reduction of \$59,700 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$106,500 for medical insurance, including an \$800 Section 104 lump sum allocation, and \$5,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,700 in Travel - State and \$400 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes:

- \$169,100 to allow the agency to occupy the 3rd and 4th floors within the Industrial Commission Office Building;
- a \$13,000 risk management reduction (for a total of \$2,900);
- a \$17,200 capitalized equipment base reduction; and
- \$95,700 to expand the optical disk system to include the Special Fund Division and the Legal Division. The optical system is currently being implemented in the Claims Division for storage and recall of all claims related documents. To fully utilize the optical disk system, the agency plans to bring the Administrative Law Judge Division on-line in FY 1993. Once the plan is completed, all divisions needing access to claimant files will be able to do so through the optical disk system.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - CLAIMS

Larry Etchechury, Director

A.R.S. § 23-101

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	85.0	85.0	81.8
Personal Services	1,251,500	1,433,100	1,351,400
Employee Related Exp.	289,800	428,600	366,600
Prof. & Outside Services	454,300	414,100	412,600
Travel - State	1,000	5,200	2,600
Travel - Out of State	-0-	4,700	4,200
Other Operating Exp.	429,100	482,800	491,300
Equipment	22,200	-0-	-0-
All Other Operating Exp.	906,600	906,800	910,700
TOTAL APPROPRIATIONS	2,447,900	2,768,500	2,628,700 ^{1/}

Personal Services - The approved amount reflects a reduction of 1.2 unfunded FTE positions associated with the statewide FTE policy. The approved amount includes a decrease of \$61,100 to reflect the elimination of 2 FTE positions by the Industrial Commission.

Employee Related Expenditures - The approved amount contains \$187,000 for medical insurance, including a \$1,500 Section 104 lump sum allocation, and \$9,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,500 in Professional and Outside Services, \$2,600 in Travel - State and \$500 in Travel - Out of State.

Other Operating Exp. - The approved amount includes an increase of \$8,500.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - ADMINISTRATIVE LAW JUDGE

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	50.0	50.0	53.5
Personal Services	1,632,800	1,763,200	1,824,900
Employee Related Exp.	281,000	344,300	370,900
Prof. & Outside Services	772,200	829,500	878,400
Travel - State	18,900	17,800	17,700
Travel - Out of State	-0-	600	500
Other Operating Exp.	333,500	336,000	349,500
Equipment	1,800	-0-	4,500
All Other Operating Exp.	1,126,400	1,183,900	1,250,600
TOTAL APPROPRIATIONS	3,040,200	3,291,400	3,446,400 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.5 unfunded FTE positions associated with the statewide FTE policy. The approved amount includes a \$52,600 reduction to reflect a lower Personal Services requirement. The approved amount includes \$142,800, 2 Attorney IV FTE positions, 1 Legal Secretary II FTE position, and a Clerk Typist II FTE position to reduce the hearing calendar for each Administrative Law Judge and reduce the hearing wait for injured workers, employers, and the insurance carriers by approximately 1 month.

Employee Related Expenditures - The approved amount contains \$124,500 for medical insurance, including a \$1,000 Section 104 lump sum allocation, and \$6,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,300 in Travel - State and \$100 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$48,900 for court reporting and witness fees associated with the increase of 2 Attorney FTE positions. The approved amount includes a \$3,800 increase for non-capitalized replacement equipment and a base reduction of \$900.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - LABOR

Larry Etchechury, Director

A.R.S. § 23-101

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	11.0	13.0	13.0
Personal Services	203,600	266,600	256,500
Employee Related Exp.	40,200	71,500	63,400
Prof. & Outside Services	100	600	400
Travel - State	5,200	8,500	7,300
Travel - Out of State	800	1,400	1,200
Other Operating Exp.	55,600	61,500	61,500
Equipment	-0-	1,700	-0-
All Other Operating Exp.	61,700	73,700	70,400
TOTAL APPROPRIATIONS	305,500	411,800	390,300 ^{1/}

Personal Services - The approved amount includes a reduction of \$10,100 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$28,200 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$200 in Professional and Outside Services, \$1,200 in Travel - State and \$200 in Travel - Out of State.

Equipment - The approved amount includes a base reduction of \$1,700 for capitalized equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

INDUSTRIAL COMMISSION - SPECIAL FUND

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	14.0	15.0	15.0
Personal Services	269,300	309,600	307,000
Employee Related Exp.	54,400	79,400	74,700
Prof. & Outside Services	17,400	17,800	14,400
Travel - State	-0-	4,700	2,500
Other Operating Exp.	51,000	55,000	51,000
Equipment	1,800	-0-	-0-
All Other Operating Exp.	70,200	77,500	67,900
TOTAL APPROPRIATIONS	393,900	466,500	449,600 ^{1/}

Personal Services - The approved amount includes a reduction of \$2,600 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$34,200 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$3,400 in Professional and Outside Services and \$2,200 in Travel - State.

Other Operating Expenditures - The approved amount includes a base reduction of \$4,000.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

INDUSTRIAL COMMISSION - OCCUPATIONAL SAFETY AND HEALTH A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	36.0	36.0	35.6
Personal Services	982,600	1,009,300	1,014,700
Employee Related Exp.	211,600	263,400	255,700
Prof. & Outside Services	47,200	52,200	41,800
Travel - State	85,100	97,200	84,400
Travel - Out of State	4,300	2,000	2,800
Other Operating Exp.	225,000	220,300	222,000
Equipment	600	13,200	4,200
All Other Operating Exp.	362,200	384,900	355,200
TOTAL APPROPRIATIONS	1,556,400	1,657,600	1,625,600 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.4 unfunded FTE positions associated with the statewide FTE policy.

Employee Related Expenditures - The approved amount contains \$110,300 for medical insurance, including a \$900 Section 104 lump sum allocation, and \$5,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,400 in Professional and Outside Services, \$9,600 in Travel - State and \$200 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes a decrease for Travel - State of \$3,200 and an increase for Travel - Out of State of \$1,000. The approved amount also includes an increase for Other Operating Expenditures of \$1,700 and a base reduction for capitalized equipment of \$9,000.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

INDUSTRIAL COMMISSION - LEGAL COUNSEL

A.R.S. § 23-101

Larry Etchechury, Director

JLBC Analyst: Fusak

SPECIAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	14.0	15.0	15.0
Personal Services	357,600	417,000	412,400
Employee Related Exp.	62,600	101,600	100,200
Prof. & Outside Services	49,600	42,100	42,100
Travel - State	7,100	10,100	7,300
Travel - Out of State	200	500	300
Other Operating Exp.	72,700	87,800	90,000
Equipment	11,100	15,000	-0-
All Other Operating Exp.	140,700	155,500	139,700
TOTAL APPROPRIATIONS	560,900	674,100	652,300 ^{1/}

Personal Services - The approved amount includes a reduction of \$4,600 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$42,400 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$2,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,800 in Travel - State and \$200 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes an increase in Other Operating Expenditures of \$2,200 and a base reduction in capitalized equipment of \$15,000.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF INSURANCE

Susan Gallinger, Director

A.R.S. § 20-101

JLBC Analyst: Headley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	78.0	84.0	85.0
Personal Services	1,693,500	1,908,200	1,931,200
Employee Related Exp.	343,700	440,100	461,600
Prof. & Outside Services	47,700	62,100	49,700
Travel - State	6,200	11,400	10,300
Travel - Out of State	17,200	16,200	14,600
Other Operating Exp.	495,100	614,900	614,300
Equipment	32,300	12,600	1,000
All Other Operating Exp.	598,500	717,200	689,900
TOTAL APPROPRIATIONS	2,635,700	3,065,500	3,082,700 ^{1/}

Personal Services - The approved amount includes a vacancy factor of 1%, or \$19,300. The appropriation funds a new Premium Tax Auditor I position at \$23,200 to enable the Department to audit a higher number of premium tax filings.

Employee Related Expenditures - The approved amount contains \$209,400 for medical insurance, including a \$12,700 Section 104 lump sum allocation, and \$10,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$12,400 in Professional and Outside Services, \$500 in Travel - State and \$1,600 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$4,000 for risk management charges and \$13,100 for rent in the new Tucson State Office Building.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Reinstates the non-appropriated Computer Automation Fund and authorizes the Department to again collect a special assessment for use in completing the automation of the Department. This provision will be repealed on December 31, 1992. The bill provides the Department with an additional 1½ years of assessment authority, and during this period, the Department expects to collect \$425,000.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

A.R.S. § 4-111

Mark J. Mazzie, Acting Superintendent

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	59.0	56.0	55.0
Personal Services	1,228,300	1,173,100	1,184,900
Employee Related Exp.	283,400	305,400	287,800
Prof. & Outside Services	39,400	64,800	51,800
Travel - State	96,700	75,500	56,000
Travel - Out of State	2,900	2,000	800
Other Operating Exp.	348,400	325,200	335,900
Equipment	19,900	-0-	-0-
All Other Operating Exp.	507,300	467,500	444,500
OPERATING SUBTOTAL	2,019,000	1,946,000	1,917,200
Liquor Board	-0-	-0-	24,800 ^{1/}
Microfilm System	-0-	40,000	50,000
TOTAL APPROPRIATIONS	2,019,000	1,986,000	1,992,000 ^{2/}

Personal Services - The approved amount reflects a restoration of the FY 1991 ex-appropriation of \$66,000 and a reduction of 1 FTE position, an Assistant Superintendent, for a further savings of \$56,000. In addition, \$5,000 for Board member per diem costs was transferred to the Liquor Board special line. The vacancy savings was also revised -- from \$24,900 in FY 1991 to \$18,100 in FY 1992, which represents a 1.5% vacancy factor.

Employee Related Expenditures - The approved amount contains \$130,700 for medical insurance, including a \$7,900 Section 104 lump sum allocation, and \$6,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$13,000 in Professional and Outside Services, \$4,000 in Travel - State and \$200 in Travel - Out of State.

Travel - State - The approved amount reflects a transfer of \$19,800 for Board member travel to the Liquor Board special line.

Other Operating Expenditures - The approved amount includes \$23,000 for risk management and \$1,900 for rent in the Tucson Office Building.

Liquor Board - Expenditures related to the operation of the Liquor Board were consolidated into a special line -- \$5,000 from Personal Services and \$19,800 from Travel - State.

1/ It is legislative intent that Board expenses be limited to the \$24,800 appropriated, and that any transfer of monies into this line item be submitted to the Joint Legislative Budget Committee consistent with A.R.S. § 36-173(C). (General Appropriation Act footnote)

2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE MINE INSPECTOR

The Honorable Douglas K. Martin, State Mine Inspector

A.R.S. § 27-121

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	12.0	11.0	10.5
Personal Services	352,100	329,900	325,400
Employee Related Exp.	74,900	77,200	70,600
Travel - State	42,300	45,500	43,400
Travel - Out of State	3,700	1,400	1,400
Other Operating Exp.	102,000	81,300	119,300
Equipment	2,800	-0-	9,400
All Other Operating Exp.	150,800	128,200	173,500
TOTAL APPROPRIATIONS	577,800	535,300	569,500 ^{1/2}

Personal Services - The approved amount includes \$2,300 for elected officials' salary adjustments. It also includes a reduction of \$8,200 to eliminate 0.5 Administrative Assistant FTE position.

Employee Related Expenditures - The approved amount contains \$26,000 for medical insurance, including a \$1,600 Section 104 lump sum allocation, and \$1,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,100 in Travel - State and \$0 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Other Operating Expenditures includes \$104,400 for risk management. No funding is included for rent, as the Tucson office is to be closed.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

^{2/} Included in this appropriation is funding for the Mine Safety Program. (General Appropriation Act footnote)

OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD

A.R.S. § 23-422

Jack Duncan, Chairman

JLBC Analyst: Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Personal Services	(200)	1,200	1,200
Employee Related Exp.	-0-	-0-	-0-
Prof. & Outside Services	7,200	9,600	7,000
Travel - State	(100)	900	800
Other Operating Exp.	100	100	100
All Other Operating Exp.	7,200	10,600	7,900
TOTAL APPROPRIATIONS	7,000 ^{1/}	11,800 ^{2/}	9,100 ^{3/4/}

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,600 in Professional and Outside Services, \$100 in Travel - State.

- ^{1/} 50% of all Board expenses are paid for by the Federal Government as part of the OSHA grant included in the budget of the Industrial Commission - Occupational Safety and Health Division. FY 1990 actual shows negative numbers for Personal Services and Travel - State due to the timing of the Federal Reimbursement. The Federal Reimbursements for FY 1989 and FY 1990 were both received in FY 1990 thus resulting in "negative" expenditures in certain line items.
- ^{2/} Includes original FY 1991 appropriation of \$9,400 plus a FY 1990 Balance forward of \$2,400.
- ^{3/} Pursuant to A.R.S. § 23-422, the appropriation is exempt from A.R.S. § 35-190 relating to lapsing appropriations.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF RACING - SUMMARY

William Linton, Director

A.R.S. § 5-101

JLBC Analyst: Bradley

GENERAL FUND AND COUNTY FAIR RACING FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Commercial Racing	1,971,300	2,324,400	2,372,700
County Fair Racing	254,900	350,700	358,900
Arizona Racing Industry	17,600	21,800	19,800
TOTAL APPROPRIATIONS	2,243,800	2,696,900	2,751,400
<u>FTE Positions</u>			
	59.7	58.3	53.7
<u>Personal Services</u>			
	1,171,900	1,409,300	1,401,000
<u>Employee Related Exp.</u>			
	271,400	368,100	316,200
<u>Prof. & Outside Services</u>			
Travel - State	458,300	507,400	571,700
Travel - Out of State	100,800	151,700	142,900
Other Operating Exp.	6,200	10,900	9,400
Equipment	221,900	247,700	277,100
All Other Operating Exp.	13,300	1,800	33,100
TOTAL APPROPRIATIONS	2,243,800	2,696,900	2,751,400
<u>Fund Summary</u>			
General Fund	1,988,900	2,346,200	2,392,500
County Fair Racing Fund	254,900	350,700	358,900
TOTAL APPROPRIATIONS	2,243,800	2,696,900	2,751,400

Employee Related Expenditures - The approved General Fund amount contains \$116,200 for medical insurance, including a \$7,000 Section 104 lump sum allocation, and \$5,900 for dental insurance. The approved Other Appropriated Funds amount contains \$15,100 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Coliseum Revolving Fund - Chapter 254 (S.B. 1231) - This act reduces the Coliseum and Exposition Center share of pari-mutuel racing revenues to 5%, from 6% beginning FY 1992, and eliminates all subsidy effective from and after July 1, 1994. The act also establishes a Stallion Award Fund which will receive 0.25% of pari-mutuel revenues. Revenues to this fund will be distributed by the Department of Racing to owners or lessees of stallions that bred winning horses in this state. The act also increases the pari-mutuel wagering share to the County Fair Betterment Fund from 7.5% to 8.25%.

(Continued)

DEPARTMENT OF RACING - SUMMARY (Cont'd)
GENERAL FUND AND COUNTY FAIR RACING FUND

Horse Racing: Funds - Chapter 318 (H.B. 2415) - This act makes a one-time transfer of \$40,000 from the Administration of County Fair Racing Betterment and Arizona Breeders Award Fund to the County Fair Racing Betterment Fund. In addition, the legislation also allows charging of fees for tracking animal registry and makes other minor statutory changes.

DEPARTMENT OF RACING - COMMERCIAL RACING

William Linton, Director

A.R.S. § 5-101

JLBC Analyst: Bradley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	52.8	51.4	47.2
Personal Services	1,048,000	1,242,300	1,244,600
Employee Related Exp.	250,000	324,400	280,000
Prof. & Outside Services	420,700	471,500	535,500
Travel - State	41,700	56,000	53,600
Travel - Out of State	3,000	5,500	4,900
Other Operating Exp.	195,800	222,900	249,100
Equipment	12,100	1,800	5,000
All Other Operating Exp.	673,300	757,700	848,100
TOTAL APPROPRIATIONS	1,971,300	2,324,400	2,372,700 ^{1/}

Personal Services - The approved amount reflects a reduction of 1.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.28% was applied which reduces Personal Services by \$17,900. The approved amount also reflects a decrease in the allocated funding to Rillito Park from 120 days to 30 days to reflect anticipated race days. This resulted in the deletion of 4.3 FTE positions and \$99,600 in Personal Services. The appropriation includes \$41,100 of Personal Services funding for 2 new Satellite Facility Auditor Inspector positions. These positions were added for regulation of off-track wagering facilities. In addition, 0.5 FTE position and \$18,400 in Personal Services were eliminated as identified by the Department of Racing.

Employee Related Expenditures - The approved amount contains \$116,200 for medical insurance, including a \$7,000 Section 104 lump sum allocation, and \$5,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,900 in Professional and Outside Services, \$2,800 in Travel - State and \$500 in Travel - Out of State. Animal testing expenditures were exempted from the 20% Professional and Outside Services reduction.

Professional and Outside Services - The approved amount includes \$528,500 for animal testing expenses and \$7,000 for legal costs.

Other Operating Expenditures - The appropriation includes \$2,400 for non-capitalized equipment purchases. Other Operating Expenditures are funded at \$26,200 higher than in FY 1991. There are 3 reasons for this increase. The sum of \$6,600 for data processing costs was formerly shown in Professional and Outside Services and was transferred to its correct location in Other Operating Expenditures. The result was a decrease in one line item and a like increase in another for a result of zero. The second change was an increase of \$17,600 for risk management charges. The final increase was an additional \$2,000 associated with the 2 additional approved FTE positions.

Equipment - The appropriated amount provides for equipment associated with the 2 new Satellite Facility Auditor Inspectors positions in order to properly regulate off-track wagering facilities.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF RACING - COUNTY FAIR RACING

A.R.S. § 5-101

JLBC Analyst: Bradley

William Linton, Director

COUNTY FAIR RACING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>6.9</u>	<u>6.9</u>	<u>6.5</u>
Personal Services	<u>123,900</u>	<u>167,000</u>	<u>156,400</u>
Employee Related Exp.	<u>21,400</u>	<u>43,700</u>	<u>36,200</u>
Prof. & Outside Services	35,300	32,700	33,600
Travel - In State	56,900	91,600	85,700
Other Operating Exp.	16,200	15,700	18,900
Equipment	<u>1,200</u>	<u>-0-</u>	<u>28,100</u>
All Other Operating Exp.	<u>109,600</u>	<u>140,000</u>	<u>166,300</u>
TOTAL APPROPRIATIONS	<u>254,900</u>	<u>350,700</u>	<u>358,900</u> ^{1/}

Personal Services - The figure reflects the elimination of 0.4 FTE position and \$10,600 as identified by the Department of Racing.

Employee Related Expenditures - The approved amount contains \$15,100 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$0 in Professional and Outside Services, \$4,500 in Travel - State and \$0 in Travel - Out of State. Animal testing expenses were exempted from the 20% Professional and Outside Services reduction.

Professional and Outside Services - The approved amount of \$33,600 is for animal testing expenses.

Equipment - The appropriated amount includes \$13,000 for the purchase of a new trailer to be used as a mobile office, and \$15,100 for the purchase of a pick-up truck which will provide towing and transportation.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF RACING - ARIZONA RACING INDUSTRY

A.R.S. § 5-101

William Linton, Director

JLBC Analyst: Bradley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Prof. & Outside Services	2,300	3,200	2,600
Travel - State	2,200	4,100	3,600
Travel - Out of State	3,200	5,400	4,500
Other Operating Exp.	9,900	9,100	9,100
All Other Operating Exp.	<u>17,600</u>	<u>21,800</u>	<u>19,800</u>
TOTAL APPROPRIATIONS	<u>17,600</u>	<u>21,800</u>	<u>19,800</u> ^{1/}

Funds are appropriated to the Arizona Racing Industry in support of the duties of the Arizona Racing Commission under the authority of A.R.S. § 5-104.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$600 in Professional and Outside Services, \$200 in Travel - State and \$500 in Travel - Out of State.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

RADIATION REGULATORY AGENCY - SUMMARY

A.R.S. § 30-652 AND 32-2802

Charles F. Tedford, Director

JLBC Analyst: Fusak

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Rad. Evaluation/Compliance	1,261,000	1,133,400	937,800
Med. Radiologic Tech. Bd.	82,200	93,500	90,300
TOTAL APPROPRIATIONS	1,343,200	1,226,900	1,028,100
<u>Expenditure Detail</u>			
FTE Positions	28.0	26.0	22.0
Personal Services	821,800	763,700	650,300
Employee Related Exp.	191,000	182,400	139,500
Prof. & Outside Services	5,400	15,700	8,300
Travel - State	28,700	28,700	31,200
Travel - Out of State	6,200	8,500	5,800
Other Operating Exp.	213,100	205,600	172,000
Equipment	77,000	22,300	21,000
All Other Operating Exp.	330,400	280,800	238,300
OPERATING SUBTOTAL	1,343,200	1,226,900	1,028,100
Special Line Items ^{1/}	605,000	46,000	-0-
Additional Appropriation ^{2/}	-0-	406,100	-0-
TOTAL APPROPRIATIONS	1,948,200	1,679,000	1,028,100 ^{2/}
<u>Fund Summary</u>			
General Fund	1,261,000	1,133,400	937,800
Nuclear Emergency Mgt. Fund	605,000	452,100 ^{3/}	-0-
Rad. Tech. Cert. Fund	82,200	93,500	90,300
TOTAL APPROPRIATIONS	1,948,200	1,679,000	1,028,100

Employee Related Expenditures - The approved General Fund amount contains \$45,300 for medical insurance, including a \$2,700 Section 104 lump sum allocation, and \$2,200 for dental insurance. The approved Other Appropriated Funds amount contains \$6,900 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

- 1/ Details for the Special Line Items and Additional Appropriation are included on the individual program pages.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum by program. The line items are shown for information only.
- 3/ Laws 1991, Chapter 88 appropriated \$406,100 from the General Fund to the Nuclear Emergency Management Fund. The FY 1991 estimate includes a carry forward of \$46,000.

**RADIATION REGULATORY AGENCY -
RADIATION EVALUATION AND COMPLIANCE**

Charles F. Tedford, Director

A.R.S. § 30-652

JLBC Analyst: Fusak

**GENERAL FUND AND OTHER
APPROPRIATED FUNDS**

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	26.0	24.0	20.0
Personal Services	769,700	709,700	596,600
Employee Related Exp.	180,100	166,800	125,200
Prof. & Outside Services	4,900	12,000	6,300
Travel - State	26,500	25,900	28,500
Travel - Out of State	3,200	6,600	4,100
Other Operating Exp.	199,600	190,100	156,100
Equipment	77,000	22,300	21,000
All Other Operating Exp.	311,200	256,900	216,000
OPERATING SUBTOTAL	1,261,000	1,133,400	937,800
Nuclear Emergency Mgt. Fund	605,000	46,000 ^{1/}	-0-
TOTAL	1,866,000	1,179,400	937,800 ^{2/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Nuclear Emer. Mgt., Ch. 88	--	406,100	--
TOTAL APPROPRIATIONS	1,866,000	1,585,500	937,800
Fund Summary			
General Fund	1,261,000	1,133,400	937,800
Nuclear Emerg. Mgmt. Fund	605,000	452,100	-0-
TOTAL APPROPRIATIONS	1,866,000	1,585,500	937,800

Personal Services - The approved amount includes a decrease of 4 FTE positions as outlined below:

-- Administrative Services - The approved amount eliminates the following 3 FTE positions:
Deputy Director, EDP Program Analyst II, and an Accounting Technician

(Continued)

- ^{1/} Represents the carry forward from the Nuclear Emergency Management Fund which is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

RADIATION REGULATORY AGENCY - RADIATION EVALUATION AND COMPLIANCE (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

-- Emergency Response - The approved amount eliminates an Emergency Response Radiation Regulatory Officer II position. The position will be funded for FY 1992 from the Nuclear Emergency Management Fund (NEMF) Chapter 88 (H.B. 2158).

The approved amount includes a 1.94% vacancy factor which reduces Personal Services by \$17,900.

Employee Related Expenditures - The approved amount contains \$45,300 for medical insurance, including a \$2,700 Section 104 lump sum allocation, and \$2,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes a reduction of \$5,700. The reduction was made to reflect the actual number of hearings.

All Other Operating Expenditures - The approved amount includes a reduction of \$30,800 to reflect a change in the base rent for FY 1992 due to the renewal of the agency's lease agreement. The approved amount includes a reduction of \$3,000 for risk management (for a total of \$4,200) and a reduction of \$200 for non-capitalized equipment. The approved amount also includes \$21,000 for capital equipment for the Environmental Surveillance Laboratory.

ADDITIONAL APPROPRIATIONS

Nuclear Emergency Appropriation and Assessment - Chapter 88 (H.B. 2158) - Appropriates \$770,000 from the General Fund to the Nuclear Emergency Management Fund of which \$406,100 is allocated for use by the Radiation Regulatory Agency as follows: Personal Services - \$152,000; Employee Related Expenditures - \$40,400; Other Operating Expenditures - \$137,600; and Equipment - \$76,100. Monies appropriated to the Nuclear Emergency Management Fund are exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

**RADIATION REGULATORY AGENCY -
MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS**

Charles F. Tedford, Director

A.R.S. § 32-2802

JLBC Analyst: Fusak

**RADIOLOGIC TECHNOLOGIST
CERTIFICATION FUND**

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Personal Services	<u>52,100</u>	<u>54,000</u>	<u>53,700</u>
Employee Related Exp.	<u>10,900</u>	<u>15,600</u>	<u>14,300</u>
Prof. & Outside Services	500	3,700	2,000
Travel - State	2,200	2,800	2,700
Travel - Out of State	3,000	1,900	1,700
Other Operating Exp.	<u>13,500</u>	<u>15,500</u>	<u>15,900</u>
All Other Operating Exp.	<u>19,200</u>	<u>23,900</u>	<u>22,300</u>
TOTAL APPROPRIATIONS	<u><u>82,200</u></u>	<u><u>93,500</u></u>	<u><u>90,300</u></u> ^{1/}

RECEIPTS, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	238,300	177,400	246,200
Add Revenue	<u>21,300</u>	<u>162,300</u>	<u>15,700</u> ^{2/}
TOTAL FUNDS AVAILABLE	<u><u>259,600</u></u>	<u><u>339,700</u></u>	<u><u>261,900</u></u>
Expenditures	<u>82,200</u>	<u>93,500</u>	<u>90,300</u>
BALANCE END OF FISCAL YEAR	<u><u>177,400</u></u>	<u><u>246,200</u></u>	<u><u>171,600</u></u>

Employee Related Expenditures - The approved amount contains \$6,900 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes a reduction of \$1,700 to reflect the actual number of hearings.

All Other Operating Expenditures - The approved amount includes a decrease of \$100 for Travel - State and \$200 for Travel - Out of State. The approved amount also includes \$400 for risk management.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.
^{2/} The program has a biennial licensing cycle.

REAL ESTATE DEPARTMENT

A.R.S. § 32-2102

JLBC Analyst: Headley

Jerry Holtz, Commissioner

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	75.0	76.0	76.0
Personal Services	1,552,200	1,760,900	1,760,100
Employee Related Exp.	367,300	438,000	430,200
Prof. & Outside Services	82,500	80,000	80,000
Travel - State	65,800	56,000	53,500
Travel - Out of State	10,100	10,000	9,000
Other Operating Exp.	512,500	529,100	527,800
Equipment	16,000	18,600	8,000
All Other Operating Exp.	686,900	693,700	678,300
TOTAL APPROPRIATIONS	2,606,400	2,892,600	2,868,600 ^{1/}

Personal Services - The appropriation reflects a vacancy rate of 1.19%, or \$21,200.

Employee Related Expenditures - The approved amount contains \$187,100 for medical insurance, including an \$11,300 Section 104 lump sum allocation, and \$9,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$-0- in Professional and Outside Services, \$2,500 in Travel - State and \$1,000 in Travel - Out of State. Professional and Outside Services was exempted from this reduction because a majority of these expenses represent Department of Administration data processing charges.

All Other Operating Expenditures - The approved amount includes \$3,600 for risk management charges, \$29,200 for rent in the new Tucson State Office Building, and \$8,000 to replace a printer used to print real estate licenses.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

RESIDENTIAL UTILITY CONSUMER OFFICE

Douglas Brooks, Director

A.R.S. § 40-401.1

JLBC Analyst: Headley

RESIDENTIAL UTILITY CONSUMER OFFICE REVOLVING FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	12.0	12.0	12.0
Personal Services	370,100	461,600	464,900
Employee Related Exp.	66,800	101,300	103,000
Prof. & Outside Services	275,300	419,800	337,400
Travel - State	9,300	13,100	9,700
Travel - Out of State	7,700	8,500	7,600
Other Operating Exp.	111,300	89,600	95,500
Equipment	15,700	-0-	-0-
All Other Operating Exp.	419,300	531,000	450,200
TOTAL APPROPRIATIONS	856,200	1,093,900	1,018,100 ^{1/}

Personal Services - The approved amount includes the following base adjustments: \$2,100 to fully fund a Utility Audit Manager position paid above the normal hire rate, and \$1,600 for the Director's salary increase.

Employee Related Expenditures - The approved amount contains \$36,800 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$2,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$-0- in Professional and Outside Services, \$500 in Travel - State and \$900 in Travel - Out of State. Professional and Outside Services was exempted from this reduction because the agency relies heavily on professional witnesses and consultants for participating in public utility rate cases before the Corporation Commission.

Professional and Outside Services - The FY 1991 amount includes a supplemental appropriation of \$64,300 made in the FY 1991 Ex-Appropriation Act. Additional funds were provided to meet higher than expected consultant requirements associated with a major rate case.

All Other Operating Expenditures - The approved amount includes \$2,100 for risk management and \$32,800 for rent in the new Courts Building.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF WEIGHTS AND MEASURES

A.R.S. § 41-2065

Ray Helmick, Director

JLBC Analyst: McNeil

GENERAL FUND AND AIR QUALITY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	55.0	61.0	66.1
Personal Services	1,071,500	1,281,800	1,380,100
Employee Related Exp.	280,200	324,200	351,200
Prof. & Outside Services	22,200	43,700	51,200
Travel - State	196,900	206,600	256,400
Travel - Out of State	6,400	6,100	5,500
Other Operating Exp.	263,500	308,900	329,300
Equipment	174,900	155,100	41,100
All Other Operating Exp.	663,900	720,400	683,500
TOTAL APPROPRIATIONS	2,015,600 ^{1/}	2,326,400	2,414,800 ^{2/}
Fund Summary			
General Fund	2,015,600	1,943,600	2,167,200
Air Quality Fund	-0-	382,800	247,600
TOTAL APPROPRIATIONS	2,015,600	2,326,400	2,414,800

Personal Services - The approved amount reflects a reduction of 0.9 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$9,800.

Employee Related Expenditures - The approved General Fund amount contains \$148,200 for medical insurance, including a \$9,000 Section 104 lump sum allocation, and \$7,500 for dental insurance. The approved Other Appropriated Funds amount contains \$12,700 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$600 in Travel - Out of State. The Department was exempted from the Professional and Outside Services and Travel - State reductions due to the expenses associated with the Used Oil Testing Program.

(Continued)

- 1/ Includes \$110,400 in expenditures from the non-lapsing appropriation of Laws 1988, Chapter 252.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ The \$247,600 Air Quality Fund appropriation is to be used only for expenditures associated with either the Pima or Maricopa County oxygenated fuel testing programs. (General Appropriation Act footnote)

DEPARTMENT OF WEIGHTS AND MEASURES (Cont'd)
GENERAL FUND AND AIR QUALITY FUND

A summary of the FY 1992 appropriation by program follows:

	<u>Continuing Services (General Fund)</u>	<u>Continuing Services (Air Quality Fund)</u>	<u>Used Oil Testing</u>
FTE Positions	<u>50.1</u>	<u>6.0</u>	<u>10.0</u>
Personal Services	<u>1,087,500</u>	<u>114,600</u>	<u>178,000</u>
Employee Related Exp.	<u>278,600</u>	<u>28,500</u>	<u>44,100</u>
Prof. & Outside Services	27,800	15,900	7,500
Travel - State	178,600	34,100	43,700
Travel - Out of State	5,500	-0-	-0-
Other Operating Exp.	226,100	54,500	48,700
Equipment	-0-	-0-	41,100
All Other Operating Exp.	<u>438,000</u>	<u>104,500</u>	<u>141,000</u>
TOTAL APPROPRIATIONS	<u>1,804,100</u>	<u>247,600</u>	<u>363,100</u>
Fund Summary			
General Fund	1,804,100	-0-	363,100
Air Quality Fund	<u>-0-</u>	<u>247,600</u>	<u>-0-</u>
TOTAL APPROPRIATIONS	<u>1,804,100</u>	<u>247,600</u>	<u>363,100</u>

Continuing Services (General Fund)

The line item detail, provided for information purposes, represents expenditures for administration, package testing, large scale testing, technical petroleum testing, metrology, and special investigations.

Personal Services - The approved amount reflects a reduction of 0.9 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$13,800.

Continuing Services (Air Quality Fund)

The line item detail, provided for information purposes, represents an allocation of \$247,600. The allocation does not represent total Oxygenated Fuel Program (OFP) expenditures. The remaining OFP expenditures are included in the "Continuing Services (General Fund)" expenditure column.

Used Oil Testing

Personal Services - The approved amount includes funding for 6 additional FTE positions - 3 Grade 15 positions which can be any combination of Weights/Measures Inspector II's or Petroleum Lab Technicians; 1 Grade 17 Weights/Measures Unit Supervisor; 1 Grade 15 Information Processing Specialist III; and 1 Grade 11 Information Processing Specialist II.

Professional and Outside Services - The approved amount reflects funding for increased data processing and hazardous waste removal expenses.

Equipment - The approved amount includes funding for 2 flash point testers, 2 vehicles, 2 microcomputers, and a printer.

(Continued)

DEPARTMENT OF WEIGHTS AND MEASURES (Cont'd)
GENERAL FUND AND AIR QUALITY FUND

ADDITIONAL LEGISLATION

Used Oil - Chapter 220 (S.B. 1375) - Creates a Weights and Measures Used Oil Fund to consist of monies appropriated by the Legislature, used oil fees collected pursuant to A.R.S. § 49-814, and testing fees collected pursuant to A.R.S. § 41-2065.A.26. The legislation limits appropriations from this fund to purposes associated with the Department's Used Oil Testing responsibilities. The legislation also eliminates the Department's involvement in the Department of Environmental Quality's Used Oil Management Fund.

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Changes the sunset date of the Department of Weights and Measures from July 1, 1992 to July 1, 1993.

**OCCUPATIONAL AND LICENSING AGENCIES
SUMMARY OF RECEIPTS, APPROPRIATIONS AND BALANCE FORWARD
FISCAL YEAR 1992**

<u>Agency/Board</u>	<u>Balance Forward FY 1992</u>	<u>90% of FY 1992 Receipts</u>	<u>FY 1992 Approved</u>	<u>Balance Forward FY 1993</u>
Accountancy	\$ 550,800	\$ 778,000	\$ 733,200	\$ 595,600
Appraisal	25,000	585,000	315,200 ^{1/}	219,800
Barber	125,000	101,500	134,700	91,800
Behavioral Health Examiners	12,100	194,400	178,900 ^{2/}	13,600
Boxing	23,000	12,800	28,800	7,000
Chiropractic	97,500	258,100	218,000	137,600
Cosmetology	662,800	625,600	563,500	724,900
Dental	216,200	459,000	436,200	239,000
Funeral Directors and Embalmers	31,200	213,600	178,500	66,300
Homeopaths	29,200	17,900	18,400	28,700
Medical Examiners	1,027,200	2,265,600	2,276,900	1,015,900
Naturopaths	15,100	32,500	26,000	21,600
Nursing	712,800	545,800	1,049,700	208,900
Nursing Care Institution Admin.	200	158,900	66,400 ^{3/}	87,200
Occupational Therapy	0	90,300	35,100 ^{4/}	30,200
Opticians, Dispensing	54,700	70,100	62,100	62,700
Optometry	28,900	173,400	99,400	102,900
Osteopaths	538,000	33,000	258,400	312,600
Pharmacy	714,600	728,700	625,300	818,000
Physical Therapy	122,200	39,600	66,500	95,300
Podiatry	34,000	50,900	42,900	42,000
Private Postsecondary Educ.	86,200	163,900	144,200	105,900
Psychologist	401,500	41,400	123,600	319,300
Respiratory Care Examiners	0	178,700 ^{5/}	124,800 ^{6/}	3,900
Structural Pest	46,000	1,063,200	1,021,600	87,600
Technical Registration	267,900	899,900	782,300	385,500
Veterinary Medical Examiners	143,300	66,600	152,500	57,400
TOTALS	<u>\$5,965,400</u>	<u>\$9,848,400</u>	<u>\$9,763,100</u>	<u>\$5,881,200</u>

- ^{1/} The agency must also repay \$75,000 to the General Fund in FY 1992.
^{2/} The agency must also repay \$14,000 to the General Fund in FY 1992.
^{3/} The agency must also repay \$5,500 to the General Fund in FY 1992.
^{4/} The agency must also repay \$25,000 to the General Fund in FY 1992.
^{5/} Includes \$50,000 appropriated by the 39th Legislature for start-up costs.
^{6/} The agency must also repay \$50,000 to the General Fund in FY 1992.

BOARD OF ACCOUNTANCY

Ruth R. Lee, Director

A.R.S. § 32-701

JLBC Analyst: Fusak

BOARD OF ACCOUNTANCY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	9.0	9.0	9.0
Personal Services	175,000	190,900	190,900
Employee Related Exp.	35,700	45,700	52,200
Prof. & Outside Services	209,100	239,800	206,800
Travel - State	5,200	14,100	9,700
Travel - Out of State	4,900	5,600	4,800
Other Operating Exp.	137,800	166,100	165,500
Equipment	8,800	2,400	-0-
All Other Operating Exp.	365,800	428,000	386,800
OPERATING SUBTOTAL	576,500	664,600	629,900
Special Investigations	-0-	-0-	103,300
TOTAL APPROPRIATIONS	576,500	664,600	733,200 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	396,200	562,200	550,800
Add Revenues	742,500	653,200	778,000
TOTAL FUNDS AVAILABLE	1,138,700	1,215,400	1,328,800
Expenditures	576,500	664,600	733,200
BALANCE END OF FISCAL YEAR	562,200	550,800	595,600

Employee Related Expenditures - The approved amount contains \$27,700 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$1,500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$33,000 in Professional and Outside Services, \$4,400 in Travel - State and \$800 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Other Operating Expenditures includes a reduction of \$600 for risk management (for a total of \$2,400). In addition, the approved amount includes no funding for capitalized equipment.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF ACCOUNTANCY Cont'd)
BOARD OF ACCOUNTANCY FUND

Special Investigations - The approved amount includes \$103,300 to fund the first of a two-year special investigations program. The Board will use the money to pursue allegations made against CPA's and individual accounting firms that performed audits of now insolvent financial institutions.

BOARD OF APPRAISAL

A.R.S. § 32-3604

Adrian Brown-White, Director

JLBC Analyst: Fusak

GENERAL FUND AND BOARD OF APPRAISAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	-0-	4.0	4.0
Personal Services	-0-	38,500	95,700
Employee Related Exp.	-0-	11,900	30,500
Prof. & Outside Services	-0-	34,600	30,700
Travel - State	-0-	28,200	25,500
Travel - Out of State	-0-	-0-	2,000
Other Operating Exp.	-0-	43,300	35,400
Equipment	-0-	18,500	-0-
All Other Operating Exp.	-0-	124,600	93,600
TOTAL APPROPRIATIONS	-0-	175,000	219,800 ^{1/}
BOARD OF APPRAISAL FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Bal. Beg. of Fiscal Year	-0-	-0-	25,000
Add Revenues	-0-	200,000	585,000 ^{2/}
TOTAL FUNDS AVAILABLE	-0-	200,000	610,000
Expenditures	-0-	175,000	219,800 ^{3/}
Payback of General Fund	-0-	-0-	75,000
BALANCE END OF FISCAL YEAR	-0-	25,000	315,200
<u>Fund Summary</u>			
General Fund	75,000	75,000 ^{4/}	-0-
Board of Appraisal Fund	-0-	100,000	219,800
TOTAL APPROPRIATIONS	75,000	175,000	219,800

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

2/ Revenue estimate assumes 2,000 applicants.

3/ Represents \$75,000 repayment to the General Fund, pursuant to Laws 1990, Chapter 313. The General Fund must be reimbursed by December 31, 1991.

4/ The Board of Appraisal was established in FY 1990 with \$75,000 from the General Fund for start-up costs. The Board members, however, were not appointed until August 9, 1990 and consequently the agency did not start operating until FY 1991. The Board was allowed to carry forward the start-up appropriation and expend it in FY 1991.

BOARD OF APPRAISAL (Cont'd)
GENERAL FUND AND BOARD OF APPRAISAL FUND

Personal Services - The approved amount includes an increase of \$57,200 to annualize the following positions: Executive Director, Administrative Assistant III, Investigator III and an Administrative Secretary I.

Employee Related Expenditures - The approved amount contains \$6,800 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$3,900 in Professional and Outside Services, \$2,700 in Travel - State.

Travel - Out of State - The approved amount includes \$2,000 for Out-of State Travel. The Board is scheduled to meet with the Federal Appraisal Subcommittee to ensure compliance of federal mandates.

Other Operating Expenditures - The approved amount includes the following reductions: \$1,000 for risk management (thereby, eliminating the payment altogether), \$600 for non-capitalized equipment, \$18,500 for capitalized equipment and \$28,300 for other costs associated with "starting up" the agency. The approved amount also includes an increase of \$22,000 for rent.

ADDITIONAL LEGISLATION

Appraisers; Licensing; Continuing Education - Chapter 223 (H.B. 2165) - The bill increases the renewal fee for licensure from \$150 to \$225. It also reduces the renewal cycle for licensure from 3 years to 1 year. The bill establishes a course review fee not to exceed \$500. As a prerequisite to renewal of a license or certificate, an appraiser must present evidence to the Board of having met the continuing education requirements. The bill reduces the number of classroom hours required from 30 hours to 10 hours per year of instruction in courses or seminars which are approved by the Board. The bill also reduces the renewal cycle for property tax agent registration from 2 years to 1 year.

BOARD OF BARBERS

A.R.S. § 32-301

Mario Herrera, Executive Director

JLBC Analyst: Bock

BOARD OF BARBERS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Personal Services	<u>76,900</u>	<u>82,100</u>	<u>82,100</u>
Employee Related Exp.	<u>13,900</u>	<u>21,000</u>	<u>18,000</u>
Prof. & Outside Services	200	900	800
Travel - State	10,600	10,600	11,300
Travel - Out of State	100	1,400	800
Other Operating Exp.	20,100	22,000	21,700
Equipment	<u>200</u>	<u>-0-</u>	<u>-0-</u>
All Other Operating Exp.	<u>31,200</u>	<u>34,900</u>	<u>34,600</u>
TOTAL APPROPRIATIONS	<u>122,000</u>	<u>138,000</u>	<u>134,700</u> ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	162,300	146,000	125,000
Add Revenues	<u>105,700</u>	<u>117,000</u>	<u>101,500</u>
TOTAL FUNDS AVAILABLE	268,000	263,000	226,500
Expenditures	<u>122,000</u>	<u>138,000</u>	<u>134,700</u>
BALANCE END OF FISCAL YEAR	<u>146,000</u>	<u>125,000</u>	<u>91,800</u>

Employee Related Expenditures - The approved amount contains \$7,000 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Service and Travel Reductions - The approved amount reflects a reduction of \$100 in Professional and Outside Services and \$600 in Travel - Out of State. The approved reduction for Travel - Out of State reflects the expected actual cost of attending the Association of Barber Examiners Convention.

Travel - State - the approved increase of \$700 for Travel - State is for inspection and enforcement activity.

Other Operating Expenditures - The approved amount reflects a \$300 decrease for risk management. Total risk management is \$1,500.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF BEHAVIORAL HEALTH EXAMINERS

David Oake, Executive Director

A.R.S. § 32-3252

JLBC Analyst: Bock

GENERAL FUND AND BEHAVIORAL HEALTH EXAMINERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.0	2.0	3.0
Personal Services	26,300	63,700	83,700
Employee Related Exp.	2,300	15,300	15,100
Prof. & Outside Services	2,000	15,000	20,000
Travel - State	5,200	15,000	14,300
Travel - Out of State	-0-	5,000	4,500
Other Operating Exp.	8,100	21,800	37,300
Equipment	3,900	-0-	4,000
All Other Operating Exp.	19,200	56,800	80,100
OPERATING SUBTOTAL	47,800 ^{1/}	135,800	178,900 ^{2/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Supplemental Appropriation, Ch. 95	-0-	40,000	-0-
TOTAL APPROPRIATIONS	47,800	175,800	178,900
<u>Fund Summary</u>			
General Fund	47,800	-0-	-0-
Behavioral Health Exam. Fund	-0-	175,000	178,900
TOTAL APPROPRIATIONS	47,800	175,800	178,900
BEHAVIORAL HEALTH EXAMINERS FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	-0-	2,200	12,100
Add Revenues	50,000	221,700	194,400
TOTAL FUNDS AVAILABLE	50,000	223,900	206,500
Expenditures	47,800	175,800	178,900
Payback of General Fund	-0-	36,000	14,000 ^{3/}
BALANCE END OF FISCAL YEAR	2,200	12,100	13,600

^{1/} The Behavioral Health Board was established in FY 1990 with \$50,000 from the General Fund for start-up costs. Expenditures in subsequent years will be funded by the Behavioral Health Examiners Fund.

(Footnotes Continued on Following Page)

BOARD OF BEHAVIORAL HEALTH EXAMINERS - (Cont'd)
GENERAL FUND AND BEHAVIORAL HEALTH EXAMINERS FUND

Personal Services - The approved amount includes \$20,000 for 1 new support position.

Employee Related Expenditures - The approved amount contains \$6,100 for medical insurance, including a \$0 Section 104 lump sum allocation, and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$5,000 for temporary clerical support, and for services related to examinations and hearings. The approved amount for Other Operating Expenditures is for expected general increases in postage, printing, and other costs of application processing related to bringing this new agency up to a base operating level. It includes \$300 for risk management.

ADDITIONAL APPROPRIATIONS

Supplemental Appropriation - Chapter 95 (H.B.2346) - The FY 1991 amounts include a \$40,000 supplemental appropriation from the Board of Behavioral Health Examiners' Fund (Laws 1991, Chapter 95).

(Footnotes Continued From Previous Page)

- 2/ Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ Laws 1990, Chapter 94 specifies that the State Treasurer shall deposit 10% of the monies collected pursuant to this act in the State General Fund. An additional 10% of the monies collected pursuant to this act will be collected by the Treasurer to repay the 1990 appropriation of \$50,000 until such time that all monies appropriated have been repaid to the State General Fund. Laws 1991, Chapter 95 (H.B. 2346), changed the repayment schedule to require that \$36,000 be repaid within FY 1991 and \$14,000 be repaid within FY 1992. If the monies have not been repaid in full by June 30, 1992, the State Treasurer shall transfer from the Board of Behavioral Health Examiners Fund to the State General Fund such monies as necessary to repay in full the appropriated amount of \$50,000.

BOXING COMMISSION

John Montano, Director

A.R.S. § 5-221

JLBC Analyst: Bradley

GENERAL FUND AND BOXING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.5	1.5	1.5
Personal Services	34,300	36,500	35,200
Employee Related Exp.	10,100	11,400	9,000
Prof. & Outside Services	400	1,500	1,200
Travel - State	1,800	2,600	3,000
Travel - Out of State	300	1,000	900
Other Operating Exp.	4,600	8,900	6,800
Equipment	400	-0-	-0-
All Other Operating Exp.	7,500	14,000	11,900
TOTAL APPROPRIATIONS	51,900	61,900	56,100 ^{1/2}
<u>Fund Summary</u>			
General Fund	50,500	54,800	27,300
Boxing Fund	1,400	7,100	28,800
TOTAL APPROPRIATIONS	51,900	61,900	56,100
BOXING FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	7,100	7,000	23,000
Add Revenues	1,300	23,100	12,800
TOTAL FUNDS AVAILABLE	8,400	30,100	35,800
Expenditures	1,400	7,100	28,800
BALANCE END OF FISCAL YEAR	7,000	23,000	7,000

(Continued)

- 1/ The Boxing Commission shall report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate and House Appropriation Committees, and the Director of the Joint Legislative Budget Committee on a quarterly basis. This report shall contain the number of boxing events, gross receipts, state revenues, license fee collections, and records of deposits. Due to recent deficiencies in statutory compliance, the reports shall also explain all methods and procedures that have been implemented to insure compliance with all state statutes relating to this agency, and shall certify that all relevant statutes are being complied with in their entirety. (General Appropriation Act footnote)
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOXING COMMISSION (Cont'd)
GENERAL FUND AND BOXING FUND

Personal Services - The approved amount includes \$2,300 for board member compensation.

Employee Related Expenditures - The approved amount contains \$4,800 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$300 in Professional and Outside Services, \$200 in Travel - State and \$100 in Travel - Out of State.

Boxing Commission Revenues - The revenues for FY 1991 were originally estimated to be \$7,100. However, following the Auditor General's statewide audit and the JLBC Staff recommendation to eliminate the Boxing Commission, an additional \$16,000 in revenue was deposited by the Boxing Commission. The total of the \$7,100 in expected revenues for FY 1991 and the one-time deposit of \$16,000 are reflected as \$23,100 in revenue for FY 1991. For FY 1992, revenues are expected to climb to at least \$12,800 as the Boxing Commission begins to thoroughly enforce collection of the state boxing receipts tax. It is the intent of the Legislature that the Boxing Commission continue on a course towards self-sufficiency.

BOARD OF CHIROPRACTIC EXAMINERS

Elaine LeTarte, Director

A.R.S. § 32-901

JLBC Analyst: Bock

BOARD OF CHIROPRACTIC EXAMINERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	77,600	107,800	107,800
Employee Related Exp.	15,200	26,700	20,800
Prof. & Outside Services	27,300	18,000	16,200
Travel - State	6,300	4,500	7,100
Travel - Out of State	3,200	5,300	4,800
Other Operating Exp.	46,500	52,100	52,000
Equipment	3,800	5,300	9,300
All Other Operating Exp.	87,100	85,200	89,400
TOTAL APPROPRIATIONS	179,900	219,700	218,000 ^{1/}

RECEIPTS, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	118,300	69,900	97,500
Add Revenues	131,500	247,300	258,100
TOTAL FUNDS AVAILABLE	249,800	317,200	355,600
Expenditures	179,900	219,700	218,000
BALANCE END OF FISCAL YEAR	69,900	97,500	137,600

Employee Related Expenditures - The approved amount contains \$9,400 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects reductions of \$1,800 in Professional and Outside Services and \$500 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$1,200 for risk management (a \$100 reduction) and \$9,300 in Equipment for a replacement photocopier.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF COSMETOLOGY

A.R.S. § 32-501

Sue Sansom, Executive Director

JLBC Analyst: Bock

BOARD OF COSMETOLOGY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	14.5	14.5	15.5
Personal Services	287,000	300,100	317,900
Employee Related Exp.	58,700	79,600	78,900
Prof. & Outside Services	44,800	43,700	41,100
Travel - State	21,500	23,900	25,000
Travel - Out of State	2,500	1,300	1,200
Other Operating Exp.	109,700	101,600	99,400
Equipment	2,000	-0-	-0-
All Other Operating Exp.	180,500	170,500	166,700
TOTAL APPROPRIATIONS	526,200	550,200	563,500 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	669,500	665,600	662,800
Add Revenues	522,300	547,400	625,600
TOTAL FUNDS AVAILABLE	1,191,800	1,213,000	1,288,400
Expenditures	526,200	550,200	563,500
BALANCE END OF FISCAL YEAR	665,600	662,800	724,900

Personal Services - The approved amount adds \$17,800 for one new cosmetology inspector.

Employee Related Expenditures - The approved amount contains \$35,800 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,600 in Professional and Outside Services and \$100 in Travel - Out of State. Department of Administration data processing charges were exempted from the Professional and Outside Services reduction. The additional \$1,100 in Travel - State is for the new inspector's travel.

Other Operating Expenditures - The approved amount adds \$6,600 for replacement dryers; includes \$3,000 for risk management (a \$1,100 decrease); and eliminates \$7,700 in private conference room rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF DENTAL EXAMINERS

Betty J. Reynolds, Executive Director

A.R.S. § 32-1201

JLBC Analyst: Bock

DENTAL BOARD FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	8.0	8.0	8.0
Personal Services	205,200	208,800	208,800
Employee Related Exp.	35,700	50,800	44,400
Prof. & Outside Services	18,900	24,000	24,000
Travel - State	3,600	6,900	6,500
Travel - Out of State	2,700	6,800	5,400
Other Operating Exp.	102,300	91,100	89,100
Equipment	900	-0-	-0-
All Other Operating Exp.	128,400	128,800	125,000
OPERATING SUBTOTAL	369,300	388,400	378,200
Automation	-0-	-0-	18,000
Impaired Dentist Program	-0-	20,000	40,000
TOTAL APPROPRIATIONS	369,300	408,400	436,200 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	262,600	242,100	216,200
Add Revenues	348,800	382,500	459,000
TOTAL FUNDS AVAILABLE	611,400	624,600	675,200
Expenditures	369,300	408,400	436,200
BALANCE END OF FISCAL YEAR	242,100	216,200	239,000

Employee Related Expenditures - The approved amount contains \$18,200 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$0 in Professional and Outside Services, \$400 in Travel - State and \$1,400 in Travel - Out of State. Professional and Outside Services was exempted from this reduction in order to increase the timeliness and effectiveness of processing complaints.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF DENTAL EXAMINERS (Cont'd)
DENTAL BOARD FUND

Other Operating Expenses - The approved amount includes \$2,900 for risk management (a \$600 reduction from FY 1991).

Automation - The approved amount is for hardware and processing services to automate licensing and consumer complaint processing.

Impaired Dentist Program - The approved amount provides \$40,000 for the Impaired Dentist Monitoring and Rehabilitative Program, which monitors and treats dentists with dependency problems.

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

A.R.S. § 32-1301

Jean Ellzey, Director

JLBC Analyst: Headley

BOARD OF FUNERAL DIRECTORS AND EMBALMERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.5	1.5	2.0
Personal Services	56,100	67,600	71,500
Employee Related Exp.	10,200	13,500	20,800
Prof. & Outside Services	15,800	16,600	40,400 ^{1/}
Travel - State	7,800	7,700	19,500
Travel - Out of State	1,600	1,700	-0-
Other Operating Exp.	10,500	5,600	26,300
All Other Operating Exp.	35,700	31,600	86,200
TOTAL APPROPRIATIONS	102,000	112,700 ^{2/}	178,500 ^{3/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	68,000	20,500	31,200
Add Revenues	54,500	123,400	213,600 ^{4/}
TOTAL FUNDS AVAILABLE	122,500	143,900	244,800
Expenditures	102,000	112,700	178,500
BALANCE END OF FISCAL YEAR	20,500	31,200	66,300

Personal Services - The approved amount includes \$10,000 to fund the expansion of an investigative position to full-time (from 0.5 to 1 FTE position).

Employee Related Expenditures - The approved amount contains \$12,100 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Board's Office.
- ^{2/} The original FY 1991 appropriation was \$155,800. The agency's actual FY 1991 expenditures are shown in order to reflect the actual positive ending balance and avoid the negative ending balance which would have resulted by using the original FY 1991 appropriation amounts.
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{4/} This agency has a biennial licensing cycle.

BOARD OF FUNERAL DIRECTORS AND EMBALMERS (Cont'd)
BOARD OF FUNERAL DIRECTORS AND EMBALMERS FUND

Professional and Outside Services - The approved amount includes \$17,700 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$900 for risk management.

BOARD OF HOMEOPATHIC MEDICAL EXAMINERS

John C. Reed, M.D., Board President

A.R.S. § 32-2904

JLBC Analyst: Headley

BOARD OF HOMEOPATHIC MEDICAL EXAMINERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>
Personal Services	<u>2,700</u>	<u>5,400</u>	<u>5,400</u>
Employee Related Exp.	<u>100</u>	<u>400</u>	<u>500</u>
Prof. & Outside Services	4,100	6,800	10,100 ^{1/}
Travel - State	-0-	-0-	300
Other Operating Exp.	1,300	1,200	-0-
Equipment	<u>-0-</u>	<u>1,300</u>	<u>2,100</u>
All Other Operating Exp.	<u>5,400</u>	<u>9,300</u>	<u>12,500</u>
TOTAL APPROPRIATIONS	<u>8,200</u>	<u>15,100</u>	<u>18,400</u> ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	27,100	31,300	29,200
Add Revenues	<u>12,400</u>	<u>13,000</u>	<u>17,900</u>
TOTAL FUNDS AVAILABLE	<u>39,500</u>	<u>44,300</u>	<u>47,100</u>
Expenditures	<u>8,200</u>	<u>15,100</u>	<u>18,400</u>
BALANCE END OF FISCAL YEAR	<u>31,300</u>	<u>29,200</u>	<u>28,700</u>

Professional and Outside Services - The approved amount includes \$8,400 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$300 for risk management.

