

APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

Sub Committee on Public Safety, Infrastructure & Resources consisted of the following membership:

- Chairman Cobb
- Vice-Chairman Rivero
- Representative Friese

Over the course of the 53rd legislature's 1st Regular Session, the Appropriation Subcommittee on Health and Welfare met on 7 occasions. The intent of the Committee was to review various state entity budgets with the inclusion of Executive recommendations contrasted to the JLBC Baseline. The agendas for each meeting is located in the Appendices as attachment A. The JLBC presentation for each state entity reviewed by the Subcommittee is hyperlinked below to the correlating title.

- January 17
 - Secretary of State JLBC Staff Presentation
 - Treasurer JLBC Staff Presentation
 - Exposition and State Fair Board JLBC Staff Presentation
- January 24
 - Proposition 206 impacts on DD service providers
- January 31
 - Department of Health Services JLBC Staff Presentation
 - Commission for the Deaf and the Hard of Hearing JLBC Staff Presentation
 - Retirement System Issues JLBC Staff Presentation
 - Registrar of Contractors JLBC Staff Presentation
- February 07
 - Department of Revenue JLBC Staff Presentation
 - Industrial Commission Arizona JLBC Staff Presentation
 - Arizona State Lottery Commissions JLBC Staff Presentation
 - County Funding JLBC Staff Presentation
- February 14
 - Arizona Department of Veterans' Services JLBC Staff Presentation
 - Pioneers' Home JLBC Staff Presentation

Chairman's Recommendation:

Secretary of State

The executive recommends \$3.4 million above the JLBC baseline. JLBC removed the \$712,000 from the special elections and \$2,672,500 from the one-time election.

- Recommendation: maintain JLBC baseline.

Treasurer

The Treasurer administers the Law Enforcement Boating Safety Fund which is a pass-through. This should be placed in a more appropriate Department; one such option may be the Game and Fish Department.

The Treasurer also does the administration for the Criminal Justice Enhancement Fund which is also pass-through. This is another Fund that could be administered by a more appropriated Department, possibly by the Department of Corrections.

The empowerment scholarships are increasing exponentially which will require additional resources in order to properly administer. The executive did not recommend additional FTEs although I foresee that more FTEs will be necessary in the future.

- Recommendation: maintain JLBC baseline.

Exposition and State Fair Board

- Recommendation: maintain JLBC baseline.

Department of Health Services:

The executive recommends \$350,000 for the loan repayment program out of the Indirect Cost Fund.

- Recommendation: This is effective policy to address need in underserved areas. These dollars will receive a \$1 million federal match, which will expand program capacity. I fully recommend this budget item going forward along with a BRB addressing the requirements for applicants and the HPSA designation.

The executive recommends \$500,000 for the SCID program out of the Indirect Cost Fund.

- Recommendation: Full funding of the executive's proposal for the SCID program.
- Recommendation: The ongoing \$1 million for Alzheimer's research out of the Health Research Account.

Commission for Deaf and Hard of Hearing, Registrar of Contractors, DOR, Industrial Commission, AZ Lottery

- Recommendation: Maintain the JLBC baseline.

County Funding: JLBC and the executive have recommended removal of one-time funding.

- Recommendation: Two years ago the shared lottery money was excluded from three additional counties; I recommend that these funds be restored to Mohave, Pinal and Yavapai.
- Recommendation: We recommend that the Legislature restore HURF funding and place these as an ongoing expenditure.
- Recommendation: Continue the flexibility language for counties in the BRB.
- Recommendation: The ADJC cost shifts in the recent years have created numerous issues. We recommend that ADJC evaluate the Department's efficiencies and operations. This may require the Legislature to reform ADJC's procedures and funding.

Retirement System:

- Recommendation: We recommend that ASRS and PSPRS come together to address cross-referencing and utilization of talent in their investment strategies. Both have high administration costs compared to outcomes. We recommend that the involved parties work with legislators after session to address these issues and come with a refreshed approach next year to increase efficiencies.

The Department of Veterans Services and The Pioneers Home:

- Recommendation: Maintain JLBC baseline

Additional IT Requests:

The executive recommends:

| | |
|-----------------------|---|
| DOR | \$7.0 million GF \$3.5 Million OF for FY 2018 (A total of \$17.3 million including redirected operating budget funds). |
| Industrial Commission | \$1.7 Million Total Funds, including redirected operating budget funds and \$1 Million from the Administrative Fund |
| Az. Lottery | \$3.2 million Lottery Fund |

- Recommendation: Other Departments outside of the purview of my subcommittee have also requested IT dollars. We recommend that the full Appropriations Committee review alternative strategies to consider IT investment in a consolidated and efficient manner.

