

# **JOINT LEGISLATIVE BUDGET COMMITTEE**

**Wednesday, June 24, 2020**

**9:30 a.m.**

**JLBC**

STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**\*\* REVISED \*\***

**#2**

JOINT LEGISLATIVE BUDGET COMMITTEE

Wednesday, June 24, 2020

9:30 A.M.

Teleconference

### MEETING NOTICE

- Call to Order
- [Approval of Minutes of April 29, 2020.](#)
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION - Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.
- 1. ARIZONA DEPARTMENT OF ADMINISTRATION/AUTOMATION PROJECTS FUND
  - \*\*\*A. [Review of CHILDS \(Department of Child Safety Subaccount\).](#)
  - \*\*\*B. [Review of myDEQ Project Scope Change \(Arizona Department of Environmental Quality Subaccount\).](#)
- 2. ATTORNEY GENERAL
  - \*\*\*A. [Review of Report on Murdered and Missing Indigenous Women and Girls Study Committee Expenditure Plan.](#)
  - \*\*\*B. [Review of Uncollectible Debt.](#)
- 3. [\\*\\*\\*ARIZONA CRIMINAL JUSTICE COMMISSION - Review of Edward Byrne Memorial Justice Assistance Grant Federal Application.](#)

4. \*\*\*DEPARTMENT OF ECONOMIC SECURITY - Review of Developmental Disabilities Line Item Transfers.
5. \*\*\*DEPARTMENT OF EDUCATION - Review of Career Technical Education District Annual Report.
- ➔ 6. \*\*\*SECRETARY OF STATE - Review of Expenditure Plans for Help America Vote Act (HAVA) Projects (March 2018 and December 2019 Allocations).
- ➔ 7. \*\*\*DEPARTMENT OF PUBLIC SAFETY - Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount.

\* The meeting will be held via teleconference software. Members of the public may access a livestream of the meeting [here](https://azleg.granicus.com/MediaPlayer.php?publish_id=2) ([https://azleg.granicus.com/MediaPlayer.php?publish\\_id=2](https://azleg.granicus.com/MediaPlayer.php?publish_id=2))

\*\*\* Consent Agenda - These items will be considered in one motion and no testimony will be taken.

The Chairman reserves the right to set the order of the agenda.

~~06/16/2020~~

06/22/2020

lm

kp

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 926-5491.



STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

### MINUTES OF THE MEETING

#### JOINT LEGISLATIVE BUDGET COMMITTEE

April 29, 2020

The Chairman called the meeting to order at 1:40 p.m., Wednesday, April 29, 2020, via video conference. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Alston	Representative Espinoza
	Senator Bowie	Representative Fernandez
	Senator Gray	Representative Friese
	Senator Leach	Representative Kavanagh
	Senator Livingston	Representative Petersen
	Senator Otondo	Representative Roberts
		Representative Toma
Absent:	Senator Mesnard	

#### APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of December 11, 2019. The motion carried.

#### CONSENT AGENDA

The following items were considered.

#### **ATTORNEY GENERAL (AG) - Review of Report on Murdered and Missing Indigenous Women and Girls Study Committee Expenditure Plan.**

At its December 2019 meeting, the Committee favorably reviewed the expenditure of \$125,000 to support expenses of the Missing and Murdered Indigenous Women and Girls (MMIWG) Study Committee but required that the AG provide an expenditure report by April 1, 2020, and stated that up to \$95,000 would be considered for further Committee guidance at a future meeting. The AG provided an updated report. The JLBC Staff provided options and a potential provision:

(Continued)

- A. *The Attorney General and the MMIWG Study Committee shall report on their progress to JLBC by June 5, 2020, for purposes of further Committee guidance at the June JLBC meeting.*

**ATTORNEY GENERAL (AG) - Review of Peace Officers Memorial Fund Transfer and Expenditure Plan.**

An FY 2020 General Appropriation Act footnote requires the AG to submit for Committee review its expenditure plan for the \$1.0 million appropriation to the Arizona Peace Officer Memorial. The AG provided its plan. The JLBC Staff provided options and a potential provision:

- A. *The Attorney General will return to the Committee for further review if any monies are expended on a purpose other than the Peace Officers Memorial.*

**DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2020 Quarterly Benchmarks.**

An FY 2020 General Appropriation Act footnote requires DCS to submit for Committee review a quarterly report on benchmarks for assessing progress made in increasing the department's number of FTE Positions, meeting caseload standards for caseworkers, reducing the number of backlog cases and open reports, and reducing the number of children in out-of-home care. DCS submitted its first and second quarter benchmark reports for review. The JLBC Staff provided options.

**DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2020 Line Item Transfers.**

Pursuant to a footnote in the FY 2020 General Appropriation Act, DCS requested Committee review the following transfers of Child Safety Expenditure Authority in FY 2020:

- \$7,050,000 into the Congregate Group Care line item.
- \$5,000,000 into the Foster Home Recruitment, Study and Supervision (HRSS) line item.
- \$(5,050,000) out of the Caseworkers line item.
- \$(3,000,000) out of the Out-of-Home Support Services line item.
- \$(2,000,000) out of the Training Resources line item.
- \$(2,000,000) out of the Overtime line item.

The JLBC Staff provided options and a potential provision:

- A. *The Department of Child Safety shall report to JLBC on or before June 30, 2020 on the department's efforts to obtain reimbursement from the Coronavirus Relief Fund for the temporary group home rate increase implemented in March 2020 in response to statewide school closures associated with the COVID-19 pandemic.*

**ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2020 Third Quarter Correctional Officer Staffing Report.**

An FY 2020 General Appropriation Act footnote requires ADC to submit for Committee review a quarterly report detailing correctional officers staffing levels. ADC provided its third quarter report. The JLBC Staff provided options.

**ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2020 Proposed Bed Capacity Changes.**

An FY 2020 General Appropriation Act footnote requires ADC to submit for Committee review a report detailing proposed bed capacity changes in FY 2020. The Committee had previously reviewed ADC's reports at its September and December meetings. ADC requested the Committee review further revised FY 2020 changes. The JLBC Staff provided options.

**DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Developmental Disabilities Line Item Transfers.**

Pursuant to an FY 2020 General Appropriation Act footnote, before transferring any funds into or out of certain Division of Developmental Disabilities (DDD) line items, DES must submit a report for review by the Committee. DES requested Committee review an FY 2020 transfer of \$5,100,000 of Long Term Care System monies out of the DDD Administration line item to the DDD Premium Tax line item. The JLBC Staff provided options.