^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF MEDICAL EXAMINERS

A.R.S. § 32-1401

Douglas N. Cerf, Executive Director

JLBC Analyst: Britt

BOARD OF MEDICAL EXAMINERS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	35.0	39.0	39.0
Personal Services	874,800	981,500	1,060,800
Employee Related Exp.	142,800	211,100	221,000
Prof. & Outside Services	386,000	419,000	379,300
Travel - State	28,800	39,400	37,500
Travel - Out of State	8,700	9,700	8,800
Other Operating Exp.	306,500	399,500	366,400
Equipment	37,100	18,100	8,100
All Other Operating Exp.	767,100	885,700	800,100
OPERATING SUBTOTAL	1,784,700	2,078,300 ^{1/}	2,081,900
Office Automation	114,600	50,000	28,500 ^{2/}
Attorney General - Legal Fees	150,000	166,400	166,500
TOTAL APPROPRIATIONS	2,049,300	2,294,700	2,276,900 ^{3/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	1,035,900	1,122,400	1,027,200
Add Revenues	2,135,800	2,199,500	2,265,600
TOTAL FUNDS AVAILABLE	3,171,700	3,321,900	3,292,800
Expenditures	2,049,300	2,294,700	2,276,900
BALANCE END OF FISCAL YEAR	1,122,400	1,027,200	1,015,900

Personal Services - A new vacancy factor of 1% was applied, which resulted in a decrease of \$12,900. The statewide FTE reduction policy was not applied to the Board. The Joint Legislative Budget Committee approved the transfer of \$90,000 from Personal Services and \$35,000 from Employee Related Expenditures to All Other Operating Expenditures.

(Continued)

- 1/ The Joint Legislative Budget Committee approved the transfer of \$90,000 from Personal Services and \$35,000 from Employee Related Expenditures to All Other Operating Expenditures.
- 2/ The \$166,400 appropriated for Attorney General - Legal Fees is specifically designated to pay for the Personal Services and Employee Related Expenditures of the 2 Assistant Attorney General positions and a 0.5 Legal Secretary position assigned to the Board of Medical Examiners. Any monies not expended for the purpose specified shall revert to the Board of Medical Examiners Fund. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The line items within "All Other Operating Exp." are shown for information only.

BOARD OF MEDICAL EXAMINERS (Cont'd)
BOARD OF MEDICAL EXAMINERS FUND

Employee Related Expenditures - The approved amount contains \$90,000 for medical insurance, including a \$700 Section 104 lump sum allocation, and \$4,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$20,200 in Professional and Outside Services, \$1,900 in Travel - State and \$900 in Travel - Out of State. Medical expenditures were exempt from the reduction in Professional and Outside Services.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$64,800 for medical evaluations and monitoring of impaired physicians and a 2.5% inflationary increase of \$5,700 for medical expenditures. These increases offset the standard reduction described above. The appropriation for Other Operating Expenditures reflects an increase of \$7,100 for risk management for a total of \$22,200 and a decrease of \$10,000 for various operating expenditures. An appropriation of \$4,000 for 9 months of rent at the new Tucson Office Building was approved. It is the intent of the Legislature that the Board be exempt from paying rent for the existing Tucson office space for the first 3 months of the fiscal year. The approved amount includes \$4,800 for non-capitalized equipment.

Attorney General - Legal Fees - The approved amount contains \$18,100 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Board of Medical Examiners - Chapter 106 (S.B. 1149) - The bill allows the Board to compensate medical consultants and agents in an amount not to exceed \$200 for each day of service.

NATUROPATHIC PHYSICIANS BOARD OF EXAMINERS

A.R.S. § 32-1502

JLBC Analyst: Headley

Glenn T. Ozalan, N.M.D., Board President

BOARD OF NATUROPATHIC PHYSICIANS EXAMINERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.0	0.0
Personal Services	1,400	2,400	2,400
Employee Related Exp.	-0-	-0-	-0-
Prof. & Outside Services	20,000	20,400	19,500 ^{1/}
Travel - State	500	1,900	1,800
Travel - Out of State	200	-0-	-0-
Other Operating Exp.	2,500	2,300	2,300
All Other Operating Exp.	23,200	24,600	23,600
TOTAL APPROPRIATIONS	24,600	27,000	26,000 ^{2/}

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	8,300	10,200	15,100
Add Revenues	26,500	31,900	32,500
TOTAL FUNDS AVAILABLE	34,800	42,100	47,600
Expenditures	24,600	27,000	26,000
BALANCE END OF FISCAL YEAR	10,200	15,100	21,600

Professional and Outside Services - The approved amount includes \$9,300 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$300 for risk management.

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF NURSING

Fran Roberts R.N., Executive Director

A.R.S. § 32-1602

JLBC Analyst: Britt

BOARD OF NURSING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	19.2	21.2	21.7 ^{1/}
Personal Services	497,000	578,500	555,500
Employee Related Exp.	90,300	121,600	121,000
Prof. & Outside Services	85,800	83,000	53,000
Travel - State	20,900	15,600	14,300
Travel - Out of State	7,600	7,900	5,700
Other Operating Exp.	211,700	247,100	225,300
Food	200	-0-	-0-
Equipment	-0-	1,500	-0-
All Other Operating Exp.	326,200	355,100	298,300
OPERATING SUBTOTAL	913,500	1,055,200	974,800
Nurse Aid Registration Program	-0-	-0-	74,900
TOTAL APPROPRIATIONS	913,500	1,055,200	1,049,700 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	620,500	205,600	712,800 ^{3/}
Add Revenues	498,600	1,562,400	545,800
TOTAL FUNDS AVAILABLE	1,119,100	1,768,000	1,258,600
Expenditures	913,500	1,055,200	1,049,700
BALANCE END OF FISCAL YEAR	205,600	712,800	208,900

Personal Services - The statewide FTE reduction policy was not applied to the Board. A transfer to "below the line", of \$23,000, for the Nurse Aid Registration Program (NARP) was approved.

Employee Related Expenditures - The approved amount contains \$48,600 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$2,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. A transfer to "below the line" of \$5,000 for NARP special line was approved.

(Continued)

- ^{1/} The FTE positions total includes 1.5 FTE positions funded in the Nurse Aid Registration Program special line item.
- ^{2/} Represents General Appropriation Act funds. Appropriated as an operating lump sum for the agency, with special line items.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF NURSING (Cont'd)
BOARD OF NURSING FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$-0- in Professional and Outside Services, \$800 in Travel - State and \$700 in Travel - Out of State.

All Other Operating Expenditures - Approved amounts transferred to "below the line", totaling \$31,700, for the NARP special line were: Professional and Outside Services - \$20,000, Travel - State - \$500, Travel - Out of State - \$500, Other Operating Expenditures - \$10,700. A reduction of \$10,000 in Professional and Outside Services was approved. The base for Travel - Out of State was reduced \$1,000. Risk management was decreased \$2,600, for a total of \$4,900. The approved amount for Other Operating Expenditures reflects an \$8,500 decrease.

Nurse Aid Registration Program (NARP) - The appropriation for NARP was made a special line item. In 1990, the Board of Nursing acquired the responsibility for administering the Nurse Aid Training and Registration Program mandated by the federal Medicaid program. The Board will: oversee the training curriculum of schools conducting nurse aid training; maintain a registry; coordinate renewals; audit the validity of reimbursement requests for training from schools conducting nurse aid training and forward them to the Arizona Health Care Cost Containment System (AHCCCS) for payment; and conduct testing for nurse aides. The annual renewal fee is \$10. Approximately 10,000 nurse aides will be on the registry.

The appropriation of \$74,900 includes \$15,200 in new funding and \$59,400 transferred from "above the line" funding for this program. The new funding allows for a 0.5 FTE position increase for an Administrative Services Officer and the purchase of a personal computer. The approved amount contains \$2,000 for medical insurance, including a \$-0- Section 104 lump sum allocation, and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. The appropriation is based on the following objects of expenditure:

FTE Positions	1.5
Personal Services	\$ 35,600
Employee Related Exp.	6,600
Prof. & Outside Services	20,000
Travel - State	500
Travel - Out of State	500
Other Operating Exp.	10,700
Equipment	<u>1,000</u>
TOTAL	<u>\$ 74,900</u>

The Board is only responsible for paying administrative costs relating to NARP. Testing and training costs for NARP will be paid by AHCCCS. The Board will receive federal matching monies for NARP on a dollar for dollar basis, totalling \$74,900. These federal monies will pass through AHCCCS.

ADDITIONAL LEGISLATION

Board of Nursing - Chapter 43 (S.B. 1137) - The bill allows the director to enter into an agreement with a licensee for the treatment, rehabilitation and monitoring of chemical dependency. The bill also established a fee of \$10 for the sale of copies of the Arizona Nurse Practice Act that are not distributed free of charge. Additionally, the measure allows the Board to charge additional fees for documents and publications that the Board determines are necessary and appropriate to carry out its intent and purpose. Lastly, the bill postponed the transition from the biennial licensing cycle to the biennial birth date renewal cycle for licensed practical nurses (LPN). LPN will begin biennial birth date renewal in calendar year 1993 instead of 1991. Registered nurses will begin the new cycle in calendar year 1992, as originally scheduled.

NURSING CARE INSTITUTION ADMINISTRATORS BOARD

Christine Springer, Executive Director

A.R.S. § 36-446.02

JLBC Analyst: Headley

GENERAL FUND AND BOARD OF NURSING CARE INSTITUTION ADMINISTRATORS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.7	0.7	0.7
Personal Services	22,500	25,900	24,100
Employee Related Exp.	4,000	7,800	6,200
Prof. & Outside Services	16,000	26,700	26,700 ^{1/}
Travel - State	900	3,300	4,500
Other Operating Exp.	2,800	6,700	4,900
All Other Operating Exp.	19,700	36,700	36,100
TOTAL APPROPRIATIONS	46,200	70,400	66,400 ^{2/}
Fund Summary			
General Fund	16,500	7,000	-0-
Bd. of Nursing Care Inst. Admin. Fund	29,700	63,400	66,400
TOTAL APPROPRIATIONS	46,200	70,400	66,400

NURSING CARE INSTITUTION ADMINISTRATORS FUND AND GENERAL FUND

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	6,600	38,400	200
General Fund	16,500	7,000 ^{3/}	-0-
Add Revenues	61,500	30,700	158,900 ^{4/}
TOTAL FUNDS AVAILABLE	84,600	76,100	159,100
Expenditures	46,200	70,400	66,400
Payback to General Fund	-0-	5,500	5,500 ^{5/}
BALANCE END OF FISCAL YEAR	38,400	200	87,200

(Continued)

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} The amount represents an additional General Fund appropriation for start-up costs associated with the licensure and regulation of adult care home managers and adult care homes. Any unspent monies from this appropriation shall revert to the General Fund.
- ^{4/} This agency has a biennial licensing cycle.
- ^{5/} The amount represents the second repayment for the FY 1990 \$16,500 General Fund supplemental appropriation. The agency plans to pay the remaining \$5,500 by June 30, 1993.

NURSING CARE INSTITUTION ADMINISTRATORS BOARD (Cont'd)
GENERAL FUND AND BOARD OF NURSING CARE INSTITUTION ADMINISTRATORS FUND

Employee Related Expenditures - The approved amount contains \$3,300 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$12,900 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$500 for risk management.

BOARD OF OCCUPATIONAL THERAPY EXAMINERS

Marjorie Hill, Chairman

A.R.S. § 32-3402

JLBC Analyst: Headley

GENERAL FUND AND OCCUPATIONAL THERAPY BOARD FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.7	0.7
Personal Services	-0-	15,000	17,600
Employee Related Exp.	-0-	3,000	3,900
Prof. & Outside Services	-0-	1,500	1,500
Travel - State	-0-	1,500	1,500
Other Operating Exp.	-0-	-0-	10,600
Equipment	-0-	4,000	-0-
All Other Operating Exp.	-0-	7,000	13,600
TOTAL APPROPRIATIONS	-0-	25,000	35,100
Fund Summary			
General Fund	-0-	25,000	-0-
Occupational Therapy Board Fund	-0-	-0-	35,100
TOTAL APPROPRIATIONS	-0-	25,000	35,100

OCCUPATIONAL THERAPY BOARD FUND

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	-0-	-0-	-0-
General Fund Appropriation	-0-	25,000	-0-
Add Revenues	-0-	-0-	-0-
TOTAL FUNDS AVAILABLE	-0-	25,000	90,300
Expenditures	-0-	25,000	35,100
Payback to General Fund	-0-	-0-	25,000 ^{1/}
BALANCE END OF FISCAL YEAR	-0-	-0-	30,200

Personal Services - The approved amount is the annualization of the clerical support 0.7 FTE position which was only partially funded in FY 1991.

Employee Related Expenditures - The approved amount contains \$1,900 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} The amount represents the repayment for the FY 1991 \$25,000 General Fund appropriation for agency start-up costs; the repayment is scheduled to be paid by June 30, 1992.

BOARD OF DISPENSING OPTICIANS

A.R.S. § 32-1672

JLBC Analyst: Headley

Careen J. Heinze, Director

BOARD OF DISPENSING OPTICIANS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.8	0.8	0.8
Personal Services	24,900	22,700	29,600
Employee Related Exp.	3,500	6,100	8,000
Prof. & Outside Services	13,400	14,000	14,600 ^{1/}
Travel - State	1,100	2,500	3,100
Other Operating Exp.	4,100	5,800	6,800
All Other Operating Exp.	18,600	22,300	24,500
TOTAL APPROPRIATIONS	47,000	51,100	62,100 ^{2/}

RECEIPT, EXPENDITURES AND BALANCES FORWARD

Balance Beg. of Fiscal Year	16,700	31,500	54,700
Add Revenues	61,800	74,300	70,100
TOTAL FUNDS AVAILABLE	78,500	105,800	124,800
Expenditures	47,000	51,100	62,100
BALANCE END OF FISCAL YEAR	31,500	54,700	62,700

Personal Services - The approved amount includes a \$5,000 increase in the Executive Director's salary. The approved amount includes \$1,800 in additional per diem associated with extra Board meetings for the Sunset audit.

Employee Related Expenditures - The approved amount contains \$4,500 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$14,000 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$700 for risk management.

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF OPTOMETRY

Florence Moore, Executive Director

A.R.S. § 32-1701

JLBC Analyst: Headley

BOARD OF OPTOMETRY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.5	1.5	1.5
Personal Services	45,400	47,700	47,700
Employee Related Exp.	9,700	11,600	10,600
Prof. & Outside Services	15,300	27,500	27,500 ^{1/}
Travel - State	6,400	5,400	5,600
Travel - Out of State	400	700	700
Other Operating Exp.	3,400	7,000	7,300
All Other Operating Exp.	25,500	40,600	41,100
TOTAL APPROPRIATIONS	80,600	99,900	99,400 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	37,900	112,000	28,900
Add Revenues	154,700	16,800	173,400 ^{3/}
TOTAL FUNDS AVAILABLE	192,600	128,800	202,300
Expenditures	80,600	99,900	99,400
BALANCE END OF FISCAL YEAR	112,000	28,900	102,900

Employee Related Expenditures - The approved amount contains \$5,100 for medical insurance and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$23,800 for joint office costs. The approved amount contains \$1,900 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$800 for risk management.

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF OSTEOPATHIC EXAMINERS

A.R.S. § 32-1801

Robert J. Miller, Ph.D., Executive Director

JLBC Analyst: Bock

BOARD OF OSTEOPATHIC EXAMINERS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
Personal Services	<u>123,300</u>	<u>136,900</u>	<u>132,400</u>
Employee Related Exp.	<u>22,300</u>	<u>30,400</u>	<u>26,400</u>
Prof. & Outside Services	11,900	36,200	35,400
Travel - State	4,300	6,100	5,800
Travel - Out of State	2,700	4,800	4,300
Other Operating Exp.	30,600	43,400	41,500
Equipment	<u>15,100</u>	<u>-0-</u>	<u>-0-</u>
All Other Operating Exp.	<u>64,600</u>	<u>90,500</u>	<u>87,000</u>
OPERATING SUBTOTAL	<u>210,200</u>	<u>257,800</u>	<u>245,800</u> ^{1/}
Automation	<u>-0-</u>	<u>-0-</u>	<u>12,600</u>
TOTAL APPROPRIATIONS	<u>210,200</u>	<u>257,800</u>	<u>258,400</u>
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	496,300	314,800	538,000 ^{2/}
Add Revenues	<u>28,700</u>	<u>481,000</u>	<u>33,000</u>
TOTAL FUNDS AVAILABLE	<u>525,000</u>	<u>795,800</u>	<u>571,000</u>
Expenditures	<u>210,200</u>	<u>257,800</u>	<u>258,400</u>
BALANCE END OF FISCAL YEAR	<u>314,800</u>	<u>538,000</u>	<u>312,600</u>

Personal Services - The approved amount includes a reduction of \$4,500 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$10,000 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

2/ This agency has a biennial licensing cycle.

BOARD OF OSTEOPATHIC EXAMINERS
BOARD OF OSTEOPATHIC EXAMINERS FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$800 in Professional and Outside Services, \$300 in Travel - State and \$500 in Travel - Out of State. The medical portion of Professional and Outside Services was exempt from the reduction.

Other Operating Expenditures - The approved amount includes \$2,400 for risk management. Printing is reduced by \$1,000 and conference room rent by \$900.

Automation - The appropriation is for computer hardware, programming, and related costs of automating the board's licensing and complaint-tracking processes.

BOARD OF PHARMACY

A.R.S. § 32-1901

Llyn A. Lloyd, Executive Director

JLBC Analyst: Bock

BOARD OF PHARMACY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	11.0	11.0	11.0
Personal Services	339,900	371,500	388,500
Employee Related Exp.	64,400	84,500	73,500
Prof. & Outside Services	15,700	39,000	36,300
Travel - State	38,700	35,200	33,400
Travel - Out of State	5,000	5,400	4,000
Other Operating Exp.	112,400	87,100	84,600
Equipment	1,000	-0-	-0-
All Other Operating Exp.	172,800	166,700	158,300
OPERATING SUBTOTAL	577,100	622,700	620,300
Automation	16,700	10,400	5,000
Impaired Pharmacist Prog.	5,000	-0-	-0-
TOTAL APPROPRIATIONS	598,800	633,100	625,300 ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	354,700	620,400	714,600
Add Revenues	864,500	727,300	728,700
TOTAL FUNDS AVAILABLE	1,219,200	1,347,700	1,443,300
Expenditures	598,800	633,100	625,300
BALANCE END OF FISCAL YEAR	620,400	714,600	818,000

Personal Services - The approved amount includes salary upgrades of \$15,000 for 4 Pharmacy Compliance Officers and \$2,000 for support positions.

Employee Related Expenditures - The approved amount contains \$23,600 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,700 in Professional and Outside Services, \$1,800 in Travel - State and \$1,400 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes \$2,900 for risk management and \$2,500 for Tucson Office Building rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF PHYSICAL THERAPY EXAMINERS

Patricia Plack, Executive Director

A.R.S. § 32-2002

JLBC Analyst: Headley

BOARD OF PHYSICAL THERAPY EXAMINERS FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.0	1.0	1.0
Personal Services	26,800	27,900	27,900
Employee Related Exp.	4,400	7,300	6,900
Prof. & Outside Services	16,900	19,000	19,100 ^{1/}
Travel - State	2,100	2,700	3,600
Travel - Out of State	1,400	1,500	1,500
Other Operating Exp.	4,900	7,000	7,500
All Other Operating Exp.	25,300	30,200	31,700
TOTAL APPROPRIATIONS	56,500	65,400	66,500 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	92,900	70,800	122,200
Add Revenues	34,400	116,800	39,600 ^{3/}
TOTAL FUNDS AVAILABLE	127,300	187,600	161,800
Expenditures	56,500	65,400	66,500
BALANCE END OF FISCAL YEAR	70,800	122,200	95,300

Employee Related Expenditures - The approved amount contains \$3,500 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$13,500 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$500 for risk management.

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF PODIATRY EXAMINERS

A.R.S. § 32-802

Michael Kates, D.P.N., Board President

JLBC Analyst: Headley

BOARD OF PODIATRY EXAMINERS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.0	0.0
Personal Services	5,000	6,000	6,000
Employee Related Exp.	100	-0-	100
Prof. & Outside Services	22,600	27,400	31,400 ^{1/}
Travel - State	1,400	400	400
Other Operating Exp.	2,200	5,000	5,000
All Other Operating Exp.	26,200	32,800	36,800
TOTAL APPROPRIATIONS	31,300	38,800	42,900 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	13,600	22,900	34,000
Add Revenues	40,600	49,900	50,900
TOTAL FUNDS AVAILABLE	54,200	72,800	84,900
Expenditures	31,300	38,800	42,900
BALANCE END OF FISCAL YEAR	22,900	34,000	42,000

Professional and Outside Services - The approved amount includes \$29,000 for joint office costs. The approved amount contains \$2,900 for medical insurance and \$200 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$300 for risk management.

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

BOARD OF PRIVATE POSTSECONDARY EDUCATION

Dona M. Markley, Executive

A.R.S. § 32-3002

JLBC Analyst: Brainard

BOARD OF PRIVATE POSTSECONDARY EDUCATION FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	3.2	3.2	3.0
Personal Services	75,300	80,700	78,600
Employee Related Exp.	15,300	19,600	16,800
Prof. & Outside Services	2,600	6,500	17,200
Travel - State	1,700	3,000	3,500
Travel - Out of State	-0-	1,200	800
Other Operating Exp.	17,300	20,800	27,300
Equipment	5,100	1,600	-0-
All Other Operating Exp.	26,700	33,100	48,800
TOTAL APPROPRIATIONS	117,300	133,400	144,200 ^{1/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	74,700	86,200	86,200
Add Revenues	128,800	133,400	163,900
TOTAL FUNDS AVAILABLE	203,500	219,600	250,100
Expenditures	117,300	133,400	144,200
BALANCE END OF FISCAL YEAR	86,200	86,200	105,900

Personal Services - The approved amount reflects a reduction of 0.2 FTE position.

Employee Related Expenditures - The approved amount contains \$7,100 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,300 in Professional and Outside Services, \$200 in Travel - State and \$100 in Travel - Out of State.

Professional and Outside Services - The approved amount includes \$12,000 for an educational consultant to assist with school closures.

Other Operating Expenditures - The approved amount includes \$13,900 for lease costs.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF POSTSECONDARY EDUCATION (Cont'd)
BOARD OF PRIVATE POSTSECONDARY EDUCATION FUND

ADDITIONAL LEGISLATION

School Fees: Postsecondary Education - Chapter 89 (H.B. 2168) - Revises renewal fees charged to private postsecondary educational institutions, reducing fees paid by smaller schools and increasing fees paid by larger schools. The effect of this legislation on Private Postsecondary Education Fund collections is unknown.

BOARD OF PSYCHOLOGIST EXAMINERS

Mary Marks, Executive Director

A.R.S. § 32-2062

JLBC Analyst: Headley

BOARD OF PSYCHOLOGIST EXAMINERS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1.0	1.0	1.0
Personal Services	27,700	31,700	31,700
Employee Related Exp.	6,400	7,800	7,000
Prof. & Outside Services	46,100	65,400	65,400 ^{1/}
Travel - State	1,600	4,500	4,800
Travel - Out of State	1,000	1,000	1,500
Other Operating Exp.	8,700	13,300	13,200
All Other Operating Exp.	57,400	84,200	84,900
TOTAL APPROPRIATIONS	91,500	123,700	123,600 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	263,600		
Add Revenues	64,900	237,000	401,500
TOTAL FUNDS AVAILABLE	328,500	288,200	41,400 ^{3/}
Expenditures	91,500	525,200	442,900
		123,700	123,600
BALANCE END OF FISCAL YEAR	237,000	401,500	319,300

Employee Related Expenditures - The approved amount contains \$3,400 for medical insurance and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$22,800 for joint office costs. The approved amount contains \$1,900 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Other Operating Expenditures - The approved amount includes \$800 for risk management.

(Continued)

- ^{1/} This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- ^{3/} This agency has a biennial licensing cycle.

BOARD OF PSYCHOLOGIST EXAMINERS (Cont'd)
BOARD OF PSYCHOLOGIST EXAMINERS FUND

ADDITIONAL LEGISLATION

Psychologist Examiners Board - Chapter 119 (S.B. 1071) - The legislation provides more explicit language involving licensure requirements and Board powers and duties. The bill also institutes requirements and a \$200 application fee for a temporary license, increases Board membership by 2 Psychologists, directs the Board to publish a directory, and empowers the Board to establish committees of psychologists to serve as consultants to the Board. Additionally, the bill establishes a fee for voluntary inactive status, increases the active license renewal fee cap, establishes a penalty for failure to notify the Board of a change of address, and sets a civil penalty range for each violation - penalties collected are deposited in the state General Fund. The legislation also allows for the allotment of no more than \$20 from each active license renewal for the establishment of a treatment and rehabilitation program.

STATE BOARDS OFFICE

Delores DeBaca, Director

JLBC Analyst: Headley

STATE BOARDS OFFICE REVOLVING FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	5.0	4.0	4.0
Personal Services	68,000	74,600	68,300
Employee Related Exp.	12,000	16,800	21,600
Prof. & Outside Services	16,100	17,700	23,500
Other Operating Exp.	53,100	55,000	55,600
Equipment	11,300	1,500	-0-
All Other Operating Exp.	80,500	74,200	79,100
TOTAL APPROPRIATIONS	160,500	165,600	169,000

STATE BOARDS OFFICE

Funding Breakdown

Contributing Boards	Personal Services	E.R.E.	Acctg. & Computer	Rent	Other Operating	Total	% of Total
Homeopaths	\$ 4,227	\$ 1,337	\$ 180	\$ 2,249	\$ 400	\$ 8,393	4.97%
Disp. Opticians	4,227	1,337	2,440	3,722	2,312	14,038	8.31%
Funeral Directors	4,229	1,337	4,217	5,585	2,313	17,681	10.46%
Naturopaths	4,228	1,338	1,057	2,249	400	9,272	5.49%
Nursing Care Admin.	4,228	1,338	2,142	2,924	2,312	12,944	7.66%
Optometry	11,002	3,481	2,477	4,572	2,313	23,845	14.11%
Physical Therapy	4,228	1,338	2,290	3,330	2,312	13,498	7.99%
Podiatry	16,652	5,269	2,475	2,249	2,312	28,957	17.13%
Psychologists	11,002	3,481	2,477	3,518	2,313	22,791	13.48%
Veterinary	4,229	1,338	3,766	5,949	2,313	17,595	10.41%
TOTAL	\$ 68,252	\$ 21,594	\$ 23,521	\$ 36,347	\$19,300	\$ 169,014	100.00%

The State Boards Office is funded through the Professional and Outside Services line of the participating boards. These line items are presented for information only.

BOARD OF RESPIRATORY CARE EXAMINERS

A.R.S. § 32-3501

JLBC Analyst: Bock

James Marovich, Executive Director

RESPIRATORY CARE EXAMINERS FUND AND GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.0	2.0
Personal Services	-0-	-0-	52,800
Employee Related Exp.	-0-	-0-	11,000
Prof. & Outside Services	-0-	-0-	5,000
Travel - State	-0-	-0-	5,000
Travel - Out of State	-0-	-0-	2,000
Other Operating Exp.	-0-	-0-	45,000
Equipment	-0-	-0-	4,000
All Other Operating Exp.	-0-	-0-	61,000
TOTAL APPROPRIATIONS	-0-	-0-	124,800 ^{1/}
Fund Summary			
General Fund	-0-	-0-	50,000
Respiratory Care Examiners Fund	-0-	-0-	74,800
TOTAL APPROPRIATIONS	-0-	-0-	124,800
RESPIRATORY CARE EXAMINERS FUND			
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	-0-	-0-	-0-
Transfer From General Fund	-0-	-0-	50,000 ^{2/}
Add Revenues	-0-	-0-	128,700
TOTAL FUNDS AVAILABLE	-0-	-0-	178,700
Payback to General Fund	-0-	-0-	50,000 ^{3/}
Expenditures	-0-	-0-	124,800
BALANCE END OF FISCAL YEAR	-0-	-0-	3,900

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 2/ The Board of Respiratory Care Examiners is established in FY 1992 with \$50,000 appropriated by Laws 1990, Chapter 256 from the General Fund for start-up costs.

(Footnotes Continued on Following Page)

DEPARTMENT OF RESPIRATORY CARE EXAMINERS (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount contains \$2,800 for medical insurance, including a \$0 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Footnotes Continued From Previous Page)

3/ Laws 1990, Chapter 256 specifies that the State Treasurer shall deposit 10% of the monies collected pursuant to this act in the State General Fund. An additional 10% of the monies collected pursuant to this act will be collected by the Treasurer to repay the appropriation of \$50,000 until such time that all monies appropriated have been repaid to the State General Fund. All monies shall be repaid within FY 1992. If the monies have not been repaid in full by June 30, 1992, the State Treasurer shall transfer from the Board of Respiratory Care Examiners Fund to the State General Fund such monies as necessary to repay in full the appropriated amount of \$50,000.

STRUCTURAL PEST CONTROL COMMISSION

A.R.S. § 32-2302

Jack D. Root, Executive Director

JLBC Analyst: Fusak

STRUCTURAL PEST CONTROL COMM. FUND AND STRUCTURAL PEST CONTROL COMM. INSPECTION SUPPORT FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	21.0	26.0	26.0
Personal Services	350,400	467,500	557,200
Employee Related Exp.	69,000	99,600	135,200
Prof. & Outside Services	128,200	123,800	132,500
Travel - State	54,900	70,700	69,300
Travel - Out of State	4,600	11,300	5,000
Other Operating Exp.	172,300	176,100	122,400
Equipment	25,800	55,200	-0-
All Other Operating Exp.	385,800	437,100	329,200
TOTAL APPROPRIATIONS	805,200	1,004,200 ^{1/}	1,021,600 ^{2/3/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	68,400	84,700	46,000
Add Revenues	821,500	965,500	1,063,200
TOTAL FUNDS AVAILABLE	889,900	1,050,200	1,109,200
Expenditures	805,200	1,004,200	1,021,600
BALANCE END OF FISCAL YEAR	84,700	46,000	87,600

Personal Services - The approved amount includes a 1% vacancy factor which results in a vacancy savings of \$7,000. The approved amount also includes an increase of \$13,000.

(Continued)

- 1/ The Structural Pest Control Commission receives its revenue from two funds, the Structural Pest Control Commission Fund (a 90/10) and the Inspection Support Fund. With the downturn in the real estate industry, the Inspector Support Fund has not realized full revenue capacity as its revenue is generated from inspection fees for property transfers and new housing starts. Thus, the Commission estimates that actual expenditures for FY 1991 will be lower than the FY 1991 appropriation of \$1,108,000 due to revenue constraints.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ It is the intent of the Legislature that not more than 25% of the appropriation shall be expended from the Structural Pest Control Commission Fund. (General Appropriation Act footnote)

STRUCTURAL PEST CONTROL COMMISSION (Cont'd)
STR. PEST CONTROL COMM. FUND AND STRUCTURAL PEST CONTROL COMM.
INSPECTION SUPPORT FUND

Employee Related Expenditures - The approved amount contains \$61,000 for medical insurance, including a \$500 Section 104 lump sum allocation, and \$3,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$8,800 in Professional and Outside Services, \$7,900 in Travel - State and \$4,400 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Other Operating Expenditures includes a decrease of \$19,700 which includes an increase of \$10,200 in risk management (for a total of \$16,000), a decrease of \$17,800 in non-capitalized equipment and a base reduction of \$12,100. No funding is provided for capitalized equipment.

BOARD OF TECHNICAL REGISTRATION

A.R.S. § 32-102

Ronald Dalrymple, Director

JLBC Analyst: Brainard

TECHNICAL REGISTRATION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	15.0	15.0	15.0
Personal Services	294,300	312,700	309,200
Employee Related Exp.	58,100	78,600	75,100
Prof. & Outside Services	166,400	186,200	23,100
Travel - State	10,400	13,400	12,700
Travel - Out of State	8,700	11,900	9,500
Other Operating Exp.	148,800	176,300	175,600
Equipment	10,500	4,200	4,200
All Other Operating Exp.	344,800	392,000	225,100
OPERATING SUBTOTAL	697,200	783,300	609,400
Examinations	-0-	-0-	172,900
TOTAL APPROPRIATIONS	697,200	783,300	782,300 ^{1/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	254,400	121,600	267,900
Add Revenues	564,600	929,600	899,900
TOTAL FUNDS AVAILABLE	819,000	1,051,200	1,167,800
Expenditures	697,400	783,300	782,300
BALANCE END OF FISCAL YEAR	121,600	267,900	385,500

Employee Related Expenditures - The approved amount contains \$34,900 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$1,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,400 in Professional and Outside Services, \$700 in Travel - State and \$2,400 in Travel - Out of State.

Other Operating Expenses - The approved amount includes \$48,000 for the agency's office lease, \$34,000 for postage, \$29,700 for printing expenses, and \$13,800 for telephone expenses.

Examinations - This line item includes the cost of purchasing national professional licensing examinations. This expense was previously displayed in the Professional and Outside Services line item.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with a special line item. The line items within the "Operating Subtotal" are shown for information only.

VETERINARY MEDICAL EXAMINING BOARD

Judy Zingg, Director

A.R.S. § 32-2202

JLBC Analyst: Headley

BOARD OF VETERINARY MEDICAL EXAMINING FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	2.0	3.0	3.0
Personal Services	60,800	87,800	78,700
Employee Related Exp.	10,800	15,100	16,700
Prof. & Outside Services	41,900	31,000	31,000 ^{1/}
Travel - State	9,000	9,800	12,100
Travel - Out of State	1,400	1,900	1,900
Other Operating Exp.	8,600	11,400	12,100
All Other Operating Exp.	60,900	54,100	57,100
TOTAL APPROPRIATIONS	132,500	157,000	152,500 ^{2/}
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	133,300		
Add Revenues	48,500	49,300	143,300 ^{3/}
TOTAL FUNDS AVAILABLE	181,800	300,300	209,900
Expenditures	132,500	157,000	152,500
BALANCE END OF FISCAL YEAR	49,300	143,300	57,400

Personal Services - The approved amount includes an \$11,000 reduction due to the retirement of a Senior Investigator and the hiring of a new Investigator at a lower grade.

Employee Related Expenditures - The approved amount contains \$7,800 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Professional and Outside Services - The approved amount includes \$17,600 for joint office costs. The approved amount contains \$700 for medical insurance and \$100 for dental insurance for the State Boards Office Employee Related Expenditures. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ This agency is housed within the State Boards Office of the Department of Administration. The amount shown includes a proportionate cost each board pays to the Special Services Revolving Fund for the services provided by the State Boards Office.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.
- 3/ This agency has a biennial licensing cycle.

VETERINARY MEDICAL EXAMINING BOARD (Cont'd)
BOARD OF VETERINARY MEDICAL EXAMINING FUND

Other Operating Expenditures - The approved amount includes \$900 for risk management.

ADDITIONAL LEGISLATION

Veterinary Medical Examining Board - Chapter 85 (H.B. 2065) - The bill increases the per diem cap for Board members, increases the examination fee cap for every original application, and increases the civil penalty cap for each violation - civil penalties collected are deposited in the state General Fund. In addition, the legislation institutes fees for a biennial permit for out of state, non-resident veterinarians living within twenty-five miles of Arizona, and institutes requirements and a fee for licensure by endorsement.

ARIZONA COMMISSION ON THE ARTS

A.R.S. § 41-983

Shelly M. Cohn, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	11.5	11.5	11.5
Personal Services	298,900	313,100	312,900
Employee Related Exp.	57,600	68,400	68,800
Travel - State	14,000	13,800	13,100
Travel - Out of State	800	800	700
Other Operating Exp.	94,700	95,400	96,200
Equipment	1,900	-0-	-0-
All Other Operating Exp.	111,400	110,000	110,000
OPERATING SUBTOTAL	467,900	491,500	491,700
Community Service Project	1,102,500	1,021,000	867,800
TOTAL APPROPRIATIONS	1,570,400	1,512,500	1,359,500 ^{1/}

Personal Services - The approved amount includes a vacancy factor of 1%, or \$3,200.

Employee Related Expenditures - The approved amount contains \$28,300 for medical insurance, including a \$1,700 Section 104 lump sum allocation, and \$1,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Travel Reductions - The approved amount reflects a reduction of \$700 in Travel - State and \$100 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes a) \$71,400 for rent of the Commission's privately owned office space, which is an increase of \$2,100, and b) \$9,600 for risk management, which is a \$1,300 decrease over FY 1991 estimated expenditures.

Community Service Projects - The approved amount includes a \$153,200 deduction from the FY 1991 level. Community Service Project monies are grants made available to arts organizations and Arizona communities on a matching basis for such programs as Art in Arizona Towns, Artists in Education, Ticket Discount, Art in Public Places, and Cultural Heritage.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES

A.R.S. § 15-1424

Wayne M. McGrath, Ed.D., Executive Director

JLBC Analyst: Layzell

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	9.0	10.0	10.0
Personal Services	341,000	409,800	409,800
Employee Related Exp.	63,400	79,300	75,800
Prof. & Outside Services	6,000	33,300	26,600
Travel - State	33,400	36,400	34,600
Travel - Out of State	800	4,000	3,600
Other Operating Exp.	63,600	60,600	57,500
Equipment	13,500	11,600	2,000
All Other Operating Exp.	117,300	145,900	124,300
OPERATING SUBTOTAL	521,700	635,000	609,900
Operating State Aid ^{1/}			
Cochise	--	--	4,357,900
Graham	--	--	3,695,800
Maricopa	--	--	29,736,300
Mohave	--	--	2,538,300
Navajo	--	--	3,262,400
Pima	--	--	12,881,600
Pinal	--	--	4,458,300
Yavapai	--	--	3,400,900
Yuma/LaPaz	--	--	3,585,000
Coconino	--	--	1,000,900
Total - Operating State Aid	53,839,900	68,129,500 ^{2/}	68,917,400
Capital Outlay State Aid ^{1/}			
Cochise	--	--	535,400
Graham	--	--	441,300
Maricopa	--	--	5,315,500
Mohave	--	--	250,700
Navajo	--	--	365,800
Pima	--	--	1,857,600
Pinal	--	--	530,300
Yavapai	--	--	385,500
Yuma/LaPaz	--	--	429,900
Coconino	--	--	207,000
Total - Capital Outlay State Aid	8,025,600	8,344,200	10,319,000 ^{3/}
Equalization Aid ^{1/}			
Cochise	--	--	836,500
Graham	--	--	5,055,400
Total - Equalization Aid	4,565,900	5,408,100	5,891,900
County Voc. Planning	40,000	-0-	-0-
Economic Dev. Training Program	-0-	-0-	150,000
TOTAL APPROPRIATIONS	66,993,100	82,516,800	85,888,200 ^{4/5/6/}

(See Footnotes on Following Page)

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount contains \$24,600 for medical insurance, including a \$1,500 Section 104 lump sum allocation, and \$1,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,700 in Professional and Outside Services, \$1,800 in Travel - State and \$400 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes a \$3,100 reduction for risk management insurance, for a total of \$3,200.

Equipment - The approved amount includes a \$9,600 reduction in replacement equipment as requested by the agency.

Operating State Aid - The approved amount for Operating State Aid provides funding for districts at their adjusted FY 1991 level prior to the adjustment of \$865,150 due to the FY 1990 overpayment. The Coconino County Community College District is newly formed and will begin operations in FY 1992. Because of this, Yavapai's operating aid has been adjusted below its FY 1991 level to reflect a loss of 218 full-time student equivalents (FTSE) that were previously served by the district in Coconino County.

Capital Outlay State Aid - The approved amount for Capital Outlay State Aid includes one-half of the increase in such aid provided in A.R.S. § 15-1464, as amended by Laws 1990, Chapter 397, Section 1. Yavapai's capital outlay aid has been reduced by \$51,100 to reflect 247 FTSE that were previously served by the district in Coconino County and will now be funded through the aid provided to the Coconino Community College District. Each district has the option of using up to 20 % of its total capital outlay aid appropriation for operating aid purposes, or this same amount may be taken out of its total operating state aid appropriation and used for capital outlay purposes. In either event, the amount shifted may not exceed 20% of a district's capital outlay state aid appropriation.

Equalization Aid - Equalization aid is paid to a community college district which has a property tax base that is less than the minimum assessed value specified in A.R.S. § 15-1468. Currently, only two districts, Cochise and Graham, receive this funding. The approved amount represents full funding of the formula which assumes no growth in assessed valuation for FY 1992.

Economic Development Training Program - This provides \$150,000 to the Maricopa Community College District for a specialized workforce recruitment and training program in the Phoenix metropolitan area, as outlined in the August 8, 1990 letter from the Governor and House and Senate leadership to a major interstate banking firm.

(Continued)

- 1/ FY 1992 is the first time that State Aid to Community Colleges has been appropriated by district.
- 2/ The amount includes \$865,150 of the original appropriation for Operating State Aid which reverted to the General Fund in FY 1991 due to an overpayment in FY 1990.
- 3/ Each district has the option of using up to 20 % of its total capital outlay aid appropriation for operating aid purposes, or this same amount may be taken out of its total operating state aid appropriation and used for capital outlay purposes. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 5/ The appropriation assumes a one year suspension in the adjustment of the total operational budget for all community college districts by the growth rate for common and high school districts as provided in A.R.S. § 15-901. (General Appropriation Act footnote)
- 6/ It is the intent of the legislature that all aspects of community college finance including operating state aid and capital outlay state aid will be studied by a Joint Legislative Committee on Community College Finance. (General Appropriation Act footnote)

STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES (Cont'd)
GENERAL FUND

ADDITIONAL LEGISLATION

Education Omnibus Reconciliation Bill - Chapter 288 (S.B. 1318) - This legislation includes the following sections relative to community colleges:

- A. Section 10 of this act delays until FY 1993 the full implementation of A.R.S. § 15-1464 as amended by Laws 1990, Chapter 397, Section 1, which changed the basis for the distribution of capital outlay state aid from the FY 1985 FTSE count to the most recent fiscal year actual FTSE count. Section 21 of this act indicates that the distribution of capital outlay state aid will include one-half of the increase provided in A.R.S. § 15-1464, as amended by Laws 1990, Chapter 397, Section 1.
- B. Section 20 of this act suspends the application of the GNP deflator in calculating state aid to community colleges, thereby resulting in no inflation adjustment for FY 1992.
- C. Section 22 of this act establishes a legislative study committee on community college finance whose charge is:
 1. Review the current revenue and expenditure structure of this state's community colleges;
 2. Review the current system of state funding for community colleges;
 3. Develop a written report containing its findings and recommendations;
 4. Submit its written report to the President of the Senate, the Speaker of the House of Representatives, and the Governor no later than December 1, 1991.

SCHOOL FOR THE DEAF AND THE BLIND - SUMMARY

A.R.S. § 15-1301

Barry L. Griffing, Ed.D., Superintendent

JLBC Analyst: Neisent

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Phoenix Day School	2,324,400	2,461,500	2,542,500
Arizona Diagnostic Treatment and Education Center	1,114,300	1,201,800	1,135,500
Tucson Campus	8,324,000	9,374,000	9,642,500
TOTAL APPROPRIATIONS	11,762,700	13,037,300	13,320,500
<u>Expenditure Detail</u>			
FTE Positions	446.4	482.9	477.7
Personal Services	11,192,200	12,017,100	12,044,000
Employee Related Exp.	2,147,700	2,818,900	2,767,900
Prof. & Outside Services	297,600	285,200	162,700
Travel - State	66,800	31,200	36,600
Travel - Out of State	1,300	-0-	-0-
Other Operating Exp.	1,643,700	1,892,300	2,661,100
Food	144,200	160,100	160,100
Equipment	351,900	425,400	315,600
All Other Operating Exp.	2,505,500	2,794,200	3,336,100
OPERATING SUBTOTAL	15,845,400	17,630,200	18,148,000
Special Education			
Institutional Voucher Fund	(4,082,700)	(4,347,900)	(4,535,900)
Endowment Earnings and Out-of-State Tuition	-0-	(245,000)	(291,600)
TOTAL APPROPRIATIONS	11,762,700	13,037,300 ^{1/}	13,320,500 ^{2/}

Employee Related Expenditures - The approved amount contains \$1,171,700 for medical insurance, including a \$71,100 Section 104 lump sum allocation, and \$58,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} This amount reflects the reversion of \$54,100 from the original appropriation. The FY 1991 General Appropriation Act required this reversion with the passage of H.B. 2120 relating to extended school year programs for eligible handicapped students.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for each program. The line items within "All Other Operating Exp." are shown for information only.

SCHOOL FOR THE DEAF AND THE BLIND - SUMMARY (Cont'd)
GENERAL FUND

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 2(B)2 of the Capital Outlay Bill appropriates \$295,000 from the General Fund to the Arizona School for the Deaf and Blind for the following projects:

- **ADTEC Remodel**
Improvements to the Arizona Diagnostic Testing and Education Center to consolidate staff working areas. \$ 45,000

- **Telecommunications Cabling**
Replacement and extension to new buildings of telephone, computer, video and fire alarm cables. \$250,000

ADDITIONAL LEGISLATION

Education Omnibus Reconciliation Bill - Chapter 288 (S.B. 1318) - Provides that the Joint Legislative Budget Committee shall not use the results of the Department of Administration salary equity studies in making its recommendations for funding for FY 1992.

SCHOOL FOR THE DEAF AND THE BLIND - PHOENIX DAY SCHOOL A.R.S. § 15-1361

Barry L. Griffing, Ed.D., Superintendent

JLBC Analyst: Neisent

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	107.4	118.9	116.5
Personal Services	2,808,000	3,010,800	3,035,300
Employee Related Exp.	545,200	636,200	704,100
Prof. & Outside Services	24,200	31,900	30,200
Travel - State	6,100	4,300	4,100
Other Operating Exp.	398,500	421,400	370,700
Food	36,900	40,100	40,100
Equipment	118,800	140,300	140,300
All Other Operating Exp.	584,500	638,000	585,400
OPERATING SUBTOTAL	3,937,700	4,285,000	4,324,800
Special Education			
Institutional Voucher Fund	(1,613,300)	(1,823,500)	(1,782,300) ^{1/}
TOTAL APPROPRIATIONS	2,324,400	2,461,500	2,542,500 ^{2/}

Personal Services - The approved amount reflects a reduction of 2.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$30,700. The approved amount includes \$74,900 to annualize 9 FTE positions added in FY 1991 to allow the agency to provide transportation services for all preschool students. The transportation positions include 4.5 Bus Drivers and 4.5 Bus Aides.

Employee Related Expenditures - The approved amount contains \$293,400 for medical insurance, including a \$17,800 Section 104 lump sum allocation, and \$14,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,200 in Professional and Outside Services and \$200 in Travel - State.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an additional \$500 for medical and hospital services. The approved amount for Other Operating Expenditures includes an additional \$7,100 for annualization of operating costs associated with the expanded preschool transportation program. The approved amount for Other Operating Expenditures also includes a reduction of \$58,900 to reflect lower estimated voucher funding in FY 1992. The Equipment appropriation includes \$31,700 for the final lease-purchase payment for 3 school buses, \$53,500 for the second lease-purchase payment for 5 lift vans, \$40,100 for specialized educational equipment, and \$15,000 for non-educational replacement equipment.

^{1/} Prior to the expenditure of any voucher funds in excess of the \$1,782,300 shown above, the School for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

**SCHOOL FOR THE DEAF AND THE BLIND -
ARIZONA DIAGNOSTIC TREATMENT AND EDUCATION CENTER**

A.R.S. § 15-1301

Barry L. Griffing, Ed.D., Superintendent

JLBC Analyst: Neisent

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	56.6	56.6	55.5
Personal Services	1,131,600	1,194,600	1,165,300
Employee Related Exp.	214,500	317,300	283,800
Prof. & Outside Services	17,500	18,000	18,300
Travel - State	700	800	800
Travel - Out of State	500	-0-	-0-
Other Operating Exp.	15,500	16,700	48,700
All Other Operating Exp.	34,200	35,500	67,800
OPERATING SUBTOTAL	1,380,300	1,547,400	1,516,900
Special Education			
Institutional Voucher Fund	(266,000)	(345,600)	(381,400) ^{1/}
TOTAL APPROPRIATIONS	1,114,300	1,201,800	1,135,500 ^{2/}

Personal Services - The approved amount reflects a reduction of 1.1 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$8,800.

Employee Related Expenditures - The approved amount contains \$135,300 for medical insurance, including a \$8,200 Section 104 lump sum allocation, and \$6,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100 in Professional and Outside Services.

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an additional \$400 for medical and hospital services. The approved amount for Other Operating Expenditures includes an increase of \$32,000 to reflect higher estimated voucher funding in FY 1992.

^{1/} Prior to the expenditure of any voucher funds in excess of the \$381,400 shown above, the School for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

SCHOOL FOR THE DEAF AND THE BLIND - TUCSON CAMPUS

A.R.S. § 15-1301

Barry L. Griffing, Ed. D., Superintendent

JLBC Analyst: Neisent

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	282.4	307.4	305.7
Personal Services	7,252,600	7,811,700	7,843,400
Employee Related Exp.	1,388,000	1,865,400	1,780,000
Prof. & Outside Services	255,900	235,300	114,200
Travel - State	60,000	26,100	31,700
Travel - Out of State	800	-0-	-0-
Other Operating Exp.	1,229,700	1,454,200	2,241,700
Food	107,300	120,000	120,000
Equipment	233,100	285,100	175,300
All Other Operating Exp.	1,886,800	2,120,700	2,682,900
OPERATING SUBTOTAL	10,527,400	11,797,800	12,306,300
Special Education			
Institutional Voucher Fund	(2,203,400)	(2,178,800)	(2,372,200) ^{1/}
Endowment Earnings and Out-of-State Tuition	-0-	(245,000)	(291,600)
TOTAL APPROPRIATIONS	8,324,000	9,374,000	9,642,500 ^{2/}

Personal Services - The approved amount reflects a reduction of 6.2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$77,800. The approved amount includes \$66,600 to annualize 8 FTE positions added in FY 1991 to allow the agency to provide transportation services for all preschool students. The preschool transportation positions include 4 Bus Drivers and 4 Bus Aides. The appropriation includes \$100,000 transferred from Professional and Outside Services to fund 4.5 Parent Advisor positions. The approved amount also includes \$42,000 to provide Extended School Year (ESY) to eligible children.

Employee Related Expenditures - The approved amount contains \$743,000 for medical insurance, including a \$45,100 Section 104 lump sum allocation, and \$37,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$24,000 in Professional and Outside Services, and \$1,400 in Travel - State.

(Continued)

^{1/} Prior to the expenditure of any voucher funds in excess of the \$2,372,200 shown above, the School for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF SCHOOL FOR THE DEAF AND THE BLIND - TUCSON CAMPUS (Cont'd)
GENERAL FUNDS

All Other Operating Expenditures - The approved amount for Professional and Outside Services includes an increase of \$2,900 for medical and hospital services and a decrease of \$100,000 to reflect monies transferred to Personal Services to fund 4.5 Parent Advisor positions. The approved amount for Travel - State includes an increase of \$2,000 for 2 additional board members and \$5,000 for travel associated with the Extended School Year program. The approved amount for Other Operating includes an additional \$231,200 for the first lease-purchase payment on the new Tucson Campus high school building and \$338,400 for the lease-purchase of modular buildings. The appropriation includes an additional \$58,800 for risk management (for a total of \$98,800) and a decrease of \$15,800 for savings associated with the installation of a new telecommunications system on the Tucson Campus. The approved amount for Other Operating Expenditures also includes an increase of \$169,900 to reflect higher estimated voucher funding in FY 1992. The Equipment appropriation includes \$16,000 for non-educational replacement equipment, \$34,000 for specialized educational replacement equipment, \$11,000 for the second lease-purchase payment for 1 bus, \$50,800 for the second year lease-purchase of 5 mini-buses, and \$63,500 for the first lease-purchase payment for a new telecommunications system for the Tucson Campus.

DEPARTMENT OF EDUCATION - SUMMARY

A.R.S. § 15-201

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
State Board of Education	142,900	164,400	143,800
General Services Administration	7,678,100	8,205,700	7,248,000
Assistance to Schools	1,138,248,000	1,226,618,700	1,296,892,500
Vocational Education	1,202,100	1,251,700	1,255,500
TOTAL APPROPRIATIONS	1,147,271,100	1,236,240,500	1,305,539,800
<u>Expenditure Detail</u>			
FTE Positions	211.4	212.4	204.4
Personal Services	5,130,600	5,345,000	5,204,900
Employee Related Exp.	947,400	1,154,200	1,135,200
Prof. & Outside Services	405,400	499,800	423,000
Travel - State	104,600	129,800	111,600
Travel - Out of State	30,300	23,400	32,300
Other Operating Exp.	991,600	985,700	1,111,600
Equipment	257,100	59,200	9,700
All Other Operating Exp.	1,789,000	1,697,900	1,688,200
OPERATING SUBTOTAL	7,867,000	8,197,100	8,028,300
Special Line Items ^{1/}	1,139,404,100	1,228,043,400	1,296,611,500
Additional Appropriations ^{1/}	--	--	900,000
TOTAL APPROPRIATIONS	1,147,271,100	1,236,240,500	1,305,539,800
<u>Fund Summary</u>			
General Fund	1,147,205,500	1,236,240,500	1,305,539,800
Local Narcotics Enforce. Fund	65,600	-0-	-0-
TOTAL APPROPRIATIONS	1,147,271,100	1,236,240,500	1,305,539,800

Employee Related Expenditures - The approved amount contains \$503,600 for medical insurance, including a \$30,400 Section 104 lump sum allocation, and \$25,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 6B of the Capital Outlay Bill amends Laws 1990, Chapter 8, Section 8, 3rd Special Session, to require the Department of Education to allocate the funds appropriated for Native American special education building renovation to private schools that are located on a reservation and are approved by the Department of Education to provide special education services.

^{1/} Details for the Special Line Items and Additional Appropriations are included on the individual program pages.

DEPARTMENT OF EDUCATION - STATE BOARD OF EDUCATION

A.R.S. § 15-201

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	2.5	2.5	2.5
Personal Services	44,000	54,700	52,500
Employee Related Exp.	11,800	19,100	13,200
Prof. & Outside Services	28,200	33,000	26,400
Travel - State	2,200	12,700	7,300
Travel - Out of State	100	5,300	4,800
Other Operating Exp.	54,800	39,600	39,600
Equipment	1,800	-0-	-0-
All Other Operating Exp.	87,100	90,600	78,100
TOTAL APPROPRIATIONS	142,900	164,400	143,800 ^{2/}

Personal Services - The approved amount includes a reduction of \$2,200 to reflect a lower Personal Services requirement.

Employee Related Expenditures - The approved amount contains \$6,000 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$6,600 in Professional and Outside Services, \$600 in Travel - State and \$500 in Travel - Out of State.

All Other Operating Expenditures - In addition to the statewide policy on travel reduction, Travel - State was decreased by \$4,800.

^{1/} The number of FTE positions does not include the 9 members of the State Board of Education.
^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

**DEPARTMENT OF EDUCATION - GENERAL SERVICES
ADMINISTRATION**

A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	160.5	159.5	151.5 ^y
Personal Services	4,230,400	4,368,400	4,252,700
Employee Related Exp.	778,700	947,100	937,100
Prof. & Outside Services	303,900	401,900	311,700
Travel - State	86,200	103,300	88,100
Travel - Out of State	30,200	18,100	27,500
Other Operating Exp.	837,300	887,200	1,002,200
Equipment	255,300	55,000	9,700
All Other Operating Exp.	1,512,900	1,465,500	1,439,200
OPERATING SUBTOTAL	6,522,000	6,781,000	6,629,000
Achievement Testing	894,900	996,000	192,500
Education Commission of the States	39,400	41,200	43,100
School Restructuring	-0-	100,000	100,000
SLIAG Administration	29,700	61,500	30,000 ^z
SLIAG Outreach	-0-	-0-	25,000 ^y
Special Education Audit	192,100	226,000	228,400
TOTAL APPROPRIATIONS	7,678,100	8,205,700	7,248,000 ^y

Personal Services - The approved amount includes \$1,000 to annualize elected officials' salary adjustments which became effective January 1, 1991. Additionally, the approved amount includes \$1,300 for elected officials' salary adjustments, which become effective January 1, 1992. The approved amount reflects a reduction of 4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$43,000. The approved amount also includes a reduction of \$98,200 for the transfer of 4 FTE positions that work for the Print Shop from the General Fund to the Print Shop Revolving Fund. With the transfer, all positions working for the Print Shop will be funded from the Print Shop Revolving Fund.

