



STATE OF ARIZONA

Joint Committee on Capital Review

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

November 13, 2024

The Chairman called the meeting to order at 10:03 a.m. Wednesday, November 13, 2024 in House Hearing Room 1. The following were present:

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

APPROVAL OF MINUTES

Senator Kavanagh moved that the Committee approve the minutes of December 14, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

3. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2025 Building Renewal and Capital Projects.

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 Arizona Game and Fish Department (AGFD) requested the Committee review a total of \$3,314,800 for 32 projects, of which \$1,364,800 will be funded by a FY 2025 appropriation from the Game and Fish

Fund and \$1,950,000 will be funded by federal grants and matching monies. The JLBC Staff provided options and a potential provision:

- A. *AGFD shall notify the Chairman and JLBC Staff of the amount and purpose of any expenditures from the building renewal emergency allocation in its quarterly capital report. AGFD may proceed with an emergency repair made using this allocation prior to submitting this notification.*

5. ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2025 Capital Improvement Projects - State Parks Revenue Fund.

A.R.S. § 41-1252 requires the Committee to review expenditure plans for all monies appropriated for building renewal or capital projects. ASPB requested review of its capital project expenditure plan totaling \$3,022,000 from the State Parks Revenue Fund for major repair and maintenance projects. The JLBC Staff provided options and a potential provision:

- A. *Prior to ASPB reallocating monies between the 9 listed project categories, ASPB shall report the proposed expenditure plan to the Committee Chairman and JLBC Staff.*

6. RIO NUEVO DISTRICT (District) - Presentation of Projects.

A.R.S. § 48-4203E requires the Rio Nuevo Multipurpose Facilities District (District) to present to the Committee any construction project (or other improvement to real property) with a cost of more than \$500,000. For FY 2024, the District has allocated funds to 4 projects above this \$500,000 threshold and has agreed to spend a combined \$6,492,000 on these projects. The JLBC Staff provided options.

7A. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of FY 2025 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires the Committee to review expenditure plans for building renewal monies. ADOT requested Committee review of its expenditure plan of \$22,082,800 from the State Highway Fund and \$457,300 from the State Aviation Fund. The JLBC Staff provided options.

7B. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) – Vehicle Fueling Facilities.

A.R.S. § 41-1252 requires the Committee to review expenditure plans for monies appropriated for capital projects. ADOT requested review of \$9,088,200 appropriated from the State Highway Fund in FY 2025 for increased costs associated with the replacement of vehicle fueling facilities that received appropriations in prior years. The JLBC Staff provided options and a potential provision:

- A. *By 10 days before the next JCCR meeting, the department shall report the following information to the Chairman and JLBC Staff: the projected beginning construction date and the projected completion date of each of the 10 fueling facility projects. ADOT shall update this information on each of the 10 fueling facilities in their quarterly capital report until the completion of the projects.*

Senator Kavanagh moved that the Committee give a favorable review of the agency requests in consent agenda items 3, 5, 6, 7A, and 7B with the provisions. The motion carried by voice vote.

REGULAR AGENDA

1. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of FY 2025 Building Renewal Allocation Plan.

Destin Moss, JLBC Staff, stated that A.R.S. § 41-1252 requires agencies to request review of expenditure plans for building renewal monies. ADOA requested Committee review of \$19,000,000 from the Capital Outlay Stabilization Fund for its FY 2025 Building Renewal Allocation Plan. The JLBC Staff provided options and potential provisions:

- A. Prior to expending the emergency contingency allocation of \$502,100, ADOA shall report the use of the funds to JLBC Staff.*
- B. The department shall report to the Chairman and the JLBC Staff prior to reallocating monies between building renewal project categories.*

Nola Barnes, Assistant Director, Arizona Department of Administration, responded to member questions.

Senator Kavanagh moved that the Committee give a favorable review of the FY 2025 building renewal allocation plan totaling \$19,000,000 with the JLBC Staff provisions. The motion carried by voice vote.

2. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2025 Building Renewal Allocation Plan.

Geoff Paulsen, JLBC Staff, stated that A.R.S. § 41-1252 requires Committee review of the expenditure plans for monies appropriated for building renewal. The FY 2025 Capital Outlay Bill appropriated \$8,557,000 to ADC for building renewal. ADC's proposed expenditure plan includes a total of 17 projects across 8 prisons. The JLBC Staff provided options, including the Chairman's option.

Senator Kavanagh moved that the Committee give a favorable review of \$7,639,600, which excludes the funding to relocate utilities on the Butte Avenue bridge in Florence.

Senator Epstein made a substitute motion for a favorable review of the entire request of \$8,557,000, which would include the Butte Avenue bridge utilities relocation.

The substitute motion failed by a roll call vote of 5-5. (Attachment 1)

Senator Kavanagh's motion carried by voice vote.

4. NORTHERN ARIZONA UNIVERSITY (NAU) - Review of Capital Projects.

Ethan Scheider, JLBC Staff, stated that A.R.S. § 15-1671 requires Committee review of any non-debt financed university capital projects paid for with funds from the university's Capital Infrastructure Fund (CIF). NAU requested review of \$5,041,400 for capital improvement projects funded via CIF cash. 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 projects, NAU shall report to the JLBC Staff on the status and expenditures of the capital projects. 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 projects.*

Katy Yanez, Vice President of Government Affairs and Community Relations, Northern Arizona University, responded to member questions.

Senator Kavanagh moved that the Committee give a favorable review of the capital projects totaling \$5,041,400 with the JLBC Staff provisions. The motion carried by voice vote.

Without objection, the meeting adjourned at 10:39 a.m.

Respectfully submitted:

Jennifer Burns

Jennifer Burns, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, 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 <https://www.azjlbc.gov/jlbc-meetings/>

JOINT COMMITTEE ON CAPITAL REVIEW

Meeting Date: November 13, 2024

ITEM #2: ADC – Review of FY 2025 Building Renewal Allocation Plan
MOTION: Substitute Motion Failed

ITEM #:
MOTION:

	<u>PRESENT</u>	<u>ABSENT</u>	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON							
REP. AUSTIN	X			X			
SEN. BENNETT	X				X		
REP. BIASIUCCI	X				X		
REP. BLATTMAN	X			X			
SEN. BORRELLI							
REP. CARBONE	X				X		
REP. CHAPLIK							
REP. CONTRERAS	X			X			
SEN. DIAZ	X			X			
SEN. EPSTEIN	X			X			
SEN. HOFFMAN							
SEN. KAVANAGH	X				X		
REP. LIVINGSTON	X				X		
TOTALS	10			5	5		

	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON					
REP. AUSTIN					
SEN. BENNETT					
REP. BIASIUCCI					
REP. BLATTMAN					
SEN. BORRELLI					
REP. CARBONE					
REP. CHAPLIK					
REP. CONTRERAS					
SEN. DIAZ					
SEN. EPSTEIN					
SEN. HOFFMAN					
SEN. KAVANAGH					
REP. LIVINGSTON					
TOTALS					