**DEPARTMENT OF EDUCATION (ADE) - Review of AIMS Science Contract Renewal.**

Pursuant to A.R.S. § 15-741.03, ADE requested Committee review of its contract renewal for the statewide assessment in science. The JLBC Staff provided options.

**DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Motor Vehicle Modernization (MvM) Project Annual Progress Report.**

An FY 2020 General Appropriation Act footnote requires ADOT to submit for Committee review its annual progress report on the Motor Vehicle Modernization (MvM) Project. ADOT submitted its most recent annual report. The JLBC Staff provided options and a potential provision:

- A. *On or before July 31, 2020, ADOT shall submit to the Joint Legislative Budget Committee a report detailing revenue estimates for FY 2019, FY 2020, and FY 2021 for the ServiceArizona vendor's fee retention. This report shall categorize the revenue as ServiceArizona retention, AZ MVD Now retention or any other retention and detail the revenue according to where it is deposited, including the ADOT Technology Reserve Fund, ADOT Portal Enhancement Fund, or any other ServiceArizona vendor accounts. The same report shall be submitted on July 31, 2021 for FY 2020 - FY 2022 revenue estimates.*

*Representative Friese moved that agenda items 3A and 3B relating to the Department of Corrections staffing report and proposed bed capacity changes be removed from the consent agenda. Furthermore, I move that in adopting a favorable or unfavorable review on these items, that the Committee consider an additional option to schedule a special JLBC hearing for next Wednesday, May 6 at 1:30 p.m., in order to discuss in detail the specific actions the agency is taking to address the COVID-19 pandemic for Arizona's prison population and correctional officers.*

*Senator Livingston made a substitute motion that the Committee provide a favorable review to the consent agenda as scheduled with the JLBC Staff provisions. The substitute motion passed by a roll call vote of 9-6-0-1. (Attachment 1)*

(Continued)

## EXECUTIVE SESSION

Representative Cobb moved that the Committee go into Executive Session. The motion carried.

At 2:12 p.m. the Joint Legislative Budget Committee went into Executive Session.

Representative Cobb moved that the Committee reconvene into open session. The motion carried.

At 4:00 p.m. the Committee reconvened into open session.

### **Arizona Department of Administration (ADOA) - Review for Committee the Planned Contribution Strategy for State Employee and Retiree Medical and Dental Plans Under A.R.S. § 38-658A.**

Representative Cobb moved that the Committee give a favorable review to the planned contribution strategy for state employee and retiree medical plans with the following provisions:

- A. ADOA shall report to the JLBC within 10 days of signing the health plan contracts on the networks selected and the number of providers in each tier by county.
- B. ADOA shall report within 10 days of signing the Pharmacy Benefits Manager contract on any changes to the prescription drug formulary and the anticipated costs or savings to the Health Insurance Trust Fund.

The motion carried.

### **Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.**

Representative Cobb moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the cases of:

- *Miller v. State of Arizona, et al.*
- *DeGroote v. State of Arizona, et al.*
- *Claim of Chrystal Angotti*

The motion carried.

Without objection, the meeting adjourned at 4:04 p.m.

(Continued)

Respectfully submitted:



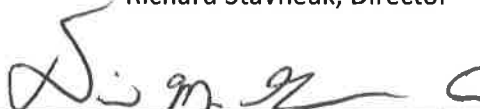
---

Kristy Paddack, Secretary



---

Richard Stavneak, Director



---

Senator David Gowan, 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>



# JOINT LEGISLATIVE BUDGET COMMITTEE

Meeting Date: 4/29/20

ITEM # Substitute motion on 3A & 3b

ITEM # \_\_\_\_\_

	<u>PRESENT</u>	<u>ABSENT</u>	<u>PASS</u>	<u>AYE</u>	<u>NAY</u>	<u>PRESENT</u>	<u>ABSENT</u>
SEN. ALSTON	/	—			/		
SEN. BOWIE	/	—			/		
REP. ESPINOZA	/	—			/		
REP. FERNANDEZ	/	—			/		
REP. FRIESE	/	—			/		
SEN. GRAY	/	—		/			
REP. KAVANAGH	/	—		/			
SEN. LEACH	/	—		/			
SEN. LIVINGSTON	/	—		/			
SEN. MESNARD	—	/					/
SEN. OTONDO	/	—			/		
REP. PETERSEN	/	—		/			
REP. ROBERTS	/	—		/			
REP. TOMA	/	—		/			
REP. COBB	/	—		/			
SEN. GOWAN	/	—		/			
TOTALS	<u>15</u>	<u>1</u>	<u>0</u>	<u>9</u>	<u>6</u>	<u>0</u>	<u>1</u>

TOTALS  
e:\jlbc\jlbcvote.doc  
04/27/20

	<u>PASS</u>	<u>AYE</u>	<u>NAY</u>	<u>PRESENT</u>	<u>ABSENT</u>
SEN. ALSTON					
SEN. BOWIE					
REP. ESPINOZA					
REP. FERNANDEZ					
REP. FRIESE					
SEN. GRAY					
REP. KAVANAGH					
SEN. LEACH					
SEN. LIVINGSTON					
SEN. MESNARD					
SEN. OTONDO					
REP. PETERSEN					
REP. ROBERTS					
REP. TOMA					
REP. COBB					
REP. GOWAN					
TOTALS	—	—	—	—	—

Attachment 1





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 17, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Nicole Lovato, Fiscal Analyst

**SUBJECT:** Arizona Department of Administration/Automation Projects Fund - Review of CHILDS (Department of Child Safety Subaccount).

### Request

A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Arizona Department of Administration's (ADOA) Automation Projects Fund (APF) for the Children's Information Library and Data Source (CHILDS) replacement project. ADOA is requesting Committee review of the remaining \$6,592,800 to finish the project in FY 2021.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

### Key Points

- 1) ADOA/DCS are requesting review of the final \$6.6 million of the multi-year \$41 million CHILDS IT appropriation to complete the project.
- 2) An independent third-party review indicates that the project is in moderate health on most metrics of plan viability and project management.
- 3) The estimated project completion date is December 2020.