Employee Related Expenditures - The approved amount contains \$366,800 for medical insurance, including a \$22,200 Section 104 lump sum allocation, and \$18,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Includes 5 FTE positions which are funded in the Special Education Audit line item and a 0.5 FTE position which is funded in the SLIAG Administration line item.

(Footnotes Continued on Following Page)

DEPARTMENT OF EDUCATION - GENERAL SERVICES ADMINISTRATION (Cont'd)
GENERAL FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$77,900 in Professional and Outside Services, \$5,200 in Travel - State and \$3,100 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$158,100 for rent in the new State Courts Building and \$11,700 for rent in the new Tucson Office Building. A base adjustment transferred \$12,500 from Professional and Outside Services to Travel - Out of State. Additional base adjustments include a reduction of \$10,000 for Travel - State, and a reduction of \$31,800 in Other Operating Expenditures. The approved amount also includes a reduction of \$16,200 for risk management, a reduction of \$1,300 for non-capitalized equipment and a \$45,300 net reduction in capitalized equipment. The appropriation for capitalized equipment will be used to purchase 3 computers for the School Improvement Unit.

Achievement Testing - The approved amount provides funding for the test materials, scoring, and cumulative match for the testing of grades 4, 7 and 11 on nationally norm-referenced achievement tests. Pursuant to A.R.S. § 15-741, the FY 1991 appropriation included funding to test grades 1 through 12 using the nationally standardized norm referenced testing, with grades 1 and 12 sample tested unless full testing was requested by an individual district. The Education Omnibus Reconciliation Bill, Chapter 288 (S.B. 1318) limits the nationally norm-referenced achievement testing to grades 4, 7 and 11 for FY 1992 only. The Iowa Tests of Basic Skills will be used for grades 4 and 7 and the Tests of Achievement and Proficiency will be used for grade 11. Chapter 288 allows the Department of Education to provide norm-referenced achievement services to school districts which request assistance in testing additional pupils during the FY 1992 school year, if sufficient monies are available. Chapter 288 also allocates up to \$258,000 for achievement testing from anticipated revertments from the career ladder program. Of the available funds, \$100,000 will be used to administer the Arizona Student Assessment Plan (ASAP) essential skills testing. Laws 1990, Chapter 233 required the State Board of Education to adopt and implement the ASAP essential skill tests that measure pupil achievement in reading, writing and mathematics in grades 3, 8, and 12. The law also allowed the board to administer assessments in social studies and science. These are currently being developed.

Education Commission of the States - The approved amount represents the dues for the state's membership in the Compact for the Education Commission of the States (ECS). The State Commission consists of seven members. Four of the members are from the Legislature, with two members appointed by the President of the Senate and two selected by the Speaker of the House of Representatives. The remaining three members are appointed by the Governor.

School Restructuring - The approved amount provides funding for the evaluation of the school restructuring program. Laws 1990, Chapter 357 (S.B. 1552) established a Joint Legislative Committee on School Restructuring Incentives. Schools wishing to participate in the program were required to submit program proposals to the committee by October 15, 1990. No more than 16 schools could be approved for participation by the Committee. Program proposals were required to include documentation demonstrating that the restructuring plans were developed in conjunction with teachers and parents and included objectives and goals that were to be achieved through participation in the program. Schools that received approval to participate in the program were allowed to increase their Base Support Levels (BSL) by up to \$40,000, depending on student count.

(Continued)

(Footnotes Continued From Previous Page)

- 2/ The \$30,000 appropriation for state legalization impact assistance administration shall be available to the extent that the General Fund will be reimbursed for these expenditures by the State Legalization Impact Assistance Grants, authorized by section 204 of P.L. 99-603, the Immigration Reform and Control Act of 1986. It is the intent of the Legislature that the General Fund be fully reimbursed for this appropriation. (General Appropriation Act footnote)
- 3/ It is the intent of the Legislature that the Department of Education seek federal reimbursements for state funded SLIAG Outreach activities. Any federal reimbursement received shall be deposited in the General Fund. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program, with special line items. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF EDUCATION - GENERAL SERVICES ADMINISTRATION (Cont'd)
 GENERAL FUND

SLIAG (State Legalization Impact Assistance Grants) Administration - The approved amount represents funding required for the administrative costs associated with the SLIAG grant monies (see Assistance to Schools program). The state General Fund will be reimbursed by the federal SLIAG grants for this "up-front" funding. The SLIAG grant monies are provided to applying states which provide educational services to certain illegal aliens who have become legal residents of the United States under the amnesty program established by Congress in 1986. All payments for educational services, whether provided by state and local education agencies or by private non-profit organizations, must go through the state Department of Education.

SLIAG (State Legalization Impact Assistance Grants) Outreach - The approved amount includes \$25,000 for SLIAG outreach. The appropriation will allow the Department of Education to inform illegal aliens, who became legal residents of the United States under the amnesty program established by Congress in 1986, of SLIAG educational services currently available in their communities.

Special Education Audit - A.R.S. § 15-236 provides that the Department of Education shall annually request a separate line item appropriation for program and fiscal audits of special education programs. The audits are designed to determine the degree of school district compliance with existing statutes and regulations and to ensure the appropriate placement of students in special education programs. The approved amount is based on the following objects of expenditure:

FTE Positions	<u>5.0</u>
Personal Services	\$147,600
Employee Related Expenditures	30,900
Prof. & Outside Services	10,600
Travel - State	18,800
Travel - Out of State	500
Other Operating Expenditures	17,900
Equipment	<u>2,100</u>
TOTAL	<u>\$228,400</u>

Personal Services - The approved amount includes an increase of \$2,600.

Employee Related Expenditures - The approved amount contains \$11,100 for medical insurance, including a \$700 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,700 in Professional and Outside Services, \$1,000 in Travel - State and \$100 in Travel - Out of State.

All Other Operating Expenditures - The approved amount also includes a decrease of \$2,200 from Professional and Outside Services and an increase of \$7,000 in Travel - State to bring the program more in line with actual expenditures.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS

A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	22.1	24.1	24.1
<u>Statutory Formula Programs</u>			
Basic State Aid	885,382,800	927,326,800	977,294,100 ^{12/21}
Prior Year State Aid	79,898,400 ⁴	100,313,000 ⁵	143,196,400 ⁶
Additional State Aid	141,613,600	153,800,000	131,810,100
Assistance to School Districts	324,900	385,100	455,000
Cert. of Ed. Convenience	7,285,500	7,964,200	8,047,200
Perm. Education Voucher	1,358,000	2,168,700	2,894,100
Perm. Spec. Ed. Inst. Voucher	4,283,100	4,572,400	5,074,500
<u>Non-Formula Programs</u>			
Academic Contest Fund	51,300	75,000	75,000 ⁷
Academic Decathlon	73,200	83,500	81,300
Adult Education Assistance	3,045,300	3,048,700	3,049,400 ⁸
Arizona Humanities Council	-0-	-0-	40,000
Arizona Principals' Academy	39,000	40,300	25,200
AZ Teacher Evaluation Program	442,500	404,400	400,500
ASSET	234,000	234,000	234,000
Chemical Abuse	563,100 ⁹	864,000	828,900
Computer and Tech. Equipment	-0-	850,000	-0-
Dropout Prevention	1,749,100 ¹⁰	1,502,300	2,182,700
Extended School Year	-0-	500,000	500,000
Full-Day Kindergarten	-0-	1,400,000	1,400,000
Gifted Support	991,400	1,002,400	999,900
K-3 Support	5,296,500	5,507,900	5,458,200
Preschool Handicapped	-0-	1,911,000	1,911,000
Preschool Handicapped Support	-0-	900,000	400,000
Preschool Pilot Program	-0-	600,000	1,600,000 ¹¹
Residential Placement	-0-	-0-	100,000
School Buses-Native Americans	-0-	450,000	-0-
School District Housing	-0-	850,000	-0-
SLIAG Adult Education	1,781,300	4,000,000	2,000,000 ¹²
SLIAG K-12	-0-	100,000	-0-
Tuition Fund	-0-	-0-	100,000
Vocational Ed. Assistance	2,835,000	2,815,000	2,835,000
Vocational Ed. Prog. Support	1,000,000	950,000	1,000,000
Voc. & Tech. Education	-0-	2,000,000	2,000,000 ¹³
TOTAL	1,138,248,000	1,226,618,700	1,295,992,500
<u>Additional Appropriations - 40th Leg., 1st Reg. Session</u>			
School Breakfast Program, Ch. 204	--	--	100,000
Education Omnibus Reconciliation Bill, Ch.288	--	--	800,000
TOTAL APPROPRIATIONS	1,138,248,000	1,226,618,700	1,296,892,500

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
 GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

<u>Fund Summary</u>			
General Fund	1,138,182,400	1,226,618,700	1,296,892,500
Local Narcotics Enforce. Fund	65,600	-0-	-0-
TOTAL APPROPRIATIONS	<u>1,138,248,000</u>	<u>1,226,618,700</u>	<u>1,296,892,500</u>

- 1/ The approved amount includes a reduction of \$142,500,000 to reflect FY 1992 Basic State Aid payments deferred to FY 1993. Laws 1991, Chapter 287 appropriates \$142,500,000 in FY 1993 for the FY 1992 apportionment reduction, with the funds to be disbursed on July 1, 1992 in amounts equal to the reductions taken in Basic State Aid and Additional State Aid. The bill also appropriates \$696,400 in FY 1993 to the State Board of Education for distribution, on July 1, 1992, to school districts incurring expenses associated with the reduction.
- 2/ The approved amount includes a reduction of \$22,174,000 for estimated savings in employer contributions to the State Retirement System for school district personnel. Laws 1990, Chapter 310 provides that if the employer contribution rate to the State Retirement Plan is less than 5.09%, for the current year, school district expenditures and State Aid shall be reduced. The law provides that each school district shall report to the State Board of Education by October 1, the estimated savings based on a rate reduction from 5.09% to the rate for the current year. Before May 1, each district shall calculate the actual amount of savings and before May 15, each school district shall decrease its Revenue Control Limit (RCL) and District Support Level (DSL) by the actual amount of employer contribution savings. Equalization assistance shall be determined on the adjusted RCL and DSL. School districts not qualifying for equalization assistance shall have their Additional State Aid reduced. The State Board may begin reducing State Aid apportionment payments beginning with the October payment. The salary base upon which the savings is computed shall not include salaries paid from funds other than maintenance and operation or capital outlay or from items exempt from the RCL or Capital Outlay Revenue Limit (CORL), and which are limited to specific purposes. The salary base shall also be adjusted so as not to include salaries paid from maintenance and operation overrides or PL 81-874 funds allocated for handicapped children and children with specific learning disabilities.
- 3/ The appropriated amount includes funding for increasing the Group B Limited English Proficient (LEP) weight from .02 to .06. The Department of Education shall submit a report by December 31, 1991, to the President of the Senate and the Speaker of the House of Representatives describing how school districts currently expend LEP funding and how they intend to expend the additional monies provided by the increase in the LEP weight. (General Appropriation Act footnote)
- 4/ Laws 1988, Chapter 296 required the State Board of Education to reduce, on a pro rata basis, the June 1989 apportionment of Basic State Aid and Additional State Aid by \$80,000,000. Laws 1988, Chapter 260 appropriated \$80,000,000 in FY 1990, with the funds to be disbursed on July 1, 1989. Chapter 260 also appropriated \$250,000 to the State Board for distribution to school districts incurring expenses associated with the FY 1989 State Aid reduction.
- 5/ Laws 1989, Chapter 273 required the State Board of Education to reduce, on a pro rata basis, the June 1990 apportionment of Basic State Aid and Additional State Aid by \$100,000,000. Laws 1989, Chapter 311 appropriated \$100,000,000 in FY 1991, with the funds to be disbursed on July 1, 1990. Chapter 311 also appropriated \$313,000 to the State Board for distribution to school districts incurring expenses associated with the FY 1990 State Aid reduction.
- 6/ Laws 1991, Chapter 1, 1st Special Session required the State Board of Education to reduce, on a pro rata basis, the June 1991 apportionment of Basic State Aid and Additional State Aid by \$142,500,000. Laws 1990 Chapter 1, 3rd Special Session, appropriated \$142,500,000 in FY 1992, with the funds to be disbursed on July 1, 1991. Chapter 1 also appropriated \$696,400 to the State Board for distribution to school districts incurring expenses associated with the FY 1991 State Aid reduction.

(Footnotes Continued on Following Page)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

STATUTORY FORMULA PROGRAMS

Basic State Aid Entitlement - The General Fund appropriation, when combined with the General Fund appropriation made pursuant to Laws 1991, Chapter 287 reflects the major portion of the estimated \$1,180,890,100 total requirement for basic state support aid. The difference between the estimated total amount required and the General Fund amount appropriated will be funded by expendable income derived from the Permanent State Common School Fund together with receipts derived from any other source and will be expended, whenever possible, prior to expenditure of General Fund monies. The General Fund appropriation, when combined with other monies in the State School Fund, provides basic state support to school districts for maintenance and operation, transportation and capital outlay funding as provided by A.R.S. § 15-973. This aid is based upon a weighted student count and a qualifying tax rate upon the assessed valuation of the districts.

The approved amount is based on an increase of 1% in the G.N.P. Price Deflator, bringing the Base Level to \$2,398.27. It is also based on an FY 1991 estimated student count of 602,882 (444,734 elementary Average Daily Membership (ADM) and 158,148 secondary ADM) and no increase in 1991 overall assessed valuation. The approved amount is based on the following computation:

(Continued)

(Footnotes Continued From Previous Page)

- 7/ The \$75,000 appropriation for the Academic Contest Fund includes \$25,000 for costs associated with sending state level winners of the National Bicentennial Competition on the Constitution and Bill of Rights to the national competition.
- 8/ It is the intent of the Legislature that no more than 10% of the appropriation for adult education assistance be used by the Department of Education for operating the Division of Adult Education. It is also the intent of the Legislature that the greatest possible proportion of monies appropriated for adult education programs be devoted to instructional, rather than administrative, aspects of the programs. (General Appropriation Act footnote)
- 9/ The FY 1990 Actual includes the expenditure of \$65,600 from the Local Narcotics Enforcement Fund. Laws 1989, Chapter 2, 1st Special Session transferred \$428,700 from the Local Narcotics Enforcement Fund to the Department of Education for chemical abuse programs. Laws 1991, Chapter 1, 1st Special Session required the Department of Education to transfer \$324,372 of the \$428,700 to the General Fund for the FY 1991 mid-year budget reduction.
- 10/ The FY 1990 Actual includes the expenditure of \$263,200 appropriated in FY 1989 by Laws 1988, Chapter 308. Chapter 308 appropriated \$1,500,000 to the Department of Education for the establishment of a pilot project of grants to school districts for secondary level at-risk pupil dropout prevention programs. The appropriation was exempt from A.R.S. § 35-190, relating to lapsing of appropriations. Laws 1991, Chapter 1, 1st Special Session required the Department of Education to transfer \$71,409 to the General Fund for the FY 1991 mid-year budget reduction.
- 11/ The \$1,600,000 appropriated for preschool pilots includes \$600,000 for phase one, of which \$500,000 requires an equal private sector match, and \$1,000,000 for phase two, which does not require a private sector match. (General Appropriation Act footnote)
- 12/ The \$2,000,000 appropriation for State Legalization Impact Assistance - Adult Education shall be available to the extent that the General Fund will be reimbursed for these expenditures by the State Legalization Impact Assistance Grants, authorized by section 204 of P.L. 99-603, the Immigration Reform and Control Act of 1986. It is the intent of the Legislature that the General Fund be fully reimbursed for this appropriation. (General Appropriation Act footnote)
- 13/ Represents General Appropriation Act funds. Appropriated as a lump sum for each program.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

FY 1992 Equalization Requirement	\$1,328,912,700
Add:	
Sudden Growth	5,376,200
CEC's and Transportation - Unorganized Districts	<u>1,300,000</u>
Total Equalization Requirement	1,335,588,900
Deduct:	
County Equalization	(117,524,800)
Federal Impact Aid (Public Law 81-874)	(15,000,000)
Endowments	<u>(61,096,000)</u>
Required Funding	1,141,968,100
Less:	
"Rollover"	(142,500,000)
"Retirement Recapture"	<u>(22,174,000)</u>
 FY 1992 General Fund Appropriation	 <u>\$ 977,294,100</u>

The Education Omnibus Reconciliation Bill - Chapter 288 (S.B. 1318) amends several statutory sections affecting school finance to:

- 1) change the tuition payment for Certificates of Educational Convenience (CEC) for students from unorganized territory so it does not include the portion of the Equalization Base related to such students,
- 2) change the Limited English Proficient (LEP) Group B weight from .02 to .06,
- 3) change Assistance to School Districts (State Impact Aid) to tuition payment only,
- 4) change the determination of County Equalization to the levy generated in the budget year by the 53¢ tax rate, and
- 5) allow the Department of Education to delay the June 15 apportionment payment to June 30 to account for receipt of income from the Permanent State Common School Fund if the monies are needed for the June payment.

The Education Omnibus Reconciliation Bill, through session law, also:

- 1) Sets the GNP Deflator adjustment at 1% for FY 1992,
- 2) Limits the Sudden Growth allocation for FY 1992 to 64% of the requirement,
- 3) Establishes a student count of 580 and a weighted student count of 1,015 for the State Educational System for Committed Youth, and
- 4) Continues the rollover at \$142,500,000.

The Education Omnibus Reconciliation Bill appropriates \$800,000 to the Department of Education in FY 1992 as partial funding for Sudden Growth. The total allocation for Sudden Growth for FY 1992 is \$6,176,200.

Additional State Aid to Schools - The appropriation is made to enable the state to carry out the requirements of A.R.S. § 15-972. This program is also known as the "homeowners' rebate" program. The Additional State Aid for education provided by this appropriation shall be apportioned as provided in A.R.S. § 15-973.

The approved amount is based on no increase in Class Five (residential) assessed valuation in 1991, an average increase of 3% in school district tax rates and a reduction in the "buydown" rate from 50% to 45%. Laws 1990, Chapter 3, 3rd Special Session provides that the reduction rate shall be 50% in tax year 1990, and shall decline by 5% every year until it reaches 0% in tax year 2000. Laws 1988, Chapter 271 amended A.R.S. § 15-972 to provide that the maximum state reduction in property taxes for any residential parcel shall not exceed \$500. The approved amount includes a reduction of \$2,463,800 for estimated savings in employer contributions to the State Retirement System for school district personnel in districts which do not receive Basic State Aid. In these cases, the "recapture" will be made in Additional State Aid.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

Assistance to Public School Districts for Children of State Employees - The appropriation provides assistance to school districts for educating the children of certain state employees as prescribed by A.R.S. § 15-976. The approved amount represents the full cost of tuition for eligible students.

Certificates of Educational Convenience - The appropriation provides reimbursement to school districts that have students enrolled on Certificates of Educational Convenience as provided by A.R.S. § 15-825. The approved amount represents the full cost of tuition for eligible students placed in 1) a state rehabilitation or corrective institution, 2) a foster home or child care agency licensed by the Department of Economic Security (DES), 3) a residential facility operated by DES, or 4) a residence pursuant to the Interstate Compact on Juveniles.

The approved amount is based on the following estimated student counts and estimated FY 1992 average costs per ADM:

	<u>ADM</u>	<u>Average Cost</u>
Regular	1,021	\$3,670
Special Education	497	9,324

Permanent Education Voucher Fund - The appropriation is for the education costs of students placed in private institutions by the Department of Economic Security, Department of Corrections, Department of Juvenile Corrections, Department of Health Services or the Juvenile Courts, as provided by A.R.S. § 15-1182. Laws 1990, Chapter 164 established a new Permanent Education Voucher Fund and appropriated \$500,000 to the Department of Education (ADE) for FY 1991 for additional voucher costs associated with the fund and \$60,000 to ADE for administering the provisions of the law. Chapter 164 changed the Permanent Special Education Voucher Fund to the Permanent Education Voucher Fund to allow funding to be provided for children with behavioral problems and special education children whose parents retain custody of the children. Chapter 164 also added the Department of Health Services (DHS) as a "placing agency."

The approved amount is based on the following estimated student counts and FY 1992 rates per ADM:

	<u>K-8</u>		<u>K-12</u>	
	<u>ADM</u>	<u>Rate</u>	<u>ADM</u>	<u>Rate</u>
Emotionally Handicapped	145.7	\$6,761.02	200.6	\$7,024.83
Multiply Handicapped	.1	\$9,039.37	0	\$9,303.18

Permanent Special Education Institutional Voucher Fund - The appropriation is for the special education costs of students attending the Arizona School for the Deaf and the Blind (ASDB) and developmentally disabled programs operated by the Department of Economic Security, in accordance with A.R.S. § 15-1202.

The approved amount is based on the following estimated student counts and FY 1992 rates per ADM:

	<u>ADM</u>	<u>Rate</u>
Visually Handicapped	77.8	\$ 9,570.39
Hearing Handicapped	383.8	8,191.38
Multiply Handicapped	12.8	8,517.55
Multiply Handicapped Severely		
Sensory Impaired	94.0	12,330.79
Physically Handicapped	.2	8,970.82

NON-FORMULA PROGRAMS

Academic Contest Fund - The Academic Contest Fund was established by Laws 1988, Chapter 308. As specified in A.R.S. § 15-1241, monies in the fund are to be used to send state level winners of academic contests and their chaperons to the national levels of the contests. The approved amount includes \$25,000 for costs associated with sending state level winners of the National Bicentennial Competition on the Constitution and Bill of Rights to the national competition.

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

Academic Decathlon - The appropriation shall be used solely for the purpose of paying administrative and material costs incurred in support of the Academic Decathlon and other academic events. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>1.0</u>
Personal Services	\$34,300
Employee Related Expenditures	7,000
Prof. & Outside Services	2,900
Travel - State	1,900
Travel - Out of State	900
Other Operating Expenditures	<u>5,000</u>
Operating Subtotal	52,000
Assistance to School Districts	<u>29,300</u>
TOTAL	<u>\$81,300</u>

Employee Related Expenditures - The approved amount contains \$2,400 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$700 in Professional and Outside Services, \$100 in Travel - State and \$100 in Travel - Out of State.

Adult Education Assistance - The appropriation provides funding for classes in adult basic education, general education development and citizenship, on a statewide basis. A.R.S. § 15-232 establishes the Division of Adult Education within the Department of Education. A.R.S. § 15-234 provides that the appropriation for adult education may be expended for operating the division and for providing assistance to school districts and counties offering adult education programs. The approved amount will be distributed by the Department of Education based on a formula which allocates funding based on hours of instruction. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>4.5</u>
Personal Services	\$ 137,600
Employee Related Expenditures	29,500
Prof. & Outside Services	36,000
Travel - State	4,700
Other Operating Expenditures	38,700
Equipment	<u>6,000</u>
Operating Subtotal	252,500
Program Assistance	<u>2,796,900</u>
TOTAL	<u>\$3,049,400</u>

Employee Related Expenditures - The approved amount contains \$11,200 for medical insurance, including a \$700 Section 104 lump sum allocation, and \$600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$9,000 in Professional and Outside Services and \$300 in Travel - State.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

Arizona Humanities Council - The approved amount provides assistance to the Arizona Humanities Council for educational outreach services to Arizona school districts.

Arizona Principals' Academy - The approved amount continues funding in support of the Academy as established by Laws 1984, Chapter 348. As specified in A.R.S. § 15-562, the Academy may be an educational program of 2 weeks' duration, offered during the summer for at least 300 participants. Monies are to be used for the costs of administering the Principals' Academy and for the instructional or program costs of the Institute. The appropriation is based on the following objects of expenditure:

FTE Positions	
Personal Services	<u>.5</u>
Employee Related Expenditures	\$ 7,600
Prof. & Outside Services	4,900
Other Operating Expenditures	10,000
TOTAL	<u>2,700</u>
	<u>\$25,200</u>

Employee Related Expenditures - The approved amount contains \$3,700 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$4,000 in Professional and Outside Services.

Arizona Teacher Evaluation Program - The approved amount provides funding for administering the Arizona Teacher Proficiency Examination (ATPE) and the Arizona Teacher Residency Program. A.R.S. § 15-533 requires entrants into teacher training programs and nonresidents seeking teaching certificates to pass a reading, grammar, and mathematics proficiency examination. The Residency Program is a comprehensive, skill-based program of on-the-job training and observation for graduates of colleges of education. The appropriation is based on the following objects of expenditure:

FTE Positions	
Personal Services	<u>3.0</u>
Employee Related Expenditures	\$ 91,300
Prof. & Outside Services	19,600
Travel - State	9,400
Travel - Out of State	2,800
Other Operating Expenditures	900
Operating Subtotal	<u>31,300</u>
Assistance to School Districts	155,300
TOTAL	<u>245,200</u>
	<u>\$400,500</u>

Employee Related Expenditures - The approved amount contains \$7,300 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,300 in Professional and Outside Services, \$200 in Travel - State and \$100 in Travel - Out of State.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

ASSET (Arizona School Services through Educational Technology) - The appropriation provides funding to assist districts in enhancing educational instruction through television course work. The approved amount provides approximately \$160,000 for the payment of transmission costs and approximately \$74,000 for the shipping and distribution of printed materials.

Chemical Abuse - The approved amount continues funding in support of the Chemical Abuse program as established by Laws 1985, Chapter 242. As specified in A.R.S. § 15-712, monies are to be used to assist school districts with the costs of programs designed to prevent chemical abuse by pupils in kindergarten programs and grades 1 through 12. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>6.6</u>
Personal Services	\$199,100
Employee Related Expenditures	43,100
Prof. & Outside Services	122,600
Travel - State	6,600
Other Operating Expenditures	<u>18,000</u>
Operating Subtotal	389,400
Assistance to School Districts	<u>439,500</u>
TOTAL	<u>\$828,900</u>

Employee Related Expenditures - The approved amount contains \$16,300 for medical insurance, including a \$1,000 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$30,700 in Professional and Outside Services and \$400 in Travel - State.

Computer and Technological Equipment - The appropriation provided funding to assist school districts, with enrollments of at least 50,000 pupils in a county with a population of more than 400,000 but less than 1,500,000, in the allocation and purchase of computer and technological equipment. A portion of the appropriation was used for staff training and technical support. The equipment was allocated to schools having large percentages of pupils in kindergarten programs and grades 1 through 8 who were at risk of not succeeding in the education system.

Dropout Prevention (7-12 At-Risk) - Laws 1988, Chapter 308 established a 4-year pilot project of grants to school districts having large percentages of pupils in grades 7 through 12 who are at risk of dropping out of school prior to completing high school graduation requirements. The approved amount includes an increase of \$700,000 to offset a reduction in estimated career ladder reversion monies dedicated to the Dropout Prevention Program. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>1.5</u>
Personal Services	\$ 29,100
Employee Related Expenditures	6,600
Prof. & Outside Services	135,300
Travel - State	1,900
Travel - Out of State	1,000
Other Operating Expenditures	<u>1,100</u>
Operating Subtotal	175,000
Assistance to School Districts	<u>2,007,700</u>
TOTAL	<u>\$2,182,700</u>

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

Employee Related Expenditures - The approved amount contains \$3,400 for medical insurance, including a \$200 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$15,300 in Professional and Outside Services, \$300 in Travel - State and \$300 in Travel - Out of State.

Extended School Year - Laws 1990, Chapter 322 required school districts to provide extended school year programs for handicapped students and appropriated \$500,000 to the Department of Education (ADE) for the purpose of supplying supplemental monies to districts that required additional monies to provide such programs. Chapter 322 required all school districts to provide an extended school year program for handicapped pupils if such a program is necessary to prevent harm to the pupils' ability to maintain identified skills or to accommodate critical learning periods for pupils who are unlikely to receive other opportunities to learn targeted skills or behavior. Chapter 322 required the State Board of Education to prescribe rules for use by school districts in establishing extended school year programs and in determining eligibility for the programs. Chapter 322 also prescribed the method for computing the base support levels and transportation support level for extended school year programs and added a new Group B weight in the State Aid formula for Seriously Emotionally Handicapped (SEH), Educable Mentally Handicapped (EMH), Learning Disabled (LD), Speech Handicapped (SH), and Other Health Impaired (OHI) children. The approved amount continues funding at the FY 1991 level.

Full-Day Kindergarten for At-Risk Pupils - Laws 1990, Chapter 392 established a program for the disbursement of additional monies to schools providing kindergarten programs serving large numbers of at-risk pupils and appropriated \$1,400,000 for FY 1991 to the State Board of Education for allocation to qualifying schools. Of the total appropriation, \$100,000 was to be used by the Department of Education to provide technical assistance to schools receiving additional monies. The appropriation is based on the following objects of expenditure:

FTE Positions	1.0
Personal Services	\$ 15,600
Employee Related Expenditures	3,400
Prof. & Outside Services	32,800
Travel - State	1,500
Travel - Out of State	1,500
Other Operating Expenditures	45,200
Operating Subtotal	<u>100,000</u>
Assistance to School Districts	<u>1,300,000</u>
TOTAL	<u>\$1,400,000</u>

Gifted Support - Laws 1989, Chapter 273 provided for the establishment of a program of grants for additional services to meet the educational needs of gifted pupils and to establish school district gifted demonstration and training sites. Chapter 273 provided that a school district which complies with the statutory provisions relating to programs for gifted students may apply to the State Board of Education for additional funding equal to \$55 per pupil for 3% of its student count, or \$1,000, whichever is more. Chapter 273 appropriated \$1,000,000 for gifted support and provided that \$900,000 of the appropriation shall be allocated for direct grants to school districts, \$50,000 shall be utilized to establish gifted demonstration and training sites and \$50,000 shall be used by the Department of Education to provide staff for technical assistance and support to school districts. The appropriation is based on the following objects of expenditure:

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

FTE Positions	<u>2.0</u>
Personal Services	\$ 37,100
Employee Related Expenditures	10,000
Other Operating Expenditures	<u>2,800</u>
Operating Subtotal	49,900
Assistance to School Districts	<u>950,000</u>
TOTAL	<u>\$999,900</u>

Employee Related Expenditures - The approved amount contains \$4,900 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

K-3 Support - Laws 1988, Chapter 308 established a 4-year pilot project of grants to school districts having large percentages of pupils in kindergarten programs and grades 1 through 3 who are at risk of not succeeding in the educational system. Laws 1989, Chapter 273 established a second phase of the K-3 at risk pilot project, for fiscal years 1990 through 1992. Of the additional \$2,500,000 approved by the Legislature for K-3 support for FY 1990, \$500,000 was allocated to strengthen and expand first phase projects, \$100,000 was allocated by the Department of Education for technical assistance and evaluation, and \$1,900,000 was provided to fund new second phase projects. The appropriation is based on the following objects of expenditure:

FTE Positions	<u>3.0</u>
Personal Services	\$ 86,800
Employee Related Expenditures	19,000
Prof. & Outside Services	195,200
Travel - State	7,500
Travel - Out of State	3,000
Other Operating Expenditures	<u>88,500</u>
Operating Subtotal	400,000
Assistance to School Districts	<u>5,058,200</u>
TOTAL	<u>\$5,458,200</u>

Employee Related Expenditures - The approved amount contains \$7,300 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$47,200 in Professional and Outside Services, \$300 in Travel - State and \$300 in Travel - Out of State.

Preschool Handicapped - Laws 1989, Chapter 96 established a special education advisory committee to oversee the transition of educational services for handicapped preschool children from the Department of Economic Security (DES) to the Department of Education (ADE) to ensure that ADE is the single state agency responsible for all educational services for children with special needs. The transition of services was in response to federal legislation (Public Law 99-457) which mandated that the state set standards for handicapped preschool services by the 1991-92 school year. The funding transferred to ADE is used to contract back with DES to continue to provide educational services to the children served by DES. The approved amount for FY 1992 continues funding at the FY 1991 level. As the children served by DES "age out" the funding for this line item will not be required.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

Preschool Handicapped Support - Laws 1988, Chapter 281 provided for the voluntary inclusion of handicapped preschool children, age 3 to 5, in the Group A support level category in the State Aid formula and allowed school districts to begin budgeting for such pupils in FY 1990. Laws 1990, Chapter 258 required school districts to provide educational programs for handicapped preschool children and appropriated \$900,000 to the Department of Education (ADE) to assist districts that must increase enrollment in existing programs or establish new programs for such children. Chapter 258 required school districts to provide educational programs for 4-year-old handicapped preschool children, who are not already receiving services through the Department of Education or the Department of Economic Security (DES), beginning in the 1990-1991 school year. Chapter 258 also required the State Board of Education to develop rules for use by school districts in providing services for handicapped children and prescribed the children that may be counted as handicapped for purposes of calculating Average Daily Membership (ADM). Chapter 258 added a new Group B weight in the State Aid formula for Preschool Handicapped Severely Developmentally Delayed (PSH-SDD) children. The approved amount for FY 1992 provides funding for 3-year old handicapped preschool children.

Preschool Pilot Program - Laws 1990, Chapter 345 established a 4-year pilot project of preschool grants to school districts for FY 1991-FY 1994 and appropriated \$500,000 to the State Board of Education for grants for at-risk preschool pilot projects and \$100,000 to the Department of Education (ADE) for providing technical assistance, training, monitoring, and evaluation of the projects. The \$500,000 appropriation is subject to receiving matching funds of at least \$500,000 from private industry. The grants are to be disbursed by the State Board to school districts to be used in individual schools to provide preschool services to at-risk children who have reached the age of 4. Schools shall be selected for grants based on the percentage of at-risk children in their kindergarten through third grade populations and on the quality of their programs. Chapter 345 established a Joint Legislative Committee on Preschool Programs and required the committee to study the role of the public schools in providing preschool education to at-risk pupils. The committee is to develop a written report containing its findings and recommendations and submit a final report to the President of the Senate and the Speaker of the House by December 31, 1994. The approved amount includes an increase of \$1,000,000, which does not require private sector match, for "phase 2" of the project.

Laws 1991, Chapter 251 provides that the Department of Education shall conduct an evaluation of selected participants in both phases of the program and the State Board of Education shall appoint a State Early Childhood Advisory Council to advise the department on early childhood education and the at-risk preschool pilot project. Chapter 251 also provides that monies appropriated to ADE for funding at-risk preschool pilot programs shall be deposited in the At-Risk Preschool Pilot Program Fund. The department shall account separately for the monies for phase 1 and phase 2 programs. Monies in the fund are exempt from A.R.S. § 35-190, relating to lapsing of appropriations. The appropriation is based on the following objects of expenditure:

FTE Positions	1.0
Personal Services	<u>\$ 15,400</u>
Employee Related Expenditures	3,600
Prof. & Outside Services	65,000
Travel - State	1,200
Travel - Out of State	1,500
Other Operating Expenditures	<u>13,300</u>
Operating Subtotal	100,000
Assistance to School Districts	<u>1,500,000</u>
TOTAL	<u>\$1,600,000</u>

Residential Placement - Laws 1991, Chapter 173 clarifies the statutes relating to residential placement of special education students. The approved amount includes funding to provide training to school districts in identifying students requiring residential placement and to establish a "Residential Emergency Fund" for use when the Department of Economic Security (DES) or the Department of Health Services (DHS) lacks funds to place students.

School Buses for Native American Preschool Programs - The appropriation was provided to assist school districts in the purchase of buses for preschool programs for Native Americans. The amounts required a match from any available source of monies.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

School District Housing Facilities - The appropriation was for deposit in the School District Housing Facilities Fund for the purposes prescribed in A.R.S. § 15-977.

SLIAG (State Legalization Impact Assistance Grants) Adult Education - The appropriated amount for this line item represents funding required for the adult education costs associated with the SLIAG grant monies. The state General Fund will be reimbursed by the federal SLIAG grants for this "up-front" funding. The SLIAG grant monies are provided to applying states which provide educational services to certain illegal aliens who have become legal residents of the United States under the amnesty program established by Congress in 1986. All payments for educational services, whether provided by state and local education agencies or by private non-profit organizations, must go through the state Department of Education.

Tuition Fund - Laws 1990, Chapter 348 appropriated \$100,000 to the Department of Education (ADE) for FY 1991 to establish a new tuition fund to facilitate the most appropriate placement of sensory impaired pupils. Monies in the fund are to be distributed through an application and approval process to pay or supplement tuition costs for:

- part-time attendance at a regular public school by a pupil enrolled in a regional cooperative program.
- part-time or full-time attendance at a program of a cooperative if the school district of residence is unable to pay the full tuition.
- part-time or full-time attendance of a pupil from a school district in a special program at another school district, if the resident school district is unable to pay the full tuition.
- part-time attendance at a regular public school by an Arizona School for the Deaf and the Blind (ASDB) special purpose pupil.

The FY 1991 appropriation was ex-appropriated for the FY 1991 mid-year budget reduction. The approved amount represents restoration of funding at the original FY 1991 level.

Vocational Education Assistance - The appropriation provides assistance to school districts offering vocational education programs as specified in A.R.S. § 15-787. To be eligible to receive state funds, districts must meet the minimum standards and requirements established by the State Board of Vocational and Technological Education. Funding is allocated to school districts offering vocational training programs emphasizing "high-demand" occupations. The State Vocational Education Funding Model priority listing of vocations serves as the basis for funding allocation.

Vocational Education Program Support - The approved amount is in addition to the \$2,835,000 in state assistance for vocational education programs. These monies shall be available to local school districts with an emphasis on entry-level skill preparation, and based upon established standards of program quality. The funding is allocated to school districts offering vocational training programs requiring extensive vocational education equipment. Laws 1991, Chapter 218 allows the State Board of Vocational and Technological Education to authorize expenditures for the personnel and operating costs of providing state level coordination and leadership for vocational student organizations from this appropriation.

Vocational and Technological Education - Laws 1990, Chapter 330 established the State Board for Vocational and Technological Education to provide program evaluation services and to integrate the vocational and technological education programs being offered by the state's grade schools and community colleges. Chapter 322 replaced the State Board for Vocational and Technical Education with a new expanded member State Board for Vocational and Technological Education and appropriated \$2,000,000 to the board for FY 1991 to expand existing vocational education pilot programs and to provide training in vocational and technological education for teachers. The appropriation is also to be used to develop comprehensive legislation regarding statewide vocational education programs, to provide staffing to the board to develop an integrated plan for statewide vocational and technological education, and to develop a proposal for the establishment of a tax on employers as a new source of funding for vocational education programs. Chapter 330 also established a Vocational and Technological Education Advisory Committee and expanded the grade levels for vocational and technological education programs from 9 through 12 to 7 through 12. The approved amount continues funding at the FY 1991 level.

(Continued)

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

ADDITIONAL APPROPRIATIONS

School Breakfast Program - Chapter 204 (S.B. 1266) - Appropriates \$100,000 to the Department of Education (ADE) to increase participation in the federal school breakfast program for identified at-risk schools which are not currently enrolled. At least \$90,000 of the appropriation shall be allocated to school districts for start-up costs to establish school breakfast programs in at-risk schools and no more than \$10,000 shall be used by ADE for expansion and outreach to schools and districts not currently enrolled in the program. The appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

Education Omnibus Reconciliation Bill - Chapter 288 (S.B. 1318) - Modifies, through amendment of statute and through session law, several provisions relating to school finance (See Assistance to Schools - Basic State Aid) and to Achievement Testing (See General Services Administration) for FY 1992. Appropriates \$800,000 to the Department of Education in FY 1992 as partial funding for Sudden Growth.

ADDITIONAL LEGISLATION

Residential Placement - Chapter 173 (H.B. 2137) - Clarifies several sections of statutes relating to residential placement of special education students by specifying when placements are to be made, defining placement procedures and delineating how costs are allocated.

Vocational and Technological Education - Chapter 218 (S.B. 1351) - Allows the State Board of Vocational and Technological Education to authorize expenditures for the personnel and operating costs of providing state level coordination and leadership for vocational student organizations from monies appropriated to the Department of Education for Vocational Education Program Support. Chapter 218 also establishes a Joint Legislative Committee on Vocational and Technological Education to, among other things, review and make recommendations concerning:

- 1) the implementation of an integrated plan for vocational and technological programs,
- 2) the implementation of a funding model for vocational and technological education,
- 3) the establishment of new or alternative funding sources for vocational and technological education, and
- 4) the creation of public-private sector partnerships for providing programs, services, facilities and equipment.

The committee shall submit a report of results and recommendations to the President of the Senate and the Speaker of the House by November 1, 1991.

School District Consolidation - Chapter 222 (H.B. 2041) - Establishes a joint legislative committee to study the feasibility of reducing, through consolidation, the number of school districts in the state. In making its recommendations, the committee shall consider, among other things, the impact of consolidation on pupils, on reducing duplication of services, on the distribution of property wealth, and on local tax rates. The committee shall submit a report to the President of the Senate, the Speaker of the House and the Governor by November 9, 1992.

Compulsory School Attendance - Chapter 228 (H.B. 2393) - Reduces the age for compulsory school attendance from 8 to 6. A child may be excused from the requirement if the child has not reached 8 years of age by September 1 of the school year and the County School Superintendent is notified in writing by the person who has custody of the child that the person does not desire to have the child attend school.

Joint Legislative Committee: At-Risk Pupils - Chapter 251 (S.B. 1079) - Establishes a joint legislative committee to examine current programs for at-risk pupils, both in Arizona and in other states, determine the appropriate funding level for at-risk programs and make recommendations regarding legislation for funding at-risk pupil needs. The recommendations are to be reported to the President of the Senate and the Speaker of the House by December 15, 1991. Chapter 251 also establishes a Governor's task force on pupil readiness to examine and determine methods that ensure that all children are appropriately prepared to enter and succeed in school. The recommendations of the task force are to be submitted to the President of the Senate and the Speaker of the House by December 31, 1992. Chapter 251 extends the K-3 and 7-12 at-risk programs through FY 1993 and provides for phase 2 of the preschool pilot program. New programs initiated as part of phase 2 must document evidence of collaboration or consultation with federally funded at-risk programs or child care centers serving government subsidized children to ensure efficient

DEPARTMENT OF EDUCATION - ASSISTANCE TO SCHOOLS (Cont'd)
GENERAL FUND AND LOCAL NARCOTICS ENFORCEMENT FUND

delivery of services and to prevent duplication of services. School districts participating in both phases of the at-risk preschool pilot program may subcontract with federally funded at-risk programs or with child care centers serving government subsidized children. The Department of Education shall conduct an external evaluation of selected participants in both phases of the program and the State Board of Education shall appoint a State Early Childhood Advisory Council to advise the Department of Education on early childhood education and the at-risk preschool pilot project. Monies appropriated to the Department of Education for funding of at-risk preschool pilot programs shall be deposited in the At-Risk Preschool Pilot Program Fund. The Department of Education shall account separately for the monies for phase 1 and phase 2 programs. Monies in the fund are exempt from A.R.S. § 35-190, relating to lapsing of appropriations.

Schools; Dropout Prevention - Chapter 252 (S.B. 1121) - Provides for the continuation of the dropout prevention program established by Laws 1987, Chapter 333 through FY 1993 and allows school districts participating in the program, as originally established, to budget for the program in FY 1992 and FY 1993 at the FY 1991 level. Participating school districts must provide documentation to the State Board of Education indicating how the program has improved the performance and retention of pupils.

Student Count Adjustment: High School - Chapter 314 (H.B. 2115) - Provides that high school districts with absence rates exceeding 8.5% shall compute their adjusted Average Daily Membership (ADM) by multiplying the actual Average Daily Attendance (ADA) by 1.085. Additional State Aid for districts not qualifying for equalization assistance shall be calculated using an absence rate of 6%.

School Employees; State Health Insurance - Chapter 319 (H.B. 2461) - Allows school districts with no more than 500 employees to participate in the state's health and accident insurance coverage, and establishes guidelines for participation.

DEPARTMENT OF EDUCATION - VOCATIONAL EDUCATION

A.R.S. § 15-231

The Honorable C. Diane Bishop, Superintendent

JLBC Analyst: Neisent/Fusak

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	26.3	26.3	26.3
Personal Services	856,200	921,900	899,700
Employee Related Exp.	156,900	188,000	184,900
Prof. & Outside Services	73,300	64,900	84,900
Travel - State	16,200	13,800	16,200
Other Operating Exp.	99,500	58,900	69,800
Equipment	-0-	4,200	-0-
All Other Operating Exp.	189,000	141,800	170,900
TOTAL APPROPRIATIONS	1,202,100	1,251,700	1,255,500 ^{1/23/}

Personal Services - The approved amount includes a reduction of \$2,900 to reflect a lower Personal Services requirement. A vacancy factor of 2.1%, or \$19,300, was deducted when the approved amount was computed.

Employee Related Expenditures - The approved amount contains \$63,200 for medical insurance, including a \$3,800 Section 104 lump sum allocation, and \$3,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

All Other Operating Expenditures - Professional and Outside Services, Travel - State and Other Operating Expenditures were increased to offset reductions in Personal Services and Employee Related Expenditures in order to maintain total administration funding at the FY 1991 level. Federal "maintenance of effort" guidelines for vocational education administration funding require states to maintain funding at the previous year's level.

- 1/ The above appropriation is made to enable the state to cooperate with the federal government in carrying out the provisions of an act of Congress approved February 23, 1917 and acts amendatory and supplementary thereto, providing for the promotion and development of cooperative vocational education.
- 2/ The appropriation represents the matching requirement of the total cost of the Vocational Education Program which is required to be funded by the State of Arizona under Public Law 94-482.
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

ARIZONA HISTORICAL SOCIETY

A.R.S. § 41-821

Dr. Michael F. Weber, Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	49.3	49.5	49.5
Personal Services	1,080,400	1,160,200	1,190,900
Employee Related Exp.	227,400	242,300	276,400
Prof. & Outside Services	43,100	39,100	31,300
Travel - State	15,000	9,600	9,100
Travel - Out of State	600	-0-	-0-
Other Operating Exp.	501,900	1,665,300	1,664,500
Equipment	51,800	23,000	10,300
All Other Operating Exp.	612,400	1,737,000	1,715,200
OPERATING SUBTOTAL	1,920,200	3,139,500	3,182,500
Journal of Arizona History	5,000	5,000	5,000
Historical Society Grants	30,000	30,000	30,000
Library Acquisitions	1,500	1,500	1,500
TOTAL APPROPRIATIONS	1,956,700	3,176,000	3,219,000 ^{1/}

Personal Services - The approved amount includes \$30,300 in Personal Services and ERE to annualize the cost of the FY 1991 classification maintenance review (CMR) adjustments for museum curators and \$11,400 for full-year funding of a Building Maintenance Technician at the Papago Park Museum. The approved amount includes a vacancy factor of 3%, or \$36,800.

Employee Related Expenditures - The approved amount contains \$125,200 for medical insurance, including a \$7,600 Section 104 lump sum allocation, and \$6,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$7,800 in Professional and Outside Services and \$500 in Travel - State.

Other Operating Expenditures - The approved amount represents a net decrease of \$800 over FY 1991 estimated expenditures. The appropriation reflects an increase of \$65,000 for a climate control system to prevent deterioration of the building and exhibits at the Papago Park Museum. Due to budgetary constraints, the opening of this museum has been delayed. The appropriation also includes \$1,115,700 for the Papago Park Museum lease-purchase, which is a \$11,500 decrease over the FY 1991 payment, and \$62,900 for risk management which is a \$10,700 reduction. In addition, the approved amount includes \$43,600 as a lump sum reduction.

Equipment - The approved amount includes a decrease of \$12,700 in funding for replacement equipment.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

ARIZONA HISTORICAL SOCIETY (Cont'd)
GENERAL FUND

Journal of Arizona History - The appropriation provides for the publishing of the Journal as required pursuant to A.R.S. § 41-824 (A). The Journal is published quarterly.

Historical Society Grants - The approved amount provides for contracts to a certified county or local historical society within each county for services to be performed for the benefit of the state, as allowed pursuant to A.R.S. § 41-821 (H & I). To qualify as a certified historical society, the society must be nonprofit and have a functioning program of historical value. Certification and contract agreements are reviewed annually.

Library Acquisitions - The appropriation provides for the purchase of rare manuscripts for placement in the permanent library collection.

PRESCOTT HISTORICAL SOCIETY

A.R.S. § 41-831

Kenneth Kimsey, Ph.D., Museum Director

JLBC Analyst: Cawley

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	15.5	15.5	15.5
Personal Services	327,900	338,100	351,400
Employee Related Exp.	99,300	103,600	86,900
Prof. & Outside Services	6,300	4,900	3,900
Travel - State	100	300	300
Other Operating Exp.	80,300	60,100	75,000
All Other Operating Exp.	86,700	65,300	79,200
TOTAL APPROPRIATIONS	513,900	507,000	517,500 ^{1/}

Personal Services - The approved amount is based upon a 1% vacancy factor which results in vacancy savings of \$3,600. The approved amount also includes \$1,600 in Personal Services and \$400 in ERE to annualize the cost of the FY 1991 classification maintenance review (CMR) adjustments for museum curators. In addition, the appropriation reflects restoration of \$12,000 in Personal Services and \$3,600 in ERE for the mid-year ex-appropriation.

Employee Related Expenditures - The approved amount contains \$38,300 for medical insurance, including a \$2,300 Section 104 lump sum allocation, and \$1,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,000 in Professional and Outside Services.

Other Operating Expenditures - The approved amount includes \$32,500 for the final lease-purchase payment of the Gurley and Summit Streets' property and \$8,200 for risk management, which is a decrease of \$1,200. The appropriation also includes an increase of \$11,000 for the removal of 2 leaking underground fuel tanks, and a decrease of \$1,300 for a one-time non-capital equipment adjustment. The approved amount also includes a \$26,100 decrease which is expected to be funded through the Sharlot Hall Historical Society, the private auxiliary of the Prescott Historical Society.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

MEDICAL STUDENT LOANS BOARD

A.R.S. § 15-1723

Andrew M. Goldner, PH.D., Vice-Chairman of the Board

JLBC Analyst: Brainard

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Medical Student Loans	<u>5,000</u>	<u>3,000</u>	<u>1,000</u> ^{1/}
RECEIPTS, EXPENDITURES AND BALANCES FORWARD			
	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Balance Beg. of Fiscal Year	81,600	64,900	66,600
Add: Loan Collections	59,300	82,700	64,000
General Fund	<u>5,000</u>	<u>3,000</u>	<u>1,000</u>
TOTAL FUNDS AVAILABLE	145,900	150,600	131,600
Medical Student Loans	<u>81,000</u>	<u>84,000</u>	<u>84,000</u>
BALANCE END OF FISCAL YEAR	<u>64,900</u>	<u>66,600</u>	<u>47,600</u>

Medical Student Loans - The amount appropriated to the Board shall be deposited in the Medical Student Loan Fund as prescribed by A.R.S. § 15-1725. The appropriated amount, along with the available student loan fund, will provide funding for 14 medical students. These loans are available to Arizona residents who agree to provide medical services in medically under-served areas of the state. Loans are limited to \$6,000 per year per student, and can not exceed a period of four years.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency.

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN
INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE),
AND COMMISSION FOR POSTSECONDARY EDUCATION**

A.R.S. § 15-1621

Margaret C. Broad, Executive Director

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	43.75	41.0	32.6
Personal Services	1,532,300	1,409,500	1,343,700
Employee Related Exp.	296,600	301,500	280,900
Prof. & Outside Services	54,100	33,300	33,300
Travel - State	11,300	17,100	16,300
Other Operating Exp.	231,900	208,200	205,900
All Other Operating Exp.	297,300	258,600	255,500
OPERATING SUBTOTAL	2,126,200	1,969,600	1,880,100
WICHE Interstate Office	65,100	68,400	71,500
WICHE Student Subsidy	1,931,100	1,734,800	1,926,900
Course Equivalency Guide	12,500	13,200	13,200
Student Financial Aid Trust Fund	1,036,000	1,058,900	1,058,900
Student Incentive Grants	1,223,100	1,201,400	1,201,400 ^{1/}
Teacher Loan Forgiveness Fund	62,500	100,000	10,000
TLFF for Deaf and Blind	-0-	95,000	95,000
Area Health Program	-0-	262,000	500,000
Telecommunication Study	80,000	-0-	-0-
TOTAL APPROPRIATIONS	6,536,500	6,503,300	6,757,000 ^{2/3}

Personal Services - The approved amount reflects a reduction of 6.4 unfunded FTE positions associated with the statewide FTE policy. In addition, the approved amount provides a permanent reduction of 2 FTE positions and \$65,800.

(Continued)

- ^{1/} The \$1,201,400 appropriated for State Student Incentive Grant is to be used to make grants under the Arizona State Student Incentive Grant program administered by the Arizona Commission for Postsecondary Education. Grants may be made according to the provisions of applicable federal and state laws and regulations relating to this program to Arizona residents who demonstrate financial need and who are attending, on at least a half-time basis, an approved program at a properly accredited Arizona postsecondary educational institution. Each participating institution, public or private, in order to be eligible to receive state matching funds under the State Student Incentive Grant program for grants to students, shall provide an amount of institutional matching funds which shall be equal to the amount of funds provided by the state to the institution for the State Student Incentive Grant program. Administrative expenses incurred by the Board of Regents shall be paid from institutional matching funds and shall not exceed 13% of the funds. (General Appropriation Act footnote)
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency with special line items. The line items within "All Other Operating Exp." are shown for information only.

(Footnotes Continued on Following Page)

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN INTERSTATE COMMISSION FOR
HIGHER EDUCATION (WICHE), AND COMMISSION FOR POSTSECONDARY EDUCATION (Cont'd)
GENERAL FUND**

Employee Related Expenditures - The approved amount contains \$99,200 for medical insurance, including a \$6,000 Section 104 lump sum allocation, and \$5,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$800 in Travel - State. There is no reduction in Professional and Outside Services due to the agency's actual needs for outside consulting services. There is no budget amount for Travel - Out of State.

Other Operating Expenditures - The approved amount includes \$143,700 for commercial lease of office space and \$8,400 for risk management insurance.

WICHE Office Expenses - The appropriated amount provides for Arizona's annual pro rata share of administrative expenses for the Western Interstate Commission for Higher Education.

WICHE Student Subsidies - The approved amount provides funding for subsidies to 102 continuing WICHE students and 31 new WICHE students in the fields of study shown below:

<u>Field of Study</u>	<u>Continuing Students</u>	<u>New Students</u>	<u>Amount</u>
Osteopathy	6	2	\$ 88,800
Dentistry	28	9	483,600
Veterinary Medicine	54	13	1,231,000
Occupational Therapy	7	4	55,500
Optometry	7	3	68,000
TOTAL	<u>102</u>	<u>31</u>	<u>\$1,926,900</u>

The FY 1991 mid-year reduction of \$192,100 was fully restored in FY 1992. Of the \$192,100 reduction, \$166,100 was supplemented by the Collections Revolving Fund for the Western Interstate Commission for Higher Education to fund the program needs in FY 1991.

(Continued)

(Footnotes Continued From Previous Page)

3/ In addition to the General Fund amount shown, it is anticipated that \$669,800 will be available for operating expenditures from local funds, which includes no more than \$389,800 from indirect cost revenues contributed by the three universities, \$156,200 from institutional SSIG funds and \$123,800 from other fund sources. In addition to the operating expenditures, the total local fund budget is based upon the following objects of expenditures:

	<u>Indirect Cost Revenues</u>	<u>SSIG</u>	<u>Other</u>	<u>Total</u>
FTE Positions	3.00	2.55	2.40	7.95
Personal Services	\$123,300	\$ 92,000	86,600	\$ 301,900
Employee Related Exp.	26,600	18,900	17,800	63,300
All Other Operating Exp.	<u>239,900</u>	<u>45,300</u>	<u>19,400</u>	<u>304,600</u>
OPERATION SUB-TOTAL	389,800	156,200	123,800	669,800
SSIG Federal Match	-0-	1,201,400	-0-	1,201,400
SSIG Institutional Match	-0-	1,045,200	-0-	1,045,200
Paul Douglas Teacher Scholarships	-0-	-0-	223,800	223,800
EESA Grants	-0-	-0-	364,900	364,900
TOTAL	<u>\$389,800</u>	<u>\$2,402,800</u>	<u>\$712,500</u>	<u>\$3,505,100</u>

**BOARD OF REGENTS - REGENTS, STAFF AND WESTERN INTERSTATE COMMISSION FOR
HIGHER EDUCATION (WICHE), AND COMMISSION FOR POSTSECONDARY EDUCATION (Cont'd)
GENERAL FUND**

Course Equivalency Guide - The approved amount provides funding for the publishing of the Course Equivalency Guide to help community college students become familiar with courses and identify transfer requirements to 4-year institutions.