Prop 206 impact on DD Providers:

JLBC has presented a need for \$22.5 million. This estimate does not include sufficient funding for benefit needs beginning in July 2017, as well as salary compression. The DD community has expressed a need of \$74 million, which includes wage compression as well as the amount necessary to bring employees to the newly-set minimum wage. This system of the public private partnership is unique and works well but would be extremely difficult and expensive to recreate. Due to the competing estimates, it is difficult to determine a recommendation that will address the sufficient need. Therefore, we recommend that the Appropriations Committee in coordination with JLBC and OSPB further review potential financial impacts to the DD community.

Respectfully submitted,

Representative Regina Cobb,

Chair of the Committee on Appropriations Subcommittee on Health and Welfare

Minority Report:

Please find three documents attached:

1. The Minority Report (Attachment B).
2. A 1-page summary of the funding and policy recommendations (Attachment C).
3. An Excel spreadsheet with the Democratic funding package in context with the overall JLBC baseline. This was adapted from the JLBC Baseline and assumes agency general fund spending at that level for FY 2018 (Attachment D):

Attachment A
CORRECTED

CORRECTED

CORRECTED

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, January 10, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Mrs. Cobb, Chairman

-
1. Introductions of Members and Staff
 2. Discussion of Sub-Committee Charge
 3. Review of One-Time FY 2017 Spending

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JY
~~1/4/17~~
1/9/17

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

REVISED - 01/13/17

REVISED - 01/13/17

REVISED - 01/13/17

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, January 17, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

Budget Presentations by Joint Legislative Budget Committee Staff and State Agencies

- Secretary of State
- Treasurer
- Exposition and State Fair Board
- Department of Gaming

cc
1/11/17
1/13/17

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, January 24, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

-
1. Presentation from the Arizona Association of Providers with Disabilities- Stuart Goodman
 2. Testimony on the operational impacts of Prop. 206 and DD service providers
 3. Testimony from self-advocates and families on the impact of care
 4. Public Testimony

cc

1/18/17

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, January 31, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

Budget Presentations by Joint Legislative Budget Committee Staff and State Agencies

- Department of Health Services
- Commission for the Deaf and the Hard of Hearing
- Retirement System Issues
- Registrar of Contractors

cc

1/25/17

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, February 7, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

Mr. Shooter, Ex-officio

Budget Presentations by Joint Legislative Budget Committee and State Agencies

- Department of Revenue
- Industrial Commission of Arizona
- Arizona State Lottery Commission
- County Funding

cc
2/1/17

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REVISED - 02/14/17

REVISED - 02/14/17

REVISED - 02/14/17

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, February 14, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

Mr. Shooter, Ex-Officio

Budget Presentations by Joint Legislative Budget Committee Staff and State Agencies

- Arizona Department of Veterans' Services
- Pioneers' Home

→ **Presentation by the Arizona Council of Human Service Providers**

cc
2/14/17

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - First Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND WELFARE

DATE Tuesday, February 21, 2017

ROOM HHR 5

TIME 2:00 P.M.

Members:

Mr. Friese

Mr. Rivero, Vice-Chairman

Ms. Cobb, Chairman

Mr. Shooter, Ex-Officio

1. Review of Chair's Subcommittee Report
2. Adoption of Chair's Subcommittee Report

cc
2/15/17

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Attachment B

Sub Appropriations Committees Minority Report

House of Representatives Democratic Caucus FY 2018 Budget Priorities

February 20, 2016

Democrats are working together to build a state reflective of community values. Our vision for Arizona is inclusive, prosperous and fiscally responsible. We continue to champion opportunity, equity and fairness. As representatives of the people, Democrats are committed to investing in policies that will improve our quality of life now, while promoting a stronger, more sustainable future.

These values shape our budget priorities. Democrats will support programs and policies that bring money into our state and create a solid foundation for Arizonans. These changes start by focusing on education, jobs, health care and building a better future. The funding priorities Democrats recommend for fiscal year 2018 are above and beyond the baseline budget because our constituents demand and expect state government that invests in people, supports families and business, and establishes a framework for Arizona to prosper.

Education:

Investing in public education, including K-12 schools and universities, is critical to changing the trajectory of the state. Democrats will prioritize efforts to reduce class sizes, correct the teacher shortage problem and develop long-term solutions that will get our schools the resources they need.