(Continued)

## Analysis

CHILDS is the information management system used to document the status, demographics, location and outcomes for children in the care of DCS. The system assists with various business processes including hotline intake, initial assessments and investigations, case management, adoptions, eligibility determinations, staff management, provider management and payment processing. DCS is replacing CHILDS with "Guardian." Instead of purchasing a whole new system, DCS is developing Guardian as a "synthesized solution" in which a contracted "technical integrator" will be responsible for incrementally bringing together independent subsystems ("modules") within the Guardian platform. The total cost of the CHILDS replacement project is estimated at \$86.0 million, of which the state share was originally estimated to be 50% (or \$43.0 million).

As outlined in *Table 1*, between FY 2015 and FY 2020, ADOA and DCS were appropriated a total of \$35.8 million from APF for CHILDS replacement. Through September 2019, the Committee had reviewed \$34.2 million of that amount.

**Table 1**

**CHILDS Replacement Project Budget  
(State Match)**

<u>Fiscal Year</u>	<u>Appropriations</u>	<u>JLBC Review</u>	<u>Expenditures</u>
2015	\$5.0	\$0.3	\$0.1
2016	0.0	0.3	0.5
2017	4.6	6.2	4.0
2018	11.1	7.6	6.7
2019 <sup>1/</sup>	5.0	11.3	1.7
2020 (YTD)	<u>10.1</u>	<u>8.5</u>	<u>11.7</u>
<b>Subtotal YTD</b>	<b>35.8</b>	<b>34.2</b>	<b>24.7</b>
<i>DCS Proposal</i> <sup>2/</sup>	<u>5.0</u>	<u>6.6</u>	<u>13.0</u>
<b>Grand Total</b>	<b>40.8</b>	<b>40.8</b>	<b>37.7</b>

<sup>1/</sup> DCS reduced state expenditures by \$(6.8) million and increased federal expenditures by a corresponding \$6.8 million in FY 2019 due to the availability of one-time federal IV-E monies. Without the IV-E waiver monies, state expenditures would have been \$8.5 million.

<sup>2/</sup> DCS' expenditure plan includes \$3.4 million for the remainder of FY 2020 and \$9.6 million for FY 2021, for a total of \$13.0 million.

DCS and ADOA are proposing to use the remaining \$6.6 million to complete the project by December 2020. The majority of the resources would be expended on the "technical integration" of each Guardian module with the system platform.

### Independent Third-Party Review

Consistent with several Committee provisions and the requirements in A.R.S. § 41-714, DCS has hired an independent third-party consultant to provide the Committee with quarterly reports on the CHILDS replacement project for the life of the project. The latest assessment was completed in May 2020. The project demonstrates "strong health" on 3 of 10 metrics of plan viability and 7 of 9 metrics on project management practice, with all remaining metrics rated as "moderate health."

NL:kp

Douglas A. Ducey  
Governor



Andrew Tobin  
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 NORTH FIFTEENTH AVENUE • SUITE 401  
PHOENIX, ARIZONA 85007  
(602) 542-1500

May 29, 2020

The Honorable Regina E. Cobb, Chairman  
Arizona House of Representatives  
Joint Legislative Budget Committee  
1700 West Washington Street  
Phoenix, Arizona 85007



The Honorable David M. Gowan, Vice-Chairman  
Arizona State Senate  
Joint Legislative Budget Committee  
1700 West Washington Street  
Phoenix, Arizona 85007

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) is submitting this request for review of fiscal years 2020 and 2021 Automation Projects Fund (APF) with the project related to the Department of Child Safety, upgrades to the children's information library and data source system (CHILDS). Additionally, ADOA requests a review of the Arizona Department of Environmental Quality, e-licensing project myDEQ FY19 scope change. The monies have been appropriated to support the APF expenditure plans.

The attached documents contain a detailed explanation of the proposed project. We will be happy to meet with your staff to provide further explanation as appropriate.

Sincerely,

A handwritten signature in dark ink, appearing to read "JR Sloan".

JR Sloan  
State CIO

Enclosures

cc: Richard Stavneak, Director, JLBC  
Matthew Gress, Director, OSPB  
Christina Corieri, Senior Policy Advisor, Governor's Office  
Darbi Jenkins, Deputy Director of Legislative Affairs, Governor's Office  
Andy Tobin, Director, ADOA  
Derik Leavitt, Assistant Director, ADOA  
Rebecca Perrera, Senior Fiscal Analyst, JLBC  
Jacob Wingate, Budget Manager, OSPB

# ARIZONA

DEPARTMENT OF ADMINISTRATION  
ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY

---

**Agency:** Department of Child Safety

**Project:** CHILDS Replacement (Guardian)

**Appropriation:** CHILDS Upgrade

---

## CURRENT REQUEST

The Arizona Department of Administration, on behalf of the Department of Child Safety, is requesting favorable review of the remaining \$1,600,000 of the \$10,100,000 appropriated from the Automation Projects Fund in FY2020 to continue the CHILDS Replacement Program (Guardian) development.

FY 2020 Appropriation	FY 2020 Favorably Reviewed	FY 2020 Current Request	FY 2020 APF Remaining Balance
\$10,100,000	\$8,500,000	\$1,600,000	\$0

Additionally, the Arizona Department of Administration, on behalf of the Department of Child Safety, is requesting favorable review of the \$4,992,800 FY2021 monies appropriated from the Automation Projects Funds for FY2021 to complete the CHILDS Replacement Program (Guardian) development.

FY 2021 Appropriation	FY 2021 Favorably Reviewed	FY 2021 Current Request	FY 2020 APF Remaining Balance
\$4,992,800	\$0	\$4,992,800	\$0

## PROJECT DESCRIPTION

### Background

The current Department of Child Safety (DCS) child welfare system, Children's Information Library and Data Source (CHILDS), is used for case management, federal reporting, provider management and Title IV-E eligibility for children under DCS care. Due to the current age, complexity, and inefficiencies of CHILDS, DCS has been limited in its abilities to enhance the system fast enough to provide important processing functions identified as crucial by the Department.

### Solution

The solution is based on the security of a stable, proven technology platform. The platform ensures management of data models, data standards, and other technology standards between all components in the system and between all systems that interoperate with Guardian, and CHILDS is no longer necessary and can be decommissioned.

