



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

July 14, 2022

The Chairman called the meeting to order at 10:24 a.m., Thursday, July 14, 2022 in House Hearing Room 1. The following were present:

Members:	Senator Gowan, Vice-Chairman Senator Gray Senator Leach	Representative Cobb, Chairman Representative Bolding Representative Kavanagh Representative Osborne Representative Sierra
Absent:	Senator Alston Senator Bowie Senator Kerr	Representative Schwiebert Representative Toma
Excused:	Senator Rios	

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of April 20, 2022. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

1A. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of FY 2023 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires agencies to request review of expenditure plans for building renewal monies. The FY 2023 budget appropriates a total of \$53,594,200 for building renewal. Of this amount, \$37,594,200 is from the General Fund and \$16,000,000 is from the Capital Outlay Stabilization Fund (COSF). ADOA requested JCCR review its FY 2023 expenditure plan. The JLBC Staff provided options and a potential provision:

(Continued)

- A. *Prior to expending the emergency contingency allocation of \$1,102,000, ADOA shall report the use of the funds to JLBC.*

1B. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2022 Rent Exemption.

A.R.S. § 41-792.01D authorizes the Director of ADOA, on recommendation from the JCCR to grant a full or partial exemption from the payment of state-owned rental fees if an agency has vacated its space or if an agency does not have the financial resources to make the payment. ADOA requested JCCR review a full FY 2022 rent exemption of \$12,200 for the State Board of Equalization. The JLBC Staff provided options.

2. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AHCCCS - Review of Behavioral Transitional Shelter.

A.R.S. § 41-1252 requires Committee review of the scope, purpose and estimated cost of projects with a total cost of more than \$250,000. ADOA requested Committee review of a \$5,300,000 project to construct a Behavioral Health Transitional Shelter on behalf of the Arizona Health Care Cost Containment System (AHCCCS). The JLBC Staff provided options and a potential provision:

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to pay ongoing operations and maintenance costs for the Behavioral Health Transitional Shelter.*

4. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2023 Building Renewal, Property Maintenance, and Dam Maintenance Allocations and Other Capital Projects.

A.R.S. § 41-1252 requires the Committee to review expenditure plans for monies appropriated for building renewal and capital projects and for any project with an estimated cost of more than \$250,000. AGFD requested the Committee review of a total of \$3,757,600 for 25 projects. This included \$1.85 million appropriated in the FY 2023 budget consisting of \$1.46 million for 19 building renewal projects, \$300,000 for property maintenance, and \$150,000 for dam maintenance and \$1.9 million for 4 projects from other department funds consisting of \$978,000 from the State Lake Improvement Fund for a boat ramp, \$752,000 for 2 projects from Dingell-Johnson boat monies, and \$150,000 from department funds for a wildlife center quarantine building. The JLBC Staff provided options.

5. ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2023 Building Renewal Allocation Plan.

A.R.S. § 41-1252A4 & C require the Committee to review expenditure plans for all monies appropriated for capital projects and to review all capital projects exceeding \$250,000. ASPB requested Committee review of capital project requests totaling \$23,260,400 in FY 2023, \$19,143,800 in FY 2024, and \$19,117,300 in FY 2025. The JLBC Staff provided options and potential provisions:

- A. *Pursuant to Laws 2022, Chapter 309, Sections 6, 19 and 20, prior to ASPB using more than 10% of a specific project's budget for another project listed in the same section, ASPB shall submit the proposed expenditure plan and funding reallocation to the Committee for review.*

- B. *ASPB may not use any monies appropriated for a specific project in Laws 2022, Chapter 309, Sections 6, 19 and 20 for a new project not listed in those sections without the Legislature amending Chapter 309.*

Senator Gowan moved that the Committee recommend the agency request in consent agenda item 1B concerning a rent exemption and give a favorable review of the agency requests in consent agenda items 1A, 2, 4, and 5 with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

3. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2023 Capital Projects.

Mr. Geoffrey Paulsen, JLBC Staff, stated A.R.S. § 14-1252 requires the Committee to review expenditure plans for monies appropriated for building renewal and capital projects. The FY 2023 Capital Outlay Bill appropriated \$36,415,400 to ADC for building renewal, \$47,600,000 to replace evaporative cooling systems with air conditioning, and \$20,400,000 for door, lock and fire system replacements. The JLBC Staff provided options.

Senator Gowan moved that the Committee give a favorable review to the building renewal expenditure plan totaling \$36,415,400, and required ADC to return to the committee for review at the next JCCR meeting with more information on the air conditioning and door, lock and fire system replacement projects. The motion carried.

6. DEPARTMENT OF TRANSPORTATION (ADOT) - Review of ADOT Facilities.

Mr. Stefan Shepherd, JLBC Staff, stated A.R.S. § 41-1252 requires the Committee to review expenditure plans for capital projects. ADOT requested Committee review of the following projects:

- \$9,309,300 for the 206 Annex Building renovation,
- \$2,124,000 for the Tucson Signal Equipment Repair Shop relocation,
- \$3,026,900 for Vehicle Fueling Facilities replacement (Tucson, St. David, Willcox and Three Points),
- \$1,200,000 for the De-Icer Material Storage Barn in Superior,
- \$10,735,000 for the New Maintenance Facility in Wickenburg (including \$7,750,000 previously reviewed by the Committee at its October 2021 meeting),
- \$2,171,200 for the Vehicle Fueling Facilities replacement (Flagstaff, Holbrook and Kingman), and
- \$2,350,000 for New Liquid Brine Tanks (Globe, Show Low, Prescott Valley, and Keams Canyon).

The JLBC Staff provided options.

Ms. Katy Proctor, Director of Government Relations and Rules, ADOT, responded to member questions.


Senator Gowan moved that the Committee give a favorable review to the department's request. The motion carried.

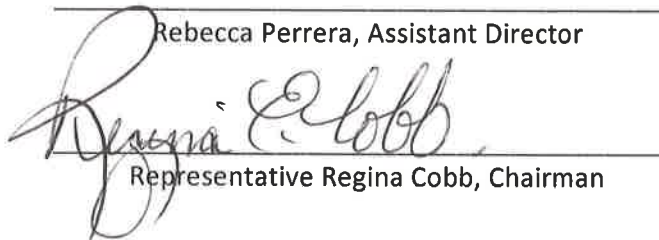
Without objection, the meeting adjourned at 10:38 a.m.

Respectfully submitted:


Kristy Paddack, Secretary

Rebecca Perrera


Rebecca Perrera, Assistant Director


Representative Regina Cobb, Chairman