Student Financial Aid Trust Fund - The approved amount provides funds to the Universities for the purposes of providing immediate aid to students with verifiable financial need and creating an endowment for future financial aid. Laws 1989, Chapter 123 (H.B. 2144) authorized the Board of Regents to establish such a fund.

State Student Incentive Grant Program - The approved amount is to match federal funds for scholarships to students who attend accredited post-secondary educational institutions in the state and who demonstrate financial need.

Teacher Loan Forgiveness Fund - The approved amount provides funding for a loan forgiveness incentive program to encourage students in the 3 universities under the jurisdiction of the Board to prepare for teaching positions and seek employment in school districts in this state which are identified as having high proportions of economically disadvantaged and at risk pupils. The sum of \$10,000 is appropriated for deposit in the Teacher Loan Forgiveness Fund for the purpose of implementing the Teacher Loan Forgiveness Program. An estimated balance forward of \$90,000 in the fund will supplement the \$10,000 appropriation.

Teacher Loan Forgiveness Fund for the Deaf and the Blind - The approved amount provides funding for a loan program to persons in teacher training programs in the areas of the deaf and the blind within the College of Education at the University of Arizona. The allocation of \$95,000 should be the same as the original intent of H.B. 2225 (Laws 1990, Chapter 340) which authorized a \$50,000 distribution to 10 students in the form of loans in equal amounts of \$5,000 per student and a \$45,000 distribution to the College of Education at the University of Arizona for instructional support of the teacher training program in the areas of the deaf and the blind.

Area Health Program - The approved amount provides funding for Arizona Area Health Education program associated with two centers; Southeast Area Health Education Center in Nogales and Western Area Health Education Center in Yuma.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 1 (B) of the Capital Outlay Bill appropriates \$1,614,666 from the General Fund to the Board of Regents for allocation to the universities for maintenance and repair activities of university buildings in accordance with A.R.S. § 41-790 and § 41-793.01. The Board shall require each university to establish a major maintenance and repair account for deposit of amounts allocated to the university from the appropriation made to the Board. Amounts deposited in the account shall be annually audited by the Board. The approved monies may only be used for facilities on the state building inventory approved by the Joint Committee on Capital Review. The monies appropriated shall not be spent on infrastructure replacement or repairs or maintenance contracts on building components and equipment.

ADDITIONAL LEGISLATION

University Land Funds; Expenditures - Chapter 45 (S.B. 1394) - The Eminent Scholars Program, originally created in 1983, allows university trust land fund interest in excess of the base amount received in FY 1983 to be used as matching monies for the interest earned on non-public endowment monies donated to attract and retain eminent faculty in the fields of engineering, math and science. Although the law allowed the allocations to begin in FY 1986, to date this program has not yet been implemented. This bill amends certain provisions of the Eminent Scholars Program, as follows: a) amends the base year, for purposes of determining the amount of matching grant funds, from FY 1983 to the average of the years FY 1984 to FY 1990; b) eliminates the restriction of the eminent faculty to only the fields of engineering, math and science; and c) provides that the eminent faculty funds are to be used to supplement, not supplant, other sources of funding.

ARIZONA STATE UNIVERSITY - MAIN CAMPUS

Lattie F. Coor, Ph.D., President

A.R.S. § 15-1601

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4,850.6	4,912.0	4,841.0
Personal Services	143,812,900	162,443,900	158,476,500
Employee Related Exp.	24,328,200	30,082,300	31,053,200
Prof. & Outside Services	3,427,200	1,540,400	1,211,800
Travel - State	130,700	364,500	340,100
Travel - Out of State	1,365,300	843,900	745,100
Other Operating Exp.	34,566,900	34,815,500	32,818,500
Library Acquisitions	4,285,700	4,819,700	4,819,700
Equipment	14,184,700	11,172,400	8,895,700
All Other Operating Exp.	57,960,500	53,556,400	48,830,900
OPERATING SUBTOTAL	226,101,600	246,082,600	238,360,600
Minority Recruitment and Retention	-0 ^{1/}	-0 ^{1/}	1,319,000
Student Financial Aid	658,500	-0-	-0-
TOTAL EXP. AUTHORITY	226,760,100	246,082,600	239,679,600 ^{2/3/}
Collections	(50,550,400)	(56,845,400)	(56,415,100)
Other Receipts	(1,559,700)	(1,550,400)	(1,550,400)
Balances Forward	(29,700)	(105,800)	-0-
SUBTOTAL	(52,139,800)	(58,501,600)	(57,965,500)
Reduction [Laws 1991, Ch. 2 (H.B. 2001)]	--	(5,614,900)	--
TOTAL APPROPRIATIONS	174,620,300	181,966,100 ^{4/}	181,714,100 ^{5/6/}

(Continued)

- 1/ Actual amounts are included in the detail line items of the operating budget.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special lines for the General Fund and collections funds. The line items within the "Operating Subtotal" are shown for information only.
- 3/ The amount appropriated includes funding for faculty positions based on 3-year weighted average changes in student enrollment and employs a student-faculty-support staff ratio of 22:1:0.5. The Board of Regents shall ensure that the amount appropriated is expended by Arizona State University in a manner consistent with this method of funding fewer positions. (General Appropriation Act footnote)
- 4/ This amount was appropriated as a General Fund lump sum. Neither expenditures authority nor collection funds were appropriated. The line items are shown as estimates and for comparative funding information.
- 5/ The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

ARIZONA STATE UNIVERSITY - MAIN CAMPUS (Cont'd)

GENERAL FUND

Personal Services - The approved amount reflects a permanent reduction of 48.9 FTE positions associated with the statewide FTE policy. A new vacancy factor of 2% was applied which reduces Personal Services by \$3,321,500. The approved amount includes funding for 8.4 new FTE positions to facilitate the maintenance support of Music Building Expansion and reflects a funding reduction for 30.5 FTE positions due to a declining student enrollment of 450 FTE students.

Employee Related Expenditures - The approved amount contains \$10,055,700 for medical insurance, including a \$609,800 Section 104 lump sum allocation, and \$411,400 for dental insurance.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$308,100 in Professional and Outside Services, \$18,200 in Travel - State and \$84,400 in Travel - Out of State.

Other Operating Expenditures - The approved amount reflects a general reduction of \$1,740,800 for operating cost savings and includes a \$5,300 increase for risk management insurance for a total of \$1,204,000, which will be combined with \$257,900 of non-appropriated funds.

Equipment - The approved amount includes \$8,979,900 for replacement equipment, \$7,300 for new equipment associated with new facilities support positions, and a \$91,500 reduction associated with the student enrollment decline. The amount approved for replacement equipment reflects a \$2,192,500 reduction.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and underrepresented student populations.

Student Enrollment Growth - The enrollment funding is based upon a 3-year weighted average enrollment of 34,178 full-time equivalent students during the following fall semesters:

Fall of 1989 (Actual)	-	34,618;	at 25%	=	8,655
Fall of 1990 (Estimate)	-	34,057;	at 50%	=	17,029
Fall of 1991 (Projection)	-	33,975;	at 25%	=	<u>8,494</u>
Total					<u>34,178</u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

Cost Study Equity Funding Phase II - The appropriation does not include funding for the second of two years' equity funding identified in the Tri-University Cost Study. However, if the Legislature funds the FY 1993 ASU Cost Study Equity Funding Phase II, the funding for ASU will be reduced in an amount equal to any excess total revenues from student tuition and registration fees, summer session revenues, other receipts and balances forward above \$83,331,600 in FY 1992.

FY 1991 Mid-Year Reduction - The lump sum reduction of \$5,614,900 was fully restored in FY 1992.

(Footnotes Continued From Previous Page)

6/ Any unencumbered balances remaining in the collections account on June 30, 1991, and all collections received by the University during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the Enabling Act and the Constitution. No part of this appropriation shall be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions, but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

ARIZONA STATE UNIVERSITY - WEST

A.R.S. § 15-1601

Lattie F. Coor, Ph.D., President

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	354.7	511.2	535.3
Personal Services	7,584,700	13,629,500	15,796,000
Employee Related Exp.	1,325,600	2,817,400	3,308,700
Prof. & Outside Services	570,100	468,200	395,400
Travel - State	48,300	104,500	106,800
Travel - Out of State	102,300	223,800	217,900
Other Operating Exp.	3,785,800	8,050,100	8,672,800
Library Acquisitions	1,451,500	1,623,800	1,623,800
Equipment	2,147,800	1,899,000	1,191,600
All Other Operating Exp.	8,105,800	12,369,400	12,208,300
OPERATING SUBTOTAL	17,016,100	28,816,300	31,313,000 ^{1/}
Collections	(2,417,300)	(3,487,000)	(3,806,500)
Other Receipts	(321,300)	(10,000)	(10,000)
Balances Forward	4,400	(3,900)	-0-
SUBTOTAL	(2,734,200)	(3,500,900)	(3,816,500)
Reduction [Laws 1991, Ch. 2 (H.B. 2001)]	--	(758,400)	--
TOTAL APPROPRIATIONS	14,281,900	24,557,000 ^{2/}	27,496,500 ^{3/4/}

Personal Services - The approved amount reflects a permanent reduction of 5.4 FTE positions associated with the statewide FTE policy. A new vacancy factor of 2% was applied which reduces Personal Services by \$325,700. The approved amount includes funding for 23.5 faculty and 6 secretary FTE positions to accommodate an additional 392 FTE students.

(Continued)

- 1/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special lines for the General Fund and collections funds. The line item within the "Operating Subtotal" is shown for information only.
- 2/ This amount was appropriated as a General Fund lump sum. Neither expenditure authority nor collection funds were appropriated. The line items are shown as estimates and for comparative funding information.
- 3/ The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)
- 4/ Any unencumbered balances remaining in the collections account on June 30, 1991 and all collections received by the University during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the Enabling Act and the Constitution. No part of this appropriation shall be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions, but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

ARIZONA STATE UNIVERSITY - WEST (Cont'd)
GENERAL FUNDS

Employee Related Expenditures - The approved amount contains \$1,163,600 for medical insurance, including a \$70,600 Section 104 lump sum allocation, and \$45,800 for dental insurance.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$96,300 in Professional and Outside Services, \$5,200 in Travel - State and \$22,400 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes \$4,964,400 for FY 1992 lease-purchase payment associated with the original financing amount of \$47,790,000 under the authority of Laws 1988, Chapter 10 (S.B. 1123), and reflects a general reduction of \$402,500 for operating cost savings.

Equipment - The approved amount includes \$740,600 for new campus equipment to facilitate the FY 1991 equipment needs, \$88,500 for office equipment associated with new positions, and \$362,500 for replacement equipment. The approved amount reflects a base reduction of \$1,507,900 and a \$28,600 reduction for replacement equipment.

Student Enrollment Growth - The projected enrollment is 2,380 full-time equivalent students during the fall semester of 1991.

FY 1991 Mid-Year Reduction - The lump sum reduction of \$758,400 was fully restored in FY 1992.

NORTHERN ARIZONA UNIVERSITY

A.R.S. § 15-1601

Eugene M. Hughes, Ph.D., President

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1,762.0	1,884.5	1,937.0
Personal Services	50,164,800	57,671,400	58,884,200
Employee Related Exp.	9,336,000	11,549,000	13,111,900
Prof. & Outside Services	952,000	501,400	437,100
Travel - State	430,400	419,600	409,400
Travel - Out of State	369,200	369,100	357,400
Other Operating Exp.	11,545,500	13,660,700	13,793,700
Library Acquisitions	1,493,600	1,758,800	1,758,800
Equipment	4,746,300	2,494,900	2,134,900
All Other Operating Exp.	19,537,000	19,204,500	18,891,300
OPERATING SUBTOTAL	79,037,800	88,424,900	90,887,400
Minority Recruitment & Retention	393,100	522,100	522,100
Student Financial Aid	235,700	524,100	-0-
TOTAL EXP. AUTHORITY	79,666,600	89,471,100	91,409,500 ^{1/2}
Collections	(16,392,900)	(18,688,900)	(18,767,600)
Other Receipts	(627,200)	(600,000)	(600,000)
Balances Forward	400	(100,000)	(100,000)
SUBTOTAL	(17,019,700)	(19,388,900)	(19,467,600)
Reduction [Laws 1991, Ch. 2 (H.B. 2001)]	--	(2,097,900)	--
TOTAL APPROPRIATIONS	62,646,900	67,984,300 ^{3/}	71,941,900 ^{4/5/}

Personal Services - The approved amount reflects a permanent reduction of 19.5 FTE positions associated with the statewide FTE policy. A new vacancy factor of 2% was applied which reduces Personal Services by \$1,221,700. The approved amount includes funding for 54 new FTE positions to accommodate an additional 783 FTE students and 18 new FTE positions for facilities support for Library Addition, Old Main and Babbitt Hall offices.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special lines for the General Fund and collections funds. The line items within the "Operating Subtotal" are shown for information only.

^{2/} The amount appropriated includes funding for faculty positions based on 3-year weighted average changes in student enrollment and employs a student-faculty-support staff ratio of 22:1:0.5. The Board of Regents shall ensure that the amount appropriated is expended by the universities in a manner consistent with this method of funding additional positions. (General Appropriation Act footnote)

^{3/} This amount was appropriated as a General Fund lump sum. Neither expenditure authority nor collection funds were appropriated. The line items are shown as estimates and for comparative funding information.

^{4/} The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

NORTHERN ARIZONA UNIVERSITY (Cont'd)
GENERAL FUND

Employee Related Expenditures - The approved amount contains \$5,315,600 for medical insurance, including a \$322,300 Section 104 lump sum allocation, and \$376,900 for dental insurance.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$100,300 in Professional and Outside Services, \$21,000 in Travel - State and \$36,900 in Travel - Out of State.

Other Operating Expenditures - The approved amount reflects a general reduction of \$683,000 for operating cost savings and includes a \$345,400 increase for risk management insurance for a total of \$720,400, which will be combined with \$147,600 of non-appropriated funds.

Equipment - The approved amount includes \$1,954,000 for replacement equipment and \$180,900 for new equipment associated with student enrollment growth and new facilities support positions. The amount approved for replacement equipment reflects a \$540,900 reduction.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and underrepresented student populations.

Student Enrollment Growth - The enrollment funding is based upon a 3-year weighted average enrollment of 14,941 full-time equivalent students during the following fall semesters:

Fall of 1989 (Actual)	-	14,208;	at 25%	=	3,552
Fall of 1990 (Estimate)	-	15,060;	at 50%	=	7,530
Fall of 1991 (Projection)	-	15,437;	at 25%	=	<u>3,859</u>
Total					<u>14,941</u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

Cost Study Equity Funding Phase II - The appropriation does not include funding for the second of two years' equity funding identified in the Tri-University Cost Study. However, if the Legislature funds the FY 1993 NAU Cost Study Equity Funding Phase II, the funding for NAU will be reduced in an amount equal to any excess total revenues from student tuition and registration fees, summer session revenues, other receipts and balances forward above \$29,233,900 in FY 1992.

FY 1991 Mid-Year Reduction - The lump sum reduction of \$2,097,900 was fully restored in FY 1992.

(Footnotes Continued From Previous Page)

5/ Any unencumbered balances remaining in the collections account on June 30, 1991, and all collections received by the University during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the Enabling Act and the Constitution. No part of this appropriation shall be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions, but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

UNIVERSITY OF ARIZONA - MAIN CAMPUS

A.R.S. § 15-1601

Manuel T. Pacheco, Ph.D., President

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	5,095.5	5,380.2	5,381.9
Personal Services	142,488,700	153,570,000	152,311,200
Employee Related Exp.	25,243,600	27,926,000	29,249,400
Prof. & Outside Services	1,175,800	1,409,000	1,131,200
Travel - State	312,000	700,500	666,700
Travel - Out of State	733,800	728,300	658,300
Other Operating Exp.	27,193,500	26,519,300	26,890,900
Library Acquisitions	4,571,000	5,715,200	5,715,200
Equipment	9,762,600	9,084,500	7,424,300
All Other Operating Exp.	43,748,700	44,156,800	42,486,600
OPERATING SUBTOTAL	211,481,000	225,652,800	224,047,200
Minority Recruitment & Retention	1,016,400	1,244,800	1,244,800
Agriculture	36,119,400	38,807,600	38,108,200
TOTAL EXP. AUTHORITY	248,616,800	265,705,200	263,400,200 ^{2/3}
Collections	(54,534,100)	(57,304,500)	(58,056,700)
Other Receipts	(5,275,200)	(4,582,100)	(4,734,800)
Balances Forward	(988,600)	(766,100)	-0-
SUBTOTAL	(60,797,900)	(62,652,700)	(62,791,500)
Reduction [Laws 1991, Ch. 2 (H.B. 2001)]	--	(6,077,400)	--
TOTAL APPROPRIATIONS	187,818,900	196,975,100 ^{4/}	200,608,700 ^{5/4}

(Continued)

- 1/ Includes the FTE positions within the Agriculture program.
- 2/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special lines for Agriculture, the General Fund and collections funds. The line items within the "Operating Subtotal" are shown for information only.
- 3/ The amount appropriated includes funding for faculty positions based on 3-year weighted average changes in student enrollment and employs a student-faculty-support staff ratio of 22:1:0.5. The Board of Regents shall ensure that the amount appropriated is expended by the universities in a manner consistent with this method of funding additional positions. (General Appropriation Act footnote)
- 4/ This amount was appropriated as a General Fund lump sum with Agriculture as a special line item. Neither expenditure authority nor collection funds were appropriated. The line items are shown as estimates and for comparative funding information.
- 5/ The appropriated monies are not to be used for scholarships. (General Appropriation Act footnote)

UNIVERSITY OF ARIZONA - MAIN CAMPUS (Cont'd)
GENERAL FUND

Personal Services - The approved amount reflects a permanent reduction of 54.4 FTE positions associated with the statewide FTE policy. Included in the permanent reduction of 54.4 FTE positions are 8.1 positions for the Agriculture Program. A new vacancy factor of 2% was applied which reduces Personal Services by \$3,700,200. The approved amount includes funding for 6 new FTE positions to accommodate an additional 98 FTE students and 50.1 new FTE positions to support 10 new facilities and provide for health/safety of the university employees associated with the university animal care operations.

Employee Related Expenditures - The approved amount contains \$11,060,500 for medical insurance, including a \$670,700 Section 104 lump sum allocation, and \$629,100 for dental insurance. Included in the \$670,700 is \$101,500 for the Agriculture Program from a Section 104 lump sum allocation for higher medical insurance premiums.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$281,800 in Professional and Outside Services, \$35,000 in Travel - State and \$72,800 in Travel - Out of State. In addition, the Agriculture expenditure reflects a reduction of \$31,700 in Professional and Outside Services, \$36,600 in Travel - State, and \$17,200 in Travel - Out of State.

Other Operating Expenditures - The approved amount reflects a general reduction of \$1,325,900 for operating cost savings. In addition, the Agriculture Program includes a \$178,200 reduction for operating cost savings. The approved amount includes a \$639,200 increase for risk management insurance for a total of \$1,670,000, which will be combined with \$890,900 of non-appropriated funds.

Equipment - The approved amount includes \$7,339,100 for replacement equipment and \$85,200 for new equipment associated with student enrollment growth and new facilities support positions. In addition, the Agriculture Program includes \$1,382,200 for replacement equipment. The amount approved for replacement equipment reflects a \$2,082,100 reduction.

Minority Recruitment and Retention - Provides for an on-going and comprehensive plan to facilitate student recruitment and retention programs directed at economically disadvantaged, minority and underrepresented student populations.

Student Enrollment Growth - The enrollment funding is based upon a 3-year weighted average enrollment of 31,502 full-time equivalent students during the following fall semesters:

Fall of 1989 (Actual)	-	31,781;	at 25%	=	7,945
Fall of 1990 (Estimate)	-	31,514;	at 50%	=	15,757
Fall of 1991 (Projection)	-	31,200;	at 25%	=	<u>7,800</u>
Total					<u>31,502</u>

The full-time equivalent student counts are calculated by using 15 semester credit hours for lower division undergraduates, 12 semester credit hours for upper division undergraduates, and 10 semester credit hours for graduate students.

(Continued)

(Footnotes Continued From Previous Page)

6/ Any unencumbered balances remaining in the collections account on June 30, 1991, and all collections received by the University during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the Enabling Act and the Constitution. No part of this appropriation shall be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions, but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

UNIVERSITY OF ARIZONA - MAIN CAMPUS (Cont'd)
GENERAL FUND

Agriculture - The approved amount was based upon the following line item allocation of funds:

		<u>Sec. 104</u>	<u>Total</u>
FTE Positions	<u>802.9</u>	--	<u>802.9</u>
Personal Services	<u>\$27,150,000</u>	\$ --	<u>\$27,150,000</u>
Employee Related Exp.	<u>5,112,400</u>	<u>101,500</u>	<u>5,213,900</u>
Prof. & Outside Services	126,700	--	126,700
Travel - State	695,200	--	695,200
Travel - Out of State	154,700	--	154,700
Other Operating Exp.	3,385,500	--	3,385,500
Equipment	<u>1,382,200</u>	--	<u>1,382,200</u>
All Other Operating Exp.	<u>5,744,300</u>	--	<u>5,744,300</u>
TOTAL EXP. AUTHORITY	38,006,700	101,500	38,108,200
Collections/Receipts	<u>\$(5,660,700)</u>	--	<u>\$(5,660,700)</u>
TOTAL	<u>\$32,346,000</u>	<u>\$ 101,500</u>	<u>\$32,447,500</u>

The approved amount contains \$1,673,400 for medical insurance, including a \$101,500 Section 104 lump sum allocation, and \$95,200 for dental insurance.

FY 1991 Mid-Year Reduction - The lump sum reduction of \$6,077,400 was fully restored in FY 1992.

UNIVERSITY OF ARIZONA - COLLEGE OF MEDICINE

A.R.S. § 15-1601

Manuel T. Pacheco, Ph.D., President

JLBC Analyst: Lee

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions ^{1/}	585.0	625.7	623.7
Personal Services	23,899,700	26,771,500	26,427,800
Employee Related Exp.	3,759,000	4,012,400	4,056,800
Prof. & Outside Services	232,100	96,500	77,200
Travel - State	45,500	117,200	111,300
Travel - Out of State	33,300	23,500	21,200
Other Operating Exp.	5,916,000	5,905,200	6,403,100
Library Acquisitions	555,600	632,100	632,100
Equipment	902,600	1,052,700	888,700
All Other Operating Exp.	7,685,100	7,827,200	8,133,600
OPERATING SUBTOTAL	35,343,800	38,611,100	38,618,200
Clinical Teaching Support	9,276,500	9,479,900	9,005,900
TOTAL EXP. AUTHORITY	44,620,300	48,091,000	47,624,100 ^{2/}
Collections	(1,792,700)	(2,218,600)	(2,153,600)
Other Receipts	-0-	(111,200)	-0-
Balances Forward	31,800	(227,900)	-0-
SUBTOTAL	(1,760,900)	(2,557,700)	(2,153,600)
Reduction [Laws 1991, Ch. 2 (H.B. 2001)]	--	(1,363,500)	--
TOTAL APPROPRIATIONS	42,859,400	44,169,800 ^{3/}	45,470,500 ^{4/}

(Continued)

- ^{1/} Does not include FTE positions within the Clinical Teaching Support expenditure category.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special lines for the General Fund and collections funds. The line items within the "Operating Subtotal" are shown for information only.
- ^{3/} This amount was appropriated as a General Fund lump sum. Neither expenditure authority nor collection funds were appropriated. The line items are shown as estimates and for comparative funding information.
- ^{4/} Any unencumbered balances remaining in the collections account on June 30, 1991, and all collections received by the University during the fiscal year, when paid into the State Treasury are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the Enabling Act and the Constitution. No part of this appropriation shall be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions, but are excluded from the amounts enumerated above. (General Appropriation Act footnote)

UNIVERSITY OF ARIZONA - COLLEGE OF MEDICINE (Cont'd)
GENERAL FUND

Personal Services - The approved amount reflects a permanent reduction of 6.3 FTE positions associated with the statewide FTE policy. A new vacancy factor of 2% was applied which reduces Personal Services by \$544,900. The approved amount includes funding for 4.3 new FTE positions to support two new facilities, Life Sciences Phase III and Children's Research Center.

Employee Related Expenditures - The approved amount contains \$962,000 for medical insurance, including a \$58,300 Section 104 lump sum allocation, and \$55,700 for dental insurance.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$19,300 in Professional and Outside Services, \$5,900 in Travel - State and \$2,300 in Travel - Out of State.

Other Operating Expenditures - The approved amount reflects a general reduction of \$295,300 for operating cost savings and includes a \$642,200 increase for risk management insurance for a total of \$1,999,100.

Equipment - The approved amount includes \$4,500 for new office equipment associated with new facilities support and \$884,200 for replacement equipment. The amount approved for replacement equipment reflects a \$168,500 reduction.

Clinical Teaching Support - These funds provide for the cost of hospital training for Clinical Assistants, Medical Students and other health care residents and interns. The College of Medicine will contract with the University Medical Center, and possibly other community hospitals, for the necessary training. The approved amount reflects a \$474,000 reduction for operating cost savings.

FY 1991 Mid-Year Reduction - The lump sum reduction of \$1,363,500 was fully restored in FY 1992.

DEPARTMENT OF CORRECTIONS - SUMMARY

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Adult Institutions	171,894,700	189,911,900	197,798,000
Adult Community Services	8,975,400	8,619,800	8,827,900
Human Resources/Development	30,517,600	32,972,700	37,335,600
Administration	14,136,400	14,508,700	12,000,300
Correctional Industries	1,237,600	287,200	-0-
TOTAL APPROPRIATIONS	226,761,700	246,300,300	255,961,800
<u>Expenditure Detail</u>			
FTE Positions	5,712.2	5,829.2	6,062.4
Personal Services	117,112,000	124,880,200	133,166,900
Employee Related Exp.	31,924,500	37,750,800	40,532,600
Prof. & Outside Services	18,178,000	19,295,500	20,018,800
Travel - State	340,700	416,400	422,700
Travel - Out of State	94,400	105,200	98,800
Other Operating Exp.	34,633,400	38,440,100	37,076,100
Equipment	6,309,400	5,402,100	2,642,500
All Other Operating Exp.	59,555,900	63,659,300	60,258,900
OPERATING SUBTOTAL	208,592,400	226,290,300	233,958,400
Special Line Items	18,169,300	20,010,000	22,003,400
TOTAL APPROPRIATIONS	226,761,700	246,300,300	255,961,800
<u>Fund Summary</u>			
General Fund	221,697,800	246,093,300 ^{1/2}	255,025,400
Corrections Fund	5,063,900	207,000	-0-
Penitentiary Land Earnings Fund	-0-	-0-	936,400
TOTAL APPROPRIATIONS	226,761,700	246,300,300	255,961,800

Employee Related Expenditures - The approved amount contains \$14,993,100 for medical insurance, including a \$909,100 Section 104 lump sum allocation, and \$751,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

1/ It is the intent of the Legislature that the Arizona State Prison-Pinal Mountain be fully operational and begin to house prisoners no later than September 1, 1991. (General Appropriation Act footnote)

(Footnotes Continued on Following Page)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

Increased Prison Bed Space - The approved amount includes \$2,369,700 and 66 FTE positions to operate the Pinal Mountain Facility that is being transferred from the Department of Juvenile Corrections. This facility, located near Globe, will be a 150 bed minimum security prison. It is expected to open as an adult prison September 1, 1991. The second 400 bed medium security (level IV) housing unit at the Rynning Prison in Florence is scheduled to open October 1, 1991. The Department of Corrections will begin to hire and train staff for the Rynning unit in August. Funding of \$4,653,700 was approved for the second housing unit which is authorized 160.2 FTE positions. Approved, also, were 25 FTE positions and \$586,000 to operate the Eyman Complex and provide support services for the Rynning Prison. The Eyman Complex is the second complex at Florence and will be responsible for the Special Management Unit Prison, as well as the Rynning Prison.

Salary Levels of Newly Authorized Employees - Funding is provided for all new employees at the entry level salary and does not include funds to annualize salaries of employees hired last year at the Department's average salary level.

Annualization of the Evans' Report Savings - In FY 1991, 88 FTE positions and \$1,612,600 were deducted from the appropriation based upon recommendations in the Evans' Report. The FY 1991 savings reflected a phased-in reduction in force and accounted for estimated termination payments. The approved amount reflects a reduction of \$377,800 which represents partial annualization of the remaining savings identified by the Evans' Subcommittee. This change reduces Personal Services by \$293,900 and Employee Related Expenditures by \$83,900.

Increased Vacancy Factor - The Legislature approved a higher vacancy factor of \$1.9 million. This change reduced Personal Services \$1,479,100 and Employee Related Expenditures \$420,900.

Land Endowment Earnings - The Legislature appropriated \$936,400 from the Penitentiary Land Earnings Fund for operating expenses and \$300,000 from the State Charitable, Penal and Reformatories Land Earnings Funds for Capital Outlay.

(Continued)

(Footnotes Continued From Previous Page)

- 2/ Twenty-five percent of land earnings and interest from the State Charitable, Penal and Reformatories Land Fund shall be distributed to the Department of Corrections in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions. (General Appropriation Act footnote)
- 3/ One hundred percent of land earnings and interest from the Penitentiary Land Fund shall be distributed to the Department of Corrections in compliance with Section 25 of the Enabling Act and the Constitution to be used for the support of state penal institutions. (General Appropriation Act footnote)
- 4/ Included in the total appropriations for the Department of Corrections is a General Fund appropriation of \$200,000 to implement the provisions of S.B. 1410, relating to prisoners' access of their own records in the master record file. If S.B. 1410, or similar legislation, is not enacted into law, then \$200,000 shall revert to the General Fund. (General Appropriation Act footnote)
- 5/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for each program. The line items shown within "All Other Operating Exp." are shown for information only.
- 6/ In addition to the amount shown, the Department of Corrections received an additional allocation of \$61,000 for the Trade and Mechanical Trades Classification Maintenance Review.

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

Prison Population - The table below compares the actual growth of the average daily prison population from FY 1985 to FY 1991, and includes projections for FY 1992. The "Average Daily Population" represents the average number of inmates managed by the Department of Corrections during the year.

Average Daily Prison Population
 For FY 1985 to FY 1991
 (with projections for FY 1992)

<u>Fiscal Year</u>	<u>Average Daily Population</u>	
	<u>Prisons</u>	<u>CRC ^{1/}</u>
1985	7,583	201
1986	8,270	205
1987	9,508	209
1988	10,705	222
1989	11,801	240
1990	12,887	253
1991	13,889	281
1992	15,141	282

^{1/} Correctional Release Centers.

Prison Capacity vs. Prison Populations - The following table sets forth the actual and projected shortfall of prison beds between December 31, 1990 and June 30, 1992.

Operational Prison Capacity
 Compared With Population Projections
 Selected Dates From December 31, 1990
 to June 30, 1992

	<u>Population Projections</u>	<u>Operational Prison Capacity</u>	<u>Capacity-Minus Population</u>
December 31, 1990	14,313 ^{a/}	13,884	(429)
March 31, 1991	14,587 ^{a/}	14,078 ^{b/}	(509)
May 31, 1991	14,774	14,478 ^{c/}	(296)
June 30, 1991	14,849	14,478	(371)
September 30, 1991	15,019	14,628 ^{d/}	(391)
October 31, 1991	15,076	15,028 ^{e/}	(48)
December 31, 1991	15,189	15,028	(161)
March 31, 1992	15,359	15,028	(331)
June 30, 1992	15,528	15,028	(500)

- a/ Actual.
- b/ Perryville double-bunking + 194 beds.
- c/ Rynning Prison, Florence, Phase I, + 400 beds.
- d/ Pinal Mountain, Globe, + 150 beds.
- e/ Rynning Prison, Florence, + 400 beds.

(Continued)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Appropriates \$512,500, from the funds shown below, to the Department of Administration for Capital Outlay projects located at facilities operated by the Department of Corrections.

Section 2(B)1 appropriates \$150,000 from the General Fund for:

- Arizona State Prison Complex (ASPC)-Florence, Fire and Life Safety Projects.
Repair of waste water leaks in Cell Block #2 and to replace and upgrade the electrical system in the Vocational Education Building.

Section 2F appropriates \$62,500 from the Corrections Fund for the Pinal Mountain Prison:

- Freezer/Cooler installation \$ 30,000
- Glass and block replacement in the administration building 20,000
- Contingency 12,500

Section 2G appropriates \$300,000 from the State Charitable, Penal and Reformatories Land Earnings Fund for:

- Arizona State Prison (ASP)-Safford, Electrical Distribution System \$ 21,000
Completion of system design.
- ASP-Safford, Natural Gas Conversion 109,000
Design and construction of a natural gas distribution system to replace the existing propane system.
- ASP-Safford, Fire Alarm Upgrade 42,000
Upgrade of fire alarms to comply with fire codes.
- ASPC-Florence-Picacho, Water Improvements 71,000
Connection of a second well to the water storage tank.
- ASP-Yuma, Emergency Power Additions 57,000
Design and installation of transfer switches for emergency lighting of housing units.

ADDITIONAL LEGISLATION

Retirement Contributions; Remove Tax Subtractions - Chapter 155 (S.B. 1356) - Eliminates the employee retirement contribution tax exemption for active members of the Public Safety Personnel Retirement System and the Correctional Officers' Retirement Plan (CORP); reduces the required actuarial contribution rate for employees of the CORP from 7% to 6.65% to compensate for their reduced level of income resulting from the tax exemption elimination; authorizes city and town detention officers and employees whose primary duties require direct contact with inmates to join the CORP; establishes rules and methods for employers whose employees transfer to the CORP.

Victims Rights - Chapter 229 (H.B. 2412) - Requires the Director of the Department of Corrections to mail the victim the following information if a request for post-conviction notification is made:

- Within 30 days after the request, notice of the prisoner's earliest release date, if the sentence exceeds 6 months;
- Notice of release at least 15 days before the prisoner is released; and
- Notice of death, within 15 days of the prisoner's death.

This law also requires prisoners earning at least the federal minimum wage to satisfy court ordered restitution to a crime victim before prison board and room charges can be assessed or the prisoner can make support payments to dependents.

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Revises the number of offenders under Home Arrest that can be supervised by 1 correction officer from 15 offenders to 25.

(Continued)

DEPARTMENT OF CORRECTIONS - SUMMARY (Cont'd)
GENERAL FUND AND OTHER FUNDS

Shock Incarceration: Procedures - Chapter 276 (H.B. 2142) - This act allows the courts and the Department of Corrections to share the number of prison beds designated for shock incarceration. The courts have priority usage of these beds, but the Department of Corrections may now assign offenders to those beds not utilized by court commitment. Shock incarceration is a military style program designed to divert youthful offenders from future criminal activity and prison commitment. The program includes intensive physical exercise, physical labor, living skills and academic education. The law specifies eligibility guidelines for inmates who may be placed in shock incarceration by the Department of Corrections.

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND OTHER FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4,694.7	4,961.2	5,164.4
Personal Services	92,345,200	101,011,600	106,381,400
Employee Related Exp.	26,362,600	31,763,600	34,054,600
Prof. & Outside Services	5,225,700	4,042,600	4,141,200
Travel - State	193,600	251,800	253,500
Travel - Out of State	75,600	76,600	68,900
Other Operating Exp.	25,384,200	28,640,200	28,886,900
Equipment	4,541,100	4,514,100	2,397,200
All Other Operating Exp.	35,420,200	37,525,300	35,747,700
OPERATING SUBTOTAL	154,128,000	170,300,500	176,183,700
Food	14,066,500	15,478,900	17,329,100
Work Incentive Pay Plan	3,388,800	3,593,800	3,957,900
Discharge Expense	279,000	331,700	327,300
Wastewater Treatment and Disposal - ASPC-Perryville	32,400	207,000	-0-
TOTAL APPROPRIATIONS	171,894,700	189,911,900	197,798,000 ^{1/}
<u>Fund Summary</u>			
General Fund	167,384,300	189,704,900 ^{2/}	196,861,600
Corrections Fund	4,510,400	207,000	-0-
Penitentiary Land Earnings Fund	-0-	-0-	936,400
TOTAL APPROPRIATIONS	171,894,700	189,911,900	197,798,000

Personal Services - A vacancy factor of 3.8% was applied which reduces Personal Services by \$4,190,300. This amount is \$1,181,100 more than the original vacancy factor used in FY 1991. The approved amount includes \$2,424,300 to annualize the cost of additional positions authorized in FY 1991, but only partially funded at that time. Approved also were 141.2 FTE positions and \$2,394,700 for operation of the second 400 beds at the Rynning Unit located in Florence. In addition, funding of \$364,000 was approved for 23 FTE positions who will operate the Eyman Complex, at Florence, and provide support to the Rynning Unit. The additional positions for the Eyman Complex and the Rynning Unit are funded for an 11 month period and will require annualization in FY 1993. Fifty-eight FTE positions and \$1,293,600 were included in the approved amount to staff, the 150 bed, Pinal Mountain Facility that is being transferred from the Department of Juvenile Corrections effective July 1, 1991.

(Continued)

- ^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.
- ^{2/} In addition to the amount shown, the Department of Corrections received an additional allocation of \$59,900 for the Trade and Mechanical Trades Classification Maintenance Review.

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS (Cont'd)
GENERAL FUND AND OTHER FUNDS

The approved amount also includes the restoration of \$696,800 which was eliminated by the FY 1991 Ex-Appropriation Act. Nineteen FTE positions and \$390,300 were transferred to the Adult Community Services program. This transfer was the result of redesignating the 40 bed New Dawn women's facility as a correctional release center. A reduction of \$232,200 was imposed which represents partial annualization of the remaining savings from positions eliminated in FY 1991.

Included in the approved amount is \$443,200 for overtime and \$941,900 for hazardous duty pay.

Employee Related Expenditures - The approved amount contains \$12,768,100 for medical insurance, including a \$774,200 Section 104 lump sum allocation, and \$640,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved also was \$1,859,400 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Officer Series.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$613,200 in Professional and Outside Services, \$12,400 in Travel - State and \$7,700 in Travel - Out of State. The cost of housing inmates in county jails was excluded from the Professional and Outside Services reduction.

Professional and Outside Services - The approved amount includes \$1,466,600 to house prisoners in county jails prior to entering the state correctional system or when the adult inmate population exceeds prison capacity. Funding is based upon an average daily population of 100 inmates in county jails, at an average cost of \$40.18 per day. This amount includes indirect costs. The Legislature agreed to continue reimbursing counties for indirect costs. In addition, \$1,808,500 was approved for contracts with community colleges that provide educational opportunities for inmates. There is also \$575,300 included for counseling services and psycho-diagnostic testing, \$115,000 for religious services and \$175,800 for inmate related costs and other operational items. An increase of \$234,000 was approved to fund the anticipated increase in the average daily population. Included also is the restoration of \$490,000 reallocated in FY 1991 by the Department. This line item was reduced \$613,200 as a result of the statewide reduction policy noted above, and \$12,200 was transferred to the Adult Community Services program.

Travel - State - The approved amount includes \$6,700 to annualize amounts previously authorized, \$7,500 to support the additional staff authorized for the Eyman Complex and the Rynning Unit, and \$5,000 for the Pinal Mountain Facility. These increases are offset by a \$2,000 transfer to the Adult Community Services program and the statewide Travel reduction of \$12,400. The approved amount does not include \$3,100 reallocated in FY 1991 by the Department after the FY 1992 budget recommendations were transmitted to the Legislature.

Other Operating Expenditures - Included in the approved amount is an increase of \$626,600 to fund the anticipated increase in the prison population and \$656,300 to annualize the cost of operating new prisons opened in FY 1991, but only partially funded that year. Included in the approved amount is \$808,000 for the costs of operating the additional Rynning Unit beds, the Eyman Complex and the Pinal Mountain Facility which is being transferred from the Department of Juvenile Corrections. Of that amount, \$546,000 is for operation of the additional beds at the Rynning Unit, \$44,100 is for the Eyman Complex and \$217,900 is for the Pinal Mountain Facility. These costs were calculated to coincide with projected opening dates and will require annualization in FY 1993. Offsetting these increases was a reduction of \$1,789,100 approved in FY 1991 for non-recurring costs associated with the opening of new prisons and \$107,300 transferred to the Adult Community Services program for the operation of the New Dawn facility. The approved amount also includes the restoration of \$52,200 which was reallocated by the Department in FY 1991.

Equipment - The approved amount includes \$2,288,000 for replacement equipment at the following sites: Arizona State Prison Complex (ASPC)-Florence, \$693,900; Arizona State Prison (ASP)-Fort Grant, \$74,100; ASPC-Douglas, \$331,100; ASPC-Phoenix, \$287,900; ASP-Safford, \$138,100; ASPC-Perryville, \$267,200; ASPC-Tucson, \$353,900; ASPC-Winslow, \$141,800. In addition, \$107,700 was approved for the Pinal Mountain Facility and \$1,500 was added for the Eyman Complex at Florence.

(Continued)

DEPARTMENT OF CORRECTIONS - ADULT INSTITUTIONS (Cont'd)
GENERAL FUND AND OTHER FUNDS

Food - The approved amount allows \$16,699,500 for inmate meals, \$563,900 for complimentary meals furnished to Correctional Service Officers and other designated employees, \$13,400 for meals to be sold to other staff and \$52,300 for initial inventories at prisons to be opened in FY 1992. All collections for meals sold are to be deposited to the state General Fund. Included in the approved amount is an increase of \$1,388,400 to fund the projected growth in the prison population, \$113,500 for the 2 new prisons to be added, and \$495,000 for inflation. Offsetting approved increases was a \$72,100 transfer to the Adult Community Services program for the New Dawn facility. The approved amount does not include \$74,600 reallocated in FY 1991 by the Department after the FY 1992 budget recommendations were transmitted to the Legislature.

Work Incentive Pay Plan - Funds payments to adult inmates who perform work assignments.

Population - The FY 1992 appropriation is based upon funding for an estimated average daily population of 15,141 adult inmates, of which 100 are projected to be housed in county jails.

Land Endowment Earnings Fund - The approved amount was appropriated from the Penitentiary Land Earnings Fund. This fund derives its revenues from use fees on lands granted to the State of Arizona pursuant to Section 25 of the Enabling Act and interest earned on the investment of the Penitentiary Land Fund. Included in the Penitentiary Land Earnings Fund revenues is \$798,700 which will be paid by the Department of Juvenile Corrections for lease of the land where the Adobe Mountain and Black Canyon Juvenile Institutions are located.

DEPARTMENT OF CORRECTIONS - ADULT COMMUNITY SERVICES

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	198.5	182.5	201.5
Personal Services	4,765,800	4,785,700	5,057,200
Employee Related Exp.	1,143,800	1,294,200	1,382,700
Prof. & Outside Services	1,122,300	645,600	321,100
Travel - State	27,300	21,500	31,900
Travel - Out of State	3,100	4,000	3,600
Other Operating Exp.	1,452,300	1,543,400	1,642,300
Equipment	58,200	15,600	-0-
All Other Operating Exp.	2,663,200	2,230,100	1,998,900
OPERATING SUBTOTAL	8,572,800	8,310,000	8,438,800
Food	248,000	240,600	317,700
Work Incentive Pay Plan	68,200	69,200	71,400
Ex-Offender Stipends	86,400	-0-	-0-
TOTAL APPROPRIATIONS	8,975,400	8,619,800	8,827,900 ^{1/2}

Personal Services - A vacancy factor of 3% was applied which reduces Personal Services by \$155,900. This is \$54,400 more than the original vacancy factor used in FY 1991. Included in the approved amount is \$390,300 for 19 FTE positions transferred from the Adult Institutions program. These are the staff positions for the New Dawn facility which has been redesignated as a correctional release center for women. As a correctional release center, New Dawn comes under the operational control of this program. A reduction of \$27,300 was imposed which represents partial annualization of the remaining savings from positions eliminated in FY 1991. The approved amount does not include \$37,100 reallocated by the Department of Corrections after the FY 1992 budget recommendations were transmitted to the Legislature.

Employee Related Expenditures - The approved amount contains \$501,000 for medical insurance, including a \$30,400 Section 104 lump sum allocation, and \$24,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved also was \$20,900 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Service Officer Series.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$139,700 in Professional and Outside Services, \$1,600 in Travel - State and \$400 in Travel - Out of State.

(Continued)

1/ It is the intent of the Legislature that the Department of Corrections continue to operate the Northern Arizona Correctional Release Center and the Southern Arizona Correctional Release Center throughout the fiscal year and maintain an average daily population at these 2 facilities which is consistent with the population served in prior fiscal years. (General Appropriation Act footnote)

2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF CORRECTIONS - ADULT COMMUNITY SERVICES (Cont'd)
GENERAL FUND

Professional and Outside Services - The approved amount includes a transfer from the Adult Institutions program of \$12,200 associated with the New Dawn Facility. Other changes include a reduction of \$250,000 in Purchase of Care for inmates and the Statewide Reduction Policy addressed above. The approved amount includes the restoration of \$53,000 reallocated by the Department in FY 1991.

Travel State - Included in the approved amount is \$2,000 transferred from the Adult Institutions program and the restoration of \$10,000 which was reallocated by the Department in FY 1991. These increases are offset by the Statewide Travel Reduction Policy addressed above.

Other Operating Expenditures - The approved amount includes \$107,300 for the operation of the New Dawn Facility which was transferred from the Adult Institutions program and an increase of \$3,000 for replacement of non-capitalized equipment. That is equipment with an item value of less than \$1,000. The approved amount does not include \$11,400 reallocated by the Department after the FY 1992 budget recommendations were transmitted to the Legislature.

Food - The approved amount provides \$127,300 for the Northern Correctional Release Center in Phoenix, \$73,300 for New Dawn, a women's correctional release center in Phoenix and \$117,100 for the Southern Correctional Release Center in Tucson. These amounts include \$6,900 for complementary meals provided to Correctional Service Officers and other designated staff and \$9,200 for meals to be sold to other staff. All collections for meals sold are deposited to the state General Fund.

Work Incentive Pay Plan - Funds payments to residents of the Correctional Release Centers who perform work assignments.

Population - The FY 1992 appropriation is based upon the following average daily populations:

Northern Arizona Correctional Release Center	126
New Dawn Correctional Release Center	40
Southern Arizona Correctional Release Center	<u>116</u>
Total Funded Average Daily Population	<u>282</u>

In addition, the approved amount includes funding to support 200 inmates released to the Home Arrest program. The amount appropriated for Home Arrest is based on the supervision ratio of 1 Correctional Service Officer for each 25 Home Arrest offenders, as amended by Laws 1991, Chapter 265.

**DEPARTMENT OF CORRECTIONS - HUMAN RESOURCES
AND DEVELOPMENT**

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND CORRECTIONS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	469.5	479.5	505.5
Personal Services	14,195,200	13,747,400	16,653,300
Employee Related Exp.	3,164,400	3,427,300	3,904,000
Prof. & Outside Services	10,047,300	12,489,700	13,279,400
Travel - State	86,200	88,100	88,900
Travel - Out of State	5,100	3,800	8,400
Other Operating Exp.	2,674,000	2,992,700	3,188,200
Equipment	345,400	223,700	213,400
All Other Operating Exp.	13,158,000	15,798,000	16,778,300
TOTAL APPROPRIATIONS	30,517,600	32,972,700	37,335,600 ^{1/}
<u>Fund Summary</u>			
General Fund	29,998,000	32,972,700	37,335,600
Corrections Fund	519,600	-0-	-0-
TOTAL APPROPRIATIONS	30,517,600	32,972,700	37,335,600

Personal Services - A vacancy factor of 3% was applied which reduces Personal Services by \$507,900. This is \$92,600 more than the vacancy factor originally used in FY 1991. The approved amount includes \$563,400 to annualize the cost of 17 FTE positions authorized in FY 1991, but only partially funded that year. Nineteen FTE positions and \$502,700 were added to activate the second 400 beds of the Rynning Unit at Florence. The new positions for Rynning Unit are funded for 11 months in FY 1992, and will require annualization in FY 1993. Seven additional FTE positions were authorized and \$200,400 was approved for staffing the Pinal Mountain Facility to be transferred from the Department of Juvenile Corrections effective July 1, 1991. A reduction of \$30,100 was applied which represents partial annualization of the remaining savings from positions eliminated in FY 1991. Funding in the amount of \$1,762,100 eliminated by the FY 1991 Ex-Appropriation Act was restored. The 19 new FTE positions added for the Rynning Unit include: 2 Physician III's; 1 Psychologist II; 7 Correctional Registered Nurses and 1 Supervisor; 2 Mental Health Psychotherapist II's; 1 Pharmacist; 2 Pharmacy Technician II's; 1 Dental Hygienist; 1 Dental Assistant; and 1 Administrative Secretary. The additional staff for the Pinal Mountain Facility includes: 4 Correctional Registered Nurses and 1 Supervisor; 1 Medical Records Librarian I; and 1 Clerk Typist I.

Employee Related Expenditures - The approved amount contains \$1,258,800 for medical insurance, including a \$76,300 Section 104 lump sum allocation, and \$62,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approve also was \$6,200 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Service Officer Series.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF CORRECTIONS - HUMAN RESOURCES AND DEVELOPMENT (Cont'd)
GENERAL FUND AND CORRECTIONS FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$111,300 in Professional and Outside Services, \$4,500 in Travel - State and \$900 in Travel - Out of State. Professional and Outside Services for medical and hospital expenses were excluded from the reduction.

Professional and Outside Services - The approved amount provides \$4,297,200 for medical services, \$8,077,200 for hospitalization, \$403,400 for temporary professional services and \$501,600 for all other items. All other items include the interagency agreement with the Department of Public Safety for operation of the Correction Officer Training Academy in Tucson, pre-employment medical and psychological testing, as well as, the employee psychological assistance program. Included in the approved amount is an increase of \$1,048,000 to fund the anticipated growth in the prison population and \$637,300 for medical inflation. As noted above, the statewide reduction policy for this item resulted in a decrease of \$111,300. After the FY 1992 budget recommendations were submitted to the Legislature, the Department reallocated \$784,300 to this line item which was not included in the approved amount.

Travel - State - The approved amount includes a net increase of \$800. This change allows \$1,000 to annualize expenses authorized last year, but only partially funded. It provides \$1,800 for costs associated with the opening of the additional 400 beds at the Rynning Unit and allows \$1,000 to support travel expenses for the Pinal Mountain Facility. Included is the restoration of \$1,500 reallocated by the Department in FY 1991. Offsetting these increases is a decrease of \$4,500 resulting from the Statewide Travel Reduction policy.

Travel - Out of State - The approved amount includes the restoration of \$5,500 reallocated by the Department during FY 1991. Offsetting that increase is a reduction of \$900 as the result of the Statewide Travel Reduction policy.

Other Operating Expenditures - The approved increases include \$190,300 to fund the projected population growth, \$56,600 to annualize costs associated with new prisons opened last fiscal year, but only partially funded and \$51,500 for operation of the second 400 beds at the Rynning Unit. A special increase of \$89,800 was approved for medical inflation. Offsetting these increases was a reduction of \$163,400 for non-recurring expenses. After the budget was submitted to the Legislature, the Department reallocated \$83,900 to this line item. That amount is not included in the approved amount for FY 1992. The approved amount includes \$61,700 for rental of office space. Of that amount, \$38,800 is for the new Tucson Office Building. It is expected that the Department of Corrections will occupy that space in October of 1991.

Equipment - The approved amount allows \$24,800 for replacement equipment and \$188,600 for purchase of medical and dental equipment to support the additional 400 beds being opened at the Rynning Unit. Included in the replacement equipment is \$3,500 for a video camera and a video tape recorder for the Planning Bureau; and 3 microcomputers, \$8,100, and a copy machine, \$13,200, for the Assistant Director's office.

DEPARTMENT OF CORRECTIONS - ADMINISTRATION

A.R.S. § 41-1602

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND AND CORRECTIONS FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	203.5	188.0	191.0
Personal Services	4,797,200	5,127,100	5,075,000
Employee Related Exp.	1,024,700	1,186,900	1,191,300
Prof. & Outside Services	1,782,700	2,117,600	2,277,100
Travel - State	33,600	55,000	48,400
Travel - Out of State	10,600	20,800	17,900
Other Operating Exp.	5,122,900	5,263,800	3,358,700
Equipment	1,364,700	648,700	31,900
All Other Operating Exp.	8,314,500	8,105,900	5,734,000
OPERATING SUBTOTAL	14,136,400	14,419,900	12,000,300
Food	-0-	88,800	-0-
TOTAL APPROPRIATIONS	14,136,400	14,508,700	12,000,300 ^{1/}
<u>Fund Summary</u>			
General Fund	14,102,700	14,508,700	12,000,300
Corrections Fund	33,700	-0-	-0-
TOTAL APPROPRIATIONS	14,136,400	14,508,700	12,000,300

Personal Services - A vacancy factor of 2.4% was applied which reduces Personal Services by \$125,300. This amount is \$58,600 more than the vacancy factor originally used in FY 1991. The approved amount includes \$23,900 to annualize the cost of additional positions funded in FY 1991, but only partially funded at that time. Approved also were 2 FTE positions and \$32,800 for an Investigator III and a Secretary for the Rynning Unit at Florence. These 2 positions are funded for 11 months in FY 1992, and will require annualization in FY 1993. An Investigator III position and \$24,000 were also approved for the Pinal Mountain Facility. Offsetting these increases was a \$4,300 reduction which represents partial annualization of the remaining savings from positions eliminated in FY 1991. Included in the approved amount is \$4,600 for overtime. In FY 1991, the Department reallocated \$69,900 to Personal Services after the FY 1992 budget recommendations were transmitted to the Legislature. The amount reallocated is not included in the FY 1992 approved amount.

Employee Related Expenditures - The approved amount contains \$465,200 for medical insurance, including a \$28,200 Section 104 lump sum allocation, and \$23,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund. Approved also was \$2,400 for uniform allowances. A uniform allowance of \$40 per month is authorized for positions classified within the Correctional Service Officer Series.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF CORRECTIONS - ADMINISTRATION (Cont'd)
GENERAL FUND AND CORRECTIONS FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$52,700 in Professional and Outside Services, \$2,500 in Travel - State and \$2,000 in Travel - Out of State. Data Processing charges included in Professional and Outside Services were excluded from the reduction.

Professional and Outside Services - The approved amount includes \$2,066,400 for data processing services. The Department of Corrections will purchase data processing services from the Department of Administration's Data Center. Other amounts approved include \$24,000 for financial services, \$162,700 for legal services and \$24,000 for management studies.

Travel - State - Included in the approved amount is an increase of \$600 to support the Investigator to be assigned to the Rynning Unit in Florence. This is offset by a reduction of \$2,500 for the statewide travel reduction policy. The Department reallocated \$4,700 to this line item in FY 1991 after the FY 1992 budget recommendations were transmitted to the Legislature. That amount is not included in the approved amount.

Other Operating Expenditures - The approved amount includes \$2,359,000 for insurance payable to the Risk Management Division of the Department of Administration. This is a decrease of \$1,118,000 as compared with insurance expenses for FY 1991. Approved also was an increase of \$13,300 to support the staff allocated to the Rynning Unit and the Pinal Mountain Facility, and \$74,600 for replacement of non-capitalized equipment. Non-recurring startup costs of \$68,600 for new prisons opened in FY 1991 were eliminated. The approved amount does not include \$806,400 reallocated in FY 1991 by the Department, after the FY 1992 budget recommendations were sent to the Legislature.

Equipment - Funding was approved for the replacement of 2 copy machines, an electronic typewriter and a laser printer.

DEPARTMENT OF CORRECTIONS - ARIZONA CORRECTIONAL INDUSTRIES

A.R.S. § 41-1622

Samuel A. Lewis, Director

JLBC Analyst: Morris

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	46.0	18.0	0.0
Personal Services	1,008,600	208,400	-0-
Employee Related Exp.	229,000	78,800	-0-
TOTAL APPROPRIATIONS	1,237,600	287,200 ^{1/}	-0-

Pursuant to A.R.S. § 41-1629(c) Arizona Correctional Industries is mandated to be self-sufficient on July 1, 1991. Consequently, no funds were appropriated in FY 1992 for this program. Arizona Correctional Industries will continue to operate, but will be funded from the sale of goods and services produced by inmates and liquidation of assets which are no longer required.

^{1/} In addition to the amount shown, the Department of Corrections received an additional allocation of \$1,100 for the Trade and Mechanical Trades Classification Maintenance Review.