The first step in achieving these goals is providing our classroom teachers an immediate four percent salary increase starting in FY 2018. We recognize the Executive's FY 2018 budget provides a raise for teachers, but the immediate impact is negligible – a mere .4 percent increase in the first year does little to address inadequate pay and alarming turnover rates.

In order to properly invest in our educators, this session Democrats introduced a package of bills. Taken together or individually, we recommend the Majority strongly consider these items in order to move our K-12 education system forward.

HB 2487: lottery distributions; teacher salary increases

- Directs \$50 million in general fund lottery revenues to a newly created teacher salary increases fund administered by the Department of Education for the sole purpose of providing salary increases to teachers employed by school districts and charter schools.

HB 2488: appropriation; credit enhancement fund shift; teacher salary increases

- Appropriates \$50 million from the general fund in FY18 to the teacher salary increases fund and also transfers the already available \$24 million balance in the public school credit enhancement fund to the teacher salary increases fund.

HB 2441: aggregate STO credit cap; freeze

- Freezes the aggregate corporate school tuition organization tax credit cap at the FY17 level and requires an annual estimate of the dollar amount of tax revenues that would have been lost had the cap been allowed to increase by 20 percent a year.
- Includes a legislative intent clause describing the cost savings achieved by freezing the growth in the cap, and directing the increased funding for teacher salary increases.

- Appropriates the following amounts from the general fund to the teacher salary increase fund:
 - In FY18, \$12.4 million
 - In FY19, \$27.3 million
 - In FY20, \$45.1 million

HB 2424: mitigation monies; school bus fleets

- Requires the funding received from the Volkswagen Emissions Settlement to be used for the purpose of purchasing or repowering school buses in the K-12 education system.
- Directs the Departments of Administration, Education and Environmental Quality to work with the Attorney General to prepare a proposed plan for distributing the settlement monies to school districts according to the transportation needs of the school districts.

HB 2184: at-risk youth; college readiness

- Designates \$100,000 for the Department of Education for distribution to school districts and charter schools that participate in the college career readiness program for at-risk youth.

Democrats support renewing Prop. 301 before 2021 and increasing the sales tax dedicated to public education to a full one cent. This would result in an additional \$430 million annually in funding for K-12 education. This money could be used to recruit and retain teachers and fund schools. This is a matter of putting resources behind our priorities, which is why Democrats propose the following:

HB 2263: education excise tax rates

- Renews Prop 301 at a full cent sales tax.

HCR 2008: education finance; excise tax rates

- Sends a referendum to the voters to renew Prop 301 at a full cent sales tax.

Health Care and Human Services:

Democrats will defend the progress made in Arizonans' access to health care – including access to behavioral and women's health care. We will protect Medicaid expansion and KidsCare so that thousands of Arizonans will keep access to health care and will continue to benefit from the millions of dollars that will be brought into the state.

Democrats will also work to restore Temporary Assistance for Needy Families (TANF). Cuts to TANF left 1,200 families—and their 2,100 children—with less money to put food on the table and with fewer resources to get the job training and skills needed to move them out of poverty and prevent crisis. Restoring TANF benefits to 24 months will strengthen a social safety net that is good for the entire state. We propose:

HB 2266: cash assistance; lifetime limit

- Restores TANF benefits eligibility to 24 months.

Democrats will continue to reform and strengthen human services. Helping families and keeping kids safe is vital to planning a stronger future. Democrats are committed to this goal and propose the following:

HB 2519: appropriation; child care subsidy program

- Appropriates \$8 million to the Department of Economic Security for the childcare subsidy program.

HB 2505: appropriation; adult protective services

- Appropriates \$3 million to the Department of Economic Security for adult protective services.

HB 2455: appropriation; untested sexual assault kits

- Appropriates \$1.2 million to the Department of Public Safety for the purpose of eliminating the backlog of untested sexual assault kits.

HB 2342: veterans' services; benefit counselors; appropriation

- Appropriates \$500,000 to the Department of Veterans' Services to hire additional benefits counselors to assist veterans.

Public Safety, Infrastructure and Resources:

Currently, an average of \$24,000 is spent annually to house a prisoner in Arizona. Only \$4,500 in state funding is spent on average to educate a K-12 student and just \$5,300 is spent on resident students in higher education. Sentencing and correction reform efforts would save the state money and give more to universities and community colleges. We should invest in education, not incarceration. This would require additional reforms, and House Democrats propose the following:

HB 2428: prisoners; earned release credits

- Revises the earned release credits that an inmate may receive as follows:
 - 1 day for every 6 days served if the defendant is sentenced to prison for a serious offense or violent or aggravated felony.
 - 1 day for every 3 served if the defendant is sentenced to prison for every other offense.

