

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

ROBERT L. BURNS
CHAIRMAN 2007
PAULA ABOUD
AMANDA AGUIRRE
MARSHA ARZBERGER
KAREN S. JOHNSON
THAYER VERSCHOOR
JIM WARING

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

<http://www.azleg.gov/jlbc.htm>

HOUSE OF
REPRESENTATIVES

RUSSELL K. PEARCE
CHAIRMAN 2008
TOM BOONE
TRISH L. GROE
JOHN KAVANAGH
PHIL LOPES
DAVID LUJAN
DAVID SCHAPIRA

MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, October 18, 2007

The Chairman called the meeting to order at 1:45 p.m., Thursday, October 18, 2007 in Senate Appropriations Room 109. The following were present:

Members:	Senator Burns, Chairman	Representative Pearce, Vice-Chairman
	Senator Aboud	Representative Groe
	Senator Johnson	Representative Kavanagh
	Senator Verschoor	Representative Lujan
	Senator Waring	
Absent:	Senator Aguirre	Representative Boone
	Senator Arzberger	Representative Lopes
		Representative Schapira

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman Robert Burns stated the minutes of August 16, 2007 would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION - Review of the Arizona Department of Corrections Door and Lock Replacement Plan.

Mr. Martin Lorenzo, JLBC Staff, presented the review of the Arizona Department of Administration's (ADOA) door and lock replacement plan for the Arizona Department of Corrections (ADC). Beginning in FY 2002, \$1 million was appropriated to conduct an assessment of the door and lock replacement needs through the prison system. At that time, the estimated total cost was approximately \$38 million. The assessment included replacement of doors, locks and monitoring panels throughout the prison system, and address issues such as equipment that exceeded its useful life or pose significant security risks.

To begin the replacement process, ADOA was appropriated \$5.2 million in FY 2007. Since the appropriation, ADOA has updated a portion of the assessment and issued a solicitation, of which 5 bidders responded and the lowest bidder was selected. The JLBC Staff recommends a favorable review for the use of \$5.2 million over the next 14 months to replace 408 doors and locks, as well as a control panel at the Arizona State Prison Complex Tucson Rincon Unit. ADOA was appropriated \$5.2 million in FY 2008; Committee review of these monies will be done at a later date.

Discussion ensued on this item.

Representative Pearce moved that the Committee give a favorable review as recommended by JLBC Staff to the Arizona Department of Administration Door and Lock Replacement Plan at the Arizona State Prison Complex Tucson, Rincon Unit. The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION –

A. Review of FY 2008 Building Renewal Allocation Plan.

Mr. Bob Hull, JLBC Staff, presented the review of the Arizona Department of Transportation (ADOT) FY 2008 Building Renewal allocation plan. The plan totals \$3.9 million, including \$3.8 million from the State Highway Fund and the remainder from the State Aviation Fund. A table on page 2 of the JLBC memo lists the major categories for 215 projects. The second table on the page shows 13 State Highway Fund projects costing \$50,000 or more. The JLBC Staff recommends that the Committee give a favorable review of the plan with the standard provisions as listed on page 1.

There was no discussion on this item.

Representative Pearce moved that the Committee give a favorable review to the ADOT FY 2008 Building Renewal allocation plan with the following provisions:

- *ADOT report to JLBC Staff any allocations for FY 2008 projects from the \$141,100 contingency amount. JLBC Staff will report to the Committee on significant allocations, typically those above \$50,000.*
- *ADOT submit any new projects for Committee review prior to implementing.*
- *ADOT submit any project reallocations above \$100,000 for Committee review.*

The motion carried.

B. Report on 5-Year Transportation Program.

Mr. Bob Hull, JLBC Staff, provided a handout (*Attachment A*) outlining the presentation of ADOT's 5-Year Transportation Program. Since the full Legislature neither appropriates the entire funding for the 5-year program nor approves the individual projects, the Committee has traditionally requested information on the program to ensure some legislative oversight. Over the years, the Committee has requested that ADOT include an Executive Summary of the program, a progress report on congestion performance measures and maps of congested highway segments. JLBC recommendations to further legislative oversight of the 5-year program are listed on page 2 of the memo.

Discussion ensued on this item.

Ms. Melissa Wynn, Budget Director, ADOT, responded to member questions.

Representative Pearce moved that the Committee adopt the highway congestion performance measures for FY 2008 and request that:

1. *ADOT provide an Executive Summary of its 5-Year Transportation Facilities Construction Program for FY 2009-FY 2013, due by July 31, 2008. The Executive Summary should include all the information and tables submitted this year, plus a narrative description of how much of the estimated \$500 million of additional bonding capacity from 30 year highway bonds is included in the FY 2009-FY 2013 highway program.*
2. *ADOT report to the Committee on spending plans for the \$62 million appropriated to the Statewide Transportation Acceleration Needs (STAN) Account of the State Highway Fund in FY 2008 by December 15, 2007.*

The motion carried.

The Committee also asked that ADOT provide additional information for the following items:

3. What is the dollar amount and current status of the projects funded from the \$307 million deposit to the STAN Account in FY 2007?
4. What is the current status, estimated completion date, and total cost and funding sources for the Kingman US 93 – Hoover Dam Bypass project?
5. How much of the Highway 5-year program and Aviation 5-year program revenues are from Maricopa County? How much of the Highway 5-year program and Aviation 5-year program expenditures are for projects in Maricopa County?

SCHOOL FACILITIES BOARD - Review of FY 2008 Building Renewal Distributions.

Ms. Leatta McLaughlin, JLBC Staff, presented the School Facilities Board (SFB) FY 2008 Building Renewal allocation plan. By statute, the Committee must review the allocation plan prior to the distribution of monies to the school districts. SFB, by statute, is to distribute the monies in 2 equal installments in November 2007 and May 2008. In FY 2008, SFB was appropriated \$86.3 million in Building Renewal money. Each district submits to SFB their 3-year Building Renewal plan before they can receive Building Renewal monies. To date, SFB has received 101 district plans.

A bill was passed in the past session which stated that a district must first spend Building Renewal monies on primary projects, then secondary projects. Primary projects are associated with instructional space and that fall below the minimum adequacy guidelines. Secondary project are all other projects.

Discussion ensued on this item.

Mr. John Arnold, Executive Director, School Facilities Board, responded to member questions.

Representative Kavanagh moved that the Committee give a favorable review to the proposed distribution of FY 2008 Building Renewal Fund monies in 2 equal installments of \$43.1 million in November 2007 and May 2008.
The motion carried.

Without objection, the meeting adjourned at 2:30 p.m.

Respectfully submitted:

Yvette Medina, Secretary

Leatta McLaughlin, Fiscal Analyst

Senator Robert Burns, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.