

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

HOUSE BILL 2251

AN ACT

AMENDING SECTIONS 35-113.01, 35-115, 35-122, 35-142, 35-173, 41-1275, 41-1279, 41-2955, 41-2958 AND 41-3102, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO STATE BUDGET PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-113.01, Arizona Revised Statutes, is amended to
3 read:

4 35-113.01. Request for federal monies; report

5 A. All state agencies, boards, commissions and departments shall
6 submit to the department of administration for acknowledgment, ~~copies of all~~
7 agreements, contracts and copies of all applications and requests for federal
8 ~~funds,~~ MONIES to be used for any purpose.

9 B. Every state agency, board, commission or department seeking federal
10 ~~funds~~ MONIES for any project or program shall furnish to the department of
11 administration with each copy of AN application or request a statement of the
12 purposes for which ~~any such~~ THE project or program is desired or advocated,
13 the source and amount of ~~funds~~ MONIES to be granted or provided ~~therefor,~~ FOR
14 THE PROJECT OR PROGRAM and a statement of the conditions, if any, ~~upon~~ ON
15 which ~~such funds~~ THE MONIES are to be provided. The director may at ~~his~~ THE
16 DIRECTOR'S discretion accept from the state agency, board, commission or
17 department a summary of the information required in this section.

18 C. All departments, agencies, boards or commissions, ~~shall~~ forward an
19 acknowledgment to the department of administration upon receipt of federal
20 ~~funds~~ MONIES.

21 D. ALL STATE AGENCIES, BOARDS, COMMISSIONS AND DEPARTMENTS SHALL
22 REPORT BY THE LAST DAY OF EACH QUARTER OF THE CALENDAR YEAR TO THE JOINT
23 LEGISLATIVE BUDGET COMMITTEE ON ANY FEDERAL MONIES EXPENDED BY THAT ENTITY
24 WHICH IS TEN PER CENT OR MORE IN EXCESS OF ANY AMOUNT SPENT DURING THE PRIOR
25 FISCAL YEAR. THE REPORT SHALL FURTHER INDICATE WHETHER THOSE NEW FEDERAL
26 MONIES ARE DERIVED FROM AN INCREASED AND ONGOING SOURCE OF REVENUE. IN THE
27 INTERIM BETWEEN QUARTERLY REPORTS, THE JOINT LEGISLATIVE BUDGET COMMITTEE
28 STAFF MAY ASK AN AGENCY, BOARD, COMMISSION OR DEPARTMENT TO SUBMIT AN
29 EXPENDITURE PLAN FOR ANY NEW PROGRAM USING AT LEAST FIVE HUNDRED THOUSAND
30 DOLLARS OF FEDERAL FUNDS.

31 E. FOR THE PURPOSES OF THIS SECTION, FEDERAL MONIES DO NOT INCLUDE ANY
32 ENTITLEMENT PROGRAM OR RESEARCH GRANTS RECEIVED BY THE UNIVERSITIES.

33 Sec. 2. Section 35-115, Arizona Revised Statutes, is amended to read:

34 35-115. Contents of budget report

35 Each budget report of odd-numbered years as required by section 35-111
36 shall include the following:

37 1. Summary statements of the financial condition of the state, to
38 include:

39 (a) A consolidated balance sheet showing all current assets and
40 liabilities of the state at the close of the fiscal year last concluded.

41 (b) Summary statements of the actual income and expenditures of the
42 fiscal year last concluded.

43 (c) Similar summary statements of estimated fund balances for the
44 current fiscal year.

1 2. Schedules showing actual income from each source for the preceding
2 fiscal year and the estimated income of the current fiscal year and of the
3 two ensuing fiscal years. The statements of income and estimated income
4 shall be itemized by source, by budget units and sources, and by funds and
5 shall show separately revenue from nonrevenue, all detailed by sources.