ARIZONA CRIMINAL JUSTICE COMMISSION

A.R.S. § 41-2404

Rex Holgerson, Director

JLBC Analyst: Burgess

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	5.0	6.0	6.0
Personal Services	160,600	201,800	201,800
Employee Related Exp.	23,500	41,900	39,000
Prof. & Outside Services	5,500	12,300	9,800
Travel - State	2,700	9,800	9,300
Travel - Out of State	1,900	3,300	3,000
Other Operating Exp.	53,800	65,600	57,400
Equipment	10,600	-0-	-0-
All Other Operating Exp.	74,500	91,000	79,500
OPERATING SUBTOTAL	258,600	334,700	320,300 ^{1/2}
Drug Program Admin. Match	44,000	-0-	-0-
Cannabis/Controlled Subs.	38,500	-0-	-0-
Drug Enforcement Account	900,000	971,300	2,500,000 ^{3/}
Drug Prevention Resource Center	-0-	-0-	160,000
Substance Abuse Surveys	-0-	-0-	25,000
TOTAL APPROPRIATIONS	1,241,100	1,306,000	3,005,300 ^{4/}
Fund Summary			
Arizona Commission on Criminal Justice Fund	341,100	334,700	345,300
Drug Enforcement Account	-0-	-0-	160,000
General Fund	900,000	971,300 ^{5/}	2,500,000 ^{3/}
TOTAL APPROPRIATIONS	1,241,100	1,306,000	3,005,300
ARIZONA COMMISSION ON CRIMINAL JUSTICE FUND			
RECEIPT, EXPENDITURES AND BALANCES FORWARD			
Balance Beg. of Fiscal Year	557,600	535,800	496,300
Add Revenues	319,300	295,200	295,200
TOTAL FUNDS AVAILABLE	876,900	831,000	791,500
Expenditures	341,100	334,700	345,300
BALANCE END OF FISCAL YEAR	535,800	496,300	446,200

(See Footnotes on Following Page)

ARIZONA CRIMINAL JUSTICE COMMISSION (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Employee Related Expenditures - The approved amount contains \$14,000 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,500 in Professional and Outside Services, \$500 in Travel - State and \$300 in Travel - Out of State.

Other Operating Expenditures - The approved amount includes \$1,000 for risk management. Also included is \$23,500 for rent in the State Courts Building. Another \$23,500 will be provided from available federal funds.

Drug Enforcement Account - The appropriation of \$2,500,000 from the General Fund was made to aid cash flow since the date of receipt of federal funds is unknown. This amount will revert to the General Fund upon receipt of federal funds (see footnote 3).

Drug Prevention Resource Center - The Arizona Drug Prevention Resource Center was established during the FY 1990 legislative session to decrease the incidence of drug and alcohol abuse by children and youths. The enabling legislation requires 2% of all Superior Court filing fees to be deposited into the Drug Enforcement Account and to be appropriated to the Drug Prevention Resource Center. The amount appropriated is an estimate of the funds that will be available.

Substance Abuse Surveys - Pursuant to A.R.S. § 41-2416, the Arizona Criminal Justice Commission is to conduct statewide surveys measuring attitudes, prevalence and frequency of substance abuse by children and adults. The surveys are to address substance abuse by adults and by children and youths in public schools and institutions of higher education. Also, the surveys are to address the nature and extent of drug-related gang activity.

ADDITIONAL LEGISLATION

Anti-Racketeering Fund - Chapter 320 (H.B. 2465) - This bill authorizes the Attorney General and the county attorneys to use monies available in their respective Anti-Racketeering Revolving Funds for funding gang and substance abuse prevention and education programs. Monies are to be transmitted to the Arizona Drug and Gang Policy Council. A total of \$500,000 is to be deposited by December 31, 1991. The Criminal Justice Commission is to develop a formula for assessing proportional shares of this sum to the Attorney General and each county attorney and political subdivision that receives monies pursuant to state forfeiture statutes (A.R.S. § 13-4315). The formula is to be based on county and political subdivision populations. The Attorney General assessment is to be equal to the average of the assessments on all counties having a population greater than 500,000.

The bill also mandates that each city or town receiving funds pursuant to the legislation above or pursuant to state forfeiture statutes must submit quarterly reports to its county attorney. The reports are to set forth the sources of all monies and expenditures, excluding identifying information about specific investigations. Each county attorney is responsible for collecting reports from cities and towns within that county and submitting them to the Criminal Justice Commission. Each county attorney must also file quarterly reports to the Criminal Justice Commission, also setting forth sources and expenditures of monies received in its Anti-Racketeering Fund. The Criminal Justice Commission is to compile all county attorney and city and town reports into a single comprehensive report and submit this to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Director of the Joint Legislative Budget Committee.

(Continued)

- 1/ Included in this appropriation is funding for the Cannabis/Controlled Substance and Fine Enforcement program.
- 2/ The Arizona Criminal Justice Commission shall submit a quarterly report to the Chairmen of the Senate and House of Representatives Appropriations Committees and the Staff Director of the Joint Legislative Budget Committee relating to the investigation and the collection of license fees and taxes on cannabis and controlled substances as provided by Title 42, Chapter 7, Article 1, A.R.S., as well as other fees, fines, surcharges, penalty assessments, and costs devoted to criminal justice and related purposes. (General Appropriation Act footnote)
- 3/ The sum of \$2,500,000 shall revert to the General Fund upon receipt of Federal Funds granted for Federal Fiscal Year 1992 under the Drug Control and System Improvement Grant Program (as authorized by the Omnibus Drug Initiative Act of 1988), but no later than June 30, 1992. (General Appropriation Act footnote)
- 4/ Represents General Appropriation Act funds. Appropriated as a lump sum for the agency with special line items. The line items within the "Operating Subtotal" are shown for information only.
- 5/ The FY 1991 General Appropriation Act originally appropriated \$3,195,000 to the Commission. Upon receipt of federal funds, \$2,223,700 subsequently reverted to the General Fund.

ARIZONA CRIMINAL JUSTICE COMMISSION (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

This legislation also directs each recipient of Criminal Justice Enhancement Fund monies to submit annual reports to the Criminal Justice Commission setting forth sources and expenditures of all monies. The Criminal Justice Commission is to compile all reports into a single comprehensive report and submit to the Governor with copies to the President of the Senate, the Speaker of the House of Representatives and the Director of the Joint Legislative Budget Committee.

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - This bill amends A.R.S. § 41-2416 regarding substance abuse and gang activity surveys. Prior to this amendment surveys were to be conducted annually. Surveys now will be conducted when monies are appropriated for this purpose. This bill also changes the distribution of the Criminal Justice Enhancement Fund. The chart below depicts the distribution formula as it previously existed and as it was altered by this legislation. Also shown is the dollar and percentage change.

Criminal Justice Enhancement Fund A.R.S. § 41-2401 Distribution						
	Laws 1990, Chapter 366		Laws 1991, Chapter 265		Difference	
	Statutory Rate	Dollar ^{1/} Distribution	Statutory Rate	Dollar ^{1/} Distribution	Dollar Change	Percentage Change
Fingerprint Identification Fund	7.50%	\$1,230,000	7.50%	\$1,230,000	\$ 0	0.00%
Department of Youth Treatment & Rehabilitation	2.00%	303,400	2.00%	303,400	0	0.00%
Peace Officers Training Fund	26.00% ^{2/}	3,865,316	21.50% ^{2/}	3,196,319	(668,997)	-17.31%
Prosecuting Attorneys Council Fund	8.00% ^{2/}	1,189,328	3.90% ^{2/}	579,797	(609,531)	-51.25%
Department of Health Services	4.00% ^{2/}	594,664	3.40% ^{2/}	505,464	(89,200)	-15.00%
Supreme Court Juvenile Crime	12.00% ^{2/}	1,783,992	12.00% ^{2/}	1,783,992	0	0.00%
Department of Public Safety	12.00% ^{2/}	1,783,992	11.00% ^{2/}	1,635,326	(148,666)	-8.33%
Attorney General/County Attorneys	12.00% ^{2/}	1,783,992	12.00% ^{2/}	1,783,992	0	0.00%
Supreme Court Court Case Processing	9.00% ^{2/}	1,337,994	7.70% ^{2/}	1,144,728	(193,266)	-14.44%
Department of Corrections/ Jail Enhancement	15.00% ^{2/}	2,229,990	15.00% ^{2/}	2,229,990	0	0.00%
Criminal Justice Commission	2.00% ^{2/}	297,332	2.00% ^{2/}	297,332	0	0.00%
General Fund	0.00%	0	11.50% ^{2/}	1,709,659	1,709,659	100.00%
TOTAL	109.50%^{2/}	\$16,400,000	109.50%^{2/}	\$16,400,000	\$ 0	0.00%

^{1/} Denotes an estimated amount.

^{2/} The statutory rate totals 109.5% because the law provides that the first 7.5% of collections is distributed to the Fingerprint Identification Fund and the 2% for Department of Youth Treatment and Rehabilitation is based on the remaining amount. All other percentages are applied to the amount remaining after the Department of Youth Treatment and Rehabilitation distribution. The amounts distributed to all other recipients are effectively 90.65% of the statutory rate.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - SUMMARY A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUNDS AND NUCLEAR EMERGENCY MANAGEMENT FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Emergency Services	1,029,500	1,101,400	745,600
Military Affairs	3,229,700	3,331,400	3,328,100
TOTAL APPROPRIATIONS	4,259,200	4,432,800	4,073,700
FTE Positions	62.0	63.5	62.5
Personal Services	1,379,700	1,531,400	1,495,200
Employee Related Exp.	312,100	381,200	389,600
Prof. & Outside Services	2,800	25,000	20,000
Travel - State	5,900	41,400	38,300
Travel - Out of State	40,400	11,000	9,900
Other Operating Exp.	1,057,700	965,600	1,023,400
Equipment	23,400	44,900	8,900
All Other Operating Exp.	1,130,200	1,087,900	1,100,500
OPERATING SUBTOTAL	2,822,000	3,000,500	2,985,300
Special Line Items ^{1/}	1,437,200	1,068,400	1,088,400
Additional Appropriation ^{2/}	-0-	363,900	-0-
TOTAL APPROPRIATIONS	4,259,200	4,432,800	4,073,700
<u>Fund Summary</u>			
General Fund	3,852,800	4,068,900	4,073,300
Nuclear Emer. Mgt. Fund	406,400	363,900 ^{2/}	-0-
TOTAL APPROPRIATIONS	4,259,200	4,432,800	4,073,300

Employee Related Expenditures - The approved amount contains \$153,300 for medical insurance, including a \$9,300 Section 104 lump sum allocation, and \$7,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Details for the Special Line Items are included on the individual program pages.

^{2/} Appropriated from the General Fund to the Nuclear Emergency Management Fund -- by Laws 1991, Chapter 88 (H.B. 2158). The appropriation is reflected in FY 1991 due to enactment with an emergency clause.

**DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS -
EMERGENCY SERVICES**

A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUNDS AND NUCLEAR EMERGENCY MANAGEMENT FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	13.0	15.0	15.0
Personal Services	354,700	419,700	414,700
Employee Related Exp.	73,400	87,800	95,000
Prof. & Outside Services	300	25,000	20,000
Travel - State	5,900	11,400	9,800
Travel - Out of State	8,700	7,900	7,100
Other Operating Exp.	78,000	81,500	96,000
Equipment	-0-	6,300	5,100
All Other Operating Exp.	92,900	132,100	138,000
OPERATING SUBTOTAL	521,000	639,600	647,700
Civil Air Patrol	83,300	78,100	78,100
Emer. Response Commission	18,800	19,800	19,800
Nuclear Emerg. Management	406,400	-0-	-0-
TOTAL	1,029,500	737,500	745,600
Additional Appropriations - 40th Leg., 1st Reg. Session			
Nuclear Emer. Mgt., Ch. 88	--	363,900	--
TOTAL APPROPRIATIONS	1,029,500	1,101,400	745,600
Fund Summary			
General Fund	623,100	737,500	745,600
Nuclear Emerg. Mgt. Fund	406,400	363,900 ^{1/}	-0-
TOTAL APPROPRIATIONS	1,029,500	1,101,400	745,600 ^{2/}

(Continued)

- ^{1/} Appropriated from the General Fund to the Nuclear Emergency Management Fund by Laws 1991, Chapter 88 (H.B. 2158). The appropriation is reflected in FY 1991 due to enactment with an emergency clause.
- ^{2/} Of this amount, \$78,100 is to be used for the Civil Air Patrol and \$19,800 for the Emergency Response Commission. Any funds not used for these purposes shall revert to the General Fund. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - EMERGENCY SERVICES (Cont'd)
GENERAL FUND AND NUCLEAR EMERGENCY MANAGEMENT FUND

Personal Services - A vacancy factor of 0.75% was applied which reduces Personal Services by \$3,100. The approved amount reflects the reduction of 1 unspecified vacant FTE position and the elimination of \$30,000 in Personal Services. The appropriation also includes the addition of 1 FTE position and \$28,100 in Personal Services for a search and rescue coordinator.

Employee Related Expenditures - The approved amount contains \$36,500 for medical insurance, including a \$2,200 Section 104 lump sum allocation, and \$1,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,000 in Professional and Outside Services, \$500 in Travel - State and \$800 in Travel - Out of State.

Professional and Outside Services - The approved amount provides \$20,000 for instructor fees for the hazardous materials training program.

All Other Operating Expenditures - The approved amount includes \$2,000 for repair and maintenance of data processing equipment, \$19,500 for telecommunications, \$12,200 for utilities, \$1,700 for risk management and \$60,600 for other operating costs.

Equipment - The appropriation of \$5,100 provides the state matching funds to replace two 80386 computer systems. The federal share is a like amount of \$5,100 for a total cost of \$10,200.

ADDITIONAL APPROPRIATIONS

Nuclear Emergency Appropriation and Assessment - Chapter 88 (H.B. 2158) - Appropriates \$770,000 from the State General Fund to the Nuclear Emergency Management Fund, pursuant to A.R.S. § 26-306.1, for administering and enforcing the state plan for off-site response to an emergency caused by an accident at a commercial nuclear generating station. Of that amount, \$363,900 is appropriated to the Department of Emergency and Military Affairs, of which \$139,500 is disbursed to departments and agencies of Maricopa County. The remaining \$406,100 is appropriated to the Radiation Regulatory Agency. Monies appropriated to the Nuclear Emergency Management Fund are exempt from A.R.S. § 35-190, regarding lapsing of appropriations. An amount of \$770,000, plus interest at the rate of 10% per year, is assessed against each consortium constructing or operating a commercial nuclear generating station in this state. The assessment shall be deposited into the General Fund. In this way, the industry reimburses the state for all costs associated with planning and response to commercial nuclear generation's sites.

Specifically, the following amounts are appropriated:

1. Division of Emergency Services, Department of Emergency and Military Affairs:	\$224,400
2. For disbursement by the Division of Emergency Services, Department of Emergency and Military Affairs, to departments and agencies of Maricopa County that are assigned responsibilities under the state off-site nuclear emergency response plan:	
SUBTOTAL - Emergency Services	<u>\$139,500</u> <u>\$363,900</u>
3. Radiation Regulatory Agency:	<u>\$406,100</u>
TOTAL	<u>\$770,000</u>

**DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS -
MILITARY AFFAIRS**

A.R.S. § 26-101

Donald Owens, The Adjutant General

JLBC Analyst: Bradley

GENERAL FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	49.0	48.5	47.5
Personal Services	1,025,000	1,111,700	1,080,500
Employee Related Exp.	238,700	293,400	294,600
Prof. & Outside Services	2,500	-0-	-0-
Travel - State	-0-	30,000	28,500
Travel - Out of State	31,700	3,100	2,800
Other Operating Exp.	979,700	884,100	927,400
Equipment	23,400	38,600	3,800
All Other Operating Exp.	1,037,300	955,800	962,500
OPERATING SUBTOTAL	2,301,000	2,360,900	2,337,600
Service Contracts	799,900	818,200	854,200 ^{1/}
Education Reimbursement	65,300	66,000	66,000
Guardsmen - State Active Duty	4,500	5,300	5,300
Uniform Allowance	31,000	31,000	-0-
Unit Allowance	10,000	10,000	25,000
Reimbursable State Active Duty	18,000	40,000	40,000 ^{2/}
TOTAL APPROPRIATIONS	3,229,700	3,331,400	3,328,100 ^{3/}

Personal Services - The approved amount reflects a reduction of 1 unfunded FTE positions associated with the statewide FTE policy . A new vacancy factor of 0.75% was applied which reduces Personal Services by \$8,300.

Employee Related Expenditures - The approved amount contains \$116,800 for medical insurance, including a \$7,100 Section 104 lump sum allocation, and \$5,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$0 in Professional and Outside Services, \$1,500 in Travel - State and \$300 in Travel - Out of State.

(Continued)

- ^{1/} Of this amount, \$854,200 is intended for Service Contracts and is exempt from A.R.S. § 35-190 relating to lapsing of appropriations, except that all monies remaining unexpended and unencumbered on October 31, 1991 shall revert to the state General Fund. (General Appropriation Act footnote)
- ^{2/} All expenditures for reimbursable state active duty shall be reimbursed to the General Fund by the Department of Emergency and Military Affairs, in accordance with A.R.S. § 35-142.01. (General Appropriation Act footnote)
- ^{3/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS - MILITARY AFFAIRS (Cont'd)
GENERAL FUND

Other Operating Expenditures - The approved amount includes \$458,200 for utilities, \$260,600 for on-going repair and maintenance costs, \$16,500 for risk management and \$192,100 for other operating costs.

Equipment - The \$3,800 appropriation is for completing the FY 1991 project to replace the computer system in the Purchasing and Contracting office.

Service Contracts - These funds are used to provide the state matching share for federal contracts. The matching share varies from 0% to 25% of costs. The estimate of federal expenditures for FY 1992 is \$13,368,700 for these contracts. Under terms of these contracts it is estimated that 287 FTE positions will be employed. These contracts fund activities such as the operations, maintenance and security agreements for the Air National Guard, the Army Training Sites, and the Navajo Army Depot.

Education Reimbursements - The approved amount is for reimbursement of a portion of education costs of guardsmen.

Guardsmen - State Active Duty - These funds are for payment of guardsmen called to active duty by the state government.

Uniform Allowance - No funds were appropriated for the direct purpose of uniform allowance payments in FY 1992. The Division of Military Affairs may use Other Operating Expenditures for this purpose.

Unit Allowance - These funds provide for awards and other morale building unit activities.

Reimbursable State Active Duty - The approved amount is to provide payment to guardsmen who work in firefighting, search and rescue, and similar missions. These funds are then to be reimbursed through charges to the agencies that were provided these services.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 2(b)4 of the Capital Outlay Bill appropriates \$290,000 from the General Fund for:

- **STARC Armory Additional Alteration**
The State Area Command (STARC) will be expanded. The assigned troop strength of the Arizona Army National Guard has increased from 3,000 to 5,500 over the past 15 years. There has been no expansion of the headquarters' space during that time. The appropriation, when matched with federal funds will be used to add a single story structure to the existing Military Department Headquarters Building.

DEPARTMENT OF JUVENILE CORRECTIONS - SUMMARY ^{1/}

A.R.S. § 41-2802

Carol Hurtt, Director

JLBC Analyst: Bradley

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Juvenile Services	28,988,800	33,695,400	29,247,800
Juvenile Education	-0-	-0-	2,604,200
TOTAL APPROPRIATIONS	28,988,800	33,695,400	31,852,000
FTE Positions	716.0	785.0	653.0
Personal Services	15,000,800	17,871,700	15,448,600
Employee Related Exp.	4,042,600	4,796,200	4,317,500
Prof. & Outside Services	556,500	1,277,700	1,010,500
Travel - State	86,100	117,400	232,800
Travel - Out of State	16,800	30,000	20,000
Other Operating Exp.	3,273,400	3,724,400	4,290,700
Equipment	384,500	124,800	535,300
All Other Operating Exp.	4,317,300	5,274,300	6,089,300
OPERATING SUBTOTAL	23,360,700	27,942,200	25,855,400
Special Line Items ^{2/}	5,628,100	5,753,200	5,996,600
TOTAL APPROPRIATIONS	28,988,800	33,695,400	31,852,000
<u>Fund Summary</u>			
General Fund	28,988,800	33,695,400	28,947,800
Juvenile Education Fund	-0-	-0-	2,604,200
Land Endowment Funds	-0-	-0-	300,000
TOTAL APPROPRIATIONS	28,988,800	33,695,400	31,852,000

The approved General Fund amount contains \$1,551,800 for medical insurance, including a \$94,500 Section 104 lump sum allocation, and \$77,800 for dental insurance. The approved amount for Other Appropriated Funds contains \$156,900 for medical insurance, including a \$1,200 Section 104 lump sum allocation, and \$8,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

^{1/} Chapter 210 will revise the name of the department to the Department of Youth Treatment and Rehabilitation.
^{2/} Details for the Special Line Items are included on the individual program pages.

DEPARTMENT OF JUVENILE CORRECTIONS - JUVENILE SERVICES

A.R.S. § 41-2802

Carol Hurtt, Director

JLBC Analyst: Bradley

GENERAL FUND AND LAND ENDOWMENT FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	716.0	785.0	598.0 ^{1/}
Personal Services	15,000,800	17,871,700	13,880,100
Employee Related Exp.	4,042,600	4,796,200	3,896,200
Prof. & Outside Services	556,500	1,277,700	1,010,500
Travel - State	86,100	117,400	220,800
Travel - Out of State	16,800	30,000	15,000
Other Operating Exp.	3,273,400	3,724,400	3,795,300
Equipment	384,500	124,800	433,300
All Other Operating Exp.	4,317,300	5,274,300	5,474,900
OPERATING SUBTOTAL	23,360,700	27,942,200	23,251,200
Food	902,000	762,700	253,900
Work Incentive Pay Plan	132,000	143,100	30,900
Purchase of Care	4,594,100	4,597,400	5,597,400 ^{2/}
New Agency Supplement	-0-	250,000	-0-
Gov.'s Task Force on Juv. Corr.	-0-	-0-	114,400 ^{3/}
TOTAL APPROPRIATIONS	28,988,800	33,695,400	29,247,800
<u>Fund Summary</u>			
General Fund	28,988,800	33,695,400	28,947,800
State Char. Penal & Reform.	-0-	-0-	300,000
Land Endowment Fund			
TOTAL APPROPRIATIONS	28,988,800	33,695,400	29,247,800 ^{4/5/}

(Continued)

- 1/ The FTE Positions total includes 2 FTE positions funded in the Governor's Task Force on Juvenile Corrections special line item.
- 2/ The \$5,597,400 appropriated for Purchase of Care is to be used for treatment programs for juvenile offenders under the jurisdiction of the Department of Juvenile Corrections and shall be provided by community contractors. (General Appropriations Act footnote)
- 3/ The \$114,000 appropriated for the Task Force on Juvenile Corrections shall be used to pay Personal Services and Employee Related Expenditures for two FTE positions and Other Operating Expenditures. All funds not expended for this purpose shall revert to the General Fund. (General Appropriation Act footnote)
- 4/ Represents General Appropriations Act funds. Appropriated as a modified lump sum by program. The line items within "All Other Operating Exp." are shown for information only.
- 5/ Prior to FY 1992, the Juvenile Education program expenditures were shown in the Juvenile Services program. These expenditures are now shown in a separate cost center.

DEPARTMENT OF JUVENILE CORRECTIONS - JUVENILE SERVICES (Cont'd)
GENERAL FUND

Personal Services - The approved amount reflects the transfer of 55 FTE positions and \$1,427,500 from the Juvenile Services program to the Juvenile Education program. Also included is a reduction of 42 FTE positions and \$715,900 associated with closing one cottage at the Black Canyon Juvenile Institution (BCJI). This reduction in funding effectively drops the operational capacity of BCJI from 120 to 60.

The appropriation includes a reduction of 98 FTE positions and \$1,917,400 resulting from the closure of the Pinal Mountain Juvenile Institution (PMJI). PMJI ceased to be a juvenile facility as of July 1, 1991. At that time, the Department of Corrections gained use of PMJI as an adult correctional facility to open operations not later than September 1, 1991.

The approved amount includes funding for the Desert Valley Family Center (DVFC). The 7 FTE positions and \$151,600 for this program were transferred from the Desert Valley Learning Center (DVLC) which has been discontinued. Therefore, no new positions and funding were required. DVFC is a state-operated community center for interaction with families of committed youth in order to strengthen the family setting. The goal of the program is to decrease institutional stay and recidivism by returning the youth to a more stable environment.

The appropriation contains 8 FTE positions and \$173,100 for the Ironwood facility. This restores funding that was eliminated in FY 1991. Ironwood is a state-operated community residential placement with a capacity of 12 beds. Youth sent to Ironwood are usually difficult to place in privately operated facilities.

A vacancy factor of 6.07% was applied which reduces Personal Services by \$896,900.

Employee Related Expenditures - The approved amount contains \$1,551,800 for medical insurance, including a \$94,100 Section 104 lump sum allocation, and \$77,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$82,900 in Professional and Outside Services, \$12,000 in Travel - State and \$2,800 in Travel-Out of State. Medical and data processing expenses were exempted from the Professional and Outside Services reduction.

Professional and Outside Services - In the approved amount are \$104,000 for data processing charges; \$249,900 for physiological and psychological services; \$497,500 for other medical services; \$33,400 for program development; \$32,800 for financial counseling and \$92,900 for other services.

Other Operating Expenditures - The appropriation includes an increase of \$126,600 for the Department of Administration (DOA) charges associated with turning the current agency vehicle fleet over to DOA. These costs are for daily charges and mileage for FY 1992. Also included in the approved amount are \$1,204,400 for rental of land and buildings. That amount funds land lease payments at the Adobe Mountain Juvenile Institution of \$798,700 and at the Catalina Mountain Juvenile Institution, \$280,000. The remaining \$125,700 is for rental of parole facilities and other leases.

Equipment - The approved amount includes \$2,700 for a power mower for the Black Canyon Facility; \$15,000 for 10 stainless steel commodes; \$1,300 for a laser printer, and \$5,100 for 5 structural steel couches for the Alamo Facility; \$4,500 for a commercial dryer; \$11,700 for a commercial washer; and \$1,500 for a pressure cleaning unit at the Catalina Facility. Also included is \$9,300 for a copier for the Purchase of Care unit and \$1,000 for other equipment. In addition to the \$52,100 detailed above, \$381,200 is included in the appropriation for payment to the DOA Motor Pool for depreciation costs of all vehicles to be transferred to DOA. The funding transfers 63 vehicles, turns in 16 vehicles to salvage and retains 4 trucks.

Food - The approved amount is based on an average meal cost of \$1.035, for 580 juveniles receiving 1,095 meals per year. The amount per meal reflects a 3.5% inflationary increase. It is expected that federal funds from the National School Breakfast and Lunch Program will provide \$403,400 for food in FY 1992. The total funds available for food from all sources is estimated to be \$657,300 in FY 1992.

(Continued)

DEPARTMENT OF JUVENILE CORRECTIONS - JUVENILE SERVICES (Cont'd)
GENERAL FUND

Work Incentive Pay Plan - Funds payments to juvenile offenders who perform work assignments.

Purchase of Care - The appropriation includes an increase of \$1,000,000 or 21.8% for community care of juveniles. Within the approved amount are \$4,130,900 for 145 average daily residential placements, \$500,200 for 49 average daily placements in day support services, \$327,500 for 117 estimated annual clients of psychological services, \$529,000 for 906 participants in substance abuse programs, and \$109,800 for sex offender treatment for an estimated 205 clients.

Governor's Task Force on Juvenile Corrections - The \$114,000 appropriated provides funding for 2 FTE positions, professional consultants, and other operating expenditures for the Governor's Task Force on Juvenile Corrections. The task force was originally established through executive order by Governor Mofford. The task force has been extended through executive order by Governor Symington, and its goals were modified.

Included in these figures are \$6,600 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$300 in dental insurance expenses for the Governor's Task Force on Juvenile Corrections line item. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Population - The FY 1991 appropriation is based upon funding for an estimated average daily population of 580 youth offenders committed to state operated institutions and 12 offenders assigned to state operated community programs.

The design capacity, funded capacity and forecasted population of each state operated facility is shown below:

	<u>ORIGINAL DESIGN CAPACITY</u>	<u>FY 1992 FUNDED CAPACITY</u>	<u>ESTIMATED FY 1992 POPULATION</u>
Adobe Mountain Juvenile Institution	376	376	350
Catalina Mountain Juvenile Institution	168	168	155
Black Canyon Juvenile Institution (Female)	120	60	50
Alamo Juvenile Institution (Mentally Ill)	<u>40</u>	<u>40</u>	<u>25</u>
SUBTOTAL	704	644	580
Ironwood Community Center	<u>12</u>	<u>12</u>	<u>12</u>
TOTAL	<u>716</u>	<u>656</u>	<u>592</u>

State Charitable, Penal and Reformatories Land Endowment Fund - The Department of Juvenile Corrections is to receive 25% of the land earnings and interest from the State Charitable, Penal and Reformatories Land Endowment Earnings Fund. Prior to FY 1992, these funds have been used at the discretion of the Director. The primary use has been for capital projects. Beginning with FY 1992, these funds are being appropriated for operating expenses.

ADDITIONAL LEGISLATION

Department of Youth Treatment and Rehabilitation - Chapter 210 (H.B. 2326) - The act modifies the department's mission, goals, and treatment guidelines. The legislation also changes the name of the Department of Juvenile Corrections to the Department of Youth Treatment and Rehabilitation. The bill establishes a training institute, expands eligibility for the Correctional Officer Retirement Plan (CORP), and makes numerous terminology changes.

DEPARTMENT OF JUVENILE CORRECTIONS - JUVENILE EDUCATION A.R.S. § 41-2802

Carol Hurtt, Director

JLBC Analyst: Bradley

JUVENILE EDUCATION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	0.0	0.0	55.0
Personal Services	-0-	-0-	1,568,500
Employee Related Exp.	-0-	-0-	421,300
Travel - State	-0-	-0-	12,000
Travel - Out of State	-0-	-0-	5,000
Other Operating Exp.	-0-	-0-	495,400
Equipment	-0-	-0-	102,000
All Other Operating Exp.	-0-	-0-	614,400
TOTAL APPROPRIATIONS	-0-	-0-	2,604,200 ^{1/2/}

Employee Related Expenditures - The approved amount contains \$156,900 for medical insurance, including a \$1,200 Section 104 lump sum allocation, and \$8,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL LEGISLATION

Education Omnibus Reconciliation Bill Chapter 288 (S.B. 1311) - This act amends Chapter 266, Laws 1989, which established a school district within the Department of Juvenile Corrections (DOJC) effective July 1, 1991. The original legislation provided that the Department of Education would distribute state education equalization assistance to a Juvenile Education Fund for the purpose of supporting this new school district assuming an average daily membership (ADM) of 850 juveniles. The original formula contained in Laws 1989, Chapter 266, was modified in order to reflect population changes that have occurred since its passage. Funding for FY 1992 is now based upon an average daily membership ADM of 580 juveniles with 25% being counted as severely emotionally handicapped for funding purposes.

- 1/ Prior to FY 1992, the Juvenile Education program expenditures were shown in the Juvenile Services program. Beginning with FY 1992, this program receives funding from equalization assistance deposited into the Juvenile Education Fund.
- 2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

BOARD OF PARDONS AND PAROLES

A.R.S. § 31-401

Robert L. Tucker, Acting Chairman

JLBC Analyst: Burgess

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	43.0	43.0	43.0
Personal Services	1,060,700	1,171,100	1,171,100
Employee Related Exp.	217,800	247,800	263,100
Prof. & Outside Services	-0-	62,100	49,700
Travel - State	42,600	45,000	42,700
Other Operating Exp.	203,100	334,900	465,600
Equipment	5,100	19,400	3,800
All Other Operating Exp.	250,800	461,400	561,800
TOTAL APPROPRIATIONS	1,529,300	1,880,300	1,996,000 ^{1/}

Personal Services - The approved amount includes a 1% vacancy savings of \$11,500.

Employee Related Expenditures - The approved amount contains \$108,400 for medical insurance, including a \$6,600 Section 104 lump sum allocation, and \$5,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$12,400 in Professional and Outside Services and \$2,300 in Travel - State.

Other Operating Expenditures - The approved amount includes \$357,500 for risk management.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - SUMMARY

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Criminal Investigation	11,920,200	12,165,200	12,180,600
Highway Patrol	32,001,800	33,017,700	33,018,200
Administration	18,666,400	18,405,700	17,467,500
Criminal Justice Support	9,159,800	9,432,400	9,339,600
Telecommunications	13,625,500	16,033,300	15,888,100
TOTAL APPROPRIATIONS	85,373,700	89,054,300	87,894,000
<u>Expenditure Detail</u>			
FTE Positions	1,622.0	1,629.0	1,616.8
Personal Services	54,337,900	56,364,700	56,527,100
Employee Related Exp.	9,567,400	11,068,200	10,578,100
Prof. & Outside Services	259,500	368,900	311,700
Travel - State	526,200	600,800	572,400
Travel - Out of State	183,000	166,800	154,500
Other Operating Exp.	15,004,300	14,187,800	13,812,300
Equipment	4,990,900	3,781,300	3,485,600
All Other Operating Exp.	20,963,900	19,105,600	18,336,500
OPERATING SUBTOTAL	84,869,200	86,538,500	85,441,700
Special Line Items ^{1/}	504,500	2,515,800	2,452,300
TOTAL APPROPRIATIONS	85,373,700	89,054,300	87,894,000
<u>Fund Summary</u>			
General Fund	83,551,700	65,251,000 ^{g/}	46,123,500
Arizona Highway Patrol Fund	500,000	500,000	3,600,000 ^{g/}
State Highway Fund	1,322,000	23,303,300	25,264,900 ^{g/}
Criminal Justice Enhancement Fund	-0-	-0-	452,300 ^{g/}
Highway User Revenue Fund	-0-	-0-	12,453,300
TOTAL APPROPRIATIONS	85,373,700	89,054,300	87,894,000

^{2/3/94}
_{3/6/91}

Employee Related Expenditures - The approved General Fund amount contains \$2,043,000 for medical insurance, including a \$123,900 Section 104 lump sum allocation, and \$102,100 for dental insurance. The approved Other Appropriated Funds amount contains \$1,475,900 for medical insurance, including an \$11,700 Section 104 lump sum allocation, and \$77,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Details for the Special Line Items are included on the individual program pages.

(Footnotes Continued on Following Page)

DEPARTMENT OF PUBLIC SAFETY - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Highway User Revenue Fund (HURF)/Highway Fund - Article 9 § 14 of the Constitution states in part: No monies derived . . . shall be expended for other than . . . expenses of state enforcement of traffic laws and state administration of traffic safety programs . . . This constitutional provision has been interpreted to mean both direct and indirect expenses associated with the Highway Patrol Bureau. In FY 1992 the Legislature has appropriated a total of \$37,718,200 from the HURF and Highway Fund (the major recipient of HURF) against \$38,701,900 of projected direct and indirect expenses.

ADDITIONAL LEGISLATION

Fingerprint License Application and Processing Fees - Chapter 186 (H.B. 2028) - Requires the Director to:

- Increase the polygraph examiners application fee, A.R.S. § 32-2708, and the polygrapher examiners license fees, A.R.S. § 32-2709, in amounts sufficient to recover the Federal Bureau of Investigation charge for federal criminal history record information.
- Charge a fingerprint processing fee not to exceed the amount charged by the Federal Bureau of Investigation for federal criminal history record information.

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) -

- Directs the Treasurer to distribute monies in the Highway User Revenue Fund to the Department for funding a portion of the Highway Patrol costs in any amount required by legislative appropriation.
- Allows Criminal Justice Enhancement Funds to be utilized for the operating costs of the Criminal Justice Information System.
- Provides that insurance premium tax in excess of the amount required to pay the employer's share of the Highway Patrol account of the Public Safety Personnel Retirement System be deposited by the State Treasurer in the Arizona Highway Patrol Fund established in A.R.S. § 28-1891 in any amount required by legislative appropriation.

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 2(B)1 of the Capital Outlay Bill appropriates \$290,000 from the General Fund to the Department of Public Safety for the following project:

- Officers Remote Housing \$290,000
Property acquisition, site improvements, and mobile housing units in remote areas of the state.

(Footnotes Continued From Previous Page)

- 2/ Of the lump sum appropriation, \$2,034,200 is exempt from the provision of A.R.S. § 35-190, relating to lapsing of appropriations, provided that purchase orders covering replacement of highway patrol enforcement vehicles have been placed prior to June 30, 1992. (General Appropriation Act footnote)
- 3/ It is the intent of the Legislature that the department use a portion of the lump sum appropriation to provide on-site air rescue services to Northeastern Arizona during peak traffic periods. (General Appropriation Act footnote)
- 4/ It is the intent of the Legislature that the Department of Public Safety continue to report expenditures, for budget request purposes, by functional or programmatic categories by line item, similar in nature to past budgetary practices.
- 5/ The Arizona Highway Patrol Fund contains miscellaneous department revenues and fund transfers pursuant to A.R.S. § 28-1891.
- 6/ In addition to the \$87,894,000 lump sum appropriation, any balance and receipts received under A.R.S. § 28-891, are appropriated to the Department of Public Safety. (General Appropriation Act footnote)
- 7/ Any monies remaining in the Department of Public Safety Joint Account on June 30, 1990 shall revert to the funds from which they were appropriated. The reverted monies shall be returned in direct proportion to the amounts appropriated. (General Appropriation Act footnote)
- 8/ Laws 1991, Chapter 2, 1st Special Session delayed the \$2,000,000 appropriation in Laws 1990, Chapter 304 for the Automated Finger Identification System from FY 1991 to FY 1992.
- 9/ Transfer of these funds will be done on a monthly or quarterly basis as mutually agreed upon by the Director of the Department of Public Safety and the Director of the Arizona Department of Transportation.

DEPARTMENT OF PUBLIC SAFETY - CRIMINAL INVESTIGATION

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	253.0	253.0	249.2
Personal Services	9,457,000	9,867,000	9,906,300
Employee Related Exp.	1,545,900	1,744,900	1,761,900
Prof. & Outside Services	5,100	2,500	2,200
Travel - State	121,600	133,100	126,400
Travel - Out of State	48,200	40,800	36,700
Other Operating Exp.	414,500	320,800	187,100
Equipment	327,900	56,100	160,000
All Other Operating Exp.	917,300	553,300	512,400
TOTAL APPROPRIATIONS	11,920,200	12,165,200	12,180,600 ^{1/}
<u>Fund Summary</u>			
General Fund	11,920,200	12,165,200	10,706,300
Highway Patrol Fund	-0-	-0-	1,474,300
TOTAL APPROPRIATIONS	11,920,200	12,165,200	12,180,600

Personal Services - The approved amount reflects a reduction of 3.8 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$75,300.

Employee Related Expenditures - The approved amount contains \$606,900 for medical insurance, including a \$36,800 Section 104 lump sum allocation, and \$30,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$300 in Professional and Outside Services, \$6,700 in Travel - State and \$4,100 in Travel - Out of State.

All Other Operating - The approved amount includes \$221,200 for replacement equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - HIGHWAY PATROL

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	714.0	721.0	721.0
Personal Services	24,143,000	24,853,400	25,156,300
Employee Related Exp.	4,527,500	5,115,200	4,713,000
Prof. & Outside Services	14,200	29,200	23,600
Travel - State	221,600	237,600	227,400
Travel - Out of State	28,400	24,700	22,200
Other Operating Exp.	453,100	261,200	296,900
Equipment	2,614,000	2,496,400	2,578,800
All Other Operating Exp.	3,331,300	3,049,100	3,148,900
TOTAL APPROPRIATIONS	32,001,800	33,017,700	33,018,200 ^{1/}
Fund Summary			
General Fund	30,689,500	9,724,100	-0-
Highway Patrol Fund	500,000	500,000	300,000
Highway Fund	812,300	22,793,600	25,264,900
Highway User Revenue Fund	-0-	-0-	7,453,300
TOTAL APPROPRIATIONS	32,001,800	33,017,700	33,018,200

Personal Services - A new vacancy factor of 0.75% was applied which reduces Personal Services by \$190,100.

Employee Related Expenditures - The approved amount contains \$1,475,900 for medical insurance, including an \$11,700 Section 104 lump sum allocation, and \$77,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,600 in Professional and Outside Services, \$11,900 in Travel - State and \$2,500 in Travel - Out of State.

All Other Operating - The approved amount includes \$2,651,200 funding for replacement equipment of which \$2,034,200 is for replacement vehicles and \$2,000 for rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - ADMINISTRATION

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	213.0	213.0	211.3
Personal Services	6,851,700	7,327,400	6,995,600
Employee Related Exp.	1,171,200	1,456,400	1,222,500
Prof. & Outside Services	98,000	141,400	118,300
Travel - State	67,700	88,400	84,000
Travel - Out of State	38,400	38,700	39,100
Other Operating Exp.	10,209,800	9,287,400	9,005,500
Equipment	172,900	2,500	2,500
All Other Operating Exp.	10,586,800	9,558,400	9,249,400
OPERATING SUBTOTAL	18,609,700	18,342,200	17,467,500
Blood/Alcohol Program	56,700	63,500	-0-
TOTAL APPROPRIATIONS	18,666,400	18,405,700	17,467,500 ^{1/}
<u>Fund Summary</u>			
General Fund	18,323,600	18,062,900	12,555,200
State Highway Fund	342,800	342,800	-0-
Highway User Revenue Fund	-0-	-0-	3,999,500
Highway Patrol Fund	-0-	-0-	912,800
TOTAL APPROPRIATIONS	18,666,400	18,405,700	17,467,500

Personal Services - The approved amount reflects a reduction of 1.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$54,100.

Employee Related Expenditures - The approved amount contains \$366,400 for medical insurance, including a \$22,200 Section 104 lump sum allocation, and \$18,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$24,100 in Professional and Outside Services, \$4,400 in Travel - State and \$4,400 in Travel - Out of State.

All Other Operating - The approved amount includes \$3,625,700 for Risk Management, \$233,500 for rent and \$3,500 for replacement equipment.

Blood/Alcohol Program - Transferred to the Department of Health Services.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - CRIMINAL JUSTICE SUPPORT

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	158.0	158.0	155.6
Personal Services	5,942,600	6,119,300	6,088,000
Employee Related Exp.	985,500	1,182,300	1,114,200
Prof. & Outside Services	48,800	53,000	42,400
Travel - State	38,000	47,700	45,300
Travel - Out of State	51,200	44,100	39,700
Other Operating Exp.	1,830,200	1,755,500	1,779,500
Equipment	263,500	230,500	230,500
All Other Operating Exp.	2,231,700	2,130,800	2,137,400
TOTAL APPROPRIATIONS	9,159,800	9,432,400	9,339,600 ^{1/}
<u>Fund Summary</u>			
General Fund	8,992,900	9,265,500	7,576,200
State Highway Fund	166,900	166,900	-0-
Highway User Revenue Fund	-0-	-0-	850,500
Highway Patrol Fund	-0-	-0-	912,900
TOTAL APPROPRIATIONS	9,159,800	9,432,400	9,339,600

Personal Services - The approved amount reflects a reduction of 2.4 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$47,400.

Employee Related Expenditures - The approved amount contains \$372,200 for medical insurance, including a \$22,600 Section 104 lump sum allocation, and \$18,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,600 in Professional and Outside Services, \$2,400 in Travel - State and \$4,400 in Travel - Out of State.

All Other Operating - The approved amount includes \$265,500 for replacement equipment and \$78,600 for rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF PUBLIC SAFETY - TELECOMMUNICATIONS

A.R.S. § 41-1711

Colonel F.J. "Rick" Ayars, Director

JLBC Analyst: Blanton

DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	284.0	284.0	279.7
Personal Services	7,943,600	8,197,600	8,380,900
Employee Related Exp.	1,337,300	1,569,400	1,766,500
Prof. & Outside Services	93,400	142,800	125,200
Travel - State	77,300	94,000	89,300
Travel - Out of State	16,800	18,500	16,800
Other Operating Exp.	2,096,700	2,562,900	2,543,300
Equipment	1,612,600	995,800	513,800
All Other Operating Exp.	3,896,800	3,814,000	3,288,400
OPERATING SUBTOTAL	13,177,700	13,581,000	13,435,800
ACJIS	447,800	452,300	452,300
AFIS ^{1/}	-0-	2,000,000	2,000,000
TOTAL APPROPRIATIONS	13,625,500	16,033,300	15,888,100 ^{2/3/}
Fund Summary			
General Fund	13,625,500	16,033,300	15,285,800
Criminal Justice Enhancement Fund	-0-	-0-	452,300
Highway User Revenue Fund	-0-	-0-	150,000
TOTAL APPROPRIATIONS	13,625,500	16,033,300	15,888,100

Personal Services - The approved amount reflects a reduction of 4.3 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$63,300.

Employee Related Expenditures - The approved amount contains \$697,500 for medical insurance, including a \$42,300 Section 104 lump sum allocation, and \$34,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$17,600 in Professional and Outside Services, \$4,200 in Travel - State and \$1,700 in Travel - Out of State. The Professional and Outside Services reduction excludes Department of Administration data processing charges.

(Continued)

- ^{1/} Includes a \$2,000,000 appropriation from Laws 1990, Chapter 304 for the Automated Fingerprint Identification System that was delayed to FY 1992 by Laws 1991, Chapter 2, 1st Special Session.
- ^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The program and line item detail are shown for information only.
- ^{3/} This appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations. (General Appropriation Act footnote)

DEPARTMENT OF PUBLIC SAFETY - TELECOMMUNICATIONS (Cont'd)
DEPARTMENT OF PUBLIC SAFETY JOINT ACCOUNT

All Other Operating - The approved amount includes \$688,300 for replacement equipment and \$69,100 for rent.

Automated Fingerprint Identification System - Chapter 2 (H.B. 2001), 1st Special Session delays the \$2,000,000 General Fund appropriation for the Automated Fingerprint Identification System from FY 1991 to FY 1992. The appropriation is to be used by the Department of Public Safety for the lease-purchase of equipment and services for the Arizona automated fingerprint identification network. The appropriation is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations.

DEPARTMENT OF TRANSPORTATION - SUMMARY

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Director's Staff	405,200	447,700	460,600
Transportation Planning Division	3,401,300	3,816,200	4,347,300
Administrative Services Division	30,961,800	32,938,900	34,109,100
Special Support Group	3,337,300	3,886,900	3,915,200
Motor Vehicle Division	29,498,500	31,964,300	32,446,500
Highways Division	100,857,800	109,285,800	111,824,300
Aeronautics Division	1,113,600	1,683,100	1,780,800
Public Transit Division	76,800	107,700	100,200
TOTAL APPROPRIATIONS	169,652,300	184,130,600	188,984,000
<u>Expenditure Detail</u>			
FTE Positions ^{1/}	3,328.5	3,334.0	3,295.3
Personal Services	61,515,200	64,725,800	63,948,200
Employee Related Exp.	12,063,900	15,450,100	16,348,600
Prof. & Outside Services	2,465,900	1,517,400	1,778,000
Travel - State	1,287,500	1,792,300	1,697,800
Travel - Out of State	138,700	159,300	143,200
Other Operating Exp.	20,814,100	24,894,700	25,030,100
Equipment	2,073,200	913,600	1,495,100
All Other Operating Exp.	26,779,400	29,277,300	30,144,200
OPERATING SUBTOTAL	100,358,500	109,453,200	110,441,000
Special Line Items ^{2/}	69,293,800	74,677,400	78,526,400
Additional Appropriations ^{2/}	--	--	16,600
TOTAL APPROPRIATIONS	169,652,300	184,130,600	188,984,000
<u>Fund Summary</u>			
State Highway Fund	168,395,200	182,308,800	185,601,100
State Aviation Fund	1,113,600	1,683,100	1,780,800
General Fund	76,800	76,200	67,300
Air Quality Fund	66,700	62,500	63,100
Highway User Revenue Fund	-0-	-0-	1,372,900
Abandoned Vehicle Administration Fund	-0-	-0-	98,800
TOTAL APPROPRIATIONS	169,652,300	184,130,600	188,984,000

(Continued)

- 1/ Includes the following FTE positions funded in Special Line Items. 839.5 in FY 1990, 850 in FY 1991, and 896 in FY 1992.
- 2/ Details for the Special Line Items and Additional Appropriations are included on the individual program pages.

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

Personal Services - The approved amount reflects a reduction of 88.7 unfunded FTE positions associated with the statewide FTE policy .

Employee Related Expenditures - The approved General Fund amount contains \$6,900 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$300 for dental insurance. The approved Other Appropriated Funds amount contains \$7,608,800 for medical insurance, including a \$60,500 Section 104 lump sum allocation, and \$401,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Highway User Revenue Fund (HURF) - The following chart summarizes HURF distributions:

HIGHWAY USER REVENUE FUND ANALYSIS
(Thousands)

	<u>FY 1990 ACTUAL</u>	<u>FY 1991 ESTIMATE</u>	<u>FY 1992 ESTIMATE</u>
Estimated Total HURF Collections	\$664,057	\$691,700	\$703,800
Less: Economic Strength Fund	500	500	1,000
Funding for DPS	-0-	-0-	12,453
Off-Highway Vehicle Fund	-0-	901	1,819
Mandatory Insurance	-0-	235	1,372
Net HURF Collections	\$663,557	\$690,064	\$687,156
Less: Cities	209,767	212,595	210,451
Counties	124,092	126,112	124,832
Controlled Access, 15% Funds	52,253	53,264	52,809
Net State Highway Fund (Discretionary)	\$277,445	\$298,093	\$299,064
Less: Operating Budget	173,655	182,580	185,601
Capital Outlay	6,372	8,904	4,345
Department of Public Safety Transfer	1,322	18,053	25,253
Other Obligations*	51,992	77,026	77,494
Plus: Interest Income (State Highway Fund)	14,959	14,500	14,500
Net HURF available for Statewide Highway Construction	<u>\$ 59,063</u>	<u>\$ 26,030</u>	<u>\$ 20,871</u>

* Includes Debt Service, Matching Federal Aid, Pavement Preservation and Bridge/TSM/Safety/Miscellaneous Categories. Detail available upon request.

(Continued)

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)
GENERAL FUND AND OTHER APPROPRIATED FUNDS

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - The Capital Outlay Bill appropriates \$171,198,800 to the Department of Transportation as follows:

Section 2H appropriates \$3,391,700 from the State Highway Fund for:

• Security wall - headquarters	\$ 47,000
• Globe water system	150,000
• Fuel tank upgrades	700,000
• Page maintenance yard - sewer	189,000
• Douglas service center	428,000
• Yuma maintenance yard - relocation	269,100
• Chandler driver's license	37,400
• UPS replacement	551,500
• Parking lot replacement	184,700
• Asphalt storage tanks	271,200
• Magazine warehouse addition	250,000
• Sand/salt storage facilities	163,800
• Landscape chemical storage	50,000
• East area laboratory	50,000
• Truck wash facilities - statewide	50,000

In addition to the projects shown above, Section 2I of the Capital Outlay Bill appropriates \$155,729,000 from the State Highway Fund for highway planning and construction, and Section 2J appropriates \$11,103,000 from the Aviation Fund for airport projects.

Section 1D of the Capital Outlay Bill appropriates \$953,200 from the State Highway Fund to the Department of Transportation and Section 1C appropriates \$21,900 from the Aviation Fund to the Department of Administration for the maintenance and repair of state buildings in accordance with the Building Renewal Formula established pursuant to Laws 1986, Chapter 85.

DEPARTMENT OF TRANSPORTATION - DIRECTOR'S STAFF

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	6.0	6.0	6.0
Personal Services	322,400	341,000	352,900
Employee Related Exp.	40,000	50,600	52,700
Travel - State	6,300	20,500	19,500
Travel - Out of State	15,600	10,700	9,600
Other Operating Exp.	20,900	24,900	25,900
All Other Operating Exp.	42,800	56,100	55,000
TOTAL APPROPRIATIONS	405,200	447,700	460,600 ^{1/}

Employee Related Expenditures - The approved amount contains \$14,300 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,000 in Travel - State and \$1,100 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$1,000 for replacement equipment.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

**DEPARTMENT OF TRANSPORTATION - TRANSPORTATION
PLANNING DIVISION**

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	89.0	89.0	98.8
Personal Services	2,428,200	2,582,600	3,014,200
Employee Related Exp.	441,000	580,600	628,100
Travel - State	80,500	108,400	113,300
Travel - Out of State	14,400	16,600	14,900
Other Operating Exp.	365,700	378,000	426,800
Equipment	71,500	150,000	150,000
All Other Operating Exp.	532,100	653,000	705,000
TOTAL APPROPRIATIONS	3,401,300	3,816,200	4,347,300 ^{1/}

Personal Services - The approved amount reflects a reduction of 2.2 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$19,400. Twelve FTE positions were transferred from the Highways Division: 1 Transportation Engineer Administrator; 1 Transportation Engineer Supervisor; 4 Transportation Engineer I's; 1 Transportation Engineer Specialist; 1 Planner II; 1 Librarian II; 1 Administrative Assistant III; 1 Administrative Secretary I; and 1 Transportation Photolog Specialist.

Employee Related Expenditures - The approved amount contains \$241,400 for medical insurance, including a \$1,900 Section 104 lump sum allocation, and \$12,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,400 in Travel - State and \$1,700 in Travel - Out of State.

Travel - State - The approved amount reflects an increase of \$10,300 as a result of the transfer in of the 12 FTE positions from the Highways Division.

All Other Operating - The approved amount includes \$155,200 for replacement equipment and \$47,500 for commercial rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - ADMINISTRATIVE SERVICES DIVISION

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	321.0	335.0	325.4
Personal Services	8,135,300	8,907,100	8,845,700
Employee Related Exp.	1,494,400	2,076,300	1,929,100
Prof. & Outside Services	1,604,300	618,400	1,140,400
Travel - State	9,300	29,900	28,400
Travel - Out of State	15,000	12,900	11,600
Other Operating Exp.	9,882,000	11,849,600	11,878,600
Equipment	715,800	313,800	257,400
All Other Operating Exp.	12,226,400	12,824,600	13,316,400
OPERATING SUBTOTAL	21,856,100	23,808,000	24,091,200
Risk Management Premium	9,105,700	9,130,900	10,017,900
TOTAL APPROPRIATIONS	30,961,800	32,938,900	34,109,100 ^{1/}

Personal Services - The approved amount reflects a reduction of 12.6 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$133,300. One new FTE position, a Fiscal Services Specialist V, was approved. Two FTE positions, an EDP Systems Project Leader and an EDP Technical Support Specialist I, were transferred from the Highways Division.

Employee Related Expenditures - The approved amount contains \$753,500 for medical insurance, including a \$6,000 Section 104 lump sum allocation, and \$39,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$53,000 in Professional and Outside Services, \$1,500 in Travel - State and \$1,300 in Travel - Out of State.

All Other Operating - The approved amount includes \$262,800 for replacement equipment, \$500,000 for Professional and Outside Services as the first of three phases to update and improve the TARGATS system, \$150,000 (\$75,000 for Professional and Outside Services and \$75,000 for Other Operating Expenditures) for developing an automated procurement system in conjunction with the Department of Administration, and \$11,000 for commercial rent.

Risk Management Premium - The approved amount includes premium increases of \$887,000.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - SPECIAL SUPPORT GROUP

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	81.0	84.0	83.9
Personal Services	2,500,700	2,708,000	2,816,100
Employee Related Exp.	436,500	568,000	559,000
Prof. & Outside Services	75,800	251,000	200,800
Travel - State	26,400	37,100	35,200
Travel - Out of State	14,900	21,500	19,300
Other Operating Exp.	221,800	253,900	244,900
Equipment	46,200	31,600	24,100
All Other Operating Exp.	385,100	595,100	524,300
OPERATING SUBTOTAL	3,322,300	3,871,100	3,899,400
Education and Training	15,000	15,800	15,800
TOTAL APPROPRIATIONS	3,337,300	3,886,900	3,915,200 ^{1/}

Personal Services - The approved amount reflects a reduction of 2.1 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.75% was applied which reduces Personal Services by \$20,300. Funding for an additional Chief Counsel III was approved and a Right of Way Agent IV was transferred from the Highways Division.

Employee Related Expenditures - The approved amount contains \$203,400 for medical insurance, including a \$1,600 Section 104 lump sum allocation, and \$10,700 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$50,200 in Professional and Outside Services, \$1,900 in Travel - State and \$2,200 in Travel - Out of State.