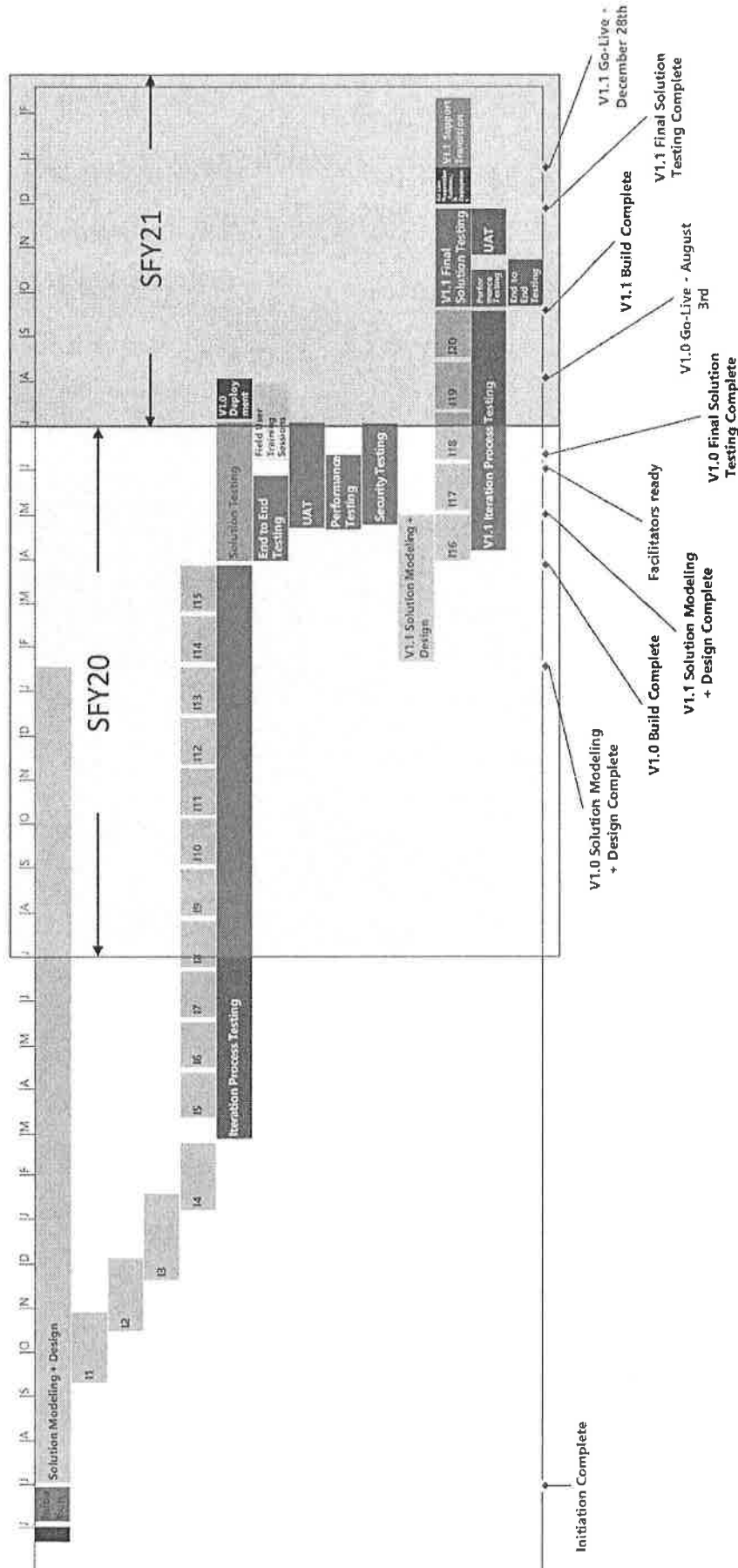
### Benefits

The new system, known as Guardian, will be capable of increasing efficiency and service delivery to Arizona's families and children in need, while also supporting child safety specialist needs to effectively

DEPARTMENT OF ADMINISTRATION  
ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY

and efficiently mission of DCS. will also ensure improved reporting, usability across mobile platform for visits, improved decision formal potentially access input data for case placement

**Program Roadmap**



execute the  
The new system  
data integrity for  
consistent  
work functions, a  
supporting staff  
support through  
assessments, and  
for providers to  
management and  
information.

**FY20 PROJECT GOALS/MILESTONES**

<i>Description</i>	<i>Start Date (Est.)</i>	<i>End Date (Est.)</i>	<i>Duration (weeks/months)</i>
<b>Build Iteration 10 Complete (Completed)</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	Sep – 19	Nov - 19	2.5 Months
<b>Build Iteration 12 Complete (Completed)</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	Oct – 19	Dec – 19	2.5 Months
<b>Solution Modeling Complete v1.0 (Completed)</b>  Where requirements have acceptance criteria and design complete for a release.	Jul - 19	Jan - 20	7 Months
<b>Build Iteration 14 Complete (Completed)</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	Dec - 19	Feb - 20	2.5 Months
<b>Build Iteration 16 Complete (Completed)</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	Feb - 20	May - 20	2.5 Months
<b>Solution Modeling v1.1</b>  Where requirements have acceptance criteria and design complete for a release.	Jan - 20	Jun - 20	6 Months
<b>Build Iteration 18</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	May - 20	Jul - 20	2.5 Months



# ARIZONA

DEPARTMENT OF ADMINISTRATION  
ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY

<b>Solution Testing</b>  Solution Testing involves several types of testing including Process, Performance, Regression, End-to-End, and User Acceptance (UAT) Testing.	Mar - 20	Jul - 20	3 Months
<b>IV&amp;V Reports Complete ( 3 of 4 complete)</b>  Per Statute, the program is required to have a quarterly independent third-party review. The program is provided with an independent status and recommendations based upon two factors, Plan Viability and Program Management Practice.	Aug - 19	May - 20	10 months
<b>Training FY20 Effort</b>  Training is responsible for creating and delivering the program curriculum for the users.	Jul - 19	Jun- 20	12 Months