6 3. Detailed comparative statements of expenditures and requests for
7 appropriations by funds, budget units, budget programs and budget classes,
8 showing the expenditures for the fiscal year last concluded, and the
9 estimated expenditures for the current year, and the request of each budget
10 unit and the governor's recommendations for appropriations for the two
11 ensuing fiscal years, all distributed according to budget programs and budget
12 classes. In connection with each expenditure involving construction projects
13 to be completed in one or more fiscal years, there shall be shown the total
14 estimated cost of each project and the amount recommended to be appropriated
15 and expended in each ensuing fiscal year until completion of the
16 project. The state capital improvement plan and the governor's
17 recommendations concerning the plan shall be incorporated into the budget
18 report.

19 4. A summary statement for each fund of the cash resources estimated
20 to be available at the beginning of the next two fiscal years and the
21 estimated cash receipts for the two ensuing fiscal years, as compared with
22 the total recommended amounts for appropriations for all budget programs and
23 budget classes for the two ensuing fiscal years, and if the total of the
24 recommended expenditures exceeds the total of the estimated resources,
25 recommendations as to how the deficiency is to be met and estimates of
26 receipts from any proposed additional revenues.

27 5. For the 1999-2000 fiscal year and thereafter, delineation, by
28 budget unit, of requested expenditures for administrative costs, including
29 administrative personnel salaries and employee related expenses and direct,
30 indirect and shared costs for administrative office space, equipment,
31 supplies and overhead. For purposes of this paragraph, "administrative"
32 means any supportive activity relating to management, supervision, budget or
33 execution of the affairs of the budget unit as distinguished from activities
34 relating to its primary direct service functions. The process of delineation
35 and determination of what constitutes administrative costs for each budget
36 unit shall be developed by the governor's office of strategic planning and
37 budgeting in consultation with the director and staff of the joint
38 legislative budget committee.

39 6. A summary on one page or less providing ~~selected~~ performance
40 measures of the budget unit for the previous fiscal year and the budget
41 years. The performance measures may be expressed as service level measures
42 on a unit cost basis, ~~and~~ shall be established by the governor's office of
43 strategic planning and budgeting in consultation with the director and staff
44 of the joint legislative budget committee. ~~AND SHALL, AT A MINIMUM, INCLUDE~~
45 ~~A RELEVANT AND SIGNIFICANT MEASURE OF EACH OF THE FOLLOWING:~~

- 1 (a) A MEASURE OF PROGRAM INPUT.
- 2 (b) A MEASURE OF PROGRAM OUTPUT.
- 3 (c) A MEASURE OF PROGRAM QUALITY.
- 4 (d) A MEASURE OF PROGRAM EFFICIENCY.
- 5 (e) A MEASURE OF PROGRAM CLIENT SATISFACTION.
- 6 (f) A MEASURE OF PROGRAM OUTCOMES.

7 Sec. 3. Section 35-122, Arizona Revised Statutes, is amended to read:
8 35-122. Strategic plans; program lists; compilation; children's
9 social services report

10 A. Consistent with instructions issued by the governor, the
11 administrative head of each budget unit is responsible for:

12 1. Developing a strategic plan for the entire budget unit. At a
13 minimum, the plan shall extend for the current fiscal year and the two
14 ensuing fiscal years and shall contain a mission statement, goals, objectives
15 and performance measures for the budget unit as a whole. The performance
16 measures shall be stated in terms that are consistent with a budget unit's
17 goals and objectives and that emphasize results. The strategic plan shall be
18 submitted to the governor's office of strategic planning and budgeting and to
19 the staff of the joint legislative budget committee by September 1 of each
20 year.

21 2. Developing a strategic plan for each program identified in
22 subsection B of this section. The plan shall use the same format as the plan
23 required under paragraph 1 OF THIS SUBSECTION. These plans shall not be
24 submitted to the governor's office of strategic planning and budgeting and
25 the staff of the joint legislative budget committee unless otherwise required
26 for a strategic program area review authorized by section 41-1275.

