

REFERENCE TITLE: state budget reform; omnibus

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

## HB 2251

Introduced by  
Representatives Knaperek, Blendu, Gray, Senator Solomon: Representatives  
Farnsworth, Pearce, Robson, Weiers, Senators Martin, Petersen

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 project or program is desired or advocated, the  
13 source and amount of ~~funds~~ MONIES to be granted or provided therefor, ~~and a~~  
14 statement of the conditions, if any, ~~upon~~ ON which ~~such funds~~ THE MONIES are  
15 to be provided. The director may at his discretion accept from the state  
16 agency, board, commission or department a summary of the information required  
17 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 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE BEFORE SPENDING FEDERAL  
23 MONIES IN EXCESS OF ANY AMOUNT SPENT DURING THE PRIOR FISCAL YEAR. THE  
24 REPORT SHALL FURTHER INDICATE WHETHER THOSE NEW FEDERAL MONIES ARE DERIVED  
25 FROM AN INCREASED AND ONGOING SOURCE OF REVENUE.

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

27 35-115. Contents of budget report

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

30 1. Summary statements of the financial condition of the state, to  
31 include:

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

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

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

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

43 3. Detailed comparative statements of expenditures and requests for  
44 appropriations by funds, budget units, budget programs and budget classes,  
45 showing the expenditures for the fiscal year last concluded, and the

1 estimated expenditures for the current year, and the request of each budget  
2 unit and the governor's recommendations for appropriations for the two  
3 ensuing fiscal years, all distributed according to budget programs and budget  
4 classes. In connection with each expenditure involving construction projects  
5 to be completed in one or more fiscal years, there shall be shown the total  
6 estimated cost of each project and the amount recommended to be appropriated  
7 and expended in each ensuing fiscal year until completion of the  
8 project. The state capital improvement plan and the governor's  
9 recommendations concerning the plan shall be incorporated into the budget  
10 report.

11 4. A summary statement for each fund of the cash resources estimated  
12 to be available at the beginning of the next two fiscal years and the  
13 estimated cash receipts for the two ensuing fiscal years, as compared with  
14 the total recommended amounts for appropriations for all budget programs and  
15 budget classes for the two ensuing fiscal years, and if the total of the  
16 recommended expenditures exceeds the total of the estimated resources,  
17 recommendations as to how the deficiency is to be met and estimates of  
18 receipts from any proposed additional revenues.

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

31 6. A summary on one page or less providing ~~selected~~ performance  
32 measures of the budget unit for the previous fiscal year and the budget  
33 years. The performance measures may be expressed as service level measures  
34 on a unit cost basis, ~~and~~ shall be established by the governor's office of  
35 strategic planning and budgeting in consultation with the director and staff  
36 of the joint legislative budget committee.— AND SHALL INCLUDE AT LEAST THE  
37 FOLLOWING:

- 38 (a) THE NUMBER OF PEOPLE SERVED.
- 39 (b) DATA ON THE POPULATIONS SERVED.
- 40 (c) THE TIMELINESS OF THE SERVICE.
- 41 (d) THE MEASURE OF CLIENT SATISFACTION.
- 42 (e) COLLECTIONS AND EXPENDITURES.
- 43 (f) OUTCOME MEASURES.

44 Sec. 3. Section 35-122, Arizona Revised Statutes, is amended to read:

1           35-122. Strategic plans; program lists; compilation; children's  
2                                   social services report

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

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

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

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

32           C. The governor's office of strategic planning and budgeting shall  
33 compile the submissions required in subsection B of this section and no later  
34 than five days after the regular session of the legislature convenes of each  
35 even-numbered year shall publish a master list of programs that are performed  
36 or overseen by state government. In consultation with the staff of the joint  
37 legislative budget committee, the governor's office of strategic planning and  
38 budgeting may modify the list of programs submitted by each budget unit. The  
39 master list shall include the program description, mission statement, goals,  
40 performance measures and budgetary data. The list shall include all programs  
41 that are administered jointly by two or more budget units.