HB 2503: criminal justice commission; membership; report

- Expands the Criminal Justice Commission to include one public defender from a large county, one public defender from a small county, one crime victim advocate, and one former prison inmate who advocates for prisoners' rights.
- Directs the Criminal Justice Commission to conduct a comprehensive review of the state's sentencing and corrections data and submit a report to the legislature regarding its findings.

HB 2502: joint select commission on correction

- Reinstates the Joint Select Committee on Corrections to provide legislative oversight on the Department of Corrections.

Democrats have long supported common-sense ideas for getting people back to work. Recovery from the recession has been a slow process here, and we are still struggling. At the same time, the state's critical infrastructure including roads and bridges are falling into disrepair. About \$800 million from the Highway User Revenue Fund (HURF) has been swept since 2009, affecting the state's ability to maintain highways. We propose protecting HURF now and restoring funding cuts incrementally. This is why we support:

HB 2425: appropriation; highway user revenue fund

- Appropriates \$30 million from the general fund in FY18 to the HURF.

The election process in Arizona should be robust, accessible and secure. To protect our democracy, we support:

HB 2273: appropriation; elections and database security

- Appropriates \$2 million from the general fund in FY18 to the Secretary of State for providing grants to counties for elections systems security improvements and security improvements for voter registration databases.

Our state will be a place where people can live, study, work and play for generations. To ensure our future is better, we must protect our forests, air, water and cultural heritage. That requires us to be responsible stewards of our state's resources, both natural and financial. We will promote ideas and policies that protect our environment and resources.

Tax reform is a part of good stewardship of state resources. This is what the people of Arizona have said they expect from their representatives, and that is what Democrats will deliver. We propose:

HB 2383: state finance review; task force

- Establishes a citizens' finance review task force that includes members of the Legislature, Arizona Board of Regents, state agencies, business leaders, community stakeholders and economists.
- Directs the task force to perform an analysis of state revenues, effect of tax credits and tax exemptions on economic development, and report to state leaders a plan for sustainable and equitable revenues that meet the responsibilities of state government.

HB 2038: tax credits; exemptions; sunset repeal

- Requires any new tax exemption or tax credit enacted by the Legislature to include within its enabling legislation a specific repeal date.
- Establishes the repeal date must be no later than the 8th full calendar year following the date the tax exemption or credit is enacted.
- Requires any new individual or corporate income tax credit enacted by the Legislature to include a specific review year for the Joint Legislative Income Tax Credit Review Committee to review the credit.
- Specifies the review year must not be later than the 8th full calendar year following the date the credit is enacted.
- Requires the credit to include a specific repeal date for the credit after the review year, and a purpose clause that explains the rationale and objective of the credit.
- Requires the Joint Legislative Income Tax Credit Review Committee to consider whether the credit has led to quantifiable job creation (in addition to other factors) in evaluating the tax credit in order to determine whether the credit should be amended, retained, or allowed to be repealed.

Our state is fighting to recover from policies that have jeopardized our future. Our schools are suffering, infrastructure is declining, families are facing crisis and our access to health care is under constant threat. The House Democrats' budget priorities reflect our dedication to prioritize people over politics, and we will continue to build a future that is equitable and fair.

Attachment C: FY 18 Minority Budget Policy Recommendations

| FY18 Budget Policy Options (\$ in M) | |
|---|----------------|
| One-Time Funds Available | \$114.1 |
| Ongoing Funds Available | \$46 |
| Freeze the Corporate STO Credit | \$12.4 |
| One-Time BHS Savings | \$35 |
| Credit Enhancement Transfer | \$23.9 |
| TOTAL | \$231.4 |
| Spending – Priorities | |
| Lottery GF Revenue to Teachers* | \$50 |
| One-Time Appropriation to Teachers | \$50 |
| Credit Enhancement to Teachers | \$23.9 |
| STO Freeze Savings to Teachers | \$12.4 |
| One-Time for HURF Local Share | \$30 |
| DES - Childcare Subsidies | \$8 |
| DES – TANF Restore to 24 months | \$4 |
| DES - Adult Protective Services | \$3 |
| DPS - Testing Sexual Assault Kits | \$1.2 |
| Elections Systems and Database Security | \$2 |
| DVS - Veteran's Benefit Counselors | \$5 |
| Jobs for Arizona Graduates | \$.1 |
| One-time - JLBC Baseline | \$1 |
| Ending Balance | \$45.2 |

| Reform Measures | |
|--|---------|
| Criminal Justice Reform | No Cost |
| Direct the ACJC Study | No Cost |
| Reinstate the JSCC | No Cost |
| Establish Finance Review Task Force | No Cost |
| Legislative Review of Tax Credits & Exemptions | No Cost |

| Other (\$ in M) | |
|-------------------------|----------------------------|
| Prop 301 Renewal (cent) | Additional \$430-\$450/yr. |
| VW Settlement for buses | \$48 |