27 B. Consistent with instructions issued by the governor, the
28 administrative head of each budget unit is responsible for developing a list
29 of programs for the budget unit. For each program the list shall include a
30 description, its mission statement, goals, performance measures that
31 emphasize results and budgetary data for the current and prior fiscal year.
32 The budgetary data shall include funding amounts, regardless of source. The
33 list of programs shall be submitted to the governor's office of strategic
34 planning and budgeting by September 1 of each year. The governor's
35 instructions shall allow budget units with a minimal number of programs to
36 consolidate their submissions for the strategic plan required under
37 subsection A of this section with the list of programs required under this
38 subsection.

39 C. The governor's office of strategic planning and budgeting shall
40 compile the submissions required in subsection B of this section and no later
41 than five days after the regular session of the legislature convenes of each
42 even-numbered year shall publish a master list of programs that are performed
43 or overseen by state government. In consultation with the staff of the joint
44 legislative budget committee, the governor's office of strategic planning and
45 budgeting may modify the list of programs submitted by each budget unit. The

1 master list shall include the program description, mission statement, goals,
2 performance measures and budgetary data. The list shall include all programs
3 that are administered jointly by two or more budget units.

4 D. THE MASTER LIST OF STATE GOVERNMENT PROGRAMS FOR THE FOLLOWING
5 AGENCIES THAT PROVIDE HEALTH CARE AND OTHER SOCIAL SERVICES TO CHILDREN, TO
6 THE EXTENT THAT IT IS POSSIBLE, SHALL BE CONSISTENT WITH THE 1997 MASTER LIST
7 OF STATE GOVERNMENT PROGRAMS' BUDGETARY AND PROGRAMMATIC FORMAT:

8 1. THE DEPARTMENT OF ECONOMIC SECURITY.

9 2. THE DEPARTMENT OF HEALTH SERVICES.

10 3. THE DEPARTMENT OF EDUCATION.

11 4. THE DEPARTMENT OF JUVENILE CORRECTIONS.

12 5. THE ADMINISTRATIVE OFFICE OF THE COURTS.

13 6. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

14 E. THE PROGRAM STRUCTURE USED FOR BUDGETING PURPOSES MAY BE MODIFIED
15 BY THE LEGISLATURE AS PART OF THE BIENNIAL BUDGET.

16 ~~D.~~ F. For purposes of this section, a program may include a
17 subprogram as determined by the governor's office of strategic planning and
18 budgeting and the staff of the joint legislative budget committee.

19 Sec. 4. Section 35-142, Arizona Revised Statutes, is amended to read:

20 35-142. Monies kept in funds separate from state general fund;
21 receipt and withdrawal

22 A. All monies received for and belonging to the state shall be
23 deposited in the state treasury and credited to the state general fund except
24 the following, which shall be placed and retained in separate funds:

25 1. The unexpendable principal of monies received from federal land
26 grants shall be placed in separate funds and the account of each such
27 separate fund shall bear a title indicating the source and the institution or
28 purpose to which such fund belongs.

29 2. The interest, rentals and other expendable money received as income
30 from federal land grants shall be placed in separate accounts, each account
31 bearing a title indicating the source and the institution or purpose to which
32 the fund belongs. Such expendable monies shall be expended only as
33 authorized, regulated and controlled by the general appropriation act or
34 other act of the legislature.

35 3. All private or quasi-private monies authorized by law to be paid to
36 or held by the state treasurer shall be placed in separate accounts, each
37 account bearing a title indicating the source and purpose of such fund.

38 4. All monies legally pledged to retirement of building indebtedness
39 or bonds issued by those institutions authorized to incur such indebtedness
40 or to issue such bonds shall be placed in separate accounts.

41 5. Monies of a multi-county water conservation district authorized by
42 law to be paid to or held by the state treasurer shall be placed in separate
43 accounts, each account bearing a title indicating the source and purpose of
44 such fund.