All Other Operating - The approved amount includes \$31,700 for replacement equipment and \$79,700 for rent.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND, HIGHWAY USER REVENUE FUND, AIR QUALITY FUND AND ABANDONED VEHICLE FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	881.0	872.0	867.2 ^{1/}
Personal Services	17,396,800	18,059,300	17,828,600
Employee Related Exp.	3,830,500	4,888,900	4,365,000
Prof. & Outside Services	600,300	566,700	371,700
Travel - State	308,200	354,000	328,200
Travel - Out of State	25,000	25,100	22,600
Other Operating Exp.	3,875,300	4,372,500	4,430,500
Equipment	245,800	34,200	50,000
All Other Operating Exp.	5,054,600	5,352,500	5,203,000
OPERATING SUBTOTAL	26,281,900	28,300,700	27,396,600
License Plates and Tabs	1,103,700	1,275,300	1,275,300
Medical Advisory Board	70,100	86,300	86,300
Classified Drivers License/Title	2,042,800	2,200,000	2,200,000 ^{2/}
Criminal Background Investigation	-0-	102,000	-0-
Mandatory Insurance Enforcement	-0-	-0-	1,372,900 ^{3/}
Abandoned Vehicle Administration	-0-	-0-	98,800
TOTAL	29,498,500	31,964,300	32,429,900
Additional Appropriations - 40th Leg. 1st Reg. Session			
Special and Hazardous Waste, Ch. 315	--	--	16,600
TOTAL APPROPRIATIONS	29,498,500	31,964,300	32,446,500
Fund Summary			
State Highway Fund	29,431,800	31,933,300	30,944,600
Highway User Revenue Fund	-0-	-0-	1,372,900
Air Quality Fund	66,700	31,000	30,200
Abandoned Vehicle Administration Fund	-0-	-0-	98,800
TOTAL APPROPRIATIONS	29,498,500	31,964,300	32,446,500 ^{4/}

^{1/} Includes 25 FTE positions funded in the Mandatory Insurance Enforcement special line item and 2 FTE positions funded in the Medical Advisory Board special line item.
^{2/} This appropriation is exempt from A.R.S. § 35-190, related to lapsing of appropriations (General Appropriation Act Footnote).

(Footnotes Continued on Following Page)

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION (Cont'd)
STATE HIGHWAY FUND, HIGHWAY USER REVENUE FUND, AIR QUALITY FUND AND ABANDONED
VEHICLE FUND

Personal Services - The approved amount reflects a reduction of 32.8 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$269,700. Twenty-eight new FTE positions were approved. The new positions include 25 for administration of the Mandatory Insurance program and 3 Motor Vehicle Field Officers, funded for 6 months, to staff the St. George Port of Entry. Positions authorized for administration of the mandatory insurance program include: 1 Administrative Support Supervisor II; 2 Administrative Support Supervisor I's; 1 Administrative Assistant II; 1 Administrative Services Officer I; 4 Motor Vehicle Operations Clerk II's; 12 Motor Vehicle Operations Clerk I's; 2 Clerk Typist I's; 1 Microfilm Technician I; and 1 Examiner Technician II.

A Dispatcher was transferred from the Highways Division and an Equipment Maintenance Service Specialist was transferred from Equipment Services. Approved also was \$88,500 for overtime so that Motor Vehicle License Offices can be open on Saturdays at selected locations.

Employee Related Expenditures - The approved amount contains \$1,996,200 for medical insurance, including a \$15,800 Section 104 lump sum allocation, and \$105,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$86,600 in Professional and Outside Services, \$17,700 in Travel - State and \$2,500 in Travel - Out of State.

All Other Operating - The approved amount provides \$66,700 for replacement equipment and \$195,000 for commercial rent.

Classified Drivers License/Title - The approved amount is the third increment of a four phase program designed to automate the License and Title functions.

Medical Advisory Board - The approved amount includes \$4,600 for medical insurance and \$200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Mandatory Insurance Enforcement - The approved amount contains \$39,000 for medical insurance, including a \$300 Section 104 lump sum allocation, and \$2,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

ADDITIONAL APPROPRIATIONS

Special and Hazardous Waste, Chapter 315 (H.B. 2121) - Establishes a requirement for licensing carriers of Hazardous Materials, establishes annual fees for licenses and appropriates \$16,600 from the State Highway Fund for FY 1992 to be used solely for implementing the licensing provisions of this act.

ADDITIONAL LEGISLATION

Mandatory Motor Vehicle Insurance - Chapter 286 (H.B. 2157) - Revises penalties, administrative procedures and defers implementation of the mandatory motor vehicle insurance enforcement program from July 1, 1991 to January 1, 1992.

(Footnotes Continued From Previous Page)

- 3/ The Motor Vehicle Division is authorized to hire 25 FTE positions for 6 months and to use up to \$217,000 of the Mandatory Insurance Enforcement (MIE) program special line item to temporarily hire up to 24 additional FTE positions for implementing the MIE program and \$250,000 shall immediately be reverted to the Highway Fund (General Appropriation Act Footnote).
- 4/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - HIGHWAYS DIVISION

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE HIGHWAY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	1,920.5 ^{1/}	1,916.0 ^{2/}	1,878.3 ^{3/}
Personal Services	30,146,600	31,340,600	30,237,100
Employee Related Exp.	5,702,700	7,082,000	8,616,500
Prof. & Outside Services	146,400	8,100	6,500
Travel - State	831,400	1,213,400	1,142,400
Travel - Out of State	43,900	55,000	49,500
Other Operating Exp.	6,186,600	7,626,100	7,571,600
Equipment	922,100	184,000	828,600
All Other Operating Exp.	8,130,400	9,086,600	9,598,600
OPERATING SUBTOTAL	43,979,700	47,509,200	48,452,200
Highway Maintenance	56,464,800	61,359,500	62,955,000
Radio Communications	413,300	417,100	417,100
TOTAL APPROPRIATIONS	100,857,800	109,285,800	111,824,300 ^{4/}

Personal Services - The approved amount reflects a reduction of 38.7 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.5% was applied which reduces Personal Services by \$469,300. Twelve positions were transferred to Transportation Planning, 2 positions (an EDP Systems Project Leader and an EDP Technical Support Specialist I) were transferred to the Administrative Services Division, a Right of Way Agent IV was transferred to the Special Support Group, and a Dispatcher was transferred to the Motor Vehicle Division. Two positions were abolished in FY 1991 through administrative action by the Division. The 12 positions transferred to the Transportation Planning Group include: 1 Transportation Engineer Administrator; 1 Transportation Engineer Supervisor; 4 Transportation Engineer I's; 1 Transportation Engineer Specialist; 1 Planner II; 1 Librarian II; 1 Administrative Assistant III; 1 Administrative Secretary I; and 1 Transportation Photolog Specialist.

Employee Related Expenditures - The approved amount contains \$2,270,800 for medical insurance, including an \$18,200 Section 104 lump sum allocation, and \$119,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$1,600 in Professional and Outside Services, \$60,700 in Travel - State and \$5,500 in Travel - Out of State.

All Other Operating - The approved amount includes \$943,900 for replacement equipment and \$122,900 for commercial rent.

(Continued)

- ^{1/} Includes 839.5 FTE positions funded in Highway Maintenance.
- ^{2/} Includes 850 FTE positions funded in Highway Maintenance.
- ^{3/} Includes 869 FTE positions funded in the Highway Maintenance special line item.
- ^{4/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - HIGHWAYS DIVISION (Cont'd)
STATE HIGHWAY FUND

Highway Maintenance - The approved amount reflects funding for an additional 19 FTE positions: 14 Highway Maintenance Worker I's and 5 Transportation Signal Light Technicians. The approved amount contains \$2,013,900 for medical insurance, including a \$16,000 Section 104 lump sum allocation, and \$106,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

DEPARTMENT OF TRANSPORTATION - AERONAUTICS DIVISION

A.R.S. § 28-170

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

STATE AVIATION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	28.0	29.0	32.7
Personal Services	544,900	723,200	789,700
Employee Related Exp.	109,900	184,600	183,000
Prof. & Outside Services	39,100	73,200	58,600
Travel - State	24,800	28,000	29,900
Travel - Out of State	8,400	16,000	14,400
Other Operating Exp.	259,400	387,600	449,700
Equipment	71,800	200,000	185,000
All Other Operating Exp.	403,500	704,800	737,600
OPERATING SUBTOTAL	1,058,300	1,612,600	1,710,300
Reimbursement to Highway Fund	55,300	70,500	70,500
TOTAL APPROPRIATIONS	1,113,600	1,683,100	1,780,800 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.3 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 0.5% was applied which reduces Personal Services by \$3,600. Funding was approved for 4 new FTE positions: 3 Building Maintenance Technician III's and 1 Administrative Assistant II.

Employee Related Expenditures - The approved amount contains \$71,700 for medical insurance, including a \$600 Section 104 lump sum allocation, and \$3,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$14,600 in Professional and Outside Services, \$1,400 in Travel - State and \$1,600 in Travel - Out of State.

All Other Operating - The approved amount includes \$185,000 for new equipment for the Grand Canyon Airport, \$60,000 for commercial rent and \$32,700 for risk management insurance.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

DEPARTMENT OF TRANSPORTATION - PUBLIC TRANSIT DIVISION

A.R.S. § 28-101

Charles E. Cowan, Acting Director

JLBC Analyst: Blanton

GENERAL FUND AND AIR QUALITY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	2.0	3.0	3.0
Personal Services	40,300	64,000	63,900
Employee Related Exp.	8,900	19,100	15,200
Travel - State	600	1,000	900
Travel - Out of State	1,500	1,500	1,300
Other Operating Exp.	2,400	2,100	2,100
All Other Operating Exp.	4,500	4,600	4,300
OPERATING SUBTOTAL	53,700	87,700	83,400
Other Transit Planning	23,100	20,000	16,800
TOTAL APPROPRIATIONS	76,800	107,700	100,200 ^{1/}
<u>Fund Summary</u>			
General Fund	76,800	76,200	67,300
Air Quality Fund	-0-	31,500	32,900
TOTAL APPROPRIATIONS	76,800	107,700	100,200

Employee Related Expenditures - The approved amount contains \$6,900 for medical insurance, including a \$400 Section 104 lump sum allocation, and \$300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$-0- in Professional and Outside Services, \$100 in Travel - State and \$200 in Travel - Out of State.

All Other Operating Expenditures - The approved amount includes \$500 for risk management insurance.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program. The line items are shown for information only.

COMMISSION ON THE ARIZONA ENVIRONMENT

A.R.S. § 41-995

Marcia Dillman, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	3.0	3.0	3.0
Personal Services	61,900	74,100	67,400
Employee Related Exp.	13,100	19,600	16,300
Prof. & Outside Services	700	-0-	1,200
Travel - State	2,000	3,500	3,000
Travel - Out of State	1,300	500	-0-
Other Operating Exp.	23,900	20,200	12,600
Equipment	3,900	-0-	-0-
All Other Operating Exp.	31,800	24,200	16,800
TOTAL APPROPRIATIONS	106,800	117,900	100,500 ^{1/}

Employee Related Expenditures - The approved amount contains \$7,600 for medical insurance, including a \$500 Section 104 lump sum allocation, and \$400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$500 in Travel - State and \$500 in Travel - Out of State.

All Other Operating Expenditures - The approved amount adds \$1,200 in Professional and Outside Services for word processing and temporary services.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

GAME AND FISH DEPARTMENT - SUMMARY

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administrative & Field Services	13,783,100	14,572,300	14,245,800
Watercraft	1,278,500	1,386,500	1,447,900
Game, Non-Game, Fish and Endangered Species	244,500	278,300	265,800
Waterfowl Conservation	-0-	3,400	-0-
TOTAL APPROPRIATIONS	15,306,100	16,240,500	15,959,500
<u>Expenditure Detail</u>			
FTE Positions	276.0	276.0	272.0
Personal Services	6,493,800	6,934,900	6,855,700
Employee Related Exp.	1,881,600	2,256,100	2,056,700
Prof. & Outside Services	252,400	264,700	252,000
Travel - State	246,200	269,600	260,800
Travel - Out of State	22,500	24,800	22,200
Other Operating Exp.	3,305,800	3,395,900	3,451,700
Equipment	1,036,500	846,400	821,000
All Other Operating Exp.	4,863,400	4,801,400	4,807,700
OPERATING SUBTOTAL	13,238,800	13,992,400	13,720,100
Special Line Items	2,067,300	2,248,100	2,239,400
TOTAL APPROPRIATIONS	15,306,100	16,240,500	15,959,500
<u>Fund Summary</u>			
Game and Fish Fund	13,783,100	14,452,700	14,005,900
Watercraft Licensing Fund	1,278,500	1,386,500	1,447,900
Game, Non-Game, Fish and Endangered Species Fund	244,500	278,300	265,800
Waterfowl Conservation Fund	-0-	3,400	3,400
Capital Improvement Fund	-0-	119,600	236,500
TOTAL APPROPRIATIONS	15,306,100	16,240,500	15,959,500

Employee Related Expenditures - The approved amount contains \$617,100 for medical insurance, including a \$4,900 Section 104 lump sum allocation, and \$32,800 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

GAME AND FISH DEPARTMENT - SUMMARY (Cont'd)
GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS

CAPITAL OUTLAY

Capital Outlay Bill - Chapter 289 (H.B. 2350) - Section 1(C)4 of the Capital Outlay Bill appropriates \$95,300 from the Game and Fish Fund to the Department of Administration for the maintenance and repair of buildings owned by the Game and Fish Department.

Section 2D of the Capital Outlay Bill appropriates \$10,000 from the Game and Fish Fund to the Game and Fish Department for shooting range development.

Section 2E of the Capital Outlay Bill appropriates \$200,000 from the Game and Fish Capital Improvement Fund to the Game and Fish Department for hatchery renovations and improvements.

Total Capital Outlay Appropriations **\$ 305,300**

ADDITIONAL LEGISLATION

Game, Fish Heritage Fund Report - Chapter 42 (S.B. 1031) - Requires the Game and Fish Commission and the State Parks Board to submit to the Legislature an annual report of Heritage Fund expenditures, including the amount of Heritage Fund monies spent for property acquisition and the amount of property tax revenue paid for these properties during the last full tax year prior to acquisition.

OTHER ISSUES

Game and Fish Heritage Fund - Proposition 200, passed by Arizona voters in November 1990, directs \$10,000,000 annually from state lottery revenues to the Game and Fish Department for the following purposes:

Acquisition and Management of Wildlife Habitat	\$6,000,000
Habitat Protection	1,500,000
Urban Wildlife Protection	1,500,000
Public Access Property Acquisition	500,000
Environmental Education	<u>500,000</u>
TOTAL	<u>\$10,000,000</u>

Because Proposition 200 did not pass until November, 7/12 of the required annual allocation, or \$5,900,000, was directed to the Game and Fish Commission in FY 1991. The full amount of \$10,000,000 will be provided in FY 1992. These funds are not subject to legislative appropriation; interest accrued by investing these funds will be used by the Game and Fish Department for administrative expenses.

GAME AND FISH DEPARTMENT - ADMINISTRATIVE AND FIELD SERVICES

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	246.5	246.5	241.5
Personal Services	5,969,600	6,376,000	6,279,100
Employee Related Exp.	1,751,500	2,083,800	1,897,300
Prof. & Outside Services	192,000	184,600	164,600
Travel - State	228,400	248,800	236,400
Travel - Out of State	16,000	17,500	15,700
Other Operating Exp.	2,943,900	2,988,900	3,041,700
Equipment	973,900	794,100	741,100
All Other Operating Exp.	4,354,200	4,233,900	4,199,500
OPERATING SUBTOTAL	12,075,300	12,693,700	12,375,900
Commission Reserve	35,000	35,000	-0-
Cooperative Research Projects	30,000	30,000	30,000 ^{1/}
Pittman-Robertson Act	869,200	927,300	910,000 ^{1/}
Dingell-Johnson Act	681,200	766,700	690,000 ^{1/}
Nongame Fund Reimbursement	92,400	-0-	-0-
Regional Offices Lease-Purchase	-0-	119,600	236,500
Waterfowl Conservation	-0-	-0-	3,400
TOTAL APPROPRIATIONS	13,783,100	14,572,300	14,245,800 ^{2/}
Fund Summary			
Game and Fish Fund	13,783,100	14,452,700	14,005,900
Capital Improvement Fund	-0-	119,600	236,500
Waterfowl Conservation Fund	-0-	-0-	3,400
TOTAL APPROPRIATIONS	13,783,100	14,572,300	14,245,800

Personal Services - The approved amount reflects a reduction of 6 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1% was applied which reduces Personal Services by \$64,500. The approved amount also includes \$22,300 for a Loss Control Officer position.

Employee Related Expenditures - The approved amount contains \$548,000 for medical insurance, including a \$4,300 Section 104 lump sum allocation, and \$29,200 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- ^{1/} Any part of this appropriation may be used for the purchase of matching federal and apportionment funds. (General Appropriation Act footnote)
- ^{2/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program. The line items within "All Other Operating Exp." are shown for information only.

GAME AND FISH DEPARTMENT - ADMINISTRATIVE AND FIELD SERVICES (Cont'd)
GAME AND FISH FUND AND OTHER APPROPRIATED FUNDS

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$12,400 in Travel - State and \$1,800 in Travel - Out of State. Professional and Outside Services was exempt from reduction because these expenses represent Department of Administration data processing charges.

Other Operating Expenses - The approved amount includes \$450,000 for food at wildlife habitats and fish hatcheries; \$330,000 for vehicle fuel and oil; \$215,000 for utilities; \$178,200 for risk management; \$186,700 for postage; \$224,000 for telephone expenses; \$203,000 for print and photography products and services; \$364,100 for contract repair and maintenance of agency vehicles, airplanes, and equipment; \$29,000 for increased expenses related to new, larger regional field offices located in Kingman, Yuma, and Flagstaff; and \$18,000 for the first lease-purchase payment for a new telephone system.

Equipment - The approved amount includes \$150,000 for a replacement airplane, \$164,000 for replacement mobile and hand-held radios, \$295,200 for 20 replacement pickup trucks, and funding to replace a variety of automated office equipment.

Cooperative Research Projects - Funding for ongoing wildlife and conservation research projects conducted with the University of Arizona.

Pittman-Robertson Act - These funds provide the state's 25% match for federal wildlife restoration projects.

Dingell-Johnson Act - These funds provide the state's 25% match for federal fish restoration projects.

Regional Offices Lease-Purchase - This appropriation provides the Department's lease-purchase payment for new regional field offices in Kingman, Yuma, and Flagstaff.

Waterfowl Conservation - This appropriation is used to facilitate purchases of waterfowl habitat with Waterfowl Conservation Fund monies.

ADDITIONAL LEGISLATION

Game Animals Killed by Automobiles - Chapter 9 (S.B. 1024) - Authorizes the driver of a motor vehicle to possess and transport the carcass of a big game animal killed by a collision with the motor vehicle, contingent upon acquisition by the driver of a big game salvage permit from a peace officer.

GAME AND FISH DEPARTMENT - WATERCRAFT LICENSING

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

WATERCRAFT LICENSING FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	25.5	25.5	26.5
Personal Services	417,400	446,400	465,900
Employee Related Exp.	108,700	142,700	134,700
Prof. & Outside Services	50,800	54,000	66,500
Travel - State	13,500	13,500	17,800
Travel - Out of State	4,500	4,500	4,000
Other Operating Exp.	268,600	313,600	319,600
Equipment	55,500	52,300	79,900
All Other Operating Exp.	392,900	437,900	487,800
OPERATING SUBTOTAL	919,000	1,027,000	1,088,400
Cost Transfer to Game and Fish Fund	359,500	359,500	359,500
TOTAL APPROPRIATIONS	1,278,500	1,386,500	1,447,900 ^{1/}

Personal Services - The approved amount includes a vacancy factor of 1%, providing total vacancy savings of \$6,800. The approved amount also includes \$19,500 for 1 Training Specialist position for the Boating Safety program. Laws 1987, Chapter 228 directs watercraft license tax revenues that exceed \$290,000 in a fiscal year to be used for a boating safety education program. Including the new position, 5 FTE positions and approximately \$250,000 are committed to this program in FY 1992.

Employee Related Expenditures - The approved amount contains \$59,900 for medical insurance, including a \$500 Section 104 lump sum allocation, and \$3,100 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$2,500 in Professional and Outside Services, \$700 in Travel - State and \$500 in Travel - Out of State.

Other Operating Expenses - The approved amount provides \$63,300 for contract repair and maintenance of agency vehicles and equipment; \$48,600 for postage; \$35,700 for telephone expenses; \$43,700 for print and photography supplies and services; and \$66,700 for office and field supplies.

Equipment - The approved amount includes \$56,900 for equipment related to the Boating Safety program, including a new cargo van, video equipment and a computer.

All Other Operating Expenditures - The approved amount for Professional and Outside Services also includes \$15,000 for services related to development of educational materials for the Boating Safety program. The approved amount for Travel - State includes \$5,000 for the new Training Specialist position.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program, with special line items.

GAME AND FISH DEPARTMENT - WATERCRAFT LICENSING (Cont'd)
WATERCRAFT LICENSING FUND

Cost Transfer - The approved amount is used to reimburse the Game & Fish Fund for functions performed by employees and equipment in the Watercraft Licensing cost center on behalf of the Game and Fish Fund.

**GAME AND FISH DEPARTMENT - GAME, NON-GAME,
FISH AND ENDANGERED SPECIES**

A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

GAME, NON-GAME, FISH AND ENDANGERED SPECIES FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	4.0	4.0
Personal Services	106,800	112,500	110,700
Employee Related Exp.	21,400	29,600	24,700
Prof. & Outside Services	9,600	26,100	20,900
Travel - State	4,300	6,900	6,600
Travel - Out of State	2,000	2,800	2,500
Other Operating Exp.	93,300	90,400	90,400
Equipment	7,100	-0-	-0-
All Other Operating Exp.	116,300	126,200	120,400
OPERATING SUBTOTAL	244,500	268,300	255,800
Cost Transfer (N-GM to G&F)	-0-	10,000	10,000
TOTAL APPROPRIATIONS	244,500	278,300	265,800 ^{1/}

Employee Related Expenditures - The approved amount contains \$9,200 for medical insurance, including a \$100 Section 104 lump sum allocation, and \$500 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$5,200 in Professional and Outside Services, \$300 in Travel - State and \$300 in Travel - Out of State.

Cost Transfer - The approved amount is used to reimburse the Game & Fish Fund for functions performed by employees in the Game, Non-Game, Fish and Endangered Species cost center on behalf of the Game and Fish Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the program, with special line items. The line items within the "Operating Subtotal" are shown for information only.

GAME AND FISH DEPARTMENT - WATERFOWL CONSERVATION FUND A.R.S. § 17-201

Duane Shroufe, Director

JLBC Analyst: Brainard

WATERFOWL CONSERVATION FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
Travel - State	-0-	400	-0-
Other Operating Exp.	-0-	3,000	-0-
All Other Operating Exp.	-0-	3,400	-0-
TOTAL APPROPRIATIONS	-0-	3,400	-0-

This cost center has been consolidated into the Game and Fish Administrative and Field Services cost center.

ARIZONA GEOLOGICAL SURVEY

A.R.S. § 27-151

Larry D. Fellows, Ph.D., Director

JLBC Analyst: Brainard

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	13.3	13.3	14.3
Personal Services	340,300	355,500	391,700
Employee Related Exp.	64,700	78,500	88,200
Travel - State	5,200	6,700	10,900
Travel - Out of State	1,900	2,100	4,800
Other Operating Exp.	107,400	109,600	117,700
Equipment	10,600	12,000	8,100
All Other Operating Exp.	125,100	130,400	141,500
TOTAL APPROPRIATIONS	530,100 ^{1/}	564,400	621,400 ^{2/}

Personal Services - The approved amount includes \$36,200 for 1 Oil and Gas Program Specialist and per diem expenses resulting from the transfer of the inspection and permit application review functions of the Oil and Gas Conservation Commission to the Geological Survey.

Employee Related Expenditures - The approved amount contains \$31,700 for medical insurance, including a \$1,900 Section 104 lump sum allocation, and \$1,600 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$300 in Travel - State and \$300 in Travel - Out of State.

All Other Operating Expenditures - The approved amount for Travel - State also includes \$4,200 for travel requirements of the agency's new functions related to oil and gas inspection. The approved amount for Travel - Out of State includes \$1,700 for travel related to oil and gas activities and restoration of \$1,000 that was reduced by a FY 1991 mid-year reversion.

Equipment - The approved amount includes funding for 1 new computer for the Oil & Gas Program Administrator and 2 replacement computers.

ADDITIONAL LEGISLATION

State Government Budget Funding; Reconciliation - Chapter 265 (S.B. 1317) - Transfers the inspection and application permit review functions of the Oil and Gas Conservation Commission to the Geological Survey; removes the authority of the Oil and Gas Conservation Commission to employ personnel.

^{1/} Represents the first year operating funds as an independent agency.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE LAND DEPARTMENT

A.R.S. § 37-102

M. J. Hassell, State Land Commissioner

JLBC Analyst: Brainard

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	161.0	166.0	164.0
Personal Services	4,166,400	4,383,300	4,528,900
Employee Related Exp.	896,100	988,200	1,000,900
Prof. & Outside Services	470,000	458,300	540,100
Travel - State	172,400	216,600	205,800
Travel - Out of State	14,300	2,400	2,200
Other Operating Exp.	1,468,400	1,349,800	1,342,300
Equipment	293,900	190,200	131,100
All Other Operating Exp.	2,419,000	2,217,300	2,221,500
OPERATING SUBTOTAL	7,481,500	7,588,800	7,751,300
Litigation Expenses	15,100	20,000	20,000
Legal Advertising	30,000	30,000	30,000
CAP User Fees	78,000	78,100	78,100
Water Rights Filing Fees	21,500	10,800	33,300
Water Litigation	52,200	51,500	51,500
Illegal Dump Supervision	13,400	18,600	10,000
Natural Resource Conservation Districts	155,000	155,200	128,000
Conservation Education	30,000	29,100	30,000
Board of Appeals	11,800	16,100	17,100
Arizona Geological Mapping	-0-	25,000	-0-
Bertino Settlement Agreement	140,000	-0-	-0-
TOTAL APPROPRIATIONS	8,028,500	8,023,200	8,149,300 ^{1/}

Personal Services - The approved amount reflects a reduction of 3 unfunded FTE positions associated with the statewide FTE policy. A new vacancy factor of 1.75% was applied which reduces Personal Services by \$81,500. The approved amount also includes \$126,400 to restore a mid-year reversion, and \$18,600, plus Employee Related Expenditures and related expenses, for an additional Administrative Assistant position to manage the agency's automated lease billing system and to train agency staff in the system's operation.

Employee Related Expenditures - The approved amount contains \$360,200 for medical insurance, including a \$24,600 Section 104 lump sum allocation, and \$ 20,400 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Represents the General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

STATE LAND DEPARTMENT (Cont'd)
GENERAL FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,800 in Travel - State and \$200 in Travel - Out of State. Professional and Outside Services was exempted from reduction because these expenses provide services directly related to revenue generation and related to development of the agency's data processing system.

Professional and Outside Services - The approved amount includes \$115,500 to complete development of the agency's automated database and data processing system; \$178,900 for appraisals, including \$46,800 to restore a mid-year reversion; \$167,300 for planning of Urban Lands projects; \$50,000 for disposition and lease consulting services; and \$10,000 for engineering consulting services at Urban Lands projects.

Other Operating Expenditures - The approved amount includes \$345,900 for the agency's share of the lease-purchase payment for its office located at 1616 West Adams; \$131,500 for lease payments for agency offices in Tucson, Prescott, Pinetop, Flagstaff, and north Phoenix; \$171,600 for telephone expenses; \$189,200 for lease-purchase payments for a mainframe computer and related software; \$48,500 for risk management; and \$15,000 for zoning fees at Urban Lands projects.

Litigation Expenses - This appropriation funds expenses related to Land Department litigation, including attorneys' fees, expert witnesses, and travel expenses.

Legal Advertising - The Land Department is required to advertise sales or long-term leases of Trust property; these advertising costs are paid by the successful bidder. This appropriation pays advertising expenses not recovered when a sale or lease fails to attract a successful bidder.

CAP User Fees - These monies provide Trust Lands' Central Arizona Project water user fees.

Water Rights Filing Fees - This appropriation funds 1 Water Resources Specialist position and provides water rights filing fees for Trust Lands.

Water Litigation - This appropriation funds 2 Water Resources Specialist positions to research and file Trust Land water rights.

Illegal Dump Supervision - The Land Department uses this appropriation to clear Trust Lands of unsightly or dangerous material.

Natural Resource Conservation Districts (NRCD's) - 32 NRCD's serve as vehicles to provide technical assistance by the U.S. Soil Conservation Service primarily for farmers and ranchers. The approved amount provides \$4,000 for each district, to be used for clerical support and board per diem expenses.

Conservation Education - The approved amount provides \$6,000 to each of 5 Conservation Education Centers in Arizona for conservation instruction. This appropriation may be matched by school districts and other sources.

Board of Appeals - The 5 members of this Board, appointed by the Governor, approve land sales and long-term leases of Trust Lands, and hear appeals of appraisals. The approved amount provides Board per diem, travel expenses, and contract appraisals.

ADDITIONAL LEGISLATION

State Land Trust Beneficiaries - Chapter 37 (S.B. 1046) - Authorizes the State Land Department to offset Trust Land proceeds designated for state agencies that lease a parcel of the same property for which the agency is the beneficiary. This authorization allows a state agency, such as the Department of Corrections, to use Trust Lands without being required to pay rent, in essence, to themselves as the beneficiary. This legislation also authorizes the State Land Commissioner, with approval of the State Selection Board, to transfer beneficiary status between parcels of Trust Land of similar value. This authorization permits an agency to take advantage of a reduced rent requirement by having its beneficiary status transferred to a parcel of Trust property for which the agency is the beneficiary.

DEPARTMENT OF MINES AND MINERAL RESOURCES

A.R.S. § 27-101

Leroy E. Kissinger, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	8.5	8.5	8.0
Personal Services	239,800	264,100	257,400
Employee Related Exp.	52,500	56,800	54,000
Prof. & Outside Services	3,200	-0-	-0-
Travel - State	9,900	6,600	6,400
Travel - Out of State	3,100	1,600	1,600
Other Operating Exp.	29,000	18,300	19,600
Equipment	10,400	-0-	-0-
All Other Operating Exp.	55,600	26,500	27,600
TOTAL APPROPRIATIONS	347,900	347,400	339,000 ^{1/}

Personal Services - The approved amount includes a reduction of \$7,100 to reflect the elimination of a half-time janitor position. The Department of Administration will provide janitorial service at the new Mines and Mineral Museum (El Zaribah) building. The amount also includes \$400 to annualize the classification maintenance review increase for the museum curator.

Employee Related Expenditures - The approved amount contains \$19,200 for medical insurance, including a \$1,200 Section 104 lump sum allocation, and \$1,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$200 in Travel - State.

Other Operating Expenditures - The approved amount includes \$4,700 for risk management and \$6,400 for extra expenses for the new Mines and Minerals Museum.

^{1/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency. The line items are shown for information only.

OIL AND GAS CONSERVATION COMMISSION

A.R.S. § 27-514

Daniel J. Brennan, Director

JLBC Analyst: Brainard

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	4.0	4.0	0.0
Personal Services	114,100	109,900	-0-
Employee Related Exp.	28,000	25,200	-0-
Travel - State	6,500	6,000	-0-
Travel - Out of State	700	700	-0-
Other Operating Exp.	27,600	29,200	-0-
All Other Operating Exp.	34,800	35,900	-0-
OPERATING SUBTOTAL	176,900	171,000	-0-
Office Relocation	2,100	-0-	-0-
IOCC Dues	3,000	3,000 ^{1/}	-0-
IOCC Travel	1,700	2,000 ^{2/}	-0-
TOTAL APPROPRIATIONS	183,700	176,000 ^{2/}	-0-

The approved amount reflects the transfer of the agency's inspection and permit application review functions to the Geological Survey. Funding is included in the Department of Administration budget to pay terminated agency staff for unused annual leave compensation and to transfer agency files and well rock samples to the Geological Survey. Funding is provided in the Geological Survey budget for 1 Oil & Gas Program Administrator and per diem expenses for the Oil & Gas Conservation Commission.

^{1/} The approved amount represents dues and meeting attendance costs for the Interstate Oil Compact Commission. This is a statutory responsibility of the Governor's Office that has been delegated to the Oil and Gas Conservation Commission.

^{2/} Represents General Appropriation Act funds. Appropriated as a lump sum for the agency, with special line items. The line items within the "Operation Subtotal" are shown for information only.

STATE PARKS BOARD - SUMMARY

A.R.S. § 41-511

Ken Travous, Director

JLBC Analyst: Brainard

GENERAL FUND AND OTHER APPROPRIATED FUNDS	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administrative and Support Services	5,718,100	6,468,000	6,936,800
Arizona Outdoor Recreation Coordinating Commission	4,776,300	9,742,500	600,000
TOTAL APPROPRIATIONS	10,494,400	16,210,500	7,536,800
<u>Expenditure Detail</u>			
FTE Positions	157.9	177.5	172.5
Personal Services	3,422,100	3,627,100	3,562,200
Employee Related Exp.	886,200	1,133,000	959,100
Prof. & Outside Services	82,200	90,000	5,000
Travel - State	90,700	93,500	71,300
Travel - Out of State	7,200	10,900	4,100
Other Operating Exp.	1,401,200	1,532,300	1,538,400
Equipment	226,000	107,800	107,800
All Other Operating Exp.	1,807,300	1,834,500	1,726,600
OPERATING SUBTOTAL	6,115,600	6,594,600	6,247,900
Special Line Items	4,378,800	9,615,900	1,288,900
TOTAL APPROPRIATIONS	10,494,400	16,210,500	7,536,800
<u>Fund Summary</u>			
General Fund	5,718,100	6,468,000	5,636,800
State Lake Improvement Fund	4,203,500	9,142,500	-0-
Law Enforcement and Boating Safety Fund	572,800	600,000	600,000
State Parks Enhancement Fund	-0-	-0-	1,300,000
TOTAL APPROPRIATIONS	10,494,400	16,210,500	7,536,800

ADDITIONAL LEGISLATION

Game, Fish Heritage Fund Report - Chapter 42 (S.B. 1031) - Requires the State Parks Board and the Game and Fish Commission to submit to the Legislature an annual report of Heritage Fund expenditures, including the amount of Heritage Fund monies spent for property acquisitions and the amount of property tax revenue paid for these properties during the last full tax year prior to acquisition.

(Continued)

STATE PARKS BOARD - SUMMARY (Cont'd)
GENERAL FUND OTHER APPROPRIATED FUNDS

OTHER ISSUES

State Parks Heritage Fund - Proposition 200, passed by Arizona voters in November 1990, directs \$10,000,000 annually from state lottery revenues to the State Parks Board and the Arizona Outdoor Recreation and Coordinating Commission (AORCC) for the following purposes:

Local and Regional Parks Acquisition and Development	\$3,500,000
State Park Acquisition and Development	1,700,000
Historic Preservation	1,700,000
Acquisition of Natural Areas	1,700,000
Management of Natural Areas	400,000
State Trails System Development	500,000
Environmental Education	<u>500,000</u>
TOTAL	<u>\$10,000,000</u>

Because Proposition 200 did not pass until November, 7/12 of the required annual allocation, or \$5,900,000, was directed to the Parks Board and AORCC in FY 1991. The full amount of \$10,000,000 will be provided in FY 1992. These funds are not subject to legislative appropriation; interest earned by investing these funds accrues to the State Parks Board and will be used for administrative expenses.

STATE PARKS BOARD - ADMINISTRATIVE & SUPPORT SERVICES

A.R.S. § 41-511

Ken Travous, Director

JLBC Analyst: Brainard

GENERAL FUND AND STATE PARKS ENHANCEMENT FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	148.4	168.0	172.5 ^{1/}
Personal Services	3,144,600	3,329,000	3,562,200
Employee Related Exp.	830,400	1,052,500	959,100
Prof. & Outside Services	28,600	15,000	5,000
Travel - State	71,300	70,300	71,300
Travel - Out of State	3,800	4,600	4,100
Other Operating Exp.	1,314,500	1,465,400	1,538,400
Equipment	201,600	107,800	107,800
All Other Operating Exp.	1,619,800	1,663,100	1,726,600
OPERATING SUBTOTAL	5,594,800	6,044,600	6,247,900
State Trust Land Leases	123,300	123,400	173,900
Arizona Conservation Corps	-0-	300,000	275,000 ^{2/}
Fool Hollow State Park	-0-	-0-	190,000
Tonto Natural Bridge Revolving Fund	-0-	-0-	50,000
TOTAL APPROPRIATIONS	5,718,100	6,468,000	6,936,800
<u>Fund Summary</u>			
General Fund	5,718,100	6,468,000	5,636,800
State Parks Enhancement Fund	-0-	-0-	1,300,000
TOTAL APPROPRIATIONS	5,718,100	6,468,000	6,936,800 ^{3/}

Personal Services - The approved amount includes a vacancy factor of 1.6%, or \$56,600, and reflects funding for 164 FTE positions. The Parks Board was exempt from the statewide FTE reduction policy because of the scheduled opening of new state parks.

Employee Related Expenditures - The approved amount contains \$360,200 for medical insurance, including a \$21,800 Section 104 lump sum allocation, and \$18,000 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

- 1/ The FTE positions total includes 4 FTE positions funded in the Arizona Conservation Corps special line item and 4.5 FTE positions funded in the Fool Hollow State Park special line item.
- 2/ Monies appropriated for the Arizona Conservation Corps (ACC) program shall be placed in the ACC Fund authorized by A.R.S. § 41-519.05. Expenditures from the ACC Fund may be reimbursed by federal, state, local, and other sources to accomplish the ACC program objectives stated in A.R.S. § 411-519. (General Appropriation Act footnote)
- 3/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the program, with special line items. The items within "All Other Operating Exp." are shown for information only.

STATE PARKS BOARD - ADMINISTRATIVE & SUPPORT SERVICES (Cont'd)
GENERAL FUND AND STATE PARKS ENHANCEMENT FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,000 in Professional and Outside Services, \$3,000 in Travel - State and \$500 in Travel - Out of State.

Travel - State - The approved amount includes \$4,000 for new state parks.

Other Operating Expenditures - The approved amount includes \$32,000 for office rent in the Industrial Commission building. When combined with other funding sources, this appropriation is intended to provide sufficient funding for rent through November 15, 1991. The Parks Board is scheduled to move its offices into other state-owned space in the Fall of 1991. The approved amount also includes \$163,800 for risk management, \$430,500 for field and office supplies; \$418,100 for utilities; \$141,800 for contract repair and maintenance of agency vehicles and equipment; and \$50,400 for print and photography supplies and services.

State Trust Land Leases - This appropriation provides lease payments to the State Land Department for the following state parks located on State Trust Lands: Buckskin, Homolovi, Lyman Lake, Patagonia, and Picacho.

Arizona Conservation Corps - This program was established by Laws 1989, Chapter 287 to promote the employment and personal development of young adults through projects and activities involving natural conservation and community service. The approved amount provides funding for 4 FTE positions, administrative expenses, and wages for project leaders and crew members.

Fool Hollow State Park - The approved amount provides first year funding to operate this site at Fool Hollow Lake as a state park, including 4.5 FTE positions, utilities, operating supplies, and equipment.

Tonto Natural Bridge Revolving Fund - This fund was established by Laws 1990, Chapter 48, to fund operating activities at the lodge at Tonto Natural Bridge State Park. The approved amount is intended to provide a one time appropriation for the purchase of items and equipment necessary to open the lodge.

ADDITIONAL LEGISLATION

General Government Omnibus Reconciliation Bill - Chapter 265 (S.B. 1317) - Amends A.R.S. § 41-511.11 and Laws 1988, Chapter 29, as amended by Laws 1990, Chapter 48, to eliminate the State Parks Acquisition and Development Fund and to create in its place the State Parks Enhancement Fund. One-half of the Enhancement Fund may be appropriated for parks operations, and one-half may be used for acquisition and development with the monies initially earmarked to complete the acquisition and development of Kartchner Cavern and Tonto Natural Bridge State Parks. Upon completion of the acquisition and development of these parks, the acquisition and development portion of the State Parks Enhancement Fund is subject to legislative appropriation. The source of the State Parks Enhancement Fund is parks user fees and concession revenue; estimated FY 1992 Enhancement Fund collections are \$2.6 million.

State Parks Board; Administrative Procedures - Chapter 32 (H.B. 2054) - Exempts the State Parks Board from state administrative procedure regulations, permitting the Parks Board to adjust state parks admission fees outside of the state rule making process.

**STATE PARKS BOARD - ARIZONA OUTDOOR RECREATION
COORDINATING COMMISSION**

A.R.S. § 41-511

Ken Travous, Director

JLBC Analyst: Brainard

LAW ENFORCEMENT AND BOATING SAFETY FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	9.5	9.5	-0-
Personal Services	277,500	298,100	-0-
Employee Related Exp.	55,800	80,500	-0-
Prof. & Outside Services	53,600	75,000	-0-
Travel - State	19,400	23,200	-0-
Travel - Out of State	3,400	6,300	-0-
Other Operating Exp.	86,700	66,900	-0-
Equipment	24,400	-0-	-0-
All Other Operating Exp.	187,500	171,400	-0-
OPERATING SUBTOTAL	520,800	550,000	-0-
SLIF Projects	3,607,700	8,592,500	-0-
Law Enforcement and Boating Safety Fund Projects	572,800	600,000	600,000 ^{1/}
Off-Highway Vehicle Study	75,000	-0-	-0-
TOTAL APPROPRIATIONS	4,776,300	9,742,500	600,000
<u>Fund Summary</u>			
State Lake Improvement Fund	4,203,500	9,142,500	-0-
Law Enforcement and Boating Safety Fund	572,800	600,000	600,000
TOTAL APPROPRIATIONS	4,776,300	9,742,500	600,000 ^{2/}

Laws 1990, Chapter 7 - 3rd Special Session removed the State Lake Improvement Fund from the legislative appropriations process effective July 1, 1991. The approved amount reflects estimated expenditures only from the Law Enforcement and Boating Safety Fund.

Law Enforcement and Boating Safety Fund Projects - The approved amount provides grants to county and local law enforcement agencies for boating safety and law enforcement purposes.

1/ The appropriation for Law Enforcement and Boating Safety Fund is an estimate only. All monies distributed to this fund during FY 1992 in excess of the appropriated amount are appropriated to the State Parks Board for purposes established in A.R.S. § 5-383. (General Appropriation Act footnote)

2/ Represents General Appropriation Act funds. Appropriated only for the purposes stated in A.R.S. § 5-383.

DEPARTMENT OF WATER RESOURCES - SUMMARY

A.R.S. § 45-102

Elizabeth Ann Rieke, Director

JLBC Analyst: Bock

GENERAL FUND AND FLOOD CONTROL ASSISTANCE FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
<u>Program Summary</u>			
Administration	3,776,000	3,794,400	3,631,400
Engineering	2,874,700	3,013,000	3,557,700
Water Management	4,631,600	4,670,300	5,051,100
TOTAL APPROPRIATIONS	11,282,300	11,477,700	12,240,200
FTE Positions	237.2	234.3	214.7
Personal Services	6,487,500	6,415,800	6,216,800
Employee Related Exp.	1,246,800	1,411,400	1,392,800
Prof. & Outside Services	603,400	590,400	510,300
Travel - State	234,500	246,600	234,300
Travel - Out of State	48,500	46,000	41,400
Other Operating Exp.	2,268,700	2,332,600	2,347,200
Equipment	93,300	22,000	49,500
All Other Operating Exp.	3,248,400	3,237,600	3,182,700
OPERATING SUBTOTAL	10,982,700	11,064,800	10,792,300
Special Line Items ^{1/}	299,600	412,900	412,900
Additional Appropriations ^{2/}	--	--	1,035,000
TOTAL APPROPRIATIONS	11,282,300	11,477,700	12,240,200 ^{2/}
<u>Fund Summary</u>			
General Fund	11,282,300	11,477,700	11,705,200
Flood Control Assistance Fund	-0-	-0-	535,000
TOTAL APPROPRIATIONS	11,282,300	11,477,700	12,240,200

Personal Services - The approved amount reflects a reduction of 11.6 unfunded FTE positions. Prior to this reduction, the vacancy savings rate was 7.7%. As a result of the reduction, a new vacancy factor of 3% was established. The resulting technical adjustments reduced Personal Services by \$3,000. The amount also reflects the additional elimination of 8 FTE positions.

(Continued)

- 1/ Details for the Special Line Items and Additional Appropriations are included on the individual program pages.
- 2/ Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF WATER RESOURCES - SUMMARY (Cont'd)
GENERAL FUNDS AND FLOOD CONTROL ASSISTANCE FUND

Employee Related Expenditures - The approved amount contains \$577,500 for medical insurance, including a \$35,000 Section 104 lump sum allocation, and \$28,900 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$118,100 in Professional and Outside Services, \$12,300 in Travel - State and \$4,600 in Travel - Out of State.

DEPARTMENT OF WATER RESOURCES - ADMINISTRATION

A.R.S. § 45-102

Elizabeth Ann Rieke, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	49.0	47.0	41.5
Personal Services	1,453,900	1,437,600	1,325,900
Employee Related Exp.	262,900	316,200	273,900
Prof. & Outside Services	83,300	53,100	35,000
Travel - State	12,400	15,800	15,800
Travel - Out of State	11,200	12,000	10,000
Other Operating Exp.	1,926,000	1,947,700	1,932,800
Equipment	26,300	12,000	38,000
All Other Operating Exp.	2,059,200	2,040,600	2,031,600
TOTAL APPROPRIATIONS	3,776,000	3,794,400	3,631,400 ^{1/}

Personal Services - The approved amount reflects a reduction of 0.5 unfunded FTE position. Prior to this reduction, the vacancy savings rate was 1.7%. As a result of the reduction, a new vacancy factor of 0.6% was established. The resulting technical adjustments increased Personal Services by \$2,200. The approved amount also reflects the elimination of 5 FTE positions and \$139,000: 1 Training Officer; 2 Administrative Assistants; 1 Administrative Services Officer; and 1 Information Processing Specialist.

Employee Related Expenditures - The approved amount contains \$106,700 for medical insurance, including a \$6,500 Section 104 lump sum allocation, and \$5,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$26,200 in Professional and Outside Services, \$0 in Travel - State and \$2,000 in Travel - Out of State.

All Other Operating Expenditures - The approved amount reduces Other Operating Expenditures by \$19,300 for costs related to the eliminated FTE positions and adds \$26,000 for Equipment. The approved amount also includes \$16,300 for risk management and \$855,900 for rent of the main offices at the 15 S. 15th Avenue building, which reflects a \$7,600 increase in the lease-purchase payment.

ADDITIONAL LEGISLATION

Operating Flexibility Accounts - Chapter 67 (H.B. 2340) - Among other provisions, this act requires the director of the Department of Water Resources to establish and collect fees from applicants to recover the costs of processing changes to groundwater flexibility accounts. Revenues are projected to be less than \$1,000 annually and are to be deposited to the General Fund.

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF WATER RESOURCES - ENGINEERING

A.R.S. § 45-102

Elizabeth Ann Rieke, Director

JLBC Analyst: Bock

GENERAL FUND AND FLOOD CONTROL ASSISTANCE FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	68.0	68.0	64.6
Personal Services	1,907,700	1,890,700	1,889,300
Employee Related Exp.	367,900	416,000	421,500
Prof. & Outside Services	46,400	52,200	42,200
Travel - State	102,700	105,800	105,800
Travel - Out of State	16,800	18,500	16,900
Other Operating Exp.	124,400	116,900	126,100
Equipment	9,200	-0-	8,000
All Other Operating Exp.	299,500	293,400	299,000
OPERATING SUBTOTAL	2,575,100	2,600,100	2,609,800
USGS Cooperative Agreement	170,300	272,900	272,900
Early Flood Warning System	68,500	90,000	90,000
Flood Control Development	60,800	50,000	50,000
TOTAL	2,874,700	3,013,000	3,022,700 ^{1/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Clifton Flood Control, Ch. 72	--	--	535,000
TOTAL APPROPRIATIONS	2,874,700	3,013,000	3,557,700
Fund Summary			
General Fund	2,874,700	3,013,000	3,022,700
Flood Control Assistance Fund	-0-	-0-	535,000
TOTAL APPROPRIATIONS	2,874,700	3,013,000	3,557,700

Personal Services - The approved amount reflects a reduction of 3.4 unfunded FTE positions. Prior to this reduction the vacancy savings rate was 7.8%. As a result of the reduction, a new vacancy factor of 3.1% was established. The resulting technical adjustments reduced Personal Services by \$1,400.

Employee Related Expenditures - The approved amount contains \$167,200 for medical insurance, including a \$10,100 Section 104 lump sum allocation, and \$8,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The program and line item detail are shown for information only.

DEPARTMENT OF WATER RESOURCES - ENGINEERING (Cont'd)
GENERAL FUNDS AND FLOOD CONTROL ASSISTANCE FUND

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$10,000 in Professional and Outside Services, \$0 in Travel - State and \$1,600 in Travel - Out of State.

All Other Operating Expenditures - The approved amount adds \$9,000 for Other Operating Expenditures and \$8,000 for capitalized equipment. The approved amount includes \$28,300 for rent.

ADDITIONAL APPROPRIATIONS

Clifton Flood Control - Chapter 72 (H.B. 2098) - This act transfers the lesser of either \$535,000 or the fund's unencumbered balance from the Flood Control Loan Fund to the Flood Control Assistance Fund. The same amount is appropriated to the Department of Water Resources from the Flood Control Assistance Fund for use on a flood control project for the town of Clifton.

DEPARTMENT OF WATER RESOURCES - WATER MANAGEMENT

A.R.S. § 45-102

Elizabeth Ann Rieke, Director

JLBC Analyst: Bock

GENERAL FUND	FY 1990 Actual	FY 1991 Estimate	FY 1992 Approved
FTE Positions	120.2	119.3	108.6
Personal Services	3,125,900	3,087,500	3,001,600
Employee Related Exp.	616,000	679,200	697,400
Prof. & Outside Services	473,700	485,100	433,100
Travel - State	119,400	125,000	112,700
Travel - Out of State	20,500	15,500	14,500
Other Operating Exp.	218,300	268,000	288,300
Equipment	57,800	10,000	3,500
All Other Operating Exp.	889,700	903,600	852,100
OPERATING SUBTOTAL	4,631,600	4,670,300	4,551,100 ^{1/}
Additional Appropriations - 40th Leg., 1st Reg. Session			
Groundwater; Replenishment Projects and Districts, Ch. 211	--	--	500,000
TOTAL APPROPRIATIONS	4,631,600	4,670,300	5,051,100

Personal Services - The approved amount reflects a reduction of 7.7 unfunded FTE positions. Prior to this reduction the vacancy savings rate was 10.2%. As a result of the reduction, a new vacancy factor of 0.4% was established. The resulting technical adjustments reduced Personal Services by \$3,900. The approved amount also reflects the elimination of 3 FTE positions and \$82,000 from the Adjudications Section, Verde River team.

Employee Related Expenditures - The approved amount contains \$303,600 for medical insurance, including an \$18,400 Section 104 lump sum allocation, and \$15,300 for dental insurance. The amounts approved for medical and dental insurance will be transferred to the Special Employee Health Insurance Trust Fund.

Statewide Policy on Professional and Outside Services and Travel Reductions - The approved amount reflects a reduction of \$52,000 in Professional and Outside Services, \$12,300 in Travel - State and \$1,000 in Travel - Out of State. The amount for Professional and Outside Service includes an 18.5% reduction plus an increase of \$36,000 for satellite imagery for Groundwater Code enforcement. Due to satellite deterioration and supplier changes, the only imagery series that will be available to DWR is more expensive than the series used till now. The Travel - State reduction is related to the 3 FTE positions eliminated from this cost center's Adjudications Section.

All Other Operating Expenditures - The approved amount includes \$102,100 for the Tucson Office Building rent, which is an increase of \$20,300. It also includes \$3,500 for replacement equipment.

(Continued)

^{1/} Represents General Appropriation Act funds. Appropriated as a modified lump sum for the agency. The program and line item details are shown for information only.

DEPARTMENT OF WATER RESOURCES - WATER MANAGEMENT (Cont'd)
GENERAL FUNDS

ADDITIONAL APPROPRIATIONS

Groundwater Replenishment Projects and Districts - Chapter 211 (H.B. 2499) - The act appropriates \$500,000 from the General Fund to the Department of Water Resources (DWR) for evaluating irrigation water duties and for supporting the Joint Legislative Study Committee on groundwater management goals. To help defray the cost of these functions, DWR shall levy, in addition to the fee already authorized, a groundwater withdrawal fee of up to 15¢ per acre-foot of groundwater withdrawn and beneficially used. Among other provisions, the act establishes a Phoenix groundwater replenishment district and requires related new analysis, plan review and oversight functions by DWR.

ADDITIONAL LEGISLATION

Groundwater Transportation Act - Chapter 212 (S.B. 1055) - This act establishes laws governing and restricting the purchase of rural land by cities and the transportation of groundwater from rural to urban areas. The Department of Water Resources must conduct various analyses and determinations in limiting groundwater transportation, and is responsible for overseeing various provisions of the act.

Reverse Retirement of Irrigated Land - Chapter 64 (H.B. 2190) - Among other provisions, this act allows the DWR to expend a specified portion of the 1990 groundwater augmentation fees in calendar year 1991 for conservation assistance programs. The conservation assistance expenditures would otherwise have been authorized only for calendar year 1992.

Water Quality Assurance Fee: Application - Chapter 23 (H.B. 2011) - This act clarifies that the water quality assurance fee, which is levied on specified types of groundwater withdrawals, is only applicable to groundwater withdrawn for beneficial use. As a result, deposits to the Water Quality Assurance Revolving Fund are projected to be at least \$20,000 less than they would have been otherwise.