## SFY20 PROJECT COST DETAIL

<b>Program Management</b> - Supports the organization and management of the program scope, schedule, budget, and the sub projects.	\$227,317
<b>Business Integration</b> - Ensures that the business requirements are met through, program outreach, user acceptance testing, and operational readiness.	\$937,640
<b>IV&amp;V</b> - Provides independent reviews and feedback on the health of the program.	\$55,000
<b>Quality Management</b> - Responsible for the complete solution testing and quality of the solutions throughout the build, and in preparation for go-live	\$421,071
<b>Platform</b> - The platform is the foundation from which the solution is configured and built upon (MS Dynamics). This includes the software and licensing costs during the development of the solution.	\$0
<b>Enterprise Content Management</b> - Provides the repository and workflow for the different types of document/artifact types.	\$830,848
<b>Integrated Shared Services</b> - The development and implementation of the interfaces and exchanges required to share information between other agencies.	\$151,315
<b>Data Management</b> - The data migration of data from the legacy system to the new solution, the implementation of the new data warehouse, and the establishment of the agency reports from the new warehouse.	\$1,058,552
<b>CRM</b> - The solution modeling, build, test, and deployment of the CRM piece of the final solution.	\$2,678,233
<b>Training</b> - The training of the final solution to all users, and the documentation to support.	\$375,000

<b>Total Remaining Development Cost for FY 2020</b>	\$6,734,976
	<b>BFY 20 APF</b> \$3,367,488
	<b>Non-APF</b> \$3,367,488

## FY21 PROJECT GOALS/MILESTONES

Description	Start Date (Est.)	End Date (Est.)	Duration (weeks/months)
<b>Build Iteration 18 Complete</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	May - 20	Jul - 20	2.5 Months
<b>Build Iteration 20 Complete</b>  A Build iteration is a time bound repetition (5 weeks) in which development and functional testing are completed.	Jul - 20	Sept - 20	2.5 Months
<b>V1.1 Solution Testing</b>  Solution Testing involves several types of testing including Process, Performance, Regression, End-to-End, and User Acceptance (UAT) Testing.	Sep - 20	Nov - 20	2 Months
<b>IV&amp;V Reports</b>  Per Statute, the program is required to have a quarterly independent third-party review. The program is provided with an independent status and recommendations based upon two factors, Plan Viability and Program Management Practice.	Aug - 20	Nov - 20	5 months

**SFY21 PROJECT COST DETAIL**

<b>Program Management</b> - Supports the organization and management of the program scope, schedule, budget, and the sub projects.	\$392,183
<b>Business Integration</b> - Ensures that the business requirements are met through, program outreach, user acceptance testing, and operational readiness.	\$1,080,822
<b>IV&amp;V</b> - Provides independent reviews and feedback on the health of the program.	\$180,000
<b>Quality Management</b> - Responsible for the complete solution testing and quality of the solutions throughout the build, and in preparation for go-live	\$444,843
<b>Platform</b> - The platform is the foundation from which the solution is configured and built upon (MS Dynamics). This includes the software and licensing costs during the development of the solution.	\$144,042
<b>Enterprise Content Management</b> - Provides the repository and workflow for the different types of document/artifact types.	\$1,246,441
<b>Integrated Shared Services Explanation</b> - The development and implementation of the interfaces and exchanges required to share information between other agencies.	\$599,713
<b>Data Management</b> - The data migration of data from the legacy system to the new solution, the implementation of the new data warehouse, and the establishment of the agency reports from the new warehouse.	\$2,182,074
<b>Mobile Solution</b> - current Mobile solution will be updated to interface with the new Guardian backend system, instead of the current CHILDS database.	\$312,000
<b>CRM</b> - The solution modeling, build, test, and deployment of the CRM piece of the final solution.	\$12,469,371
<b>Training</b> - The training of the final solution to all users, and the documentation to support.	\$930,000

<b>Total Development Cost for FY 2021</b>	<b>\$19,981,488</b>
	<b>BFY 20 APF (Rollover) \$4,581,988</b>
	<b>BFY 21 APF \$4,992,800</b>
	<b>Non-APF \$10,406,700</b>





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 17, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Ryan Fleischman, Fiscal Analyst

**SUBJECT:** Arizona Department of Administration/Automation Projects Fund - Review of myDEQ Project Scope Change (Arizona Department of Environmental Quality Subaccount)

### Request

Pursuant to A.R.S. § 41-714 and a provision at the December 2018 Joint Legislative Budget Committee (JLBC) meeting, the Arizona Department of Administration (ADOA) has requested that the Committee review a change in scope for the development of the Arizona Department of Environmental Quality (ADEQ)'s myDEQ project. The project was appropriated in FY 2019 from the Automated Projects Fund (APF).

### Recommendation

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

### Key Points

- 1) The Committee last reviewed ADEQ's ongoing plan to automate its services in December 2018.
- 2) ADEQ is now proposing to revise 6 of its planned automated services.
- 3) The proposed changes also include a shift to greater indirect cost expenses, from \$200,000 at a 10% rate to \$600,000 at a 32.5% rate.

(Continued)

## Analysis

### Background

The Information Technology Authorization Committee (ITAC) approved the FY 2019 \$3,200,000 project at its October 2018 meeting and JLBC favorably reviewed it at its December 2018 meeting. There were conditions requiring ADEQ to submit an amendment of the Project Investment Justification (PIJ) for JLBC review and ITAC approval should final expenses exceed the estimated costs by 10% or more or if there are significant changes to the project or implementation schedule.

ADEQ has developed an e-licensing portal to allow customers to conduct permitting, billing, payment, and review data submissions online. ADEQ is in the process of providing 137 services online. Through May 2020, 67 services are online, including 7 of the 22 new services proposed in the original FY 2019 project. The JLBC Staff has asked DEQ for more details on the status of the new services; the JLBC Staff is awaiting DEQ's response.

### Current Request

In April 2020, the U.S. Environmental Protection Agency (EPA) published the Navigable Waters Protection Rule to define "waters of the United States" (WOTUS) in the Federal Register. According to ADEQ, this rule affects 6 services in the scope for the myDEQ project. The JLBC Staff has asked DEQ for further details on the rule's impact and whether DEQ will seek to place those services online in the future; the JLBC Staff is awaiting DEQ's response. ADEQ proposes to replace the impacted services with 6 new services from a customer prioritized list. ADEQ is requesting a favorable review of the change in scope for the following 6 online services (*see Table 1*).

