

## STRATEGIC PROGRAM AREA REVIEWS (SPARs)

A.R.S. § 41-1275 establishes the state’s Strategic Program Area Review (SPAR) program. The program requires the JLBC Staff, in consultation with the OSPB, to recommend a list of areas for study to the JLBC by January 1 of every odd-numbered year. In December 2005 the JLBC Staff and OSPB jointly published SPAR reports on the following 4 program areas approved to be subject to the SPAR process by the JLBC in December 2004:

<b>Table 1 Programs Subject to SPAR</b>	
<b><u>Program Area</u></b>	<b><u>Agencies</u></b>
Homeland Security	Office of Homeland Security Department of Health Services
Ports of Entry	AZ Department of Transportation Arizona Department of Agriculture Department of Public Safety
University Financial Assistance	Arizona Board of Regents Northern Arizona University University of Arizona Arizona State University
Workforce Development	Department of Economic Security Department of Commerce Community Colleges Arizona Department of Education Governor’s Council on Workforce Policy

Pursuant to A.R.S. § 41-1275, legislative committees held a public hearing to receive public input and to develop recommendations whether to retain, eliminate, or modify the program subject to the SPAR process. The following describes the JLBC Staff recommendations and subsequent legislative action.

### Homeland Security

#### ***JLBC Key Findings and Recommendations***

- ◆ *The Office of Homeland Security (OHS) and Department of Health Services (DHS) should be required by statute to submit a homeland security expenditure report annually to the Legislature.*
- ◆ *The Legislature should consider the creation of a legislative homeland security committee. The committee and report would help address lack of accountability to the Legislature.*
- ◆ *The annual report would include performance measure information. OHS does not currently use any performance measures to monitor the success of the office.*

The state’s Office of Homeland Security (OHS) and Department of Health Services (DHS) distribute 3 of the largest federal homeland security sets of grants within Arizona, totaling nearly \$70 million in FY 2005.

Established by the Governor, OHS divides local jurisdictions within the state into 5 Regional Advisory Councils (RACs). Allocations to each RAC are made by OHS based on a regional baseline and risk assessment formula developed by OHS. Each RAC prioritizes annual funding requests submitted by jurisdictions within the region, then recommends which projects are to be funded based on this evaluation.

DHS’ Bureau of Emergency Preparedness and Response administers its 2 federal grants. The Bureau is responsible for preparedness and planning, electronic disease surveillance, the Arizona Health Alert Network, risk communication and public information, and education and preparedness training. The Bureau also assists the readiness of the hospital and health care community to deal with bioterrorism and other health emergencies.

Laws 2006, Chapter 317 establishes the Department of Homeland Security in statute. Chapter 317 also requires the Department and the Department of Health Services to produce an expenditure report by September 1 annually and establishes a Joint Legislative Committee on Homeland Security.

### Ports of Entry

#### ***JLBC Key Findings and Recommendations***

- ◆ *ADOT should fill their existing approved port FTE Positions, before requesting any more port staff. In FY 2006, ADOT filled just 128 of 162 authorized FTE Positions.*
- ◆ *ADOT and the Department of Agriculture (ADA) could do more to foster a spirit of cooperation.*
- ◆ *ADOT, ADA, and DPS should co-write a 5-Year Strategic Plan and annually jointly update it.*
- ◆ *ADOT’s collection of performance measurement data has improved since the Ports’ 2000 SPAR.*

The primary purpose of these ports is to ensure that commercial vehicles are in compliance with the state’s weight, licensing, permit, and tax laws as administered by the Motor Vehicle Division of the Arizona Department of Transportation. The Arizona Department of Agriculture (ADA) also uses the ports to screen trucks and their cargo to intercept agricultural pests, weeds, and livestock diseases. The Department of Public Safety (DPS) maintains a field presence at some ports to perform commercial vehicle safety enforcement.

The ADOT POE activities are funded through legislative appropriations from the State Highway Fund, the Safety Enforcement and Transportation Infrastructure Fund (SETIF), and non-appropriated Federal Funds. ADA services are paid from the State General Fund and other funds. About a quarter of the full-time equivalent ADA positions are supported through a contract with the State of California to support the program's inspections at the Duncan POE and enables the Department to maintain 24/7 operations at San Simon and Sanders. DPS supports its enforcement through appropriations from the State Highway Fund, SETIF, and Federal Funds. In FY 2005, the expenditures for the ports of entry were approximately \$10.1 million. In FY 2006, the ports of entry budget is \$11.4 million.

The Legislature did not approve any legislation regarding the Ports of Entry program.

**University Financial Assistance**

***JLBC Key Findings and Recommendations***

- ◆ *The total cost of Arizona University System attendance increased by around \$1,200 between FY 2003 and FY 2004.*
- ◆ *Under 50% of undergraduate students graduate with debt, although the percentage of those students with debt increased in FY 2004.*
- ◆ *Federal and state tax incentives partially reduce student need.*
- ◆ *Financial aid data compiled by ABOR are insufficient for state policy purposes. JLBC Staff and OSPB should work with ABOR to expand the current Student Financial Aid Report and to ensure more timely reporting.*

The state's 3 universities distributed more than \$806 million of financial aid to students in FY 2004. The administration of financial aid is governed by federal law, the Arizona Constitution and statutes, and Arizona Board of Regents (ABOR) policy. The majority of this financial aid came from federal sources (\$442 million) and the universities themselves (\$285 million); nearly half was distributed as loans (\$392 million), with grants totaling another \$277 million. Tax incentives such as the federal Hope Tax Credit are not included in these totals.

The Higher Education Budget Reconciliation Bill (BRB) (Laws 2006, Chapter 352) requires ABOR to report on financial aid to the Governor, President of the Senate, Speaker of the House of Representatives, and the Joint Legislative Budget Committee by December 1 of each year. The report shall include information on student costs of attendance, family contribution, grants, loans, and employment.

**Workforce Development**

***JLBC Key Findings and Recommendations***

- ◆ *Coordination among agencies and partners depends not only on the program, but also on the location within the state.*
- ◆ *The Governor's Council on Workforce Policy should coordinate and publish annually a statewide workforce development budget and strategic plan.*
- ◆ *In the budget and strategic plan, emphasis should be put on developing performance measures that are both specific to the state and outcome based. These measures should be used to help guide funding decisions.*

The Workforce Development Program encompasses 3 state agencies: Arizona Department of Economic Security (DES), Arizona Department of Commerce (ADOC), and Arizona Department of Education (ADE). The agency directors are members of the Governor's Council on Workforce Policy (GCWP). In addition, Arizona's Community College system offers a wide variety of workforce development programs.

Besides the federal Workforce Investment Act, there are other workforce development programs such as the Jobs Program, Unemployment Insurance, Vocational Rehabilitation (VR), Veterans Employment and Disabled Veterans Outreach Programs, the Migrant Seasonal Farmworker Program, Food Stamp Employment and Training Program, Senior Community Service Employment Program (Title V), and the Trade Adjustment Assistance Program.

The Health and Welfare BRB (Laws 2006, Chapter 331) requires the Governor's Council on Workforce Policy to submit an annual report on statewide job training and workforce development spending to the Governor, President of the Senate, Speaker of the House of Representatives, and the Joint Legislative Budget Committee by September 1 annually.