**GENERAL FUND
APPROVED INSURANCE ADJUSTMENTS
FISCAL YEAR 1992 1/**

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
<u>GENERAL GOVERNMENT</u>					
DEPARTMENT OF ADMINISTRATION:					
Office of the Director	\$1,000	\$16,200	\$17,200	\$900	\$18,100
Hearing Office *	200	3,500	3,700	200	3,900
Data Management	5,600	87,500	93,100	4,700	97,800
Finance	13,900	214,800	228,700	11,300	240,000
GAAP *	2,600	40,500	43,100	2,100	45,200
SLIAG *	900	14,000	14,900	700	15,600
Facilities Management	44,100	682,500	726,600	36,200	762,800
General Services Administration	600	9,200	9,800	500	10,300
TOTAL - DEPARTMENT OF ADMINISTRATION	<u>\$68,900</u>	<u>\$1,068,200</u>	<u>\$1,137,100</u>	<u>\$56,600</u>	<u>\$1,193,700</u>
OFFICE OF AFFIRMATIVE ACTION	800	12,100	12,900	600	13,500
ATTORNEY GENERAL - DEPARTMENT OF LAW:	52,500	813,000	865,500	43,400	908,900
DEPARTMENT OF COMMERCE	7,300	113,000	120,300	6,100	126,400
Motion Picture Development *	900	13,200	14,100	700	14,800
TOTAL - DEPARTMENT OF COMMERCE	<u>\$8,200</u>	<u>\$126,200</u>	<u>\$134,400</u>	<u>\$6,800</u>	<u>\$141,200</u>
SUPREME COURT - SUPREME COURT	17,700	274,100	291,800	14,600	306,400
SUPREME COURT - FOSTER CARE REVIEW BOARD	5,000	78,200	83,200	4,200	87,400
COURT OF APPEALS - DIVISION I	14,800	230,000	244,800	12,400	257,200

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
COURT OF APPEALS - DIVISION II	\$5,000	\$77,800	\$82,800	\$4,100	\$86,900
COMMISSION ON JUDICIAL CONDUCT	200	3,500	3,700	200	3,900
SUPERIOR COURT	18,400	285,300	303,700	15,100	318,800
OFFICE OF THE GOVERNOR	6,300	97,200	103,500	5,200	108,700
STRATEGIC PLANNING AND BUDGETING Business Operations	3,500	54,200	57,700	3000	60,700
LAW ENFORCEMENT MERIT SYSTEM COUNCIL	100	1,700	1,800	200	2,000
LEGISLATURE - AUDITOR GENERAL	24,000	371,900	395,900	19,800	415,700
LEGISLATURE - HOUSE OF REPRESENTATIVES	24,500	379,400	403,900	20,200	424,100
LEGISLATURE - JOINT LEGIS BUDGET COMMITTEE	4,300	64,400	68,700	3,700	72,400
LEGISLATURE - LEGISLATIVE COUNCIL	5,200	81,000	86,200	4,300	90,500
LEGIS - LIBRARY, ARCHIVES AND PUBLIC RECORDS	16,300	251,800	268,100	13,600	281,700
LEGISLATURE - SENATE	22,400	347,000	369,400	18,500	387,900
PERSONNEL BOARD	400	6,300	6,700	300	7,000
DEPARTMENT OF REVENUE:					
Director's Office	900	13,800	14,700	700	15,400
Administrative Services	15,600	241,100	256,700	12,800	269,500
Property Valuation	18,000	278,300	296,300	14,900	311,200

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
Special Support	\$8,800	\$136,800	\$145,600	\$7,200	\$152,800
Enforcement	88,000	1,362,600	1,450,600	72,200	1,522,800
Tax Payer Support & Ed. Service	18,200	281,900	300,100	15,100	315,200
Data Management	38,800	601,300	640,100	31,900	672,000
TOTAL - DEPARTMENT OF REVENUE	\$188,300	\$2,915,800	\$3,104,100	\$154,800	\$3,258,900
DEPT OF STATE - SECRETARY OF STATE	4,800	73,900	78,700	3,900	82,600
Proposition 200 *	900	13,700	14,600	500	15,100
TOTAL - SECRETARY OF STATE	\$5,700	\$87,600	\$93,300	\$4,400	\$97,700
STATE BOARD OF TAX APPEALS	1,500	23,400	24,900	1,300	26,200
OFFICE OF TOURISM	2,800	44,000	46,800	2,400	49,200
STATE TREASURER	4,600	72,000	76,600	3,900	80,500
TOTAL - GENERAL GOVERNMENT	\$501,400	\$7,766,100	\$8,267,500	\$413,600	\$8,681,100
 <u>HEALTH AND WELFARE</u>					
AHCCCS ADMINISTRATION:					
Administration	73,400	1,137,500	1,210,900	60,600	1,271,500
DES Eligibility	57,700	894,000	951,700	47,800	999,500
DES DDSA *	300	5,200	5,500	300	5,800
DES PASARR *	300	4,700	5,000	300	5,300
DHS Licensure	2,700	42,300	45,000	2,300	47,300
DHS PASARR *	200	3,000	3,200	200	3,400
Indian Advisory Council *	400	5,600	6,000	300	6,300
TOTAL - AHCCCS	\$135,000	\$2,092,300	\$2,227,300	\$111,800	\$2,339,100

	Section 104 Allocation	Medical Insurance	Total Medical	Dental Insurance	Total Health Ins Approved
DEPARTMENT OF ECONOMIC SECURITY:					
Administration	\$52,000	\$805,300	\$857,300	\$43,000	\$900,300
Developmental Disabilities	81,300	1,259,100	1,340,400	66,800	1,407,200
Long Term Care	50,500	782,800	833,300	41,500	874,800
Family Support	126,600	1,961,900	2,088,500	104,800	2,193,300
Child Support Enforcement	10,100	155,800	165,900	8,300	174,200
Social Services	97,400	1,508,700	1,606,100	80,800	1,686,900
Employment and Rehabilitation Svcs	15,800	244,400	260,200	13,100	273,300
TOTAL - DEPARTMENT OF ECONOMIC SECURITY	\$433,700	\$6,718,000	\$7,151,700	\$358,300	\$7,510,000
DEPARTMENT OF ENVIRONMENTAL QUALITY	38,900	602,000	640,900	31,700	672,600
DEPARTMENT OF HEALTH SERVICES:					
EMS/Health Care Facilities	18,300	283,400	301,700	15,100	316,800
Disease Control	9,200	143,200	152,400	7,600	160,000
Health Effects *	500	7,000	7,500	400	7,900
Chronic Disease Survey *	700	10,800	11,500	600	12,100
Family Health	7,500	116,500	124,000	6,200	130,200
Prenatal Express *	100	2,300	2,400	100	2,500
Newborn *	700	10,500	11,200	600	11,800
CRS *	2,500	39,000	41,500	2,100	43,600
Information & Referral *	100	1,900	2,000	100	2,100
Perinatal Care *	0	500	500	0	500
Behavioral Health	174,200	2,699,200	2,873,400	143,700	3,017,100
Transitional Living *	2,100	32,600	34,700	1,700	36,400
Child Behavioral Health *	2,900	44,600	47,500	2,400	49,900
CMI Services *	4,100	63,100	67,200	3,400	70,600
Mental Health Services *	1,500	22,900	24,400	1,200	25,600
Substance Abuse *	1,200	18,000	19,200	1,000	20,200
EPSDT *	4,600	71,700	76,300	3,800	80,100
Office of the Director	27,000	418,000	445,000	22,400	467,400

	Section 104 Allocation	Medical Insurance	Total Medical	Dental Insurance	Total Health Ins Approved
Laboratory	\$8,400	\$130,000	\$138,400	\$6,900	\$145,300
Blood/Alcohol	300	4,000	4,300	200	4,500
TOTAL - DEPARTMENT OF HEALTH SERVICES	\$265,900	\$4,119,200	\$4,385,100	\$219,500	\$4,604,600
COUNCIL FOR THE HEARING IMPAIRED	1,000	15,500	16,500	800	17,300
COMMISSION ON INDIAN AFFAIRS	800	12,000	12,800	700	13,500
PIONEERS' HOME	15,900	246,100	262,000	13,100	275,100
VETERANS' SERVICE COMMISSION					
Veterans' Affairs	2,900	44,700	47,600	2,400	50,000
TOTAL - HEALTH AND WELFARE	\$894,100	\$13,849,800	\$14,743,900	\$738,300	\$15,482,200
<u>INSPECTION AND REGULATION</u>					
AGRICULTURAL EMPLOYMENT RELATIONS BOARD	900	14,700	15,600	800	16,400
DEPARTMENT OF AGRICULTURE					
Officer of the Director	8,000	123,300	131,300	6,300	137,600
Animal Services	15,600	241,400	257,000	12,900	269,900
Plant Industries	16,900	261,800	278,700	14,100	292,800
Chemicals/Environment	1,000	15,000	16,000	900	16,900
TOTAL - DEPARTMENT OF AGRICULTURE	\$41,500	\$641,500	\$683,000	\$34,200	\$717,200
BANKING DEPARTMENT:					
Receivership *	12,900	199,100	212,000	10,700	222,700
	1,100	16,300	17,400	900	18,300
TOTAL - BANKING DEPARTMENT	\$14,000	\$215,400	\$229,400	\$11,600	\$241,000

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
BOXING COMMISSION	\$300	\$4,500	\$4,800	\$200	\$5,000
DEPARTMENT OF BUILDING AND FIRE SAFETY	10,700	165,800	176,500	8,800	185,300
REGISTRAR OF CONTRACTORS	16,000	248,100	264,100	13,200	277,300
CORPORATION COMMISSION:					
Administration	5,100	78,800	83,900	4,300	88,200
Corporations	5,500	85,200	90,700	4,600	95,300
Securities	6,000	93,500	99,500	5,000	104,500
Railroad Safety	1,200	18,900	20,100	1,000	21,100
TOTAL - CORPORATION COMMISSION	<u>\$17,800</u>	<u>\$276,400</u>	<u>\$294,200</u>	<u>\$14,900</u>	<u>\$309,100</u>
DEPARTMENT OF INSURANCE	12,700	196,700	209,400	10,400	219,800
DEPARTMENT OF LIQUOR LICENSE AND CONTROL	7,900	122,800	130,700	6,600	137,300
MINE INSPECTOR	1,600	24,400	26,000	1,300	27,300
DEPARTMENT OF RACING:					
Commercial Racing	7,000	109,200	116,200	5,900	122,100
RADIATION REGULATORY AGENCY					
Evaluation and Compliance	2,700	42,600	45,300	2,200	47,500
REAL ESTATE DEPARTMENT	11,300	175,800	187,100	9,300	196,400
DEPARTMENT OF WEIGHTS AND MEASURES	9,000	139,200	148,200	7,500	155,700
TOTAL - INSPECTION AND REGULATION	<u>\$153,400</u>	<u>\$2,377,100</u>	<u>\$2,530,500</u>	<u>\$126,900</u>	<u>\$2,657,400</u>

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
EDUCATION					
COMMISSION ON THE ARTS	\$1,700	\$26,600	\$28,300	\$1,400	\$29,700
COMMUNITY COLLEGES BOARD	1,500	23,100	24,600	1,200	25,800
SCHOOL FOR THE DEAF AND THE BLIND:					
Phoenix Day School	17,800	275,600	293,400	14,600	308,000
ADTEC	8,200	127,100	135,300	6,800	142,100
Tucson Campus	45,100	697,900	743,000	37,000	780,000
TOTAL - DEAF AND BLIND SCHOOL	<u>\$71,100</u>	<u>\$1,100,600</u>	<u>\$1,171,700</u>	<u>\$58,400</u>	<u>\$1,230,100</u>
DEPARTMENT OF EDUCATION:					
State Board of Education	400	5,600	6,000	300	6,300
General Services Administration	22,200	344,600	366,800	18,300	385,100
Special Education Audit *	700	10,400	11,100	600	11,700
Vocational Education	3,800	59,400	63,200	3,100	66,300
Assistance to Schools:					
Chemical Abuse *	1,000	15,300	16,300	800	17,100
Academic Decathlon *	100	2,300	2,400	100	2,500
K-3 Support *	400	6,900	7,300	400	7,700
Dropout Prevention *	200	3,200	3,400	200	3,600
Adult Education *	700	10,500	11,200	600	11,800
Principal's Institute *	200	3,500	3,700	200	3,900
AZ Teacher Evaluation *	400	6,900	7,300	400	7,700
Gifted Support *	300	4,600	4,900	200	5,100
TOTAL - DEPARTMENT OF EDUCATION	<u>\$30,400</u>	<u>\$473,200</u>	<u>\$503,600</u>	<u>\$25,200</u>	<u>\$528,800</u>
ARIZONA HISTORICAL SOCIETY	7,600	117,600	125,200	6,300	131,500

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
PRESCOTT HISTORICAL SOCIETY	\$2,300	\$36,000	\$38,300	\$1,900	\$40,200
ARIZONA BOARD OF REGENTS	6,000	93,200	99,200	5,400	104,600
ARIZONA STATE UNIVERSITY:					
Main Campus	609,800	9,445,900	10,055,700	411,400	10,467,100
West Campus	70,600	1,093,000	1,163,600	45,800	1,209,400
TOTAL - ARIZONA STATE UNIVERSITY	<u>\$680,400</u>	<u>\$10,538,900</u>	<u>\$11,219,300</u>	<u>\$457,200</u>	<u>\$11,676,500</u>
NORTHERN ARIZONA UNIVERSITY	322,300	4,993,300	5,315,600	376,900	5,692,500
UNIVERSITY OF ARIZONA:					
Main Campus	670,700	10,389,800	11,060,500	629,100	11,689,600
College of Medicine	58,300	903,700	962,000	55,700	1,017,700
TOTAL - UNIVERSITY OF ARIZONA	<u>\$729,000</u>	<u>\$11,293,500</u>	<u>\$12,022,500</u>	<u>\$684,800</u>	<u>\$12,707,300</u>
TOTAL - EDUCATION	<u>\$1,852,300</u>	<u>\$28,696,000</u>	<u>\$30,548,300</u>	<u>\$1,618,700</u>	<u>\$32,167,000</u>

PROTECTION AND SAFETY

DEPARTMENT OF CORRECTIONS:

Adult Institutions	774,200	11,993,900	12,768,100	640,100	13,408,200
Human Resources and Development	76,300	1,182,500	1,258,800	62,800	1,321,600
Administration	28,200	437,000	465,200	23,400	488,600
Adult Community Services	30,400	470,600	501,000	24,900	525,900
TOTAL - DEPARTMENT OF CORRECTIONS	<u>\$909,100</u>	<u>\$14,084,000</u>	<u>\$14,993,100</u>	<u>\$751,200</u>	<u>\$15,744,300</u>

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
DEPARTMENT OF JUVENILE CORRECTIONS					
Juvenile Services	\$94,100	\$1,457,700	\$1,551,800	\$77,800	\$1,629,600
Governor's Task Force *	400	6,200	6,600	300	6,900
TOTAL - DEPARTMENT OF JUVENILE CORRECTIONS	\$94,500	\$1,463,900	\$1,558,400	\$78,100	\$1,636,500
DEPARTMENT OF EMER SVCS AND MIL AFFAIRS:					
Department of Emergency Services	2,200	34,300	36,500	1,800	38,300
Department of Military Affairs	7,100	109,700	116,800	5,900	122,700
TOTAL - DEPT OF EMER SVCS AND MIL AFFAIRS	\$9,300	\$144,000	\$153,300	\$7,700	\$161,000
BOARD OF PARDONS AND PAROLES	6,600	101,800	108,400	5,400	113,800
DEPARTMENT OF PUBLIC SAFETY:					
Criminal Investigation Bureau	36,800	570,100	606,900	30,300	637,200
Administration Bureau	22,200	344,200	366,400	18,300	384,700
Criminal Justice Support Bureau	22,600	349,600	372,200	18,600	390,800
Telecommunications Bureau	42,300	655,200	697,500	34,900	732,400
TOTAL - DEPARTMENT OF PUBLIC SAFETY	\$123,900	\$1,919,100	\$2,043,000	\$102,100	\$2,145,100
TOTAL - PROTECTION AND SAFETY	\$1,143,400	\$17,712,800	\$18,856,200	\$944,500	\$19,800,700
<u>TRANSPORTATION</u>					
DEPARTMENT OF TRANSPORTATION					
Public Transit Division	400	6,500	6,900	300	7,200
TOTAL - TRANSPORTATION	\$400	\$6,500	\$6,900	\$300	\$7,200
<u>NATURAL RESOURCES</u>					
COMMISSION ON THE ENVIRONMENT	500	7,100	7,600	400	8,000

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
ARIZONA GEOLOGICAL SURVEY	\$1,900	\$29,800	\$31,700	\$1,600	\$33,300
LAND DEPARTMENT	24,600	381,200	405,800	20,400	426,200
DEPARTMENT OF MINES AND MINERAL RESOURCES	1,200	18,000	19,200	1,000	20,200
PARKS BOARD					
Administrative and Support Services	21,800	338,400	360,200	18,000	378,200
DEPARTMENT OF WATER RESOURCES:					
Administration	6,500	100,200	106,700	5,300	112,000
Engineering	10,100	157,100	167,200	8,300	175,500
Water Management	18,400	285,200	303,600	15,300	318,900
TOTAL - DEPARTMENT OF WATER RESOURCES	<u>\$35,000</u>	<u>\$542,500</u>	<u>\$577,500</u>	<u>\$28,900</u>	<u>\$606,400</u>
TOTAL - NATURAL RESOURCES	<u>\$85,000</u>	<u>\$1,317,000</u>	<u>\$1,402,000</u>	<u>\$70,300</u>	<u>\$1,472,300</u>
TOTAL INSURANCE ADJUSTMENTS - GENERAL FUND	<u><u>\$4,630,000</u></u>	<u><u>\$71,725,300</u></u>	<u><u>\$76,355,300</u></u>	<u><u>\$3,912,600</u></u>	<u><u>\$80,267,900</u></u>

* Denotes special line item

1/ Represents allocation of the additional health insurance funds provided in Section 104 of the FY 1992 General Appropriation Act. In addition, the table includes total medical and dental insurance funds available in each agency budget.

**NON-GENERAL FUND
APPROVED INSURANCE ADJUSTMENTS
FISCAL YEAR 1992 1/**

	<u>Section 104 Allocation</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
<u>GENERAL GOVERNMENT</u>					
DEPARTMENT OF ADMINISTRATION					
Personnel	\$2,200	\$271,900	\$274,100	\$14,400	\$288,500
Facilities Management	200	29,600	29,800	1,600	31,400
TOTAL - DEPARTMENT OF ADMINISTRATION	<u>2,400</u>	<u>301,500</u>	<u>303,900</u>	<u>16,000</u>	<u>319,900</u>
ARIZONA LOTTERY	2,400	304,200	306,600	16,400	323,000
STATE RETIREMENT SYSTEM	1,600	198,600	200,200	10,600	210,800
COLISEUM AND EXPOSITION CENTER	1,800	225,000	226,800	11,900	238,700
DEPARTMENT OF COMMERCE					
Commerce - Bond	0	3,300	3,300	200	3,500
Oil Overcharge Administration *	0	5,300	5,300	300	5,600
Indian Economic Development *	0	2,800	2,800	200	3,000
Housing Trust Fund	0	4,300	4,300	200	4,500
CEDC	100	17,700	17,800	900	18,700
TOTAL - DEPARTMENT OF COMMERCE	<u>100</u>	<u>33,400</u>	<u>33,500</u>	<u>1,800</u>	<u>35,300</u>
TOTAL - GENERAL GOVERNMENT	<u>\$8,300</u>	<u>\$1,062,700</u>	<u>\$1,071,000</u>	<u>\$56,700</u>	<u>\$1,127,700</u>

	<u>Section 104 Allocation 1/</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
<u>HEALTH AND WELFARE</u>					
DEPARTMENT OF ECONOMIC SECURITY:					
Administration					
Public Assistance Collection Fund *	\$100	\$11,200	\$11,300	\$600	\$11,900
Child Protective Service Training	100	16,200	16,300	900	17,200
TOTAL - DEPT. OF ECONOMIC SECURITY	200	27,400	27,600	1,500	29,100
DEPARTMENT OF ENVIRONMENTAL QUALITY					
Air Quality	100	6,500	6,600	300	6,900
DEPARTMENT OF HEALTH SERVICES					
EMS Operating Fund *	800	103,100	103,900	5,500	109,400
VETERANS' SERVICES COMMISSION					
Veterans' Conservatorship	300	36,500	36,800	1,900	38,700
TOTAL - HEALTH AND WELFARE	\$1,400	\$173,500	\$174,900	\$9,200	\$184,100
<u>INSPECTION AND REGULATION</u>					
DEPARTMENT OF AGRICULTURE					
Office of the Director	100	8,500	8,600	400	9,000
Egg Inspection *	100	11,700	11,800	600	12,400
Fruit & Vegetable Standardization *	400	44,400	44,800	2,500	47,300
Chemicals & Environment					
Pesticide Fund	100	7,900	8,000	500	8,500
Community Feed Fund	100	7,900	8,000	500	8,500
Fertilizer Material Fund	100	8,000	8,100	500	8,600
TOTAL - DEPT OF AGRICULTURE	\$900	\$88,400	\$89,300	\$5,000	\$94,300

	<u>Section 104 Allocation 1/</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
CORPORATION COMMISSION:					
Corporations					
Arts Trust Fund *	\$0	\$2,500	\$2,500	\$100	\$2,600
Utilities	1,600	198,300	199,900	10,600	210,500
Legal Division	300	39,400	39,700	2,000	41,700
TOTAL - CORPORATION COMMISSION	<u>1,900</u>	<u>240,200</u>	<u>242,100</u>	<u>12,700</u>	<u>254,800</u>
INDUSTRIAL COMMISSION:					
Administration	800	105,700	106,500	5,500	112,000
Claims	1,500	185,500	187,000	9,900	196,900
Administrative Law Judge	1,000	123,500	124,500	6,500	131,000
Labor	200	28,000	28,200	1,500	29,700
Special Fund	300	33,900	34,200	1,700	35,900
Occupational Safety and Health	900	109,400	110,300	5,700	116,000
Legal	300	42,100	42,400	2,200	44,600
TOTAL - INDUSTRIAL COMMISSION	<u>5,000</u>	<u>628,100</u>	<u>633,100</u>	<u>33,000</u>	<u>666,100</u>
DEPARTMENT OF RACING					
County Fair Racing	100	15,000	15,100	800	15,900
RADIATION REGULATORY AGENCY					
Med. Radiologic Tech. Bd. of Exam.	100	6,800	6,900	400	7,300
RESIDENTIAL UTILITY CONSUMER OFFICE					
	300	36,500	36,800	2,200	39,000
DEPARTMENT OF WEIGHTS AND MEASURES					
	100	12,600	12,700	700	13,400
<u>NINETY-TEN AGENCIES:</u>					
BOARD OF ACCOUNTANCY	\$200	\$27,500	\$27,700	\$1,500	\$29,200
BOARD OF APPRAISAL	100	6,700	6,800	400	7,200

	<u>Section 104 Allocation 1/</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
BARBER EXAMINERS BOARD	\$100	\$6,900	\$7,000	\$400	\$7,400
BOARD OF BEHAVIORAL HEALTH EXAMINERS	0	6,100	6,100	300	6,400
CHIROPRACTIC EXAMINERS BOARD	100	9,300	9,400	500	9,900
BOARD OF COSMETOLOGY	300	35,500	35,800	1,900	37,700
DENTAL EXAMINERS BOARD	100	18,100	18,200	1,000	19,200
FUNERAL DIRECTORS AND EMBALMERS BOARD	100	12,000	12,100	700	12,800
State Boards Contribution	0	700	700	100	800
TOTAL - FUNERAL DIR. & EMBALM. BD.	100	12,700	12,800	800	13,600
HOMEOPATHIC MEDICAL EXAMINERS BOARD					
State Boards Contribution	0	700	700	100	800
BOARD OF MEDICAL EXAMINERS	700	89,300	90,000	4,800	94,800
Attorney General - IGA *	100	18,000	18,100	1,000	19,100
TOTAL - BOARD OF MEDICAL EXAMINERS	800	107,300	108,100	5,800	113,900
NATUROPATHIC PHYSICIANS EXAMINING BD.					
State Boards Contribution	0	700	700	100	800
BOARD OF NURSING	400	48,200	48,600	2,300	50,900
Nurse Aid Registration Program *	0	2,000	2,000	100	2,100
TOTAL - BOARD OF NURSING	400	50,200	50,600	2,400	53,000
NURSING CARE INST. ADMIN. BOARD	0	3,300	3,300	200	3,500
State Boards Contribution	0	700	700	100	800

	<u>Section 104 Allocation 1/</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
TOTAL - NURSING CARE INST. ADMIN. BD.	\$0	\$4,000	\$4,000	\$300	\$4,300
BOARD OF DISPENSING OPTICIANS	0	4,500	4,500	200	4,700
State Boards Contribution	0	700	700	100	800
TOTAL - BD. OF DISPENSING OPTICIANS	0	5,200	5,200	300	5,500
BOARD OF OPTOMETRY	0	5,100	5,100	300	5,400
State Boards Contribution	0	1,900	1,900	100	2,000
TOTAL - BOARD OF OPTOMETRY	0	7,000	7,000	400	7,400
OSTEOPATHIC EXAMINERS BOARD	100	9,900	10,000	500	10,500
BOARD OF PHARMACY	200	23,400	23,600	1,200	24,800
RESPIRATORY CARE BOARD	0	2,800	2,800	200	3,000
BOARD OF OCCUPATIONAL THERAPY	0	1,900	1,900	100	2,000
PHYSICAL THERAPY EXAMINERS BOARD	0	3,500	3,500	200	3,700
State Boards Contribution	0	700	700	100	800
TOTAL - PHYSICAL THERAPY EXAM. BD.	0	4,200	4,200	300	4,500
PODIATRY EXAMINERS BOARD	0	2,900	2,900	200	3,100
State Boards Contribution	0	2,900	2,900	200	3,100
TOTAL - PODIATRY EXAMINERS BOARD	0	2,900	2,900	200	3,100
BD. FOR PRIVATE POSTSECONDARY EDUCATION	100	7,000	7,100	400	7,500
PSYCHOLOGIST EXAMINERS BOARD	0	3,400	3,400	100	3,500
State Boards Contribution	0	1,900	1,900	100	2,000
TOTAL - PSYCHOLOGIST EXAMINERS BD.	0	5,300	5,300	200	5,500

	Section 104 Allocation 1/	Medical Insurance	Total Medical	Dental Insurance	Total Health Ins Approved
STRUCTURAL PEST CONTROL BOARD	\$500	\$60,500	\$61,000	\$3,200	\$64,200
BOARD OF TECHNICAL REGISTRATION	300	34,600	34,900	1,800	36,700
VETERINARY MEDICAL EXAMINERS BOARD	100	7,700	7,800	400	8,200
State Boards Contribution	0	700	700	100	800
TOTAL - VETERINARY MED. EXAM. BOARD	100	8,400	8,500	500	9,000
TOTAL - INSPECTION AND REGULATION	\$11,900	\$1,486,400	\$1,498,300	\$79,600	\$1,577,900
<u>PROTECTION AND SAFETY</u>					
ARIZONA CRIMINAL JUSTICE COMMISSION	100	13,900	14,000	700	14,700
JUVENILE CORRECTIONS					
Juvenile Education	1,200	155,700	156,900	8,300	165,200
DEPARTMENT OF PUBLIC SAFETY					
Highway Patrol	11,700	1,464,200	1,475,900	77,900	1,553,800
TOTAL - PROTECTION AND SAFETY	\$13,000	\$1,633,800	\$1,646,800	\$86,900	\$1,733,700
<u>TRANSPORTATION</u>					
DEPARTMENT OF TRANSPORTATION:					
Director's Staff	100	14,200	14,300	800	15,100
Transportation Planning	1,900	239,500	241,400	12,700	254,100
Administrative Services Division	6,000	747,500	753,500	39,800	793,300
Special Support Group	1,600	201,800	203,400	10,700	214,100

	<u>Section 104 Allocation 1/</u>	<u>Medical Insurance</u>	<u>Total Medical</u>	<u>Dental Insurance</u>	<u>Total Health Ins Approved</u>
Motor Vehicle Division	\$15,800	\$1,980,400	\$1,996,200	\$105,400	\$2,101,600
Medical Advisory Board *	0	4,600	4,600	200	4,800
Mandatory Insurance *	300	38,700	39,000	2,100	41,100
Highways Division	18,200	2,252,600	2,270,800	119,900	2,390,700
Highway Maintenance *	16,000	1,997,900	2,013,900	106,300	2,120,200
Aeronautics	600	71,100	71,700	3,800	75,500
TOTAL - TRANSPORTATION	\$60,500	\$7,548,300	\$7,608,800	\$401,700	\$8,010,500
 <u>NATURAL RESOURCES</u>					
GAME AND FISH DEPARTMENT:					
Administrative and Field Services	4,300	543,700	548,000	29,200	577,200
Watercraft	500	59,400	59,900	3,100	63,000
Game, No-game, Fish, Endangered Species	\$100	\$9,100	\$9,200	\$500	\$9,700
TOTAL - GAME AND FISH DEPARTMENT	4,900	612,200	617,100	32,800	649,900
TOTAL - NATURAL RESOURCES	\$4,900	\$612,200	\$617,100	\$32,800	\$649,900
TOTAL INSURANCE ADJUSTMENT - NON-GENERAL FUND	\$100,000	\$12,516,900	\$12,616,900	\$666,900	\$13,283,800

* Denotes special line item

1/ Represents allocation of the additional health insurance funds provided in Section 104 of the FY 1992 General Appropriation Act. In addition, the table includes total medical and dental insurance funds available in each agency budget.

THE U. S. ECONOMY

FY 1991 in Review

The fiscal year, which closed on June 30, was a disappointing one for the economy because of the Gulf War and the recession that was in process of developing just as it started. Economic growth as measured by the real Gross National Product (GNP) was already slowing when the fiscal year began in July of 1990. In fact, the National Bureau of Economic Research, has recently looked back and pronounced that the recession began about that time. They officially define a recession as "recurring periods of decline in total output, income, employment and trade usually lasting from six months to one year and marked by widespread contractions in many sectors of the economy." The businessman and economist usually use the working definition of a recession as "two consecutive quarters of negative real GNP growth." Either definition was appropriate for the U.S. economy in FY 1991.

Consumers do two-thirds of the spending in the U.S. economy and the growth of consumption was slowing substantially, particularly in durable goods such as autos as the year started. This led to reductions in profits and in private investment in housing, plant and equipment.

However, in the third and fourth quarter of 1990 there suddenly developed a great deal of uncertainty. The invasion of Kuwait by Iraq and the resulting uncertainties of the Gulf War were the final blows to the economy. The Index(es) of Consumer Confidence, as measured by the University of Michigan and also The Conference Board, a business group, fell further and faster in the third quarter of 1990 than at any time since these indices were started over twenty years ago. Consumers and business were facing increased oil and gas prices, a Congress that was in the process of increasing excise and other taxes during an economic slowdown, and a televised live war was occurring at the same time. Oil and gas prices rose to near \$40 during this period.

Consumer and business uncertainty was increased by the apparent unraveling of the reform movements in the Soviet Union, leading to near chaos there. The unification process in Germany started to prove much more difficult and much more expensive than promised. Finally, there were questions about the health of the U.S. banking system and the availability of credit for business.

GNP declined at an annual rate of 1.6% in the fourth quarter of 1990. Inflation adjusted consumption declined 3.4%, led by durable goods sales which declined 12.3%. Investment fell 21.4%, led by residential construction which fell 20.6% from the level one year earlier.

The first quarter of 1991 marked a 2.8% decline in GNP. This was again led by declines in investment, producer's equipment and residential investment, and personal consumption, particularly autos. The Big Three U.S. automakers all posted either record or near record losses for one quarter.

However, the Gulf War ended decisively from the U.S. military point of view. It was hoped that the 500,000 troops returning home would be in a mood to resume spending. The signals in the second quarter of calendar 1991 are showing that consumer spending is on a gradual rise.

We expect that FY 1991 will show the growth rate in real GNP to be only 0.1%, down from our 0.5% forecast of last December because of the higher than expected decline in the first quarter of this year.

Outlook for FY 1992

The average postwar recession has lasted for about 11 months. If this timing is repeated then June would mark the beginning of recovery. There are already some signs that the bottom may have been reached in early Spring. Unemployment declined to 6.6% in April compared to 6.8% in March. Inflation is under control at an annual 4.5% rate.

Consumers have been repaying debts. Total installment debt declined every month since last December, a four-month decline not matched in length since 1958. This will create a situation where consumers could be in a position to make larger purchases in the next few months.

There is, in fact, a strong case for a recovery in the economy starting from June of 1991 even if we do not see an exceptionally strong recovery. (See Table 1 and Charts 1-4). Lower interest rates and oil prices are already beginning to promote a modest recovery in housing and consumer purchasing power. Auto sales would appear to have little place to go but up in coming months. Consumer inflation, as measured by the Consumer Price Index, will be up only about 4.0% or less if oil prices remain stable.

Consumer confidence has already rebounded almost to its level prior to the outbreak of the Gulf War, according to the University of Michigan Index.

We are very confident of the recovery. However, we do not expect an exceptionally strong recovery for several reasons:

- (1) **Declining interest rates will promote growth, but they will offer less stimulus than in past recoveries.** High interest rates were not the reason for this recession. High oil prices, restrictions on credit, overcapacity in real estate and low corporate profit margins were the reasons for the contraction. While auto sales, home purchases and corporate investment will increase in the next year, lower interest rates will not provide the primary boost. Housing, for example, is less sensitive to interest rates today because of the popularity of adjustable-rate mortgages which are tied to shorter term interest rates such as T-Bills. Consumers do not have to wait until 30 year mortgage rates fall substantially. Many mortgages are tied to shorter term interest rates. (See Charts 5-8)
- (2) **Lending and borrowing will remain modest.** The Federal Reserve has used every tool at its disposal to lower interest rates and improve the profitability of banks in order to encourage them to lend more. Reports indicate that the worst of the credit crunch (the situation where banks were too cautious to lend because of too many problem loans on their books and fears of making more) is now over. However, lenders are not likely to resume the easy credit days of the 1980's. Consumers and business will remain more cautious about taking on excessive debt as well.
- (3) **Inventory reorders and growth will be more modest than in past recoveries.** In years past when the economy slowed inventories started to pile up at wholesalers and retailers. This caused them to cut back orders at the head office or supplier. They tried to run these inventories down and when business turned around they increased orders for more inventories, leading to rehiring workers that had been laid off through the economy because of the downturn. New computerized techniques called "just in time" inventory management, which help control the level of inventory and its reordering, are in wide use today. The result is that inventories as a percent of sales did not climb to the levels seen in earlier recessions. Reordering is also not expected to rebound as sharply in this recovery.
- (4) **Fiscal policy is restrictive.** Congress passed tax increases last fall just as the economy was moving from slow into negative growth. The continuing federal budget deficit does not allow any room for fiscal stimulus. Defense spending is continuing to shrink due to (1) the end of

the Gulf War and, (2) the winding down of the Cold War in Europe. These cuts are having a negative effect on some manufacturing companies and defense contractors.

The economic recovery will not be helped along by tax or fiscal policy from Washington. In addition, many state and local governments have seen revenues fall sharply in the recession and are faced with the need for higher revenues from taxes or fees just to balance budgets. Higher taxes or lower spending are in store for the majority of state budgets. This will also depress the economy somewhat.

- (5) **Slower growth in the rest of the world and a stronger dollar will slow export growth.** Although the United States has been in a recession situation for about a year, it is now ready to recover. However, the boom in other countries such as Japan and Germany is now about over though. Since economies do not move in tandem with each other a slowdown in Europe and Japan will moderate the growth of U.S. exports in this recovery. Exports have been one of the brightest areas of U.S. business for the past several years. These high rates of growth are not expected to last, especially since the U.S. dollar has been strengthening against most major foreign currencies recently. (See Chart 14)

We expect real GNP to show growth of 1.9% in FY 1992 as consumers start spending after losing ground in FY 1991 due to the Gulf War and the recession. Inflation will remain low and stable by U.S. standards of recent years. The Consumer Price Index could rise by as little as 4.0%, which will keep interest rates low enough to spur housing and durable goods sales from their recent lows. Personal income growth should start to climb back to about 6% in nominal terms and over 2% in real dollar terms.

Risks to the Forecast

Positive Alternative-Stronger Growth Than Anticipated

This alternative could occur if the dollar does not continue to rise against the major foreign currencies and GNP growth in other countries continues to be strong. This would keep export growth strong. Lower long term interest rates would boost housing even more than expected.

Negative Alternative-Delayed Recovery and Weak Growth

A stronger dollar than anticipated and lower than anticipated growth in the major foreign economies will cause the U.S. economy to show lower growth. Consumer spending could also not grow as fast as anticipated because people may choose to pay down debts further or save more. Also, while investment overall will increase, should firms remain too cautious about new fixed investment in plant and equipment and keep their inventory to sales ratio too low, the result will be a slower growth in employment in this recovery.

Table 1

KEY U.S. ECONOMIC INDICATORS

	<u>Actual FY 1986</u>	<u>Actual FY 1987</u>	<u>Actual FY 1988</u>	<u>Actual FY 1989</u>	<u>Actual FY 1990</u>	<u>Forecast FY 1991</u>	<u>Forecast FY 1992</u>
Real Gross National Product ^{1/}	3.5%	2.2%	4.7%	3.3%	1.6%	0.1%	1.9%
GNP Deflator ^{1/}	2.7	3.2	2.9	4.1	3.9	3.7	2.8
Consumer Price Index ^{1/}	2.8	2.2	4.1	4.6	4.8	5.7	4.0
Industrial Production ^{1/}	1.1	2.2	6.1	4.3	1.0	(0.9)	1.9
Three Month T-Bill ^{2/}	6.8	5.5	6.0	7.9	7.8	6.7	6.8
Aaa Corporate Bonds ^{2/}	10.0	8.8	9.8	9.7	9.1	9.5	9.8
Wage and Salary Employment ^{1/}	2.5	2.2	3.2	3.2	2.3	0.4	0.9
Manufacturing Employment ^{1/}	(1.7)	(1.0)	1.6	1.3	(0.9)	(2.7)	0.8
Unemployment Rate ^{2/}	7.1	6.7	5.8	5.3	5.3	6.2	6.6

^{1/} Annual Percent Change.

^{2/} Average Rate for Year.

GROSS NATIONAL PRODUCT 1982 DOLLARS

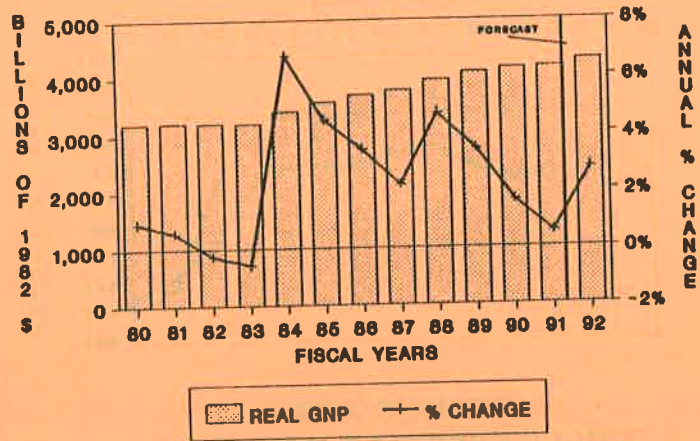


CHART 1

REAL PERSONAL INCOME 1982 DOLLARS

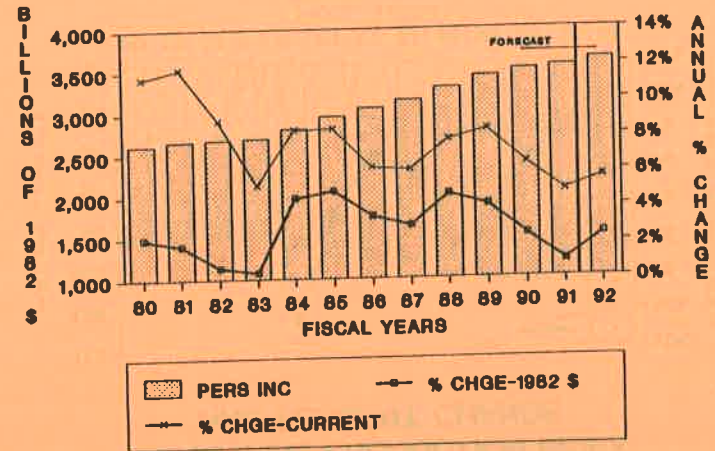


CHART 2

TOTAL CONSUMPTION 1982 DOLLARS

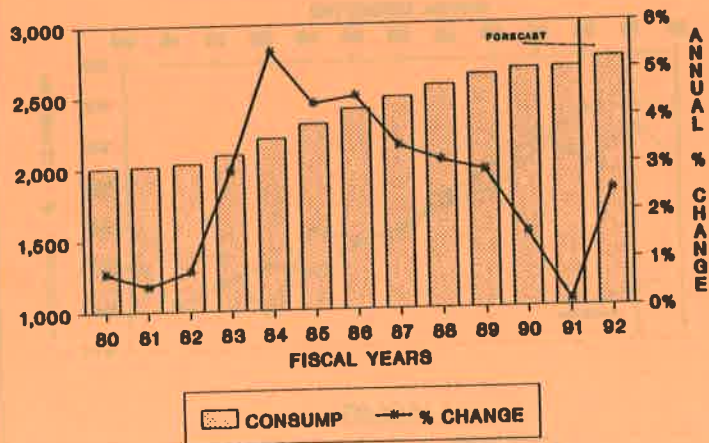


CHART 3

CONSUMER CONFIDENCE INDEX

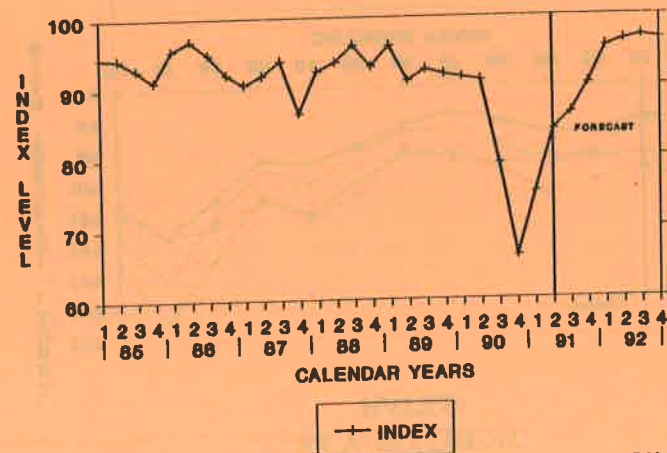


CHART 4

SOURCE: U. OF MICHIGAN

U.S. MONEY SUPPLY GROWTH

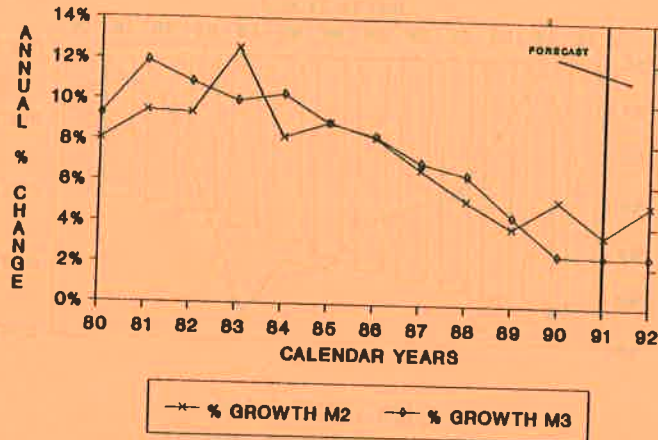


CHART 5

KEY INTEREST RATES

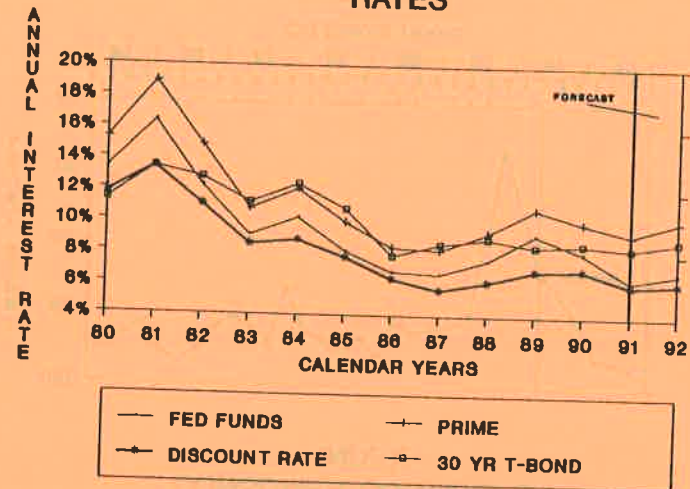


CHART 6

CONSUMER & PRODUCER PRICE INDEX CHANGES

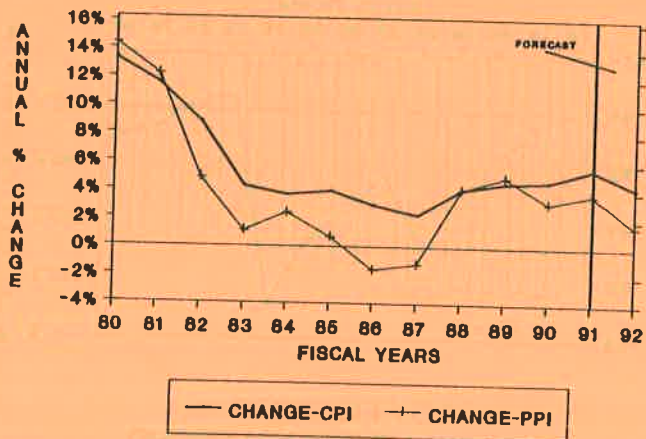


CHART 7

INDUSTRIAL PRODUCTION INDEX AND PERCENT CHANGE

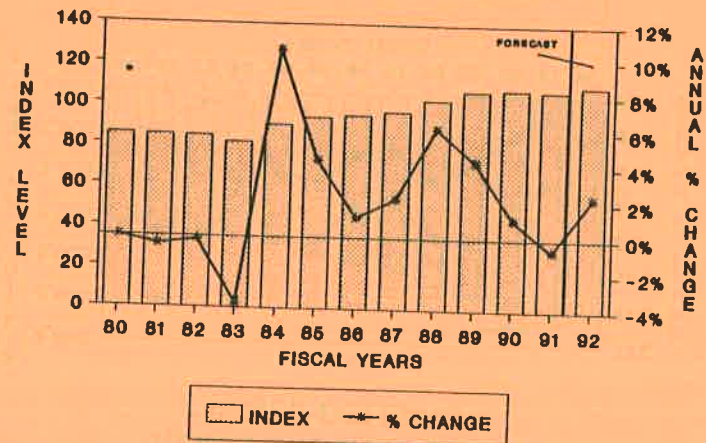


CHART 8

UNEMPLOYMENT RATE

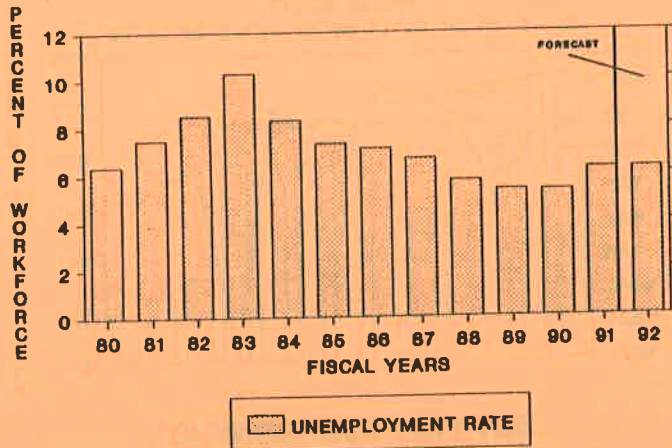


CHART 9

SAVINGS AS A PERCENT OF DISPOSABLE INCOME

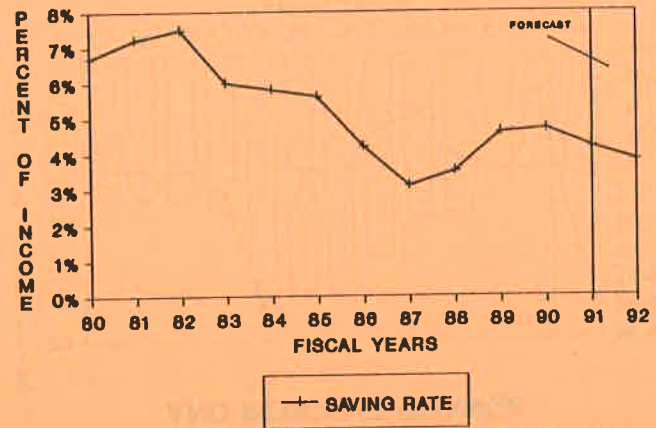


CHART 10

ANNUAL CHANGE IN HOMES SOLD AND HOUSING STARTS

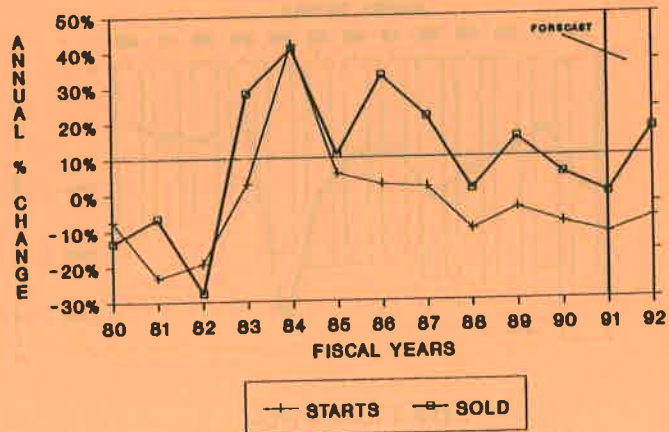


CHART 11

ANNUAL PERCENT CHANGE IN CAR SALES

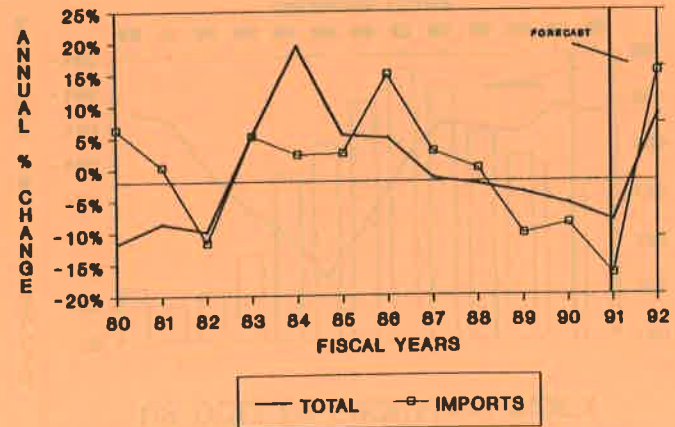


CHART 12

GROSS PRIVATE INVESTMENT 1982 DOLLARS

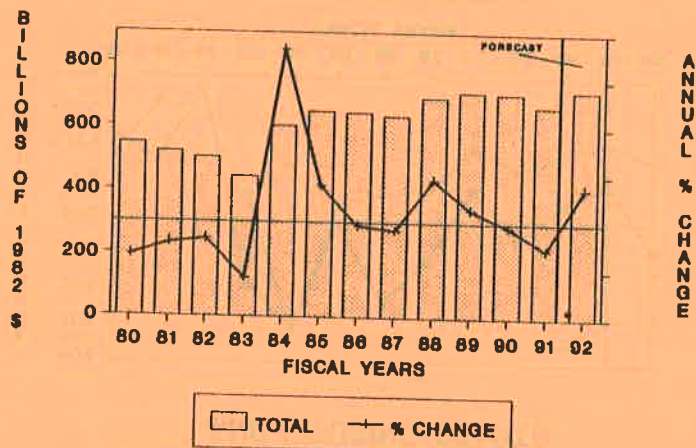


CHART 13

MERCHANDISE TRADE BALANCE & US DOLLAR EXCHANGE INDEX

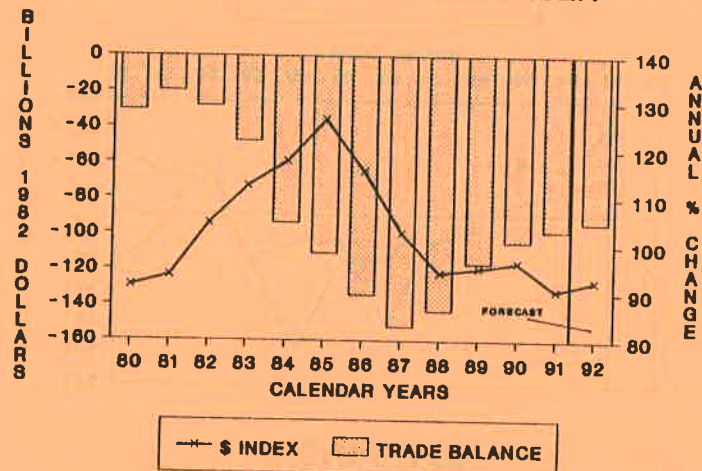


CHART 14

FEDERAL DEFICIT AND PERCENT CHANGE-1982 DOLLARS

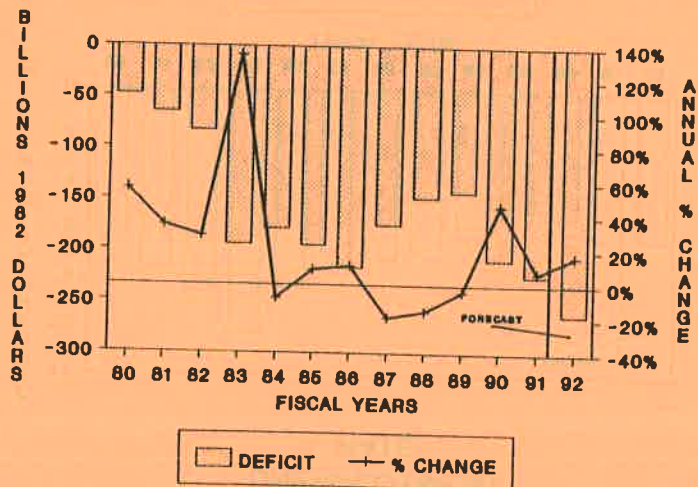


CHART 15

STATE/LOCAL GOVERNMENT SURPLUS AND PERCENT CHANGE

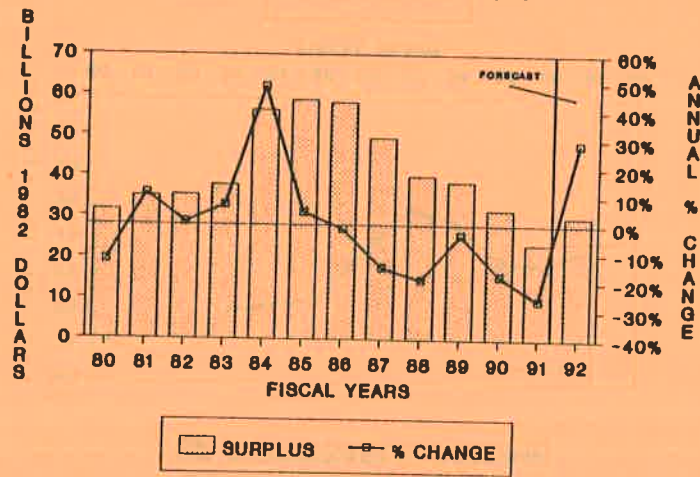


CHART 16

UNIFIED BUDGET BASIS

THE ARIZONA ECONOMY

FY 1990 In Review

At the beginning of FY 1990, we felt that the Arizona economy had bottomed out and was positioned for upward movement even though we did not expect the upward movement to occur in FY 1990, given our distressed construction, real estate and financial sectors.

In general, this is what happened, and there was nothing of significance in the way of upward movement.

The number of jobs in the important Good Producing^{1/} sector declined by 2.5% in FY 1990. Each of the three preceding years, also showed declines. The Service Providing^{2/} sector did much better, showing growth of 3.6%, the same growth as in FY 1989. Until FY 1990's plateau, the Service Providing sector had shown a steadily declining growth rate in recent years.

Construction reached its peak in June 1986 and by June 1990, 33,600 construction jobs had been lost, a decline of almost 30%. In FY 1990, average construction employment declined by 6.7% after having declined by 8.6% in FY 1989.

Mining has been a bright spot in the Arizona economy in recent years, with employment increasing 1.5% in FY 1990 after having increased by 5.9% in FY 1988 and 3.1% in FY 1989. The price of copper was relatively strong in FY 1990, although not quite as strong as in FY 1989. While mining is a significant contributor to several non-metro counties, it is not the powerful factor it was at its peak employment of over 27,000. Mining employment in FY 1990 averaged 12,300.

The Manufacturing sector has been weak for several years, with a decline in growth of 0.7% in FY 1990, a decline of 0.1% in FY 1989, and 1.0% growth in FY 1988. The weakness has been primarily in Durable Goods Manufacturing employment, where employment declined by 1.9% in FY 1990, 1.5% in FY 1989, and grew by only 0.2% in FY 1988. Nondurable Goods Manufacturing showed respectable growth in the 3% to 5% range for FY 1988 through FY 1990, although the increase in FY 1990 was in the low end of this range. The decline in Durable Goods Manufacturing employment was fairly broad based and included weaknesses in high tech and defense employment. In addition, the construction decline has had a negative impact on related Durable Goods Manufacturing.

In FY 1990, the narrowly defined Services sector was again a bastion of strength in the Arizona economy with growth of 4.8%. Available details show that this included an increase of 2.7% in employment at Lodging Places, an increase of 7.2% in Business Services, and an increase of 4.2% in Health Services. The Other Services category, which includes over 45% of the narrowly defined Services employment, increased 4.6%.

^{1/} Includes Manufacturing, Construction, and Mining.

^{2/} Includes TCPU (Transportation, Communications, Public Utilities), Trade, FIRE (Finance, Insurance, Real Estate), Services, and Government.

In FY 1990, TCPU growth increased by 6.0%, up from only 2.4% the year before. The Transportation component of TCPU, showed extremely vigorous growth of 11.1%, up from the strong 5.8% of the year before. Employment in the Communications and Public Utilities sector increased 0.4% in FY 1990.

FIRE employment increased by only 0.9% in FY 1990, influenced by difficulties in Real Estate and the Financial areas.

During FY 1990, Trade employment increased 2.1%, with the Wholesale Component increasing 3.3% and the Retail Component increasing only 1.8%.

Total Government employment increased 4.0% in FY 1990, up from 2.7% in FY 1989. Federal Government employment increased 3.1%, while state and local (including education) increased 4.2%.

Table 2, ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR, RECENT HISTORY, shows employment growth from FY 1985 through FY 1990.

