

At its September 2022 meeting, the Joint Committee on Capital Review considered the following issues:

#### Regular Agenda

**Arizona Department of Corrections – Review of HVAC and Door, Lock and Fire System Replacement Project** – A.R.S. § 14-1252 requires Committee review of expenditure plans for capital project and building renewal appropriations.

The FY 2023 Capital Outlay Bill appropriated a total of \$20.4 million from the General Fund to ADC for door, lock, and fire system replacement and \$47.6 million from the General Fund for HVAC replacement projects. The

Committee gave a favorable review of the full \$20.4 million for door, lock, and fire systems replacement, but only gave a favorable review of \$38.9 million for HVAC replacement, which excludes \$8.7 million in contingency funds that ADC requested.

**Department of Public Safety – Review of Remote Housing Placement** – A.R.S. § 41-1252 requires Committee review of expenditure plans for capital project appropriations. The FY 2023 Capital Outlay Bill appropriated \$9.8 million from the General Fund to the Department of Public Safety (DPS) for the replacement of highway patrol officer remote housing units and for the purchase of new housing units. The Committee gave a favorable review of DPS's expenditure plan to use \$7.8 million to replace remote housing units only, which excludes, pending additional information, \$2.0 million DPS requested to use for purchasing either existing houses or modular units. The favorable review included a provision requiring that on or before December 1, 2022, DPS shall report to the JCCR Chairman and JLBC Staff on the geographic areas proposed for either existing home purchases or new modular units. The report shall include the areas selected, the availability of homes in the selected areas, and the justification for choosing each area.

#### Consent Agenda

**Arizona Department of Administration – Review of Demolition Projects** – A.R.S. § 41-1252 requires Committee review of expenditure plans for capital project appropriations. The Committee gave a favorable review of the department's request to demolish 3 buildings: 1) DHS Vital Records Building (1818 W Adams); 2) ADOA Maintenance Building (1850 W Jackson); and 3) DES Data Center (1720 W Madison). The demolition projects will have an estimated total cost of \$1.6 million, which was appropriated to the department from the General Fund in FY 2023 for this purpose.

**Arizona Department of Administration/School Facilities Division – Review of Minimum Adequacy Guidelines Rulemaking Fiscal Impact** – A.R.S. § 41-5711 requires the Arizona Department of Administration's School Facilities Division (SFD) to submit a fiscal impact statement for Committee review when adopting rule changes to the Minimum Adequacy Guidelines. The Committee gave a favorable review of SFD's fiscal impact statement.

**Arizona Department of Administration/Judiciary – Review of Air Handler and Sewer Replacement Project** – A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Committee gave a favorable review of the Judiciary's request to spend its \$3.2 million appropriation from the General Fund for replacing air handler units and the sewer system at 1501 W Washington.

**Arizona Schools for the Deaf and the Blind – Review of FY 2023 Capital Projects** – A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Committee gave a favorable review of the agency's request to spend its \$866,000 FY 2023 capital appropriation from the General Fund for 3 capital improvement projects. The favorable review includes a provision which states that before spending these monies on any other project, the agency shall report the change to the Committee Chairman and JLBC Staff. If there is significant change in the reallocation, the Chairman may require further Committee review.

**Arizona Exposition and State Fair Board – Review of Capital Improvement Projects** – A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Committee gave a favorable review of the board's request to spend \$1.4 million from the Arizona Exposition and State Fair Fund on 3 capital improvement projects.

**Department of Liquor Licenses and Control – Review of Space Reconfiguration** – The FY 2023 Capital Outlay Bill appropriated \$3,500,000 from the Liquor Licenses Fund to the Department of Liquor Licenses and Control for space reconfigurations at the department's headquarters. A.R.S. § 41-1252 requires the department to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR). The Committee gave a favorable review of the reconfiguration project.

**Arizona Pioneers' Home – Review of FY 2023 Capital Improvement Projects** – A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The FY 2023 Capital Outlay Bill appropriated \$396,500 from the Pioneers' Home State Charitable Fund to the Arizona Pioneers' Home for capital improvements. The Committee gave a favorable review of the agency's request to spend \$396,500 on 4 capital projects. The favorable review includes a provision requiring that prior to expending any monies to address needs not outlined in the agency's August 2021 Facility Assessment Report, the agency shall report to JLBC Staff on the projects and their estimated costs.

**Arizona Department of Transportation – Review of FY 2023 Building Renewal Allocation Plan** – A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Committee gave a favorable review of the department's allocation of \$18.1 million from the State Highway Fund for 203 building renewal projects and \$467,800 from the State Aviation Fund for 16 building renewal projects. Laws

2022, Chapter 319 requires ADOT to report quarterly on the status of all nonhighway construction capital projects, such as building renewal projects, including its actual spending relative to its plan.

**Northern Arizona University – Review of Capital Projects** – A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). In addition, an FY 2023 General Appropriation Act footnote requires Committee review of any capital projects funded by the FY 2023 One-Time Funding appropriation. The Committee gave a favorable review of the University's request to spend \$4.8 million from the CIF and \$12.5 million from the FY 2023 One-Time Funding appropriation on 4 capital projects, including the standard university financing provisions.

**University of Arizona – Review of Veterinary Diagnostic Laboratory Projects** – A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Committee gave a favorable review of the University's request to spend \$1.6 million of its one-time FY 2023 Veterinary Diagnostic Laboratory appropriation from the General Fund to pay cash for capital improvement projects.