42           D. **BY NOVEMBER 1 OF EACH EVEN-NUMBERED YEAR, THE GOVERNOR'S OFFICE OF**  
43 **STRATEGIC PLANNING AND BUDGETING SHALL SUBMIT A REPORT FOR REVIEW BY THE**  
44 **JOINT LEGISLATIVE BUDGET COMMITTEE DETAILING ALL PROGRAMS AND SUBPROGRAMS**  
45 **WITHIN AND AMONG THE FOLLOWING AGENCIES THAT PROVIDE HEALTH CARE AND OTHER**

1 SOCIAL SERVICES TO CHILDREN TO THE EXTENT THAT IT IS POSSIBLE AND IN A MANNER  
2 THAT IS CONSISTENT WITH THE 1997 MASTER LIST OF PROGRAMS AND SUBPROGRAMS:

- 3 1. THE DEPARTMENT OF ECONOMIC SECURITY.
- 4 2. THE DEPARTMENT OF HEALTH SERVICES.
- 5 3. THE DEPARTMENT OF EDUCATION.
- 6 4. THE DEPARTMENT OF JUVENILE CORRECTIONS.
- 7 5. THE ADMINISTRATIVE OFFICE OF THE COURTS.
- 8 6. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

9 ~~D.~~ E. For purposes of this section, a program may include a  
10 subprogram as determined by the governor's office of strategic planning and  
11 budgeting and the staff of the joint legislative budget committee.

12 Sec. 4. Section 35-142, Arizona Revised Statutes, is amended to read:  
13 35-142. Monies kept in funds separate from state general fund;  
14 receipt and withdrawal

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

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

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

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

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

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

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

42 7. All federal monies that are received by the department of economic  
43 security for family assistance benefits and medical eligibility as a result  
44 of efficiencies developed by the department of economic security and that  
45 would otherwise revert to the state general fund pursuant to section 35-190

1 shall be retained for use by the department of economic security in  
2 accordance with the terms and conditions imposed by the federal funding  
3 source.

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

7 B. No money shall be received or held by the state treasurer except as  
8 authorized by law, and in every instance the treasurer shall issue a receipt  
9 for money received and shall record the transaction in the statewide  
10 accounting system. No money shall be withdrawn from the treasury except upon  
11 the warrant or electronic funds transfer voucher of the department of  
12 administration.

13 C. All federal monies granted and paid to the state by the federal  
14 government shall be accounted for in the accounts or funds of the state in  
15 the necessary detail to meet federal and state accounting, budgetary and  
16 auditing requirements, and all appropriations for matching such federal  
17 monies shall be transferred from the general fund to such separate funds as  
18 needed, except as otherwise required by the federal government.

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

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

30 F. Nothing in this section or any other section precludes the use of  
31 monies kept in funds separate from the general fund, the interest from which  
32 accrues to the general fund, for payment of claims against the general fund,  
33 provided sufficient monies remain available for payment of claims against  
34 such funds.

35 G. The department of administration may issue warrants for qualified  
36 expenditures of federal program monies before they are deposited in the state  
37 treasury. The receipt of federal monies shall be timed to coincide, as  
38 closely as administratively feasible, with the redemption of warrants by the  
39 state treasurer. The department of administration shall limit expenditures  
40 to the amount that has been made available for the use under the grant award  
41 by the federal government. The state agency initiating the expenditures is  
42 responsible for ensuring that expenditures qualify for coverage under the  
43 guidelines of the federal grant award.

44 H. The department of administration shall establish the policies and  
45 procedures for all state agencies for drawing federal monies **INCLUDING THE**

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

14 I. Any state agency or authorized agent of a state agency may accept  
15 credit cards or charge cards pursuant to an agreement entered into by the  
16 state treasurer pursuant to section 35-315 for the payment of any amount due  
17 to that agency, agent or this state.

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

27 K. State agencies shall report the number of transactions, the total  
28 dollar amount of transactions processed and the total dollar amount of any  
29 discount or transaction fees pursuant to subsection J of this section  
30 quarterly to the governor, the government information technology agency and  
31 the joint legislative budget committee.

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

33 35-173. Definition; allotment of appropriations; limitations;  
34 approval of transfers; exceptions

35 A. ~~An~~ IN THIS SECTION, "allotment schedule" means a detailed plan of  
36 expenditures for a full fiscal year within a budget program or expenditure  
37 class.

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

43 C. With the exception of the department of administration, the budget  
44 unit, ~~may, upon~~ ON approval of the director of the department of  
45 administration AND THE JOINT LEGISLATIVE BUDGET COMMITTEE, MAY:

1           1. Transfer spending authority from one expenditure ~~class~~ to another.  
2           2. Transfer spending authority between and within programs if spending  
3 authority is appropriated to the budget unit by programs.

