



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

October 10, 2023

The Chairman called the meeting to order at 1:12 p.m. Tuesday, October 10, 2023 in Senate Hearing Room 1. The following were present:

Members:	Senator Kavanagh, Chairman Senator Borrelli	Representative Livingston, Vice-Chairman Representative Austin Representative Biasiucci Representative Contreras Representative Gress Representative Salman
Absent:	Senator Alston Senator Bennett Senator Diaz Senator Epstein Senator Hoffman	Representative Chaplik

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of June 13, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of Capital Projects.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. AGFD requested Committee review of \$2,713,100 for 5 capital projects. These projects would be funded entirely by state and federal grants. The JLBC Staff provided options.

(Continued)

2. ARIZONA PIONEERS' HOME - Review of Replacement Emergency Generator.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The FY 2024 Capital Outlay Bill appropriated \$468,700 from the Pioneers' Home Miners' Hospital Fund for capital improvements. The Arizona Pioneers' Home requested review of \$310,000 of the appropriated amount to be used for a replacement emergency generator. The JLBC Staff provided options.

3. ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of Capital Projects.

A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The AESF requested Committee review of \$3,412,000 of its \$3,802,100 FY 2024 Capital Outlay appropriation. The JLBC Staff provided options.

4. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Property and Evidence Storage Lot Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of \$1,016,400 appropriated from the General Fund in the FY 2023 Capital Outlay Bill for the purchase and construction of a new evidentiary vehicle storage lot. The JLBC Staff provided options.

5. NORTHERN ARIZONA UNIVERSITY (NAU) - Review of Bury Hall Renovation Project.

A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). NAU requested review of \$7,000,000 for a capital renovation project of Bury Hall. Of this amount, \$4,942,500 will be funded with CIF cash and \$2,057,500 will be funded from Technology and Research Initiative Fund (TRIF) monies. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.*
- B. *On or before October 15 of each year until completion of the project, NAU shall report to the JLBC Staff on the status and expenditures of the capital project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

6. ARIZONA STATE UNIVERSTIY (ASU) - Review of Tempe District Utility Plant Project.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. ASU requested review of \$52,165,000 in system revenue bond issuances to construct a Tempe District Utility Plant. ASU will fund debt service payments with tuition. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.*
- B. *ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.*
- C. *On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the capital project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

7. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of FY 2024 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. ADOT requested review of its \$22,420,200 FY 2024 Building Renewal Allocation. The JLBC Staff provided options.

8. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Transportation Project Transfer.

Laws 2022, Chapter 309 authorizes ADOT to transfer monies between a number of appropriated transportation projects upon review by the Committee. ADOT requested transferring \$1,650,000 in FY 2024 from statewide pavement rehabilitation to 2 other existing projects. ADOT requested to transfer \$1,100,000 to repave State Route 95 in Mohave County and \$550,000 to repair State Route 186 and State Business Route 10 in Willcox. The JLBC Staff provided options.

Representative Livingston moved that the Committee give a favorable review of the agency requests in consent agenda items 1 through 8 with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

9. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2024 Building Renewal and Fire and Life Safety Projects.

Geoffrey Paulsen, JLBC Staff, stated that A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADC requested review of its allocation plan for \$33,664,600. The expenditure plan includes a total of 73 projects across all state prisons.

A.R.S. § 14-1252 also requires Committee review of capital projects with estimated costs exceeding \$250,000. ADC requested review of its expenditure plan for door, lock and fire system replacements. The FY 2024 Capital Outlay Bill appropriated a total of \$48,650,600 to ADC for this purpose. The JLBC Staff provided options.

Ryan Thornell, Director, Department of Corrections, responded to member questions.

Fred Moreno, Assistant Director, Department of Corrections, responded to member questions.

Representative Livingston moved that the Committee give a favorable review of the building renewal expenditure plan and the expenditure plan for the door, lock, and fire system replacements totaling \$82,315,200. The motion carried.

10. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) and ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Electric Vehicle Charging Stations.

Ethan Scheider, JLBC Staff, stated that A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. The Arizona Department of Transportation (ADOT) and the Arizona Department of Administration (ADOA) were appropriated \$7,500,000 and \$5,000,000, respectively, in FY 2024 for the installation of Electric Vehicle (EV) charging stations. ADOT and ADOA requested the Committee review the following:

- 1) \$560,000 to conduct a planning study for public use EV charging stations at ADOT and ADOA facilities statewide;
- 2) \$280,000 to plan for EV charging station at the central motor pool and other ADOT facilities;
- 3) \$449,300 to purchase and install 6 EV chargers at the main State Motor Pool facility.

The JLBC Staff provided options and a potential provision:

- A. *Upon public release of a Request for Quote (RFQ) for consultant services to conduct an EV charging station planning study, ADOT shall provide a copy of the RFQ to the JLBC Staff.*

Anthony Casselman, Chief Legislative Liaison, Arizona Department of Transportation, responded to member questions.

Representative Livingston moved that the Committee give a favorable review of the expenditure plan totaling \$1,289,300 with the JLBC Staff provision. The motion carried.

Without objection, the meeting adjourned at 1:56 p.m.

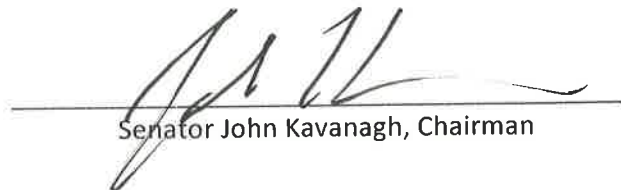
Respectfully submitted:



Jennifer Burns, Secretary

Rebecca Perrera

Rebecca Perrera, Assistant Director



Senator John Kavanagh, Chairman