\$136M
= 4%
Raise

Budget policy recommendations are above JLBC Baseline
*Denotes ongoing spending

Cash Balance cushion for supplemental, agency priorities and unexpected costs

FY 2018 MINORITY BUDGET LIST OF GENERAL FUND CHANGES

Attachment D

Prepared by:
House
Democratic Staff

| | FY 2017 GF <u>1/</u> Current | FY 2018 Baseline <u>2/</u> Above FY 17 | FY 2018 GF JLBC Baseline | FY 2018 GF Minority Changes | FY 2018 GF w/ Changes |
|---|---------------------------------|---|-----------------------------|--------------------------------|--------------------------|
| OPERATING SPENDING CHANGES | | | | | |
| DOA - Arizona Department of Administration | 10,264,500 | | 10,264,500 | | 10,264,500 |
| APF - Automation Projects Fund/ADOA | 14,881,600 | | 5,000,000 | | 5,000,000 |
| APF - Remove ADE Automation (One-time) | | (7,300,000) | | | |
| APF - Fund DCS Automation @ \$5 M | | 418,400 | | | |
| APF - Remove DOA Procurement (One-time) | | (3,000,000) | | | |
| OAH - Office of Administrative Hearings | 860,500 | | 860,500 | | 860,500 |
| AAM - Commission of African-American Affairs | 125,000 | | 125,000 | | 125,000 |
| AGR - Department of Agriculture | 9,162,700 | | 9,162,700 | | 9,162,700 |
| AXS - AHCCCS | 1,750,941,400 | | 1,794,980,300 | | 1,794,980,300 |
| AXS - Formula Changes | | 44,038,900 | | | |
| ATT - Attorney General | 24,664,800 | | 24,664,800 | | 24,664,800 |
| CHA - State Board for Charter Schools | 1,185,200 | | 1,185,200 | | 1,185,200 |
| DCS - Department of Child Safety | 379,179,400 | | 379,179,400 | | 379,179,400 |
| ACA - Arizona Commerce Authority | 21,800,000 | | 21,800,000 | | 21,800,000 |
| CCO - Arizona Community Colleges | 54,312,700 | | 54,970,400 | | 54,970,400 |
| CCO - Formula Changes | | 657,700 | | | |
| COR - Corporation Commission | 2,611,600 | | 611,600 | | 611,600 |
| COR - Remove One-time Automation Funding | | (2,000,000) | | | |
| ADC - Department of Corrections | 1,046,682,600 | | 1,053,665,200 | | 1,053,665,200 |
| ADC - Annualize 1,000 Medium Security Beds | | 7,090,800 | | | |
| ADC - Remove One-time Equipment Costs | | (108,200) | | | |
| CF - County Funding | 14,000,500 | | 6,000,500 | | 6,000,500 |
| CF - Remove One-time Additional County Distribution | | (8,000,000) | | | |
| SDB - Arizona State Schools for the Deaf and the Blind | 21,378,100 | | 21,378,100 | | 21,378,100 |
| OEC - Office of Economic Opportunity | 1,068,700 | | 484,100 | | 484,100 |
| OEC - Remove One-time Small Water Systems Fund Deposit | | (500,000) | | | |
| OEC - Remove One-time Regulatory Cost Model Funding | | (84,600) | | | |
| DES - Department of Economic Security | 530,124,400 | | 548,428,900 | | 563,428,900 |
| DES - DD Caseload/Inflation Funding | | 18,644,500 | | | |
| DES - Remove One-time Domestic Violence Shelter Funding | | (100,000) | | | |
| DES - Remove One-time ABLE Account Funding | | (240,000) | | | |
| DES - Childcare Subsidies | | | | 8,000,000 | |
| DES - Restore TANF to 24 months | | | | 4,000,000 | |
| DES - Adult Protective Services | | | | 3,000,000 | |
| BOE - State Board of Education | 1,094,000 | | 1,094,000 | | 1,094,000 |
| ADE - Arizona Department of Education | 4,069,375,800 | | 4,148,687,800 | | 4,285,087,800 |
| ADE - Base Adjustment | | 4,857,400 | | | |
| ADE - Enrollment Growth | | 87,526,600 | | | |
| ADE - Higher Average Cost Per Pupil | | 21,000,000 | | | |
| ADE - Inflation | | 79,519,800 | | | |
| ADE - New Construction | | (58,082,100) | | | |
| ADE - Homeowner's Rebate | | 6,852,200 | | | |
| ADE - Land Trust Distribution | | (16,032,700) | | | |
| ADE - Eliminate Multi-Site Charters Small School Weight | | (18,100,000) | | | |