1 6. All monies collected by the Arizona game and fish department shall
2 be deposited in a special fund known as the state game and fish protection
3 fund for the use of the Arizona game and fish commission in carrying out the
4 provisions of title 17.

5 7. All federal monies that are received by the department of economic
6 security for family assistance benefits and medical eligibility as a result
7 of efficiencies developed by the department of economic security and that
8 would otherwise revert to the state general fund pursuant to section 35-190
9 shall be retained for use by the department of economic security in
10 accordance with the terms and conditions imposed by the federal funding
11 source.

12 8. Monies designated by law as special state funds shall not be
13 considered a part of the general fund. Unless otherwise prescribed by law,
14 the state treasurer shall be the custodian of all such funds.

15 B. No money shall be received or held by the state treasurer except as
16 authorized by law, and in every instance the treasurer shall issue a receipt
17 for money received and shall record the transaction in the statewide
18 accounting system. No money shall be withdrawn from the treasury except upon
19 the warrant or electronic funds transfer voucher of the department of
20 administration.

21 C. All federal monies granted and paid to the state by the federal
22 government shall be accounted for in the accounts or funds of the state in
23 the necessary detail to meet federal and state accounting, budgetary and
24 auditing requirements, and all appropriations for matching such federal
25 monies shall be transferred from the general fund to such separate funds as
26 needed, except as otherwise required by the federal government.

27 D. Nothing in this section requires the establishment of separate
28 accounts or funds for such federal monies unless otherwise required by
29 federal or state law. The department of administration has the authority to
30 use the most efficient system of accounts and records, consistent with legal
31 requirements and standard and necessary fiscal safeguards.

32 E. Nothing in this section precludes the creation by the department of
33 administration of a clearing account or other acceptable accounting method to
34 effect prompt payment of claims from an approved budget or appropriation. The
35 department of administration shall report each account or fund established or
36 cancelled to the directors of the joint legislative budget committee and the
37 governor's office of strategic planning and budgeting.

38 F. Nothing in this section or any other section precludes the use of
39 monies kept in funds separate from the general fund, the interest from which
40 accrues to the general fund, for payment of claims against the general fund,
41 provided sufficient monies remain available for payment of claims against
42 such funds.

43 G. The department of administration may issue warrants for qualified
44 expenditures of federal program monies before they are deposited in the state
45 treasury. The receipt of federal monies shall be timed to coincide, as

1 closely as administratively feasible, with the redemption of warrants by the
2 state treasurer. The department of administration shall limit expenditures
3 to the amount that has been made available for the use under the grant award
4 by the federal government. The state agency initiating the expenditures is
5 responsible for ensuring that expenditures qualify for coverage under the
6 guidelines of the federal grant award.

7 H. The department of administration shall establish the policies and
8 procedures for all state agencies for drawing federal monies **INCLUDING THE**
9 **RECEIPT AND EXPENDITURE REPORTS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE**
10 **REQUIRED BY SECTION 35-113.01, SUBSECTION D.** When the established method
11 results in federal monies being held by this state, the department of
12 administration may use the interest earned on the monies to pay the federal
13 government for any related interest liability. If an interest liability is
14 incurred due to a state agency varying from the established policies and
15 procedures, the department of administration shall charge the appropriate
16 agency account or fund. Interest payment charges to agencies shall be
17 reported by the department of administration to the joint legislative budget
18 committee on or before March 1. Any federal interest liability owed to this
19 state as a result of the delayed federal disbursements shall be used to
20 offset this state's interest liability to the federal government. Any
21 remaining interest earnings shall be deposited in the state general fund.

22 I. Any state agency or authorized agent of a state agency may accept
23 credit cards or charge cards pursuant to an agreement entered into by the
24 state treasurer pursuant to section 35-315 for the payment of any amount due
25 to that agency, ~~OR~~ OR agent or this state.

