

JLBC MEETING

At its May 7th JLBC meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Health Services Transfers – The Committee approved the transfer of \$3.5 million between Special Line Items in the Behavioral Health Services budget. In the 2^d Special Session the appropriation for Non-Title XIX Mental Health Services was reduced from \$9.9 million to \$900,000 due to expected savings as a result of Proposition 204 expansion. DHS has, however, spent \$4 million in this line leaving a shortfall in the program. Approximately \$3.5 million from the Seriously Mentally Ill Non-Title XIX Special Line Item and \$1 million from the Substance Abuse Non-Title XIX Special Line Item will be transferred to the Mental Health Non-Title XIX Special Line Item.

DES/Arizona Works Savings Calculations – The Committee approved the calculation of cash benefit savings attributable to caseload reduction achieved by the Arizona Works pilot welfare program for calendar year 2001. The Arizona Works vendor generated about \$1 million in caseload reduction savings for calendar year 2001. Current statute allows up to 25% of these savings (or \$270,800, in this circumstance) to be awarded by the Arizona Works Agency Procurement Board if the Arizona Works vendor meets performance-based incentives specified in its contract.

DES/Arizona Works Admin Costs for Greenlee County – The Committee approved the JLBC Staff estimate of total direct and indirect costs of administering the EMPOWER Redesign welfare program in Greenlee County for all of FY 2002, in the amount of \$189,500. This is the 2nd rural phase of the Arizona Works Program.

DES/Children Services TANF Funding – The Committee gave a favorable review for DES to spend \$6.5 million in FY 2002 of TANF Block Grant monies transferred to the Social Services Block Grant (SSBG) and allocated for use to the Children Services program in either FY 2002 or FY 2003. DES estimates that it will need these monies in FY 2002.

Attorney General Settlements – The Committee favorably reviewed the allocation plan for four settlement agreements: 1) Bridgestone/Firestone, 2) First Alliance Mortgage Company, 3) Tucson Newspaper, Inc. Partners, and 4) Vitamin Settlement (Richardson v. Hoffman-LaRoche, Ltd.). JLBC review of the allocation or expenditure plan for settlement monies over \$100,000 received by the Attorney General or any other person on behalf of the State of Arizona is required by a General Appropriations Act footnote.

Other Reports – The Committee received written reports this month on 1) the Attorney General's Model Court program, 2) Boxing Commission events and revenue, 3) Arizona Criminal Justice Commission's State aid to County Attorneys Fund and State aid to Indigent Defense Fund, 4) Department of Economic Security Arizona Works, 5) Department of Economic Security Children Services Program, 6) Department of Emergency and Military Affairs declared emergencies. 7)

Government Information Technology Agency/Arizona Department of Administration statewide technology license agreement account expenditures, 8) Department of Health Services 317 Vaccines program, 9) Arizona State Retirement System information technology expenditures and project tasks, and 10) Supreme Court Criminal Case Processing and Enforcement Improvement Fund and State aid to the Courts Fund.

JCCR MEETING

At its April 30th meeting, the Joint Committee on Capital Review considered the following issues:

ADOA/DEQ Land Acquisition – The JCCR approved the purchase of land for use as a continued air monitoring site. The property is owned by the City of Phoenix and has been used by DEQ as an air monitoring site since 1991. The \$20,000 acquisition will be funded with \$14,000 from the Air Quality Fund and \$6,000 from the Permits Administration Fund.

ADOA/DOC Prison Fencing Improvements – The JCCR favorably reviewed the scope, purpose, and estimated cost of safety improvements for the Department of Corrections (DOC). Laws 2001, Chapter 237 appropriated \$1,379,400 from the Corrections Fund for DOC safety improvements. The approved projects include modification of fencing around 5 prison administrative buildings to eliminate potential escape points and installation of a lethal electrified fence at the Central Unit ASPC-Florence. The estimated total cost of the administrative building fencing is \$731,200. The estimated cost of the electrified fence system is \$1,239,600, of which \$648,200 will come from the remaining safety improvements appropriation and \$591,400 will come from operating expense savings.

School Facilities Board Building Renewal Allocations – The JCCR favorably reviewed the May distribution of \$672,100 in building renewal monies to school districts. A.R.S. § 15-2031 provides that in any fiscal year the School Facilities Board (SFB) shall distribute building renewal monies in 2 equal installments in November and May. At the October 25 JCCR meeting, the Committee gave a favorable review to the November disbursement of \$61.4 million and elected to have SFB submit the May distribution of monies for Committee review prior to their disbursement to school districts.

Kartchner Caverns Quarterly Report – The JCCR received the Kartchner Caverns quarterly status report. Opening of the lower caverns was originally scheduled for November 2003, but the department has revised the targeted open date to November 2002. Since March 1, 2002, over 400,000 people have visited the caves and total park revenues are \$6,250,000. Revenues are deposited in SPEF for park operating and development costs.