| | FY 2017 GF 1/ Current | FY 2018 Baseline 2/ Above FY 17 | FY 2018 GF JLBC Baseline | FY 2018 GF Minority Changes | FY 2018 GF w/ Changes |
|---|-----------------------------|------------------------------------|-----------------------------|--------------------------------|--------------------------|
| ADE - Eliminate JTED Funding For HS Graduates | | (1,800,000) | | | |
| ADE - District Sponsored Charter Phase-Out | | (1,148,000) | | | |
| ADE - Eliminate Current Year Funding | | (31,000,000) | | | |
| ADE - Empowerment Scholarship Accounts | | 818,800 | | | |
| ADE - Eliminate One-time Geographic Literacy Funding | | (100,000) | | | |
| ADE - AP Testing Incentives | | 5,000,000 | | | |
| ADE - General Fund Lottery Revenue for Teacher Salaries | | | | 50,000,000 | |
| ADE - One-Time Appropriation for Teacher Salaries | | | | 50,000,000 | |
| ADE - Credit Enhancement Fund Shift for Teacher Salaries | | | | 23,900,000 | |
| ADE - Corporate STO Freeze Savings for Teacher Salaries | | | | 12,400,000 | |
| ADE - Jobs for Arizona Graduates | | | | 100,000 | |
| EMA - Department of Emergency & Military Affairs | 12,619,500 | | 12,619,500 | | 12,619,500 |
| DEQ - Department of Environmental Quality | 2,823,600 | | 2,823,600 | | 2,823,600 |
| OEO - Governor's Office of Equal Opportunity | 189,100 | | 189,100 | | 189,100 |
| EQU - State Board of Equalization | 643,000 | | 643,000 | | 643,000 |
| EXE - Board of Executive Clemency | 952,600 | | 952,600 | | 952,600 |
| DFI - Dept of Financial Institutions | 2,978,200 | | 2,978,200 | | 2,978,200 |
| FOR - Department of Forestry and Fire Management | 10,442,800 | | 10,120,300 | | 10,120,300 |
| FOR - Remove One-time Fire Management Software Costs | | (20,000) | | | |
| FOR - Eliminate One-time Inmate Fire Crew Carriers Funding | | (190,000) | | | |
| FOR - Eliminate One-time Wildland Fire Engines Funding | | (112,500) | | | |
| GAM - Department of Gaming | 1,979,500 | | 1,779,500 | | 1,779,500 |
| GAM - Eliminate One-time Breeder's Award Fund Deposit | | (200,000) | | | |
| GOV - Office of the Governor | 6,849,900 | | 8,349,900 | | 8,349,900 |
| GOV - Foster Youth Education Success Program (One-time) | | 1,500,000 | | | |
| OSP - Gov's Office of Strategic Planning & Budgeting | 1,994,000 | | 1,994,000 | | 1,994,000 |
| DHS - Department of Health Services | 86,551,700 | | 86,551,700 | | 86,551,700 |
| AZH - Arizona Historical Society | 2,722,900 | | 2,722,900 | | 2,722,900 |
| PAZ - Prescott Historical Society | 824,500 | | 824,500 | | 824,500 |
| DOH - Department of Housing | 811,400 | | 811,400 | | 811,400 |
| IND - Independent Redistricting Commission | 1,115,300 | | 1,115,300 | | 1,115,300 |
| INS - Department of Insurance | 5,824,300 | | 5,824,300 | | 5,824,300 |
| SPA - Judiciary - Supreme Court | 19,219,500 | | 18,716,500 | | 18,716,500 |
| SPA - 2 New Supreme Court Justices | | 425,400 | | | |
| SPA - 1.5% Judicial Pay Raise | | 20,300 | | | |
| SPA - IT Funding (One-time) | | (948,700) | | | |
| COA - Judiciary - Court of Appeals | 14,280,400 | | 14,342,100 | | 14,342,100 |
| COA - 1.5% Judicial Pay Raise | | 61,700 | | | |
| SUP - Judiciary - Superior Court | 79,517,800 | | 76,628,800 | | 76,628,800 |
| SUP - Remove One-time Dependency Surge Funding | | (3,000,000) | | | |
| SUP - 1.5% Judicial Pay Raise | | 111,000 | | | |
| DJC - Department of Juvenile Corrections | 24,180,400 | | 24,180,400 | | 24,180,400 |
| LAN - State Land Department | 12,491,400 | | 12,715,900 | | 12,715,900 |
| LAN - CAP Fees | | 224,500 | | | |