Table 1	
Change in Project Scope	
<u>Original Scope</u>	<u>Proposed Replacement</u>
Ground water – Type 2 Reclaimed Water and APP	AZPDES Construction & Multisector General Permits –
General Permits – CMOM 2.05 GP	No discharge certificate (NDC)
Biosolids General Permit	Groundwater Type 3 General Permit – New & Modify
Biosolids Land application registrations	Groundwater Type 3 General Permit – Transfer
Biosolids Annual Report	Groundwater Type 3 General Permit – Terminate
Significant Industrial users without pretreatment	Groundwater Type 3 General Permit – Renew
Pretreatment Reports	Groundwater Type 3 General Permit – Annual Report

### Indirect Cost Funding Shift

Prior to receiving any grant funding, state environmental agencies are required to reach annual agreements with the Environmental Protection Agency (EPA) on the methodology used to calculate indirect costs. For FY 2020, ADEQ reached an agreement with EPA for indirect costs "up to 32.49%." DEQ previously applied a 10% indirect rate until January 2020, when the rate increased to 32.49%. As a result, one-third of every project dollar for the last 2 quarters of the project will now be redirected to indirect costs for DEQ administration.

ADEQ says that it has updated the method to collect indirect more equitably among all funding sources. In terms of myDEQ, the indirect cost charge is increasing from \$200,000 to \$600,000.

Table 2 shows the original myDEQ budget and proposed changes.

(Continued)

**Table 2**

**myDEQ Budget Proposal**

<u>Description</u>	<u>Original PIJ</u>	<u>Revised PIF</u>
Development	\$3,000,000	\$2,600,000
Indirect Costs	<u>200,000</u>	<u>600,000</u>
<b>TOTAL</b>	<b>\$3,200,000</b>	<b>\$3,200,000</b>

RF:kp

Douglas A. Ducey  
Governor



Andrew Tobin  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

**OFFICE OF THE DIRECTOR**

100 NORTH FIFTEENTH AVENUE • SUITE 401  
PHOENIX, ARIZONA 85007  
(602) 542-1500

May 29, 2020

The Honorable Regina E. Cobb, Chairman  
Arizona House of Representatives  
Joint Legislative Budget Committee  
1700 West Washington Street  
Phoenix, Arizona 85007



The Honorable David M. Gowan, Vice-Chairman  
Arizona State Senate  
Joint Legislative Budget Committee  
1700 West Washington Street  
Phoenix, Arizona 85007

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) is submitting this request for review of fiscal years 2020 and 2021 Automation Projects Fund (APF) with the project related to the Department of Child Safety, upgrades to the children's information library and data source system (CHILDs). Additionally, ADOA requests a review of the Arizona Department of Environmental Quality, e-licensing project myDEQ FY19 scope change. The monies have been appropriated to support the APF expenditure plans.

The attached documents contain a detailed explanation of the proposed project. We will be happy to meet with your staff to provide further explanation as appropriate.

Sincerely,

A handwritten signature in cursive script, appearing to read "JR Sloan".

JR Sloan  
State CIO

**Enclosures**

cc: Richard Stavneak, Director, JLBC  
Matthew Gress, Director, OSPB  
Christina Corieri, Senior Policy Advisor, Governor's Office  
Darbi Jenkins, Deputy Director of Legislative Affairs, Governor's Office  
Andy Tobin, Director, ADOA  
Derik Leavitt, Assistant Director, ADOA  
Rebecca Perrera, Senior Fiscal Analyst, JLBC  
Jacob Wingate, Budget Manager, OSPB



---

<b>Agency:</b>	Arizona Department of Environmental Quality
<b>Project:</b>	MyDEQ FY19
<b>Appropriation:</b>	e-Licensing Projects

---

## **CURRENT REQUEST**

The Department of Administration on behalf of the Arizona Department of Environmental Quality (ADEQ), is requesting favorable review of a project scope change for six of the approved 22 licensing services to be delivered in the myDEQ FY19 project.

## **PROJECT DESCRIPTION**

### ***Background***

myDEQ is an e-permitting and compliance portal being developed based on customer demand. Since March 1, 2019, ADEQ automated 67 permitting and compliance activities with an associated \$154 million economic benefit to Arizona (based on an USEPA economic impact calculator).

ADEQ automated 38% of its products and services for the regulated community. In line with the Governor's philosophy of "Government at the speed of business", ADEQ proposes to increase the percentage of services that are offered online to our customers. Additional myDEQ functions will deliver breakthroughs in reduced processing times for permit issuance and faster identification of compliance issues.

**Scope Change:** On April 21, 2020, the U.S. Environmental Protection Agency (EPA) published the Navigable Waters Protection Rule to define "Waters Of The United States" (WOTUS) in the Federal Register. This rule changed the existing definition of WOTUS and impacted six services in the myDEQ FY19 project scope. ADEQ proposes to replace the impacted services with six new services from the customer prioritized list. This change does not impact the overall budget and schedule. ADEQ plans to deliver 22 online services to Arizona businesses by June 30, 2020 using the \$3.2 million budget approved by the Joint Legislative Budget Committee in December 2018.

### ***Solution***

ADEQ proposes to increase the online services offered through myDEQ portal. This comprehensive web portal will provide a fuller and richer experience for customers to meet their environmental obligations. The system follows a Turbo Tax model, providing the customer with the ability to interact with ADEQ by submitting information and payments with error mitigation, and providing secure access to relevant information in ADEQ's database regarding the customer's facility. For ease of prioritization, the services were logically grouped into 30 possible categories. A survey was emailed to ADEQ's regulated community and received over 500 responses where each voted for their top 9 services. Based on the responses, the services to be automated were ranked accordingly. When the USEPA issued a new regulation that affected some of the proposed online services, ADEQ replaced those with other services from the prioritized list.

### ***Benefits***

myDEQ Web Portal will benefit Arizona's environment as more efficient tools mean better environmental compliance and response time.

- Brings radical simplicity and efficiency to regulated communities in meeting complex state and federal environmental laws.
- By providing leading-edge service to existing and new industries while simultaneously promoting environmentally responsible economic growth, myDEQ will help Arizona's mission to make the government more efficient and responsive job creators.
- Faster issuance of permits mean facilities operate within the parameters right from the inception, as required by law. As a result, citizens benefit from a cleaner and safer environment because of faster identification of non-compliance issues and a reduction in time required to return facilities to compliance. Arizona saw a significant drop in violations after implementing an online Self-Monitoring Report Form (SMRF) and Discharge Monitoring Report (DMR) in myDEQ.
- USEPA economic impact calculator estimates that Arizona gained \$154 million in annual economic activity associated with reduced permit processing times. The model uses a best case scenario and does not include other factors that could limit the economic benefit from being realized.