Table 2

**ARIZONA WAGE AND SALARY EMPLOYMENT
PERCENT GROWTH OVER PRIOR YEAR
RECENT HISTORY**
(Based on Average Employment)

	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
<u>Goods Producing</u>						
Manufacturing	9.2%	2.1%	2.2%	1.0%	(0.1)%	(0.7)%
Mining	(11.5)	(7.9)	(2.7)	5.9	3.1	1.5
Construction	19.0	8.9	(5.9)	(9.1)	(8.6)	(6.7)
Total Goods Producing	11.3	4.1	(1.0)	(2.4)	(2.7)	(2.5)
<u>Service Providing</u>						
Transportation, Communication and Public Utilities	4.5	4.6	7.3	6.7	2.4	6.0
Trade	9.7	6.0	4.7	3.8	3.7	2.1
Finance, Insurance, Real Estate	10.5	12.4	7.5	3.7	(2.7)	0.9
Services	10.2	9.8	6.1	7.3	5.9	4.8
Government	3.8	4.1	3.0	3.1	2.7	4.0
Total Services Providing	8.2	7.2	5.2	4.9	3.6	3.6
<u>Total Wage and Salary Employment</u>	<u>8.9%</u>	<u>6.4%</u>	<u>3.7%</u>	<u>3.3%</u>	<u>2.2%</u>	<u>2.3%</u>

Forecast for FY 1991 and FY 1992

Although FY 1991 is over from the standpoint of elapsed time, we are still in forecast mode for the year, primarily because much of the Arizona financial and economic data will not become final until some time in the future. Arizona employment for FY 1991, for instance, will not become final until around March 1993.

In our early forecasts for FY 1991, it was expected that this would be the year in which Arizona would begin its upward movement from the slow-growth trap Arizona had been in for the last few years. Unfortunately, this upward movement did not materialize and our forecasts for FY 1991 since June 1990 have shown one more year of slow growth for Arizona.

In general, the residential sectors of Arizona Construction/Real Estate have begun to stabilize as vacancy rates have stabilized, or are declining. This is not true of the non-residential sectors, however, and we are looking at a period of several years before they return to normalcy. While we will not return to normalcy during our forecast period, recovery in the real estate industry has begun. The recovery will be slow, and our forecast for construction employment is for an increase of only 1.5% in FY 1992. In view of the significant decline in construction employment over the five previous fiscal years, this is welcome news. So far at least, the Resolution Trust Corporation (RTC) has been a non-event and fears that the RTC would ruin the Arizona real estate market by dumping its property have proven to be groundless; however, the RTC still has mega-bucks worth of property to be disposed of.

An unknown in our forecast relates to our lack of a paid state-wide Martin Luther King holiday. The Arizona economy has been negatively impacted by this, primarily in areas related to the convention business. This issue will again be on the ballot in 1992. Since most large conventions are planned several years ahead, it appears that these negative impacts will not be eliminated during our forecast period even with passage of the Martin Luther King referendum.

In general, we expect FY 1992 to be the turnaround year when our overall economic and fiscal health begins to improve. The national recession will have run its course, and both the U.S. and Arizona economies will begin a modest upturn.

Manufacturing, a sector which should be the bedrock of a stable, growing economy, has been a source of weakness in recent years with FY 1986 through FY 1988 showing very slow growth in employment and FY 1989 through FY 1991 showing declining employment. We expect the Manufacturing sector to resume positive growth in FY 1992 in the 2.5% range. Arizona has a low cost operating environment which should be of interest to out-of-state firms, and we should be receiving the benefits of Arizona's increased economic development efforts. On the growth inhibiting side, U.S. defense expenditures are expected to slow and Arizona's share of the peace dividend will likely be negative.

The Mining sector will be relatively stable during our forecast period with employment growth of 1.6% in FY 1992. In December 1988, copper prices averaged \$1.61/lb and have been generally declining since then, dropping to an average of \$1.13/lb in April 1991. For FY 1992, we are expecting the price to stay in the \$1.13 range. Production is expected to increase modestly, however.

In FY 1985, the Service Providing sector accounted for 75.9% of the employment in Arizona. Today, despite a generally declining growth rate, the Service Providing sector accounts for over 81% of the employment in Arizona. Weakness in the Goods Producing sector accounts for the increased share of the Service Providing sector. Over time, the share will probably move back in the direction of the 75.9% share, but not during our forecast period.

Our forecast is for the Service Providing sector to account for approximately 82.0% of Arizona employment in FY 1992. The relative weakness in the Goods Producing sector may be partially to blame for our poor revenue picture in recent years. On average the Service sector pays lower wages than the Goods Producing sector and generates more jobs (i.e.; is more labor intensive).

Table 3, ARIZONA WAGE AND SALARY EMPLOYMENT, PERCENT GROWTH OVER PRIOR YEAR, shows anticipated employment growth for the forecast years of FY 1991 and FY 1992, together with actual growth in FY 1990. FY 1990 employment is subject to change in the rebenching of employment which takes place early in each calendar year. FY 1990 will not be fully rebenched until CY 1992.

Table 4, KEY ARIZONA ECONOMIC INDICATORS, shows the JLBC Staff forecast for eight Arizona variables. We expect growth in Arizona Personal Income to be at 6.6% for FY 1991 and 7.3% for FY 1992 in current dollar terms with growth in constant dollar terms at 2.5% in FY 1991 and 3.5% in FY 1992.

Chart 17 is a bar chart which compares growth rates for Current and Constant Dollar Arizona Personal Income for FY 1980 through FY 1992.

Chart 18 is a bar chart which compares growth rates for U.S. and Arizona Current Dollar Personal Income for FY 1980 through FY 1992.

Chart 19 is a bar chart which compares U.S. and Arizona growth rates for Constant Dollar Per Capita Personal Income. In recent years, Arizona growth has shown a substantial slowing relative to the U.S. and our forecast indicates that this will continue. In general, this chart shows that the Arizona economy is dependent upon population growth. Actually, much of Arizona's publicized strong growth is illusory, in that it reflects our strong population growth. Per capita income in Arizona remains some 10% below the U.S. average.

Chart 20 is a line chart showing employment for FY 1980 through FY 1992 for the Service Providing and Goods Producing sectors together with Total Wage and Salary Employment. Of particular note is the declining number of jobs in the Goods Producing sector since FY 1986.

TABLE 3

**ARIZONA WAGE AND SALARY EMPLOYMENT
PERCENT GROWTH OVER PRIOR YEAR
FORECAST**

(Based on Average Employment)

	<u>Actual</u>	<u>Forecast</u>	
	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
<u>Goods Producing</u>			
Manufacturing	(0.7)%	(1.5)%	2.5%
Mining	1.5	4.1	1.6
Construction	(6.7)	(4.4)	1.5
Total Goods Producing	(2.5)	(2.1)	2.2
<u>Service Providing</u>			
Transportation, Communication and Public Utilities	6.0	3.8	3.9
Trade	2.1	2.5	3.1
Finance, Insurance, Real Estate	0.9	2.2	3.6
Services	4.8	4.5	5.0
Government	4.0	4.5	2.2
Total Services Providing	3.6	3.7	3.6
<u>Total Wage and Salary Employment</u>	<u>2.3%</u>	<u>2.5%</u>	<u>3.4%</u>

TABLE 4

KEY ARIZONA ECONOMIC INDICATORS

	<u>Actual</u> <u>FY 1986</u>	<u>Actual</u> <u>FY 1987</u>	<u>Actual</u> <u>FY 1988</u>	<u>Actual</u> <u>FY 1989</u>	<u>Actual</u> <u>FY 1990</u>	<u>Forecast</u> <u>FY 1991</u>	<u>Forecast</u> <u>FY 1992</u>
Personal Income - Current Dollars ^{1/}	10.1%	8.9%	8.3%	7.7%	6.7%	6.6%	7.3%
- Constant Dollars ^{1/}	7.3	5.7	5.2	3.5	2.7	2.5	3.5
Retail Sales ^{2/}	7.3	3.9	4.8	5.7	4.2	3.3	6.2
Population ^{1/}	4.4	3.5	2.4	2.2	2.2	2.2	2.2
Wage and Salary Employment ^{1/}	6.4	3.7	3.3	2.2	2.3	2.5	3.4
Manufacturing Employment ^{1/}	2.1	2.2	1.0	(0.1)	(0.7)	(1.5)	2.5
Construction Employment ^{1/}	8.9	(5.9)	(9.1)	(8.6)	(6.7)	(4.4)	1.5
Unemployment Rate ^{3/}	6.6	7.1	5.9	5.9	5.2	5.4	5.0

^{1/} Annual Percent Change.

^{2/} Based on DOR definition of Retail Sales.

^{3/} Average Rate for Year.

ARIZONA PERSONAL INCOME CURRENT AND CONSTANT DOLLARS

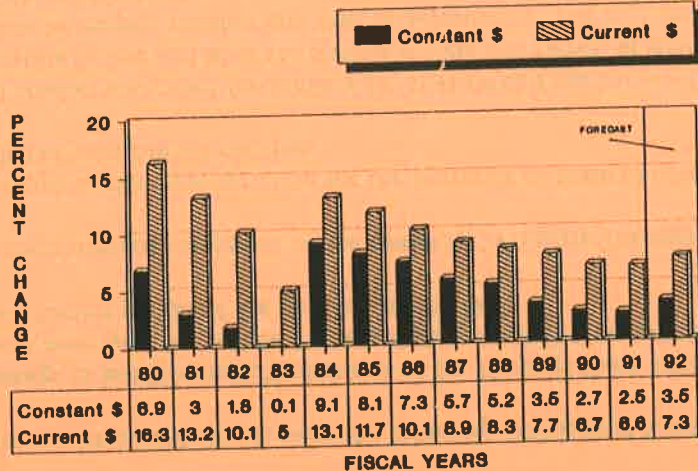


CHART 17

U.S. and ARIZONA REAL PER CAPITA INCOME

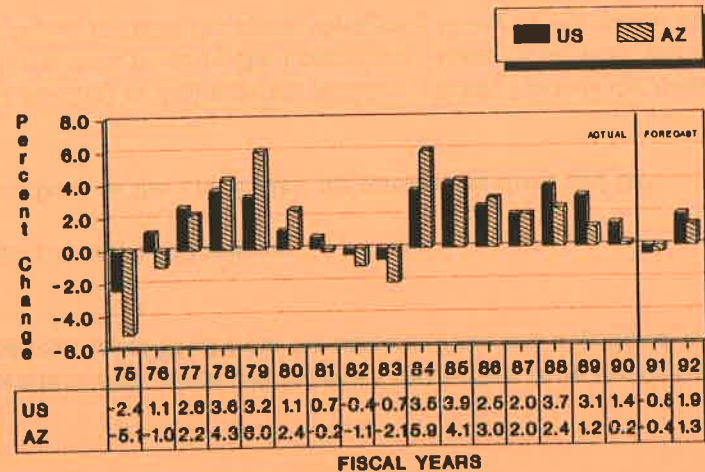


CHART 18

U.S. and ARIZONA CURRENT DOLLAR PERSONAL INCOME

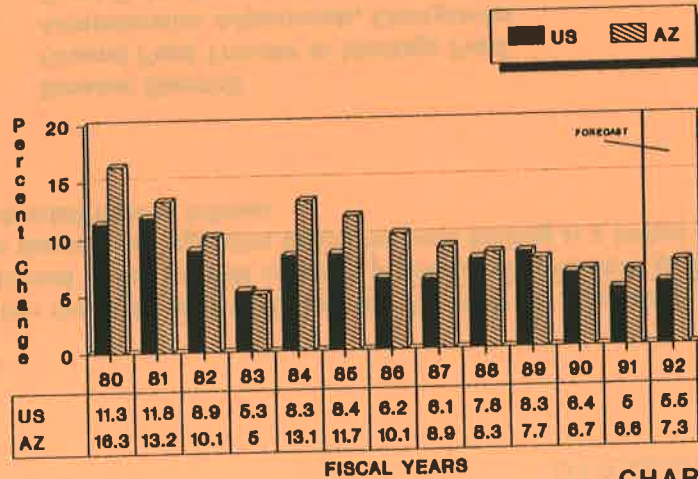


CHART 19

MAJOR SECTORS OF ARIZONA EMPLOYMENT

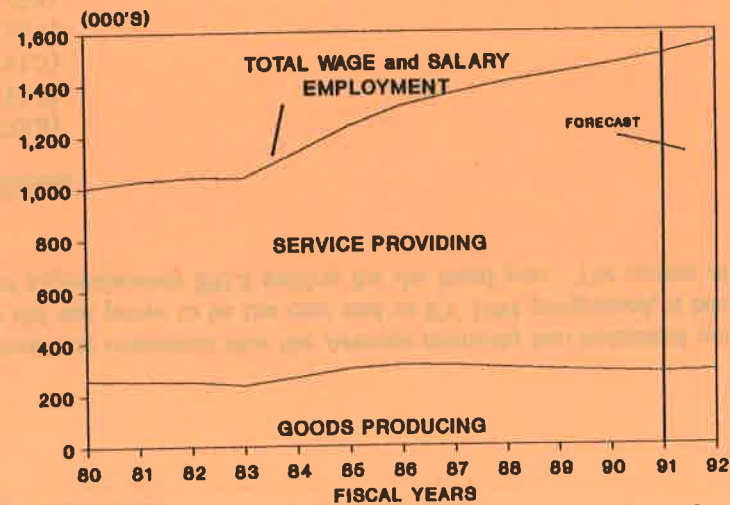


CHART 20

GENERAL FUND REVENUE

FY 1991

At the time the initial revenue forecast for FY 1991 was prepared, it was the economic consensus that the Arizona economy had bottomed out and was positioned to rise from its extended period of relatively slow growth. Such did not prove to be the case and as FY 1991 progressed, it became apparent that without legislative action, we were looking at a budget shortfall of approximately \$93.8 million for the fiscal year. The causes of the budget shortfall were as follows:

	<u>(\$Millions)</u>
Revenue Shortfall	\$(73.8)
General Fund Transfer to Heritage Fund	(11.8)
Administrative Adjustments, Emergencies	(11.5)
Court Order Payment - Sun City	(10.7)
Supplemental Appropriations	(3.6)
Higher Revertments (offset to shortfall)	<u>17.6</u>
Budget Shortfall	<u>\$(93.8)</u>

Among the unforeseeable losses were the following, which total \$26.1 million:

1. Passage in last November's elections of the Heritage Fund Initiative (Proposition 200), which will remove \$20.0 million from the General Fund every year for certain Parks and Game and Fish activities. A reduced removal of \$11.8 from the General Fund was negotiated to cover the effective period of the new law in FY 1991.
2. A court ordered repayment of the "Sun City" Property Tax aggregating approximately \$10.7 million.
3. A supplemental appropriation for the Secretary of State to cover the costs related to the ENOUGH! tax referendum drive and the gubernatorial run-off election.

A special session was called for January 31, 1991 (40th Legislature - First Special Session) to deal with the problem. Table 5 details the General Fund situation before and after the special session and shows, in general terms, the actions taken by the Legislature. Table 5a provides this information by chapter number and type of adjustment. The next section of this report includes the agency-by-agency listing of the special session appropriations reductions.

The current JLBC General Fund revenue forecast for FY 1991 is shown in Table 6. The current forecast is \$19.3 million higher than the forecast used at the end of the special session.

In total, the major difference between the two forecasts is certain fund transfers made in June 1991, aggregating \$20.3 million. Apart from this, however, there are other differences as follows. See Table 6 for further details

	(\$Millions)
Income Tax - Individual	\$ 27.7
- Corporation	(9.0)
Lottery	(25.1)
Other Miscellaneous	12.8
Other	(7.4)
Total	<u>\$ (1.0)</u>

However, as of this writing, it appears likely that actual FY 1991 General Fund revenue will slightly exceed the current forecast.

FY 1992

In general, we expect that FY 1992 will be the year in which the Arizona economy finally starts to show signs of improvement. However, Total General Fund revenue will only be slightly higher in FY 1992 with Total Base Revenue up only 3.5% and Adjusted Total Base Revenue (after addition of enhancements) up only 4.7%.

The forecast for FY 1992 Total General Fund Revenue growth is also 4.7%. Arizona economic growth in CY 1992 is expected to be higher than in recent years. However, the FY 1992 Total General Fund Revenue forecast does not fully reflect this as we expect much of this improvement to come in the last half of the calendar year (which is the first half of FY 1993). Certain factors which have the effect of raising or reducing the growth are noted in comments on individual revenue sources which follow.

The decline in Total General Fund Revenue growth (see Table 7) from 9.7% in FY 1991 to 4.7% in FY 1992 can be explained by the effect of revenue enhancements which affect FY 1991 revenue to a greater degree than FY 1992 revenue. Elimination of enhancements in FY 1990, FY 1991, and in FY 1992 would yield approximate growth rates of 1.9% for FY 1991 and a higher 6.1% for FY 1992.

The Sales and Use Tax category has been forecasted to increase by 5.9% before enhancements. This is somewhat higher than it would otherwise have been because the elimination of the Accounting Allowance is in for the full year rather than a partial year as in FY 1991. Because of County Property Tax Relief, \$10.0 million has been removed from Sales and Use Tax collections in both FY 1991 and FY 1992.

Individual Income Tax collections are forecast to show an increase of 3.0% before enhancements. Significant changes were made in the Individual Income Tax in the recent tax package so that the forecasting is currently somewhat more difficult. The growth rate in FY 1992 appears low when compared with FY 1991 because of one-time enhancements which started in FY 1991.

Corporation Income Tax collections are forecast to show an increase of 6.1% before enhancements. However, this increase does not reflect improvement in Corporate profits, but rather is attributable to receiving a full year's worth of the tax increases made in the 1990 tax package.

Property Tax collections are forecast to grow by 7.5% in FY 1992 reflecting (1) and anticipated growth in assessed valuation of 0% and (2) an increase in the QTR rate.

Growth in the Motor Vehicle License Tax will be only 0.5% in FY 1992, reflecting the scheduled reduction of the minimum Vehicle License Tax and expected weak auto sales.

With respect to FY 1992 Non-Tax Revenues, major items are (1) the reduction of \$20.0 million in Lottery collections as the result of the passage of the Heritage Fund Initiative which is only partially reflected in FY 1991 and (2) certain transfers and reimbursements in FY 1991 for which no comparable amounts are anticipated in FY 1992.

Details of revenue enhancements for FY 1992 are shown in Table 8.

**FY 1991 DEFICIT REDUCTION MEASURES
FORTIETH LEGISLATURE - FIRST SPECIAL SESSION
GENERAL FUND**

Table 5

	<u>Situation at the Start of Special Session</u>	<u>Special Session Action</u>	<u>Situation at the End of Special Session</u>
<u>Consensus Revenue Forecast</u>			
Beginning Balance	\$ 34,396,800	\$ 0	\$ 34,396,800
Base Revenue	3,335,788,600	0	3,335,788,600
Fund Transfers - Chapter 1 (S.B. 1002)			
Tax Protest Fund	--	1,000,000	1,000,000
Risk Management Fund	--	2,500,000	2,500,000
Special Collections Account	--	175,000	175,000
Flood Control Loan Fund	--	460,000	460,000
Subtotal	<u>0</u>	<u>4,135,000</u>	<u>4,135,000</u>
Total Revenue	<u>\$3,370,185,400</u>	<u>\$4,135,000</u>	<u>\$3,374,320,400</u>
<u>Expenditures</u>			
Original Appropriations	\$3,475,791,100	\$ 0	\$3,475,791,100
FY 1991 Appropriation Adjustments:			
• FY 1991 Supplementals	3,575,000 ^{1/}	0	3,575,000
• Ex-appropriations - Chapter 2 (H.B. 2001)	--	(102,787,600)	(102,787,600)
• Capital Outlay Reversion - Chapter 3 (H.B. 2002)	--	(684,600)	(684,600)
Subtotal - FY 1991 Appropriations	<u>\$3,479,366,100</u>	<u>\$ (103,472,200)</u>	<u>\$3,375,893,900</u>
Court Ordered Payment - Sun City	10,750,000	0	10,750,000
Reversions:			
• Regular	(56,000,000)	18,000,000 ^{2/}	(38,000,000)
• Prior Session Appropriation Reversions			
Operating Budget - Chapter 1 (S.B. 1002)	--	(553,100)	(553,100)
Capital Budget - Chapter 3 (H.B. 2002)	--	(349,900)	(349,900)
Continuing Appropriations	3,400,000	(3,470,000) ^{3/}	(70,000)
Administrative Adjustments, Emergencies	26,500,000	-0-	26,500,000
Total Expenditures	<u>\$3,464,016,100</u>	<u>\$ (89,845,200)</u>	<u>\$3,374,170,900</u>
<u>Ending Balance</u>	<u>\$ (93,830,700)</u>	<u>\$ 93,980,200</u>	<u>\$ 149,500</u>

^{1/} Includes Secretary of State supplementals of \$2,650,000 in Chapter 1 (H.B. 2001), 5th Special Session, 39th Legislature, and \$925,000 in Chapter 2 (H.B. 2001), 1st Special Session, 40th Legislature.

^{2/} Original Reversion estimate included \$18 million AHCCCS reversion which was included in the Chapter 2 ex-appropriations.

^{3/} Represents deferral of capital outlay appropriations until FY 1992, which under the provisions of A.R.S. § 35-190.01, are treated for book-closing purposes as if they had reverted to the General Fund.

**FY 1991 DEFICIT REDUCTION MEASURES
BY CHAPTER AND TYPE OF ADJUSTMENT
FORTIETH LEGISLATURE - FIRST SPECIAL SESSION
GENERAL FUND**

Table 5a

	<u>Reduced Appropriations</u>	<u>Reversions</u>	<u>Chg. in Cont. Approps</u>	<u>Revenues</u>	<u>Total</u>
Chapter 1 - S.B. 1002					
-Fund Transfers	\$ 0	\$ 0	\$ 0	\$ 4,135,000	\$ 4,135,000
-Prior Session Appropriation Reversions					
• L. 89, 1st S.S., Chapter 2		324,400			324,400
• L. 88, Chapter 308		71,400			71,400
Subtotal - Chapter 1	<u>\$ 0</u>	<u>\$ 395,800</u>	<u>\$ 0</u>	<u>\$ 4,135,000</u>	<u>\$ 4,530,800</u>
Chapter 2 - H.B. 2001					
-General Appropriation Act					
L. 90, 3rd S.S., Chapter 1	\$ 97,076,400	\$ 0	\$ 0	\$ 0	\$ 97,076,400
-Other Appropriations Reductions					
L. 90, Chapter 229	111,200				111,200
L. 90, Chapter 304	2,000,000				2,000,000
L. 90, Chapter 334	3,500,000				3,500,000
L. 90, Chapter 348	100,000				100,000
-Prior Session Appropriation Reversions					
L. 88, Chapter 271		77,500			77,500
L. 84, Chapter 396		79,800			79,800
Subtotal - Chapter 2	<u>\$ 102,787,600</u>	<u>\$ 157,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$102,944,900</u>
Chapter 3 - H.B. 2002					
-Capital Outlay Bill Reductions					
L. 90, 3rd S.S., Chapter 3	\$ 684,600	\$ 0	\$ 0	\$ 0	\$ 684,600
-Prior Session Capital Appropriation Reversions					
L. 89, Chapter 302		349,900			349,900
-Capital Outlay Deferrals					
L. 90, 3rd S.S., Chapter 8			3,234,000		3,234,000
L. 89, Chapter 302			236,000		236,000
Subtotal - Chapter 3	<u>\$ 684,600</u>	<u>\$ 349,900</u>	<u>\$ 3,470,000</u>	<u>\$ 0</u>	<u>\$ 4,504,500</u>
Reversionment Adjustment ^{1/}		(18,000,000)			(18,000,000)
Total Deficit Reduction Package	<u><u>\$ 103,472,200</u></u>	<u><u>\$ (17,097,000)</u></u>	<u><u>\$ 3,470,000</u></u>	<u><u>\$ 4,135,000</u></u>	<u><u>\$93,980,200</u></u>

^{1/} Chapter 2 ex-appropriations included an \$18 million AHCCCS reduction which was originally included in the reversionment estimates.

Table 6

**ADJUSTMENTS TO INCREASE FY 1991 ENDING BALANCE
FORTIETH LEGISLATURE - FIRST REGULAR SESSION
GENERAL FUND**

	Special Session February 1991 ^{1/}	<u>Revisions</u>	Regular Session June 1991 ^{2/}
<u>Beginning Balance</u>	\$ 34,396,800	\$ --	\$ 34,396,800
Base Revenue	3,339,923,600	(1,000,000)	3,338,923,600
<u>Administrative Adjustments</u>			
Health Insurance Trust Fund Balance	--	11,800,000	11,800,000
ACJC Federal Revenue	--	2,223,700	2,223,700
<u>Statutory Adjustments</u>			
- Chapter 265 (S.B. 1317)/Chapter 316 (H.B. 2179)			
• Transfer from Fingerprint Network Ending Balance	--	800,000	800,000
• Transfer 1/2 of Criminal Justice Enhancement Fund	--	2,415,000	2,415,000
• Transfer from excess Public Safety Retirement System Funds	--	3,100,000	3,100,000
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 3,374,320,400	\$19,338,700	\$ 3,393,659,100
 <u>Expenditures</u>			
Appropriations through 1st Special Session	3,375,893,900	0	3,375,893,900
Supplemental Appropriations - 1st Reg. Session	0	1,162,000	1,162,000
Court Ordered Payment - Sun City	10,750,000	0	10,750,000
Revertments - Increase AHCCCS Revertment and Other Adjustments	(38,903,000)	(18,861,700)	(57,764,700)
Continuing Appropriations	(70,000)	0	(70,000)
Administrative Adjustments, Emergencies	26,500,000	0	26,500,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	3,374,170,900	(17,699,700)	3,356,471,200
	<hr/>	<hr/>	<hr/>
<u>Ending Balance</u>	\$ 149,500	\$ 37,038,400	\$ 37,187,900

1/ Represents balance sheet upon completion of the 40th Legislature, 1st Special Session to balance the FY 1991 budget.

2/ Represents balance sheet in June 1991, after adjustments in 40th Legislature, 1st Regular Session to increase the FY 1991 carry-forward as part of balancing the FY 1992 budget.

**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF PROJECTED TOTAL REVENUE
FORECAST
(Thousands)**

	Actual FY 1990		Forecast FY 1991		Forecast FY 1992	
	Amount	% Change	Amount	% Change	Amount	% Change
Beginning Balance	\$ 1,163.0	81.0%	\$ 34,396.8	-- %	\$ 37,293.9	8.4%
Taxes						
Sales and Use	1,440,587.6	7.6	1,451,500.0	0.8	1,537,080.0	5.9
Income - Individual	995,801.2	9.2	1,230,000.0	23.5	1,267,000.0	3.0
- Corporation	178,067.1	(11.4)	179,000.0	0.5	190,000.0	6.1
- Urban Revenue Sharing	(150,622.6)	4.6	(166,870.0)	10.8	(176,000.0)	5.5
Property	130,199.8	40.4	174,000.0	33.6	187,100.0	7.5
Luxury	65,661.7	(4.9)	70,900.0	8.0	71,500.0	0.8
Insurance Premium	116,708.0	46.4	89,000.0	(23.7)	90,000.0	1.1
Motor Vehicle License - Regular	102,716.4	23.3	106,000.0	3.2	106,500.0	0.5
- HURF Transfer	(15,198.3)	10.2	(16,631.4)	9.4	0.0	--
Pari-Mutuel	5,647.7	(7.9)	5,000.0	(11.5)	5,300.0	6.0
Estate	23,916.5	(0.7)	26,000.0	8.7	26,000.0	0.0
Other Taxes	1,500.5	(39.8)	1,660.0	10.6	1,740.0	4.8
Subtotal - Taxes	<u>2,894,985.6</u>	9.2	<u>3,149,558.6</u>	8.8	<u>3,306,220.0</u>	5.0
Other Non-Tax Revenues						
Lottery	79,028.0	14.3	49,800.0	(37.0)	58,500.0	17.5
License, Fees and Permits	32,683.8	(1.1)	34,600.0	5.9	37,000.0	6.9
Interest	21,986.2	(37.2)	26,500.0	20.5	24,000.0	(9.4)
Sales and Services	4,083.9	(13.4)	4,400.0	7.7	4,800.0	9.1
Other Miscellaneous	21,211.1	30.6	42,600.0	100.8	31,000.0	(27.2)
Transfers and Reimbursement	37,944.2	90.6	51,803.7	36.5	14,000.0	(73.0)
Subtotal - Other Non-Tax Revenues	<u>196,937.2</u>	(12.3)	<u>209,703.7</u>	6.5	<u>169,300.0</u>	(19.3)
TOTAL BASE REVENUE	3,091,922.8	7.5	3,359,262.3	8.6	3,475,520.0	3.5
Enhancements - FY 1992	--	--	--	--	41,989.8	--
ADJUSTED TOTAL BASE REVENUE	<u>3,091,922.8</u>	7.5	<u>3,359,262.3</u>	8.6	<u>3,517,509.8</u>	4.7
TOTAL GENERAL FUND REVENUE	<u>\$3,093,085.8</u>	<u>7.3%</u>	<u>\$3,393,659.1</u>	<u>9.7%</u>	<u>\$3,554,803.7</u>	<u>4.7%</u>

FORTIETH LEGISLATURE
 FIRST REGULAR SESSION
BILLS HAVING A SIGNIFICANT FY 1992 GENERAL FUND REVENUE IMPACT

(Amounts in Thousands)
 [Effective Dates]

	<u>Property</u>	<u>Sales & Use</u>	<u>Individual Income</u>	<u>Corporate Income</u>	<u>Vehicle License</u>	<u>Luxury</u>	<u>Other</u>	<u>Total</u>
1. Ch. 31 (H.B. 2343) Membership Camping Sales Tax [7/1/91]		122.5						122.5
2. Ch. 134 (S.B. 1082) Rental Property Tax; Ratio Reduction [9/21/91] ^{1/}	0.0							0.0
3. Ch. 146 (H.B. 2154) IRS Conformity [1/1/91]			7,600.0	400.0				8,000.0
4. Ch. 155 (S.B. 1356) Retirement Contributions; Eliminate Income Tax Subtraction [1/1/91]			1,600.0					1,600.0
5. Ch. 184 (S.B. 1170) Drano Tax Repeal [6/3/91]							320.0	320.0
6. Ch. 200 (S.B. 1143) Medical Equipment; Sales Tax Exemption [1/1/80]		(500.0)						(500.0)
7. Ch. 211 (H.B. 2499) Groundwater Fees [9/21/91]							165.0	165.0
8. Ch. 230 (H.B. 2419) Lottery, Unclaim Prize Fund [9/21/91]							416.3 ^{2/}	416.3
9. Ch. 265 (S.B. 1317) CJEF Transfer [6/20/91]							1,709.7	1,709.7
10. Ch. 287 (H.B. 2200) PIER II [7/1/91]		10,078.2	10,078.1					20,156.3
11. Ch. 287 (H.B. 2200) ACJC Federal Revenue [7/1/91]							2,500.0	2,500.0
12. Ch. 307 (H.B. 2311) Income Tax Refund; Tax Form Error [9/21/91] ^{3/}			0.0	0.0			7,500.0	7,500.0
13. Second Lottery Game ^{4/}							7,500.0	7,500.0
TOTAL	\$ 0.0	\$9,700.7	\$19,278.1	\$400.0	\$ 0.0	\$ 0.0	\$12,611.0	\$41,989.8

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^{1/} Reduces the assessment ratio for class 6 properties to 11% in CY 1993 and 10% in CY 1994 and thereafter. Beginning in FY 1994 state property tax revenues are estimated to decline \$1.2 million per percentage decrease.

^{2/} This is the sum from adding \$506,300 as a transfer to the General Fund and subtracting \$90,000 due to a loss in Lottery promotions.

^{3/} Refunds to individual and corporate taxpayers will not be made until FY 1993. The original intent of the Legislature was to refund individuals in FY 1992. Estimated impact is a loss of \$300,000 to the Individual Income Tax and \$800,000 to the Corporation Income Tax.

^{4/} No statutory change is needed to implement a second "on-line" lottery game, scheduled to begin in FY 1992.

GENERAL FUND BASE REVENUE COLLECTIONS

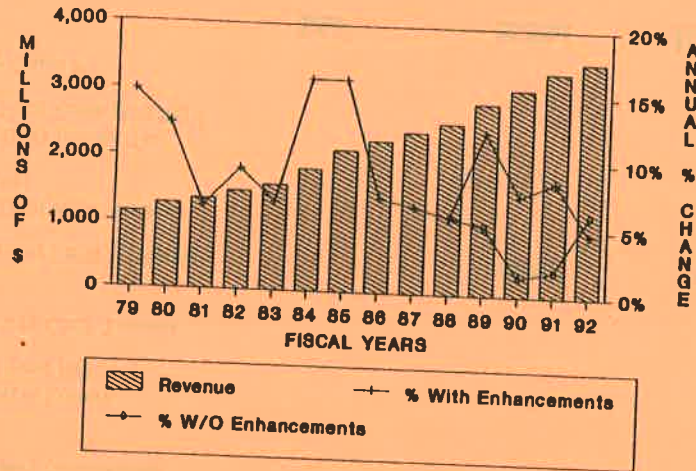


CHART 21

MAJOR GENERAL FUND TAX SOURCES COLLECTIONS

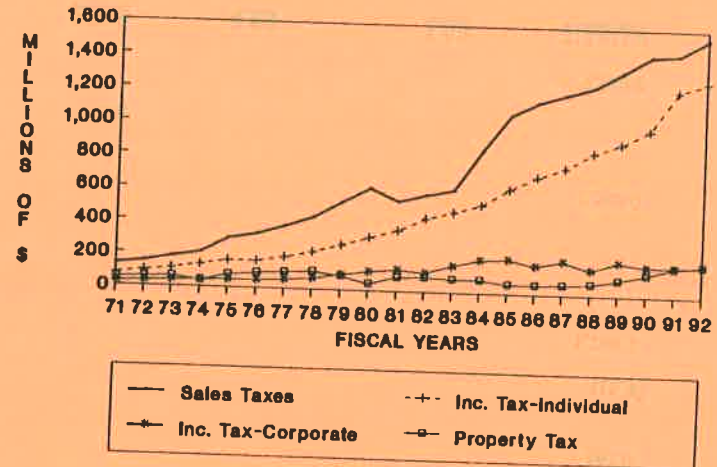
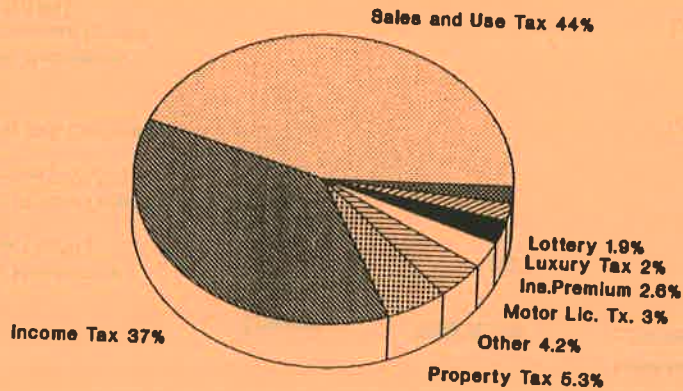


CHART 22

GENERAL FUND REVENUE SOURCES AS A PERCENT OF TOTAL BASE REVENUE



FY 1992

CHART 23

FY 1992 MAJOR REVENUE SOURCES DOLLAR AND PERCENT CHANGE FROM FY 1991

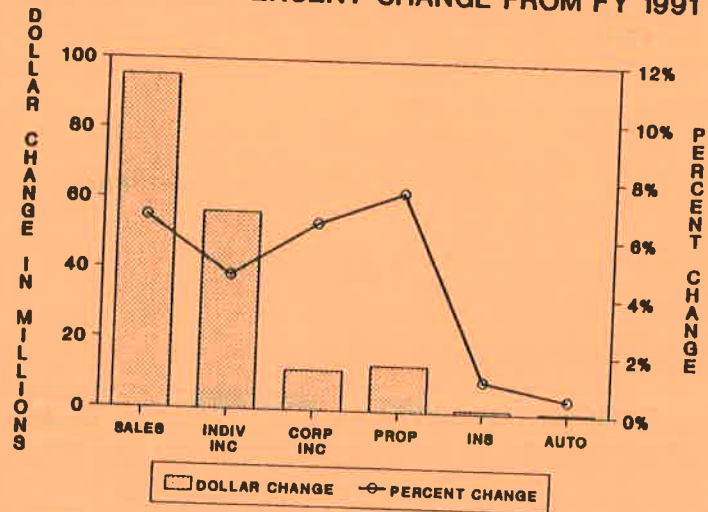


CHART 24

MAJOR TAX SOURCES AS A PERCENT OF TOTAL GENERAL FUND BASE REVENUE

PERCENT OF BASE REVENUE

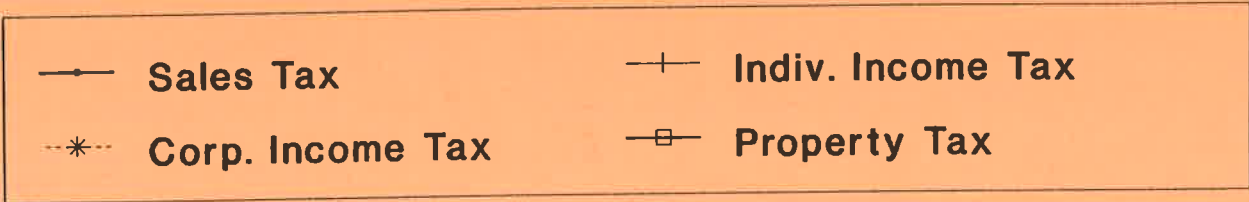
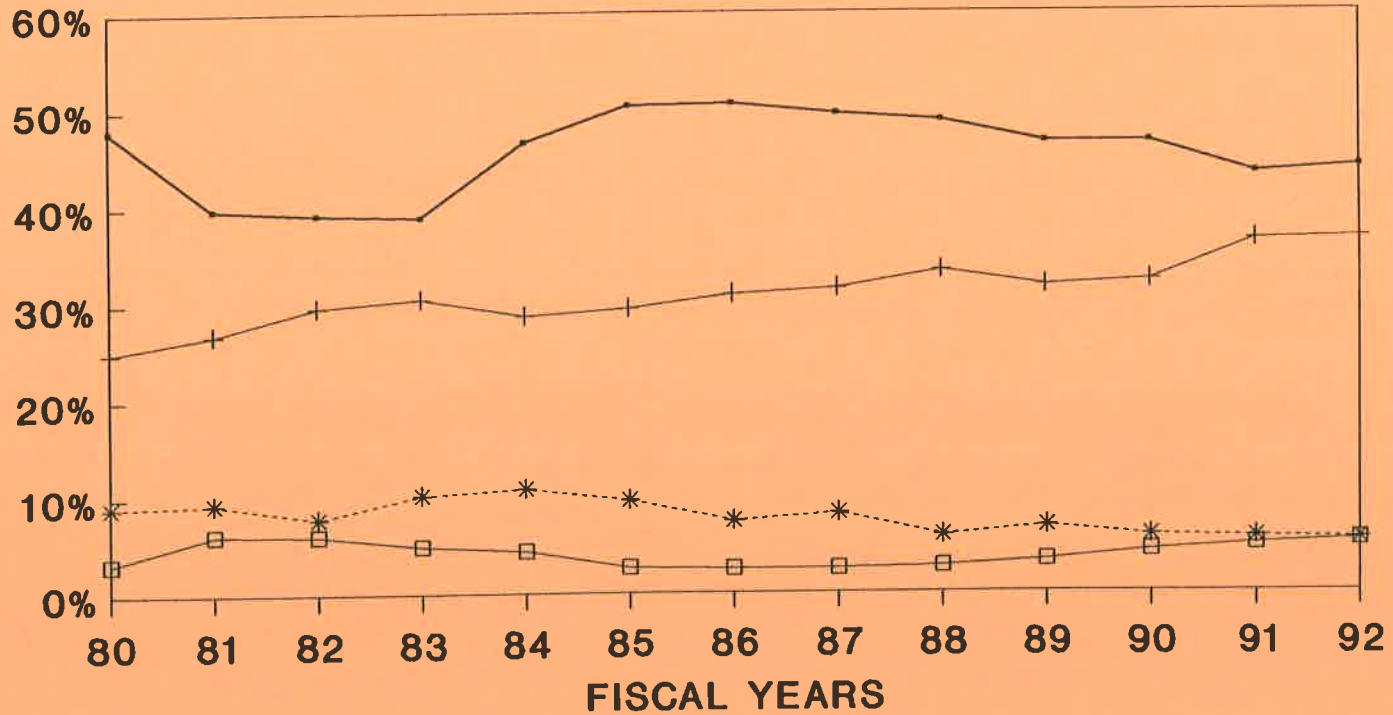


CHART 26

**FY 1991 CAPITAL OUTLAY
REVERSIONS AND DEFERRALS**

Law	Agency	Project Description	Net Change
GENERAL FUND REVERSIONS			
Laws 1989, Chapter 302	Emergency Svcs/Military Affairs	Tempe Armory	\$ (5,600)
Laws 1989, Chapter 302	State Parks Board	Homolovi Ruins Stabilization	(62,912)
Laws 1989, Chapter 302	State Parks Board	Homolovi Utilities	(255,437)
Laws 1989, Chapter 302	State Parks Board	Ft. Verde Renovation	<u>(25,969)</u>
		Subtotal General Fund Reversions	\$ (349,918)
GENERAL FUND APPROPRIATION REDUCTIONS			
Laws 1990, 3rd S.S., Chapter 8	Emergency Svcs/Military Affairs	Payson Armory	(336,700)
Laws 1990, 3rd S.S., Chapter 8	Emergency Svcs/Military Affairs	Sunnyslope Park	(24,000)
Laws 1990, 3rd S.S., Chapter 8	State Parks Board	Fire Suppression Systems	(219,277)
Laws 1990, 3rd S.S., Chapter 8	State Parks Board	Riordan Park Renovation	(30,000)
Laws 1990, 3rd S.S., Chapter 8	State Parks Board	Yuma Quartermaster Depot Utilities	<u>(74,660)</u>
		Subtotal General Fund Reversions	\$ (684,637)
OTHER FUND REVERSIONS			
Laws 1990, 3rd S.S., Chapter 8	Department of Transportation	Bisbee Service Center	\$ (107,000)
Laws 1990, 3rd S.S., Chapter 8	Department of Transportation	Road Planning & Construction	<u>(3,000,000)</u>
		Subtotal Other Fund Reversions	\$ (3,107,000)
		Total Reversions	\$ (4,141,555)
GENERAL FUND DEFERRALS*			
Laws 1989, Chapter 302	Department of Administration	West Annex Renovation	\$ (90,000)
Laws 1989, Chapter 302	Arizona Historical Society	Tucson Museum Fire Sprinklers	(100,000)
Laws 1989, Chapter 302	Arizona Historical Society	Molina Block Renovation	(46,000)
Laws 1990, 3rd S.S., Chapter 8	Department of Administration	Tucson Office Renovation	(45,000)
Laws 1990, 3rd S.S., Chapter 8	DOA for Dept of Corrections	Ft. Grant Natural Gas	(300,000)
Laws 1990, 3rd S.S., Chapter 8	DOA for Dept of Corrections	Ft. Grant Electrical Upgrades	<u>(1,353,000)</u>
Laws 1990, 3rd S.S., Chapter 8	DOA for Dept of Juv Corrections	Pinal Mt. Water Improvements	(175,000)
Laws 1990, 3rd S.S., Chapter 8	Dept of Economic Security	Data Center Upgrade	(270,000)
Laws 1990, 3rd S.S., Chapter 8	Dept of Economic Security	Flagstaff Land Acquisition	(589,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Tucson Museum Renovation	(24,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Molina Block Renovation	(95,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Old Adobe Restoration	(23,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Douglas Williams House Restoration	(55,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Mohave II Restoration	(15,000)
Laws 1990, 3rd S.S., Chapter 8	Arizona Historical Society	Remote Housing	<u>(290,000)</u>
Laws 1990, 3rd S.S., Chapter 8	Department of Public Safety	Total Deferrals	\$ (3,470,000)
		Total General Fund Impact (Reversions + Deferrals)	\$ (4,504,555)
		Total Impact (All Reversions and Deferrals)	<u>\$ (7,611,555)</u>

* In order to increase the FY 1991 General Fund ending balance, the amounts shown for deferred projects may not be expended until July 1, 1991.

**FY 1991 OPERATING BUDGET
REVISIONS TO AGENCY SPENDING AUTHORITY 1/**

	General Fund			Non-General Fund			
	Original Appropriation	Revision	Inequity Sal Adj	Final Appropriation	Original Appropriation	Inequity Sal Adj	Final Appropriation
GENERAL GOVERNMENT							
Administration, Department of	\$30,989,300	(\$939,900)	\$27,300	\$30,076,700	\$358,700		\$358,700
Attorney General	18,264,700	(347,900)	3,100	17,919,900			
Coliseum and Exposition Center					11,751,100		11,751,100
Commerce, Department of	4,221,900 2/	(152,400)	500	4,070,000	1,448,900		1,448,900
Compensation Fund							
Courts							
Court of Appeals	7,952,600	(116,900)		7,835,700			
Comm on Appellate & Trial Court Appts	4,000			4,000			
Commission on Judicial Conduct	113,000			113,000			
Superior Court	53,517,200	(1,765,100)		51,752,100			
Supreme Court	7,948,300	(192,000)		7,756,300			
SUBTOTAL - Courts	\$69,535,100	(\$2,074,000)		\$67,461,100			
Governor							
Office of the Governor	3,334,100	(25,000)		3,309,100			
Office of Affirmative Action	231,500	(7,000)		224,500			
Off of Strategic Planning & Budgeting	1,133,200	(34,000)		1,099,200			
SUBTOTAL - Governor	\$4,698,800	(\$66,000)		\$4,632,800			
Law Enforcement Merit Sys Council	42,200	(1,200)		41,000			
Legislature							
Auditor General	7,296,700	(240,000)		7,056,700			
House of Representatives	6,638,100	(57,700)		6,580,400			
Joint Legislative Budget Committee	1,670,100	(40,000)		1,630,100			
Legislative Council	2,687,600	(50,000)		2,637,600			
Library, Arch, & Pub Records, Dept of	4,676,000	(140,300)	2,700	4,538,400			
Senate	5,723,400	(170,300)		5,553,100			
SUBTOTAL - Legislature	\$28,691,900	(\$698,300)	\$2,700	\$27,996,300			
Lottery					41,283,000	5,400	41,288,400
Personnel Board	239,100			239,100			
Retirement System					3,570,000	6,900	3,576,900
Revenue, Department of	45,123,900	(1,000,000)	87,500	44,211,400			

	General Fund			Non-General Fund			
	Original Appropriation	Revision	Inequity Sal Adj	Final Appropriation	Original Appropriation	Inequity Sal Adj	Final Appropriation
Secretary of State 3/	\$6,616,700		\$6,300	\$6,623,000			
Tax Appeals, Board of	677,400			677,400			
Tourism, Office of	3,481,100	(\$104,400)		3,376,700	\$2,000,000		\$2,000,000
Treasurer	6,301,300	(39,700)	4,600	6,266,200			
Uniform State Laws, Comm on	17,400			17,400			
TOTAL - GENERAL GOVERNMENT	\$218,900,800	(\$5,423,800)	\$132,000	\$213,609,000	\$60,411,700	\$12,300	\$60,424,000
<u>HEALTH AND WELFARE</u>							
AHCCCS	395,810,400	(45,007,200) 4/	27,300	350,830,500			
Economic Security, Department of	348,919,500	(17,130,100)	279,700	332,069,100	646,900	3,200	650,100
Environmental Quality, Dept of	10,413,900	(312,400)	50,600	10,152,100			
Health Services, Department of	173,778,100	(1,950,000)	245,300	172,073,400	2,522,500	2,600	2,525,100
Hearing Impaired, Council for the	204,900			204,900			
Indian Affairs, Commission on	164,100			164,100			
Pioneers' Home	2,896,400		700	2,897,100			
Arizona Ranger's Pension	8,800			8,800			
Veteran's Services Commission	826,000	(18,400)		807,600	348,200		348,200
TOTAL - HEALTH AND WELFARE	\$933,022,100	(\$64,418,100)	\$603,600	\$869,207,600	\$3,517,600	\$5,800	\$3,523,400
<u>INSPECTION AND REGULATION</u>							
Agricultural Employment Relations Bd	190,100	(9,500)		180,600			
Agriculture, Department of	10,046,900	(237,200)	2,400	9,812,100	1,631,000		1,631,000
Banking Department	3,857,700	(270,100)	4,900	3,592,500			
Building & Fire Safety, Dept of	2,936,300	(67,500)	2,400	2,871,200			
Contractors, Registrar of	3,886,200	(142,700)	2,600	3,746,100			
Corporation Commission	4,859,200	(145,000)	9,500	4,723,700	5,796,800	2,300	5,799,100
Industrial Commission					12,147,700	2,600	12,150,300
Insurance, Department of	3,065,500			3,065,500			
Liquor Licenses & Control, Dept of	2,074,600	(90,100)	1,500	1,986,000			
Mine Inspector	537,300	(2,000)		535,300			
Occupational Safety & Health Review Bd	9,400			9,400			
Racing, Department of	2,505,200	(159,000)		2,346,200	350,700		350,700
Radiation Regulatory Agency	1,162,400	(29,000)		1,133,400	93,500		93,500
Real Estate Department	2,891,700		900	2,892,600			

	General Fund			Non-General Fund			
	Original Appropriation	Revision	Inequity Sal Adj	Final Appropriation	Original Appropriation	Inequity Sal Adj	Final Appropriation
Residential Utility Consumer Office 5/ Dept of Weights and Measures	\$1,961,600	(\$18,000)		\$1,943,600	\$1,093,900 382,800		\$1,093,900 382,800
Ninety-Ten Agencies							
Accountancy, Board of					664,600		664,600
Appraisal, Board of					100,000		100,000
Barber Examiners Board					138,000		138,000
Behavioral Health Examiners, Bd of					135,800		135,800
Boxing Commission	54,800			54,800	7,100		7,100
Chiropractic Examiners Board					219,700		219,700
Cosmetology, Board of					550,200		550,200
Dental Examiners Board					408,400		408,400
Funeral Directors and Embalmers Bd					155,800		155,800
Homeopathic Medical Examiners Bd					15,100		15,100
Medical Examiners, Board of					2,294,100	600	2,294,700
Naturopathic Physician Examiners Bd					27,000		27,000
Nursing Board					1,055,200		1,055,200
Nursing Care Institution Admin Bd	7,000			7,000	63,400		63,400
Occupational Therapy Examiners, Bd of	25,000			25,000			
Opticians, Board of Dispensing					51,100		51,100
Optometry, Board of					99,900		99,900
Osteopathic Examiners Board					257,800		257,800
Pharmacy Board					633,100		633,100
Physical Therapy Examiners Board					65,400		65,400
Podiatry Examiners Board					38,800		38,800
Private Postsecondary Education, Bd for					133,400		133,400
Psychologist Examiners Board					123,700		123,700
Respiratory Care Examiners, Board of							
Structural Pest Control Board					1,107,000	1,000	1,108,000
Technical Registration, Board of					783,300		783,300
Veterinary Medical Examining Bd					157,000		157,000
SUBTOTAL - Ninety-Ten Agencies	\$86,800	\$0		\$86,800	\$9,284,900	\$1,600	\$9,286,500
TOTAL - INSPECTION & REGULATION	\$40,070,900	(\$1,170,100)	\$24,200	\$38,925,000	\$30,781,300	\$6,500	\$30,787,800

	General Fund				Non-General Fund		
	Original Appropriation	Revision	Inequity Sal Adj	Final Appropriation	Original Appropriation	Inequity Sal Adj	Final Appropriation
EDUCATION							
Arts, Commission on the	\$1,559,300	(\$46,800)		\$1,512,500			
Community Colleges	84,517,300	(2,000,500)		82,516,800			
Deaf and Blind, School for	13,146,000	(68,100)	\$13,500	13,091,400			
Education, Department of	1,236,740,300	(507,300) 6/	7,500	1,236,240,500			
Historical Society, Arizona	3,158,100	(10,000)	27,900	3,176,000			
Historical Society, Prescott	520,800	(15,600)	1,800	507,000			
Medical Student Loans Board	3,000			3,000			
Universities/Board of Regents							
Board of Regents	6,700,400	(201,000)	3,900	6,503,300			
Arizona State University - Main	187,161,700	(5,614,900)	419,300	181,966,100			
Arizona State University - West	25,279,400	(758,400)	36,000	24,557,000			
Northern Arizona University	69,930,000	(2,097,900)	152,200	67,984,300			
University of Arizona - Main	202,580,000	(6,077,400)	472,500	196,975,100			
University of Arizona - College of Med	45,451,100	(1,363,500)	82,200	44,169,800			
SUBTOTAL - Universities/Bd of Regents	\$537,102,600	(\$16,113,100)	\$1,166,100	\$522,155,600			
TOTAL - EDUCATION	\$1,876,747,400	(\$18,761,400)	\$1,216,800	\$1,859,202,800			
PROTECTION AND SAFETY							
Corrections, Department of	249,910,700	(3,848,600)	31,200	246,093,300	\$207,000		\$207,000
Criminal Justice Commission	3,195,000			3,195,000	332,700	\$2,000	334,700
Emergency & Military Affairs, Dept of	4,135,200	(67,100)	800	4,068,900			
Juvenile Corrections, Department of	34,237,600	(544,700)	2,500	33,695,400			
Pardons and Paroles, Board of	1,873,300		7,000	1,880,300			
Public Safety, Department of 7/	71,349,700	(8,236,000) 8/	137,300	63,251,000	23,803,300		23,803,300
TOTAL - PROTECTION AND SAFETY	\$364,701,500	(\$12,696,400)	\$178,800	\$352,183,900	\$24,343,000	\$2,000	\$24,345,000
TRANSPORTATION							
Transportation, Department of 9/	\$76,200			\$76,200	\$183,954,800	\$99,600	\$184,054,400
NATURAL RESOURCES							
Environment, Commission on the	117,900			117,900			
Game and Fish Department					16,238,100	2,400	16,240,500
Geological Survey	565,400	(1,000)		564,400			

	General Fund				Non-General Fund		
	Original Appropriation	Revision	Inequity Sal Adj	Final Appropriation	Original Appropriation	Inequity Sal Adj	Final Appropriation
Land Department	\$8,261,600	(\$247,800)	\$9,400	\$8,023,200			
Mines and Mineral Resources, Dept of	349,800	(2,800)	400	347,400			
Oil and Gas Conservation Commission	177,300	(1,300)		176,000			
State Parks Board	6,533,100	(65,100)		6,468,000	9,742,500		\$9,742,500
Water Resources, Department of	11,477,200		500	11,477,700			
TOTAL - NATURAL RESOURCES	\$27,482,300	(\$318,000)	\$10,300	\$27,174,600	\$25,980,600	\$2,400	\$25,983,000
UNALLOCATED SALARY ADJ	768,200			768,200	300,800		300,800
UNALLOCATED INEQUITY SAL ADJ	284,300			284,300	186,400		186,400
GRAND TOTAL	\$3,462,053,700	(\$102,787,800)	\$2,165,700	\$3,361,431,600	\$329,476,200	\$128,600	\$329,604,800

- 1/ The estimates generally include revisions from Laws 1991, Chapter 2, 1st Special Session and the allocation of inequity salary adjustments, but do not include carry-forward balances, revertments required by the original FY 1991 General Appropriation Act, Phase 2 of the inequity salary adjustment relating to trade positions, nor any supplemental appropriations approved during the 40th Legislature, 1st Regular Session.
- 2/ Includes a \$111,200 reduction from funds appropriated in Laws 1990, Chapter 229.
- 3/ The amount shown for the original General Fund appropriation includes a supplemental appropriation of \$2,650,000 in Laws 1990, Chapter 1, 5th Session. In addition, the amount includes a \$925,000 supplemental appropriation in Laws 1991, Chapter 2, 1st Special Session.
- 4/ Includes a \$3,500,000 reduction from funds appropriated in Laws 1990, Chapter 334.
- 5/ The amount shown for the original Non-General Fund appropriation includes a supplemental appropriation of \$64,300 in Laws 1991, Chapter 2, 1st Special Session.
- 6/ Includes a \$100,000 reduction from funds appropriated in Laws 1990, Chapter 348.
- 7/ The amount shown for the original Non-General Fund appropriation reflects an increased appropriation of \$5,250,000 in Laws 1991, Chapter 2, due to a funding shift from General Funds to Highway Funds.
- 8/ Includes a \$2,000,000 reduction from funds appropriated in Laws 1990, Chapter 304.
- 9/ The amount shown for the original Non-General Fund appropriation includes an appropriation reduction of \$143,000 in Laws 1991, Chapter 2, 1st Special Session.

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- **1991 FISCAL FACTS, November 1990**
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- **State of Arizona Drug Enforcement, Treatment and Education FY 1989, March 1991**
- **A Preliminary Evaluation of the Community Punishment Program in Arizona, June 1991**

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