26 J. Agencies or authorized agents on behalf of state agencies that
27 accept credit cards or charge cards shall deduct any applicable discount or
28 convenience fee associated with the transaction amount before depositing the
29 net amount in the appropriate state fund. The net amount deposited in the
30 appropriate state fund shall be considered as the full deposit required by
31 law of monies received by the agency. Payment of any applicable discount or
32 convenience fee shall be accounted for in the annual report submitted to the
33 governor's office of strategic planning and budgeting in accordance with
34 section 41-1273.

35 K. State agencies shall report the number of transactions, the total
36 dollar amount of transactions processed and the total dollar amount of any
37 discount or transaction fees pursuant to subsection J of this section
38 quarterly to the governor, the government information technology agency and
39 the joint legislative budget committee.

40 Sec. 5. Section 35-173, Arizona Revised Statutes, is amended to read:

41 **35-173. Definition; allotment of appropriations; limitations;**
42 **approval of transfers; exceptions**

43 A. ~~An~~ **IN THIS SECTION**, "allotment schedule" means a detailed plan of
44 expenditures for a full fiscal year within a budget program or expenditure
45 class.

1 B. Before monies from an authorized appropriation, or any other
2 source, can be obligated, an allotment schedule must be approved and
3 established by the department of administration. The allotment schedule
4 shall be based on the estimated annual requirement and shall distribute the
5 available spending authority to cover the entire fiscal year's operations.

6 C. With the exception of the department of administration, the budget
7 unit, may, upon approval of the director of the department of administration:

- 8 1. Transfer spending authority from one expenditure class to another.
- 9 2. Transfer spending authority between and within programs if spending
10 authority is appropriated to the budget unit by programs.

11 D. A transfer within a budget unit of spending authority appropriated
12 for land acquisition, capital projects or building renewal shall be
13 permissible only on approval of the joint committee on capital review.

14 E. No transfer to or from personal services or employee related
15 expenditures from or to any other budget program or expenditure class shall
16 be permitted unless recommended by the joint legislative budget committee and
17 approved by the director of the department of administration, except that the
18 director of the department of administration may transfer amounts equal to
19 the gross payroll and related employee expenses of a budget unit from the
20 monies of a budget unit available for this purpose to payroll imprest
21 accounts for the purpose of paying employees of the budget unit and
22 disbursing related employee expenses.

23 F. A transfer of spending authority within the department of
24 administration shall be made only with the approval of the joint legislative
25 budget committee, except as provided in subsection E.

26 G. A TRANSFER OF SPENDING AUTHORITY MADE PURSUANT TO SUBSECTION C OF
27 THIS SECTION SHALL BE REPORTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE.

28 ~~G.~~ H. The provisions of this section shall not apply to the
29 universities.

30 Sec. 6. Section 41-1275, Arizona Revised Statutes, is amended to read:
31 41-1275. Strategic program area reviews; procedures; definition

32 A. In consultation with the governor's office of strategic planning
33 and budgeting, the staff of the joint legislative budget committee shall
34 recommend to the joint legislative budget committee by January 1 of each
35 odd-numbered year a list of program areas suggested for strategic program
36 area review. Each budget unit may submit suggestions for which of its
37 programs should be subject to strategic program area reviews. The joint
38 legislative budget committee may designate subprograms or portions of
39 particular programs to be subject to a strategic program area review. Budget
40 units may be required to develop joint self-assessments if their programs are
41 of a similar nature.

42 B. The joint legislative budget committee shall determine those
43 program areas that are subject to strategic program area review from the list
44 of program areas submitted. The staff of the joint legislative budget
45 committee and the governor's office of strategic planning and budgeting shall