#### PROJECT GOALS/MILESTONES

	<b>ADEQ ONLINE SERVICE</b>	<b>Start Date (Est.)</b>	<b>End Date (Est.)</b>	<b>Duration (months)</b>
1	<i>AIR Class I/II Compliance Reporting - Submit Permit Deviations</i>	4/16/2019	8/22/2019	4.5
2	<i>AIR - Class I/II Compliance Reporting - Report Excess Emissions within (24 and 72hrs)</i>	4/16/2019	8/22/2019	4.5
3	<i>Underground Storage Tank - Tank site improvement plans</i>	12/19/2018	1/16/2020	13
4	<i>AZPDES Compliance Reporting - Submit Bypass Report</i>	8/27/2019	2/11/2020	5.5
5	<i>APP/AZPDES Compliance Reporting - Manage Drinking water &amp; Waste water operator certification</i>	4/09/2019	4/15/2020	12
6	<i>Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain &amp; Manage Drywell 2.01 GP</i>	01/14/2020	6/30/2020	5.5
7	<i>Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain &amp; Manage Drywell 2.04 GP</i>	01/14/2020	6/30/2020	5.5
8	<i>Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain &amp; Manage Type 2 Reclaimed Water GP for Direct Reuse of Reclaimed Water</i>	12/31/2019	6/30/2020	6

# ARIZONA

DEPARTMENT OF ADMINISTRATION  
ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY

9	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reclaimed Water NOI	12/31/2019	6/30/2020	6
10	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reclaimed Water Renewals	12/31/2019	6/30/2020	6
11	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reclaimed Water Transfer	12/31/2019	6/30/2020	6
12	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reuse NOI	12/31/2019	6/30/2020	6
13	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reuse Renewals	12/31/2019	6/30/2020	6
14	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain Type 2 Reuse Transfer	12/31/2019	6/30/2020	6
15	Ground water - Type 2 Reclaimed Water and APP General Permits - Submit Reclaimed/Recycled/Reuse Annual Report	12/31/2019	6/30/2020	6
16	Ground water - Type 2 Reclaimed Water and APP General Permits - Obtain NOI Intermediate Stockpile at Mining Sites 2.02 GP	12/31/2019	6/30/2020	6
17	AZPDES Construction & Multisector General Permits - Obtain No discharge certificate (NDC)	9/03/2019	12/30/2019	4
18	Groundwater Type 3 General Permit - Obtain New & Modify GP	5/05/2020	6/30/2020	2
19	Groundwater Type 3 General Permit - Transfer GP	5/05/2020	6/30/2020	2
20	Groundwater Type 3 General Permit - Terminate GP	5/05/2020	6/30/2020	2
21	Groundwater Type 3 General Permit - Renew GP	5/05/2020	6/30/2020	2
22	Groundwater Type 3 General Permit - Submit Annual report	5/05/2020	6/30/2020	2

**PROJECT COST DETAIL**

<b>Independent 3rd Party Assessment</b> - Quarterly assessments provided by a third-party to ensure the project remains on track	90,750
<b>Project Management</b> - A dedicated contract resource for managing the project across all workstreams	162,836
<b>Requirements Analysis</b> - The process of discovery and documentation of business requirements to be included in the functionality of the solutions	229,748
<b>Design (Solution Architecture)</b> - Utilizing requirements to design a solution prior to development	256,824
<b>Technical Integration</b> - The process of mapping and connecting systems to allow them to share data successfully	181,548
<b>Quality Management/Testing</b> - Testing and quality assurances resources to ensure functionality works as planned and accomplishes business goals	493,062
<b>Build and Rollout</b> - Development resources used for writing code, migrating data and implementing changes	1,185,233
<b>Indirect expense</b> - Overhead expenses including rent space, office supplies, support staff, printing costs, etc.	600,000

<b>Total Development Cost for FY 2019</b>	<b>\$3,200,000</b>
---	--------------------





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 17, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Ryan Fleischman, Fiscal Analyst

**SUBJECT:** Attorney General - Review of Report on Murdered and Missing Indigenous Women and Girls Study Committee Expenditure Plan

### Request

In April 2020, the Committee favorably reviewed the report on the expenditure of monies from the Consumer Remediation Subaccount to support expenses of the Missing and Murdered Indigenous Women and Girls (MMIWG) Study Committee and required that the Attorney General provide an updated report to the Joint Legislative Budget Committee. The Attorney General requests that the Committee review the progress of the MMIWG Study Committee.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the progress report.
2. An unfavorable review of the progress report.

Under either option, the Committee may consider the following provision requested by Representative Cobb:

- A. The Attorney General and the MMIWG Study Committee shall report on their progress to JLBC by June 1, 2021.

(Continued)

#### **Key Points**

- 1) At its December 2019 and April 2020 meetings, the Committee favorably reviewed the \$125,000 expenditure plan associated with the Missing and Murdered Indigenous Women and Girls (MMIWG) Study Committee.
- 2) The AG and the MMIWG Committee have submitted a progress report detailing the efforts of the consultant.
- 3) Law enforcement surveys, interview protocols, and tribal visit protocols are being developed.
- 4) Video conference calls have been held with stakeholders to explore the need of the indigenous community.

#### **Analysis**

Laws 2019, Chapter 232 established the MMIWG Study Committee consisting of 23 members, including 4 members of the House of Representatives and 4 members of the Senate. Chapter 232 outlines the Study Committee's responsibilities, including but not limited to conducting a study to determine how to reduce and end violence against indigenous women and girls in Arizona, gathering relevant data, and submitting a report to the Governor, President of the Senate, and Speaker of the House of Representatives by November 1, 2020.

At the December 2019 JLBC meeting, the Committee favorably reviewed a plan to spend up to \$125,000 from the Target Corporation settlement negotiated by the AG and deposited into the Consumer Restitution Subaccount to assist the MMIWG Committee. Of the \$125,000, \$30,000 was intended to be immediately available.

At the April 2020 JLBC meeting, the Committee favorably reviewed A REPORT ON THE plan to spend the remaining \$95,000. The favorable review included the following provision:

- The Attorney General and the MMIWG Study Committee shall report on their progress to JLBC by June 5, 2020, for purposes of further Committee guidance at the June JLBC meeting.