| | FY 2017 GF 1/ Current | FY 2018 Baseline 2/ Above FY 17 | FY 2018 GF JLBC Baseline | FY 2018 GF Minority Changes | FY 2018 GF w/ Changes |
|---|--------------------------|------------------------------------|-----------------------------|--------------------------------|--------------------------|
| Legislature | | | | | |
| AUD - Auditor General | 18,066,500 | | 17,866,500 | | 17,866,500 |
| AUD - Remove One-time Audit Funding | | (200,000) | | | |
| HOU - House of Representatives | 13,201,500 | | 13,201,500 | | 13,201,500 |
| JLBC - Joint Legislative Budget Committee | 2,488,300 | | 2,488,300 | | 2,488,300 |
| LEG - Legislative Council | 8,215,400 | | 8,215,400 | | 8,215,400 |
| SEN - Senate | 9,408,500 | | 9,408,500 | | 9,408,500 |
| MIN - State Mine Inspector | 1,212,500 | | 1,212,500 | | 1,212,500 |
| NAV - Arizona Navigable Steam Adjudication Comm. | 124,000 | | 124,000 | | 124,000 |
| POS - Commission for Postsecondary Education | 1,396,800 | | 1,396,800 | | 1,396,800 |
| DPS - Department of Public Safety | 121,195,700 | | 106,095,700 | | 107,295,700 |
| DPS - Remove One-time Sexual Assault Kit Testing Funding | | (500,000) | | | |
| DPS - Remove One-time Border Strike Task Force Funding | | (14,600,000) | | | |
| DPS - Sexual Assault Kit Testing to eliminate the backlog | | | | 1,200,000 | |
| PSP - Public Safety Personnel Retirement System | 6,000,000 | | 6,000,000 | | 6,000,000 |
| RAD - Radiation Regulatory Agency | 1,563,100 | | 1,563,100 | | 1,563,100 |
| REA - State Real Estate Department | 2,994,900 | | 2,994,900 | | 2,994,900 |
| REV - Department of Revenue | 31,998,300 | | 29,998,300 | | 29,998,300 |
| REV - Remove One-time Military Withholding Refunds | | (2,000,000) | | | |
| SFB - School Facilities Board | 228,094,400 | | 212,174,900 | | 212,174,900 |
| SFB - New School Construction (Site Conditions) | | 1,000,000 | | | |
| SFB - New School Construction (Benson USD) | | (1,174,600) | | | |
| SFB - Lease-Purchase Changes | | (244,900) | | | |
| SFB - Remove One-time Credit Enhancement Funding | | (500,000) | | | |
| SFB - Remove One-time Building Renewal Grants | | (15,000,000) | | | |
| SOS - Secretary of State | 14,969,200 | | 11,584,700 | | 13,584,700 |
| SOS - Remove Elections Services Funding | | (3,384,500) | | | |
| SOS - Elections Systems and Database Security | | | | 2,000,000 | |
| TAX - State Board of Tax Appeals | 266,600 | | 266,600 | | 266,600 |
| TOU - Office of Tourism | 7,112,000 | | 7,112,000 | | 7,112,000 |
| DOT - Department of Transportation | 50,400 | | 50,400 | | 50,400 |
| TRE - State Treasurer | 1,205,100 | | 1,205,100 | | 1,205,100 |
| OTR - Governor's Office on Tribal Relations | 57,500 | | 57,500 | | 57,500 |
| UNI - Universities | | | | | |
| UNI - Arizona Board of Regents | 21,928,400 | | 21,928,400 | | 21,928,400 |
| UNI - ASU - Tempe/DPC | 253,651,900 | | 248,942,600 | | 248,942,600 |
| UNI - Refinance Adjustment | | 2,290,700 | | | |
| UNI - Remove One-time Additional Resources | | (7,000,000) | | | |
| UNI - ASU - East Campus | 22,523,100 | | 22,523,100 | | 22,523,100 |
| UNI - ASU - West Campus | 29,222,600 | | 29,222,600 | | 29,222,600 |
| UNI - Northern Arizona University | 105,227,000 | | 102,876,700 | | 102,876,700 |
| UNI - Refinance Adjustment | | 1,649,700 | | | |