1 review the program areas. To aid in the review, the budget unit responsible
2 for the program that is subject to strategic program area review shall
3 prepare a self-assessment of its program by June 1 of the odd-numbered year
4 in which the program is being reviewed AND MEET WITH THE CHAIRMEN OF THE
5 APPROPRIATIONS COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES BY
6 AUGUST 1 OF THE ODD-NUMBERED YEAR TO DISCUSS THE PROGRAM AND SELF-ASSESSMENT.
7 The self-assessment shall address the efficiency and effectiveness of each
8 ~~program~~ PROGRAM'S operation and whether its current operation is consistent
9 with the original legislative intent. The self-assessment shall be
10 consistent with instructions issued by the governor's office of strategic
11 planning and budgeting and joint legislative budget committee staff and shall
12 be submitted to the two offices. The two offices shall evaluate the program
13 areas according to agreed upon factors and shall jointly produce a report of
14 their findings and recommendations for whether to retain, eliminate or modify
15 funding and related statutory references for the programs that are subject to
16 strategic program area review to the president of the senate, the speaker of
17 the house of representatives and the governor no later than January 1 of each
18 even-numbered year. The findings and recommendations shall include a
19 description of personnel, facilities, equipment and funding of the strategic
20 program area by all budget units or entities and shall address the views of
21 the two offices on the program's efficiency, effectiveness and necessity and
22 whether the program area should be consolidated into one budget unit if the
23 program area is being administered by more than one budget unit.

24 C. The speaker of the house of representatives and the president of
25 the senate shall assign all strategic program areas recommended by the joint
26 legislative budget committee, pursuant to subsection B of this section, to
27 the appropriations committees. The speaker of the house of representatives
28 and the president of the senate may additionally assign the strategic program
29 areas to an appropriate standing committee. The assigned standing committee
30 shall hold at least one public hearing for the purpose of receiving public
31 input and developing recommendations to the appropriations committees whether
32 to retain, eliminate or modify funding and related statutory references for
33 the strategic program area subject to review. If the speaker of the house of
34 representatives and the president of the senate choose not to assign the
35 strategic program areas to an additional standing committee the
36 appropriations committee shall hold at least one public hearing for the
37 purpose of receiving public input in developing recommendations whether to
38 retain, eliminate or modify funding and related statutory references for the
39 strategic program area subject to review.

40 D. For purposes of this section, "strategic program area" means a
41 program, function or activity of state government conducted by one or more
42 budget units or entities, or subdivisions of budget units or entities, and
43 includes all personnel, facilities, equipment and funding of the program,
44 function or activity, including federal, state, local and other funding. A
45 strategic program area may include a subprogram area as determined by the

1 governor's office of strategic planning and budgeting or the joint
2 legislative budget committee staff.

3 Sec. 7. Section 41-1279, Arizona Revised Statutes, is amended to read:

4 41-1279. Joint legislative audit committee; composition;
5 meetings; powers and duties

6 A. The joint legislative audit committee is established consisting of
7 five members of the senate appointed by the president of the senate, one of
8 whom shall be a member of the senate appropriations committee, and five
9 members of the house of representatives appointed by the speaker of the house
10 of representatives, one of whom shall be a member of the house of
11 representatives appropriations committee. Selection of members shall be
12 based on their understanding and interest in legislative audit oversight
13 functions. Not more than three appointees of each house shall be of the same
14 political party. The president **OF THE SENATE** and the speaker **OF THE HOUSE OF**
15 **REPRESENTATIVES** shall designate one of their appointed members as chairman of
16 their respective delegation. The chairman of the audit committee shall serve
17 for the term of each legislature. The chairmanship of the audit committee
18 shall alternate between the chairman of the senate delegation and the
19 chairman of the house of representatives delegation beginning with the
20 chairman of the senate delegation. The president of the senate and the
21 speaker of the house of representatives shall also serve as ex officio
22 members of the committee.

23 B. The committee shall meet at least quarterly and on call of the
24 chairman. Members of the committee are eligible for reimbursement by their
25 respective houses in the same manner as a member of the legislature who
26 attends a meeting of a standing committee.

27 C. The committee shall:

28 1. Oversee all audit functions of the legislature and state agencies
29 including sunset, performance, special and financial audits and the
30 preparation and introduction of legislation resulting from audit report
31 findings.