4           D. A transfer within a budget unit of spending authority appropriated  
5 for land acquisition, capital projects or building renewal shall be  
6 permissible only on **THE ADDITIONAL** approval of the joint committee on capital  
7 review.

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

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

20           G. The provisions of this section shall not apply to the universities.

21           Sec. 6. Section 41-1275, Arizona Revised Statutes, is amended to read:  
22 **41-1275. Strategic program area reviews; procedures; definition**

23           A. In consultation with the governor's office of strategic planning  
24 and budgeting, the staff of the joint legislative budget committee shall  
25 recommend to the joint legislative budget committee by January 1 of each  
26 odd-numbered year a list of program areas suggested for strategic program  
27 area review. Each budget unit may submit suggestions for which of its  
28 programs should be subject to strategic program area reviews. The joint  
29 legislative budget committee may designate subprograms or portions of  
30 particular programs to be subject to a strategic program area review. Budget  
31 units may be required to develop joint self-assessments if their programs are  
32 of a similar nature.

33           B. The joint legislative budget committee shall determine those  
34 program areas that are subject to strategic program area review from the list  
35 of program areas submitted. The staff of the joint legislative budget  
36 committee and the governor's office of strategic planning and budgeting shall  
37 review the program areas. To aid in the review, the budget unit responsible  
38 for the program that is subject to strategic program area review shall  
39 prepare a self-assessment of its program by June 1 of the odd-numbered year  
40 in which the program is being reviewed **AND MEET WITH THE CHAIRMEN OF THE**  
41 **APPROPRIATIONS COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES BY**  
42 **AUGUST 1 OF THE ODD-NUMBERED YEAR TO DISCUSS THE PROGRAM AND SELF-ASSESSMENT.**  
43 The self-assessment shall address the efficiency and effectiveness of each  
44 ~~program~~ **PROGRAM'S** operation and whether its current operation is consistent  
45 with the original legislative intent. The self-assessment shall be

1 consistent with instructions issued by the governor's office of strategic  
 2 planning and budgeting and joint legislative budget committee staff and shall  
 3 be submitted to the two offices. The two offices shall evaluate the program  
 4 areas according to agreed upon factors and shall jointly produce a report of  
 5 their findings and recommendations for whether to retain, eliminate or modify  
 6 funding and related statutory references for the programs that are subject to  
 7 strategic program area review to the president of the senate, the speaker of  
 8 the house of representatives and the governor no later than January 1 of each  
 9 even-numbered year. The findings and recommendations shall include a  
 10 description of personnel, facilities, equipment and funding of the strategic  
 11 program area by all budget units or entities and shall address the views of  
 12 the two offices on the program's efficiency, effectiveness and necessity and  
 13 whether the program area should be consolidated into one budget unit if the  
 14 program area is being administered by more than one budget unit.

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

31 D. For purposes of this section, "strategic program area" means a  
 32 program, function or activity of state government conducted by one or more  
 33 budget units or entities, or subdivisions of budget units or entities, and  
 34 includes all personnel, facilities, equipment and funding of the program,  
 35 function or activity, including federal, state, local and other funding. A  
 36 strategic program area may include a subprogram area as determined by the  
 37 governor's office of strategic planning and budgeting or the joint  
 38 legislative budget committee staff.

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

40 41-1279. Joint legislative audit committee; composition;  
 41 meetings; powers and duties

42 A. The joint legislative audit committee is established consisting of  
 43 five members of the senate appointed by the president of the senate, one of  
 44 whom shall be a member of the senate appropriations committee, and five  
 45 members of the house of representatives appointed by the speaker of the house

1 of representatives, one of whom shall be a member of the house of  
2 representatives appropriations committee. Selection of members shall be  
3 based on their understanding and interest in legislative audit oversight  
4 functions. Not more than three appointees of each house shall be of the same  
5 political party. The president OF THE SENATE and the speaker OF THE HOUSE OF  
6 REPRESENTATIVES shall designate one of their appointed members as chairman of  
7 their respective delegation. The chairman of the audit committee shall serve  
8 for the term of each legislature. The chairmanship of the audit committee  
9 shall alternate between the chairman of the senate delegation and the  
10 chairman of the house of representatives delegation beginning with the  
11 chairman of the senate delegation. The president of the senate and the  
12 speaker of the house of representatives shall also serve as ex officio  
13 members of the committee.