The AG is now requesting a favorable review of its progress report. The AG is working with LeCroy & Milligan Associates, Inc. (LMA).

#### **Progress Report**

The AG's report provides an update on the progress of the MMIWG Committee and LMA. LMA has met with the MMIWG Committee several times since April to gather feedback on a draft law enforcement survey and interview protocols. The consultant has also met with the MMIWG Committee to share progress updates. LMA has also met with experts from ASU to develop interview protocols for tribal visits.

LMA has been working to develop an informed consent document for the interviews to be conducted with victim families and survivors during tribal visits. The consultant has met with a tribal representative to learn about their data collection and methodology regarding victims' families.

(Continued)

The MMIWG Committee has participated in several video conference meetings with LMA and research teams at ASU to review draft surveys and provide feedback. It has also met with various stakeholders to share its progress. It participated in a conference call with Arizona tribes and the White House's task force on the topic. The MMIWG Committee has met with House research staff to look into provisions under the Tribal Law & Order Act and Ashanti's Law to explore whether portions of the federal programs can be adopted in Arizona.

As of June 1, 2020, the AG has distributed \$20,000 of the \$125,000 to LMA as part of requested invoicing for work performed to date. The AG anticipates additional invoicing for work services rendered to be distributed soon.

RF:kp





MARK BRNOVICH  
ATTORNEY GENERAL

**OFFICE OF THE ARIZONA ATTORNEY GENERAL**

June 1, 2020

**UPDATE RE: the Missing and Murdered Indigenous Women and Girls Study Committee (MMIWG) Expenditure Plan Update and Request for Release of Additional Funds.**

**Request**

The Attorney General and the MMIWG Study Committee shall report on their progress to JLBC by June 5, 2020, for purposes of further Committee guidance at the June JLBC meeting.

**LeCroy & Milligan Associates - Status Update: 4/1/20-6/1/20**

- LMA and Ms. Imus-Nahsonhoya met with Dimitri Whelan Gonzalez and Blaine Gadow on **4/13/20** from the MMIWG Study Committee to gather feedback on draft law enforcement survey and interview protocols. This meeting helped to develop a stepwise approach to contacting all 64 law enforcement agencies in Arizona which would include a phone interview with the PIO and then digital surveys with field staff.
- LMA met with the MMIWG committee to share updates on program progress on **4/24/20** and **5/29/20**.
- On **5/13/20** Ms. Imus-Nahsonhoya presented to the LMA research team about the history of the MMIWG study committee, MMIWG issues in Arizona, and her victim and family services work with Hongwunsi Consulting Services
- LMA and Ms. Imus-Nahsonhoya met numerous times with Dr. Kate Fox of ASU to collaborate on developing the interview protocols for tribal visits.
- Draft interview family and survivor interview protocols were submitted to Representative Jermaine for review. Edits were made and draft protocols will be submitted to the Data Collection Committee for final review.
- LMA has been collaborating with Dr. Kate Fox on the development of an informed consent document for the IRB protocol for the interviews with victim families and survivors during visits to tribal communities.
- LMA communicated with April Ignacio from the Tohono O'odham nation to learn what methodology and rubric she has been using to collect data from victim's families.

- LMA and Ms. Imus-Nahsonhoya have weekly check in meetings
- LMA has regular internal team meetings for this project.

**MMIWG Committee Update (since last update provided to JLBC)**

- 3/27 - Zoom meeting with LMA and ASU research teams.
- 4/8 - Zoom meeting with Ms. Valaura Imus-Nahsonhoya to review law enforcement questionnaire draft, recommended input from MCSO, AG's Office, and Pascua Yaqui Justice Department.
- 4/17 - Zoom meeting with Chandler Chamber of Commerce and Gila River Indian Community representatives to brief them on the progress of the committee.
- 4/18 - Zoom meeting with the East Valley NAACP to brief them on the progress of the committee.
- 4/29 - JLBC Zoom meeting
- 5/1 - Zoom meeting with the Indigenous People's Caucus to brief them on the progress of the committee and challenges of COVID-19 and closures of Tribal lands.
- 5/1 - Recorded MMIWG awareness day video with committee members via Zoom.
- 5/5 - MMIWG National Awareness Day, Arizona event held on Facebook Live.
- 5/7 - Zoom meeting with AZ Center for Economic Policy to brief them on the impact of MMIWG.
- 5/15 - Zoom meeting with representatives from the Navajo Nation.
- 5/20 - Zoom meeting with ASU law students and graduate social work students who will be helping with the field study once Tribal lands re-open
- 5/20 - Zoom meeting with Missing and Murdered Dine Relatives and Abigail Echo-Hawk of the Urban Indian Health Institute.
- 5/25 - Briefed community members on progress of the committee during an online concert by Navajo recording artist Aaron White.
- 5/29 - Zoom meeting with LeCroy and ASU research teams.
- 5/29 - Participated in conference call with Operation Lady Justice team (White House taskforce) and AZ land-based Tribes.
- 5/29 - Meeting with House research staff to look into provisions under the Tribal Law & Order Act and Ashanti's Law to explore whether portions of the federal programs can be adopted in Arizona.

**AGO Contract Distributions to Date**

As of June 1, 2020, the AGO has distributed \$20,000 (of the up to \$125,000 authorized by JLBC) to LMA as part of requested invoicing for work performed to date. We anticipate additional invoicing for work services rendered shortly.

Thank you for your consideration.

A handwritten signature in dark ink, appearing to read "Ryan Anderson", with a long horizontal flourish extending to the right.

Ryan Anderson  
Arizona Attorney General's Office





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

DATE: June 17, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Ryan Fleischman, Fiscal Analyst

SUBJECT: Attorney General - Review of Uncollectible Debts

### Request

Pursuant to A.R.S. § 35-150E, the Attorney General (AG) requests Committee review of its listing of uncollectible debts to be removed from the state's accounting system. The listing totals \$34,186,515 for debts listed as uncollectible in FY 2020 and prior years.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

### Key Points

- 1) The State Comptroller may remove uncollectible debts from the state accounting system after their review by the Committee.
- 2) The FY 2020 listing includes \$34.2 million in uncollectible debt.
- 3) The majority of