

**GOODMAN ▪ SCHWARTZ**  
PUBLIC AFFAIRS

## **WEEKLY LEGISLATIVE REPORT**

Arizona Transit Association

June 13, 2003

### **Budget Approved in House with 32-27 Vote**

Despite several last minute attempts to derail the budget compromise adopted in the Senate, the Arizona House passed the FY 2004 with a 32-27 vote. Proponents of the budget assert that the compromise protects public schools and scores of social services, while critics argue that the plan hurts universities and community colleges.

The budget for the 2004 fiscal year, which begins July 1<sup>st</sup>, includes \$6.4 billion in spending, up from \$6 billion for the current year. Conservatives in the House and Senate had fought hard to hold spending to \$6.2 billion. Democrats and moderate Republicans argued that cuts for schools and social programs could cost the state dearly in future years. Although, for the six conservative Republicans who voted no on the plan, the budget still spends too much because it means the state will start off with a \$380 million deficit for fiscal 2005. Lawmakers faced a \$1 billion deficit earlier this year and have been working to shrink the gap.

Two developments cleared the way for Wednesday's compromise. The Bush administration tax cut gave the state an unexpected \$350 million one-time federal bailout. And state senators agreed to use Governor Janet Napolitano's revenue projections for fiscal 2004.

The bipartisan agreement spared dozens of proposed cuts to education, health care and social services. By adding \$200

million to the General Fund, with help from a federal bailout and increased revenue projections, the Senate nearly fully restored funding to K-12 education, including \$41 million in administration costs and \$20 million in grants for preschools and all-day kindergarten, issues that had previously held up budget negotiations.

Recovering substance abusers will continue to receive treatment, AIDS patients will not lose their medication, and rural health care centers will remain open under the compromise budget plan. It also spares domestic violence programs, restores money to feed the hungry and prevents the merger of the Departments of Tourism and Commerce.

The Arizona Department of Transportation is appropriated almost \$99 million for capital outlay projects that include \$83 million for state highway construction and \$15 million for airport planning and development, an amount agreed upon by both the House and Senate. ADOT is exempt from contributing to the pro rata share of general agency counsel services. The adopted budget also returns agency funding to lump sum funding as opposed to the line item budget process adopted earlier this session.

The adopted budget appropriates \$360,750,700 for the FY 2004 ADOT budget. The State Highway Fund receives \$322 million, the Highway User Revenue Fund receives \$383,000, and the rest is split between the Transportation Department Equipment Fund, Air Quality Fund, State Aviation Fund, Safety Enforcement & Transportation Infrastructure Fund, Motor Vehicle Liability Insurance Enforcement Fund and Vehicle Inspection & Title Enforcement Fund.

The Senate removed the one-time Vehicle License Tax Transfer of \$128 million and redirects civil penalty money previously deposited in the Clean Air Fund to the General Fund and eliminates the Clean Air Fund. An amount of \$1 million shall be transferred from the ADOT Transportation Equipment Revolving Fund to the Public Safety Highway Patrol Fund.

## **A Preview for the Week Ahead**

With the passage of the FY 04 budget, the Arizona Legislature will extend the current regular session through June 20, 2003 to address remaining bills. No transportation-related legislation is anticipated to be addressed for the remainder of the legislation session. The three major issues still on the table are university research facilities, the Phoenix Civic Plaza, and a proposed public vote to increase funding for the Maricopa County health care system.

## **Comments**

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# LEGISLATIVE TRACKING REPORT

Arizona Transit Association

June 13, 2003

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
HB 2027	local transportation assistance fund	McClure	Placeholder legislation developed on behalf of the Arizona Transit Association.	Rules		failed in chamber of origin
HB 2288	regional transportation districts	Pierce, Thompson	Summary pending.	Transportation, Rules		failed in chamber of origin
HB 2292	NOW: transportation policy committee; regional planning	Pierce, Pearce, Chase, Senator Binder	In order for a county with a population in excess of 1.2 million in population to extend an existing excise tax for transportation, the regional planning agency in a county must establish a Transportation Policy Committee consisting of public and private sector members and legislators. The committee is required to adopt a comprehensive, multi-modal and coordinated regional transportation plan for the county, including the establishment of priority transportation corridors. Any changes to the adopted regional transportation plan must be approved by the Legislature and the State Transportation Board.	Transportation, Rules	Natural Resources and Transportation, Finance, Rules	signed by Gov., Chapter 217
HB 2387	older motor vehicles; registration	Pearce, Pierce, Gray, Johnson		Transportation, Environment, Appropriations, Rules		failed in chamber of origin

BILL	TITLE	SPONSORS	SUMMARY	HOUSE COMMITTEES	SENATE COMMITTEES	ACTION
SB 1059	trespass; critical public service facilities	Tibshraeny, Mitchell, Allen, Harper	Prohibits knowingly entering or remaining unlawfully in a critical public service facility and classifies the crime as a class 6 felony. Judiciary Amendment: Specifies trespassing in a critical public service facility constitutes a class 6 felony.	Judiciary, Utilities and Municipalities, rules	Judiciary, Rules	signed by Gov., Chapter 172
SB 1107	ADOT; federal monies; acceptance; expenditures	Binder	Adds tribal governments to the list of entities that the Arizona Department of Transportation may cooperate with for the benefit of transportation purposes.	Transportation, Natural Resources, rules	Natural Resources and Transportation, Rules	held, House Rules, 3/19
SB 1108	vehicle load restrictions; violations; assessments	Binder	Makes changes to the penalties associated with vehicle loads that become loose, detached or in any manner a hazard to other users of the highway.	Transportation, Environment, rules	Natural Resources and Transportation, Rules	passed House Trans, 3/10