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

18 C. The committee shall:

19 1. Oversee all audit functions of the legislature and state agencies  
20 including sunset, performance, special and financial audits and the  
21 preparation and introduction of legislation resulting from audit report  
22 findings.

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

26 3. Have the power of legislative subpoena in accordance with article 4  
27 of this chapter.

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

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

32 6. IN CONSULTATION WITH THE CHAIRMAN AND VICE-CHAIRMAN OF THE JOINT  
33 LEGISLATIVE BUDGET COMMITTEE, ORDER EMERGENCY INVESTIGATIONS OF AGENCIES AND  
34 PROGRAMS WITHIN OR AMONG AGENCIES BY REQUIRING A TEAM OF FOUR TO SIX AUDITORS  
35 FROM THE OFFICE OF THE AUDITOR GENERAL TO CONDUCT THE INVESTIGATION AND  
36 REPORT TO THE COMMITTEE WITHIN THIRTY DAYS. EVERY FOUR YEARS THE COMMITTEE  
37 SHALL OBTAIN AN AUDIT OF THE INVESTIGATIONS AND REPORT TO THE SPEAKER OF THE  
38 HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE.

39 Sec. 8. Section 41-2955, Arizona Revised Statutes, is amended to read:  
40 41-2955. Termination of state agencies; continuation

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

43 B. Any agency may be continued by the legislature for a period not to  
44 exceed ten years. At the end of such period, it shall again be subject to  
45 sunset review. Any agency continued, revised or consolidated by the

1 legislature shall contain within the enabling legislation a legislative  
2 intent section setting forth the objectives of the programs administered by  
3 the agency.

4 C. An agency is continued pursuant to this section if legislation to  
5 continue such agency is passed by the legislature and signed by the governor  
6 prior to the date set for termination of the agency even if the legislation  
7 to continue the agency has not become effective on the date of scheduled  
8 termination.

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

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

15 F. Nothing in this chapter shall be construed to prohibit the  
16 legislature from terminating any agency covered by this chapter at a date  
17 earlier than that prescribed by this chapter nor to prohibit the legislature  
18 from considering any other legislation relative to any such agency. Nothing  
19 in this chapter shall be construed to terminate the funds administered by the  
20 water infrastructure finance authority of Arizona pursuant to title 49,  
21 chapter 8.

22 Sec. 9. Section 41-2958, Arizona Revised Statutes, is amended to read:  
23 41-2958. Modified audits of certain agencies

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

28 1. By July 1, 1996 for the department of education including the  
29 programs and activities administered, prescribed or regulated by the  
30 department.

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

33 3. By July 1, 1998 for Arizona state university, Arizona state  
34 university west campus, Arizona state university east campus, the university  
35 of Arizona and northern Arizona university. For purposes of this paragraph,  
36 the committee may combine the review for all of the universities into one or  
37 more reviews and reports.

38 Sec. 10. Section 41-3102, Arizona Revised Statutes, is amended to  
39 read:

40 41-3102. Requirements for new programs established by the  
41 legislature

42 Any new program that is established by the legislature shall include in  
43 its enabling legislation a specific expiration date for the program that is  
44 not more than ~~ten~~ EIGHT years after the effective date of the program's

1 enabling legislation AND SHALL INCLUDE THE REQUIREMENT OF A REPORT ON THE  
2 FOLLOWING PERFORMANCE MEASURES AND A TIME LIMIT FOR THE REPORT:

- 3 1. THE NUMBER OF PEOPLE SERVED.
- 4 2. DATA ON THE POPULATIONS SERVED.
- 5 3. THE TIMELINESS OF THE SERVICE.
- 6 4. THE MEASURE OF CLIENT SATISFACTION.
- 7 5. COLLECTIONS AND EXPENDITURES.
- 8 6. OUTCOME MEASURES.

9 Sec. 11. Appropriation; purpose; exemption

10 A. The sum of \$\_\_\_\_\_ is appropriated from the state general  
11 fund in fiscal year 2001-2002 to the auditor general for emergency audits  
12 authorized by section 41-1279, Arizona Revised Statutes, as amended by this  
13 act.

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