| | FY 2017 GF <u>1/</u> Current | FY 2018 Baseline <u>2/</u> Above FY 17 | FY 2018 GF JLBC Baseline | FY 2018 GF Minority Changes | FY 2018 GF w/ Changes |
|--|---------------------------------|---|-----------------------------|--------------------------------|--------------------------|
| UNI - Remove One-time Additional Resources | | (4,000,000) | | | |
| UNI - UA - Main Campus | 197,059,600 | | 189,330,500 | | 189,330,500 |
| UNI - Refinance Adjustment | | 270,900 | | | |
| UNI - Remove One-time Additional Resources | | (8,000,000) | | | |
| UNI - UA - Health Sciences Center | 68,859,800 | | 68,859,800 | | 68,859,800 |
| VSC - Department of Veterans' Services | 6,054,100 | | 6,054,100 | | 6,554,100 |
| VSC - Veterans' Benefit Counselors | | | | 500,000 | |
| WAT - Department of Water Resources | 13,012,600 | | 12,762,600 | | 12,762,600 |
| WAT - Remove One-time Water Protection Fund Deposit | | (250,000) | | | |
| OTH - Other | | | | | |
| OTH - FY 17 Supplemental/Ex-Appropriation | 17,305,700 | (17,305,700) | 0 | | 0 |
| OTH - Debt Service Payments | 84,117,400 | (2,300) | 84,115,100 | | 84,115,100 |
| OTH - Civic Center Debt Service | 20,449,000 | 2,050,000 | 22,499,000 | | 22,499,000 |
| OTH - Rio Nuevo Distribution | 10,000,000 | | 10,000,000 | | 10,000,000 |
| OTH - Administrative Adjustments | 100,000,000 | | 100,000,000 | | 100,000,000 |
| OTH - Revertments | (140,000,000) | 20,000,000 | (120,000,000) | | (120,000,000) |
| TOTAL - OPERATING SPENDING CHANGES | 9,521,757,200 | 79,800,500 | 9,601,557,700 | 155,100,000 | 9,756,657,700 |
| CAPITAL SPENDING | | | | | |
| ADOA Building Renewal | 8,000,000 | (8,000,000) | 0 | | 0 |
| Veterans Home - Flagstaff | 10,000,000 | (10,000,000) | 0 | | 0 |
| Transportation Funding | 86,500,000 | (86,500,000) | 0 | | 0 |
| HURF - Hold Local Share Harmless | | | 0 | 30,000,000 | 30,000,000 |
| TOTAL - CAPITAL SPENDING | 104,500,000 | (104,500,000) | 0 | 30,000,000 | 30,000,000 |
| TOTAL - ALL SPENDING | 9,626,257,200 | (24,699,500) | 9,601,557,700 | 185,100,000 | 9,786,657,700 |
| REVENUE CHANGES | | | | | |
| Ongoing Revenue | | | | | |
| REV - Ongoing Revenue | 9,377,013,700 | 269,434,700 | 9,646,448,400 | | 9,646,448,400 |
| REV - Freeze the Corporate STO Credit | 0 | | 0 | 12,400,000 | 12,400,000 |
| One-Time Revenue | | | | | |
| REV - Beginning Balance | 284,015,000 | (169,881,900) | 114,133,100 | | 114,133,100 |
| REV - AHCCCS Behavioral Health Transfer | | | | 35,000,000 | 35,000,000 |
| REV - Credit Enhancement Fund Shift for Teacher Salaries | | | | 23,900,000 | 23,900,000 |
| REV - ADOA - Health Insurance Trust Fund Transfer | 78,900,000 | (78,900,000) | 0 | | 0 |
| REV - ADOA - Automation Operations Fund Transfer | 461,600 | (461,600) | 0 | | 0 |
| TOTAL - REVENUE CHANGES <u>3/</u> | 9,740,390,300 | 20,191,200 | 9,760,581,500 | 71,300,000 | 9,831,881,500 |
| ENDING BALANCE | 114,133,100 | 44,890,700 | 159,023,800 | (113,800,000) | 45,223,800 |

1/ Represents original FY 2017 agency appropriations adjusted for revisions in the Universities.

2/ Represents FY 2018 Baseline cost above FY 2017 estimate.

3/ Represents all revenue changes, including fund transfers.