



STATE OF ARIZONA

Joint Committee on Capital Review

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

July 15, 2021

The Chairman called the meeting to order at 12:09 p.m., Thursday, July 15, 2021 in House Hearing Room 1 and via video conference. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Alston	Representative Chavez (Temporary Member)
	Senator Bowie	Representative Fernandez (Temporary Member)
	Senator Gray	Representative Kavanagh
	Senator Kerr	Representative Lieberman
	Senator Leach	Representative Osborne
Absent:	Senator Rios	Representative Bolding
		Representative Friese
		Representative Toma

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of April 27, 2021. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2022 Capital Improvement Projects.

A.R.S. § 41-1252(A)(4) & (C) requires Committee review of expenditure plans for all monies appropriated for capital projects and review of all capital projects exceeding \$250,000. The Arizona State Parks Board (ASPB) requested Committee review of \$2,396,700 from the State Parks Revenue Fund (SPRF) for

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capital projects. The FY 2022 Capital Outlay Bill appropriated \$2,396,700 from SPRF to ASPB for capital improvements. The JLBC Staff provided options and a potential provision:

- A. *ASPB shall notify the Chairman and the JLBC Staff if they plan to spend the contingency allocation. ASPB can spend the monies without further action.*

DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Wellness and Training Center Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The FY 2022 Capital Outlay Bill appropriated \$3,000,000 from the Arizona Highway Patrol Fund to DPS for the construction of a new Wellness and Training Center at the department's headquarters at 2320 N. 20th Avenue in Phoenix. DPS requested review of its plan for the Wellness and Training Center. The JLBC Staff provided options.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of FY 2022 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADOA requested the Committee review its FY 2022 Building Renewal Allocation Plan. The FY 2022 budget appropriates a total of \$24,200,000 for building renewal which includes \$6,200,000 from the General Fund and \$18,000,000 from the Capital Outlay Stabilization Fund (COSF). ADOA requested review of its plan to spend \$18,000,000 for general building renewal projects. The department also proposed to spend \$1,600,000 on agency space consolidation initiatives. ADOA intends to spend the remaining \$4,600,000 of the appropriation on space consolidation initiatives; that amount will be reviewed at a later date. The JLBC Staff provided options and a potential provision:

- A. *Prior to expending the emergency contingency allocation of \$500,000, ADOA shall report the use of funds to JLBC.*

ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of Building Renewal Allocation and Reallocation Plans.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. AGFD requested review of \$1,383,300 for new building renewal and reallocation projects. A total of \$170,000 of the building renewal projects are being funded from the reallocation of building renewal monies previously reviewed by the Committee. The JLBC Staff provided options.

ARIZONA EXPOSITION AND STATE FAIR (AESF) BOARD - Review of FY 2022 Capital Improvement Expenditures.

A.R.S. § 41-1252 requires Committee review of expenditure plans for capital projects. The AESF Board requested Committee review of 10 capital projects with a total cost of \$1,720,000. The FY 2022 Capital Outlay Bill appropriated \$2,000,000 from the Arizona Exposition and State Fair Fund to the AESF Board for capital improvements. The JLBC Staff provided options and potential provisions:

- A. *AESF shall report to the JLBC Staff if the actual cost of any project included in the expenditure plan exceeds the estimated cost by more than 20%.*

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- B. *If an emergency arises that is not addressed by the existing expenditure plan:*
1. *AESF shall notify the Chairman and the JLBC Staff that they plan to spend less than \$500,000 on an emergency project. AESF can proceed without further action.*
 2. *The Chairman can allow AESF to move forward with an emergency project of greater than \$500,000 without Committee review.*
- An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.*
- C. *No monies from the FY 2018 (Laws 2017, Chapter 306), FY 2019 (Laws 2018, Chapter 277), or FY 2020 (Laws 2019, Chapter 264) capital appropriation may be spent on projects related to the 1938 WPA Civic Building without prior Committee review.*
- D. *On or before November 30, 2021 and May 31, 2022, the AESF Board shall report to the JLBC Staff on the status of all capital improvement projects and capital improvement expenditures, including prior projects reviewed by the Committee.*

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2021 Rent Exemption.

A.R.S. § 41-792.01D authorizes the Director of ADOA, on recommendation from the Committee, to grant a full or partial exemption from the payment of state-owned rental fees if an agency does not occupy their space or lacks the financial resources to make a payment. ADOA requested the Committee recommend a full rent exemption for the Arizona Commission of African-American Affairs totaling \$8,100 in FY 2021. The JLBC Staff provided options.

Representative Cobb moved that the Committee give a favorable review, or approval, as appropriate, of the 6 consent agenda items listed above with JLBC Staff provisions. The motion carried.

REGULAR AGENDA

ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2022 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 2022 Capital Outlay Bill appropriated \$28,070,100 to ADC for building renewal and appropriated \$25,564,400 to ADC for Eyman Fire and Life Safety Projects. ADC requested review of its plan for these monies and also requested review of \$33,300,000 in non-appropriated funds to relocate Arizona Correctional Industries facilities from the Florence prison. The JLBC Staff provided options.

Mr. David Shinn, Director, ADC, responded to member questions.

Mr. Fred Moreno, Assistant Director, Facilities Management, ADC, responded to member questions.

Representative Cobb moved that the Committee give a favorable review to each of ADC's expenditure plans. The motion carried.

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Without objection, the meeting adjourned at 12:36 p.m.

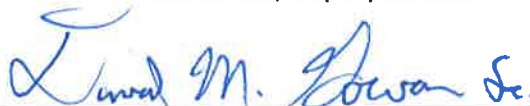
Respectfully submitted:

A handwritten signature in black ink, appearing to read "K Paddack", written over a horizontal line.

Kristy Paddack, Secretary

Jack Brown

Jack Brown, Deputy Director

A handwritten signature in blue ink, appearing to read "David M. Gowan Sr.", written over a horizontal line.

Senator David Gowan, Chairman