32 2. Appoint an auditor general subject to approval by a concurrent
33 resolution of the legislature and direct the auditor general to perform all
34 sunset, performance, special and financial audits and investigations.

35 3. Have the power of legislative subpoena in accordance with article 4
36 of this chapter.

37 4. Require state agencies to comply with findings and directions of
38 the committee regarding sunset, performance, special and financial audits.

39 5. Perform all functions required by chapter 27 of this title relating
40 to the sunset review of state agencies.

41 **6. IN CONSULTATION WITH THE CHAIRMAN AND VICE-CHAIRMAN OF THE JOINT**
42 **LEGISLATIVE BUDGET COMMITTEE, ORDER EMERGENCY SPECIAL AUDITS OF AGENCIES AND**
43 **PROGRAMS WITHIN OR AMONG AGENCIES BY REQUIRING A TEAM OF FOUR AUDITORS FROM**
44 **THE OFFICE OF THE AUDITOR GENERAL TO CONDUCT THE SPECIAL AUDIT AND REPORT TO**
45 **THE COMMITTEE WITHIN THIRTY DAYS.**

1 Sec. 8. Section 41-2955, Arizona Revised Statutes, is amended to read:
2 41-2955. Termination of state agencies; continuation

3 A. All agencies shall terminate pursuant to the schedule prescribed by
4 article 2 of this chapter, unless continued pursuant to this chapter.

5 B. Any agency may be continued by the legislature for a period not to
6 exceed ten years. At the end of such period, it shall again be subject to
7 sunset review. Any agency continued, revised or consolidated by the
8 legislature shall contain within the enabling legislation a legislative
9 intent section setting forth the objectives of the programs administered by
10 the agency.

11 C. An agency is continued pursuant to this section if legislation to
12 continue such agency is passed by the legislature and signed by the governor
13 prior to the date set for termination of the agency even if the legislation
14 to continue the agency has not become effective on the date of scheduled
15 termination.

16 D. Any agency created from and after June 30, 1978 shall continue in
17 existence for not more than ~~ten~~ EIGHT years from the effective date of its
18 establishment and shall be subject to this chapter.

19 E. Each agency created from and after June 30, 1978 shall contain a
20 policy or purpose statement in its enabling legislation setting forth the
21 objectives of the programs.

22 F. Nothing in this chapter shall be construed to prohibit the
23 legislature from terminating any agency covered by this chapter at a date
24 earlier than that prescribed by this chapter nor to prohibit the legislature
25 from considering any other legislation relative to any such agency. Nothing
26 in this chapter shall be construed to terminate the funds administered by the
27 water infrastructure finance authority of Arizona pursuant to title 49,
28 chapter 8.

29 Sec. 9. Section 41-2958, Arizona Revised Statutes, is amended to read:
30 41-2958. Modified audits of certain agencies

31 At least every ~~ten~~ EIGHT years the joint legislative audit committee
32 shall conduct a review of the following agencies and programs according to
33 the following schedule using the factors that are deemed necessary and that
34 are listed in section 41-2954, subsection D:

35 1. By July 1, 1996 for the department of education including the
36 programs and activities administered, prescribed or regulated by the
37 department.

38 2. By July 1, 1997 for the programs and commissions established by the
39 legislature within the judiciary.

40 3. By July 1, 1998 for Arizona state university, Arizona state
41 university west campus, Arizona state university east campus, the university
42 of Arizona and northern Arizona university. For purposes of this paragraph,
43 the committee may combine the review for all of the universities into one or
44 more reviews and reports.

1 audits authorized by section 41-1279, Arizona Revised Statutes, as amended by
2 this act.

3 B. The appropriation made in subsection A of this section is exempt
4 from the provisions of section 35-190, Arizona Revised Statutes, relating to
5 lapsing of appropriations.

6 Sec. 13. Delayed effective date

7 Sections 41-2955, 41-2958 and 41-3102, Arizona Revised Statutes, as
8 amended by this act, are effective from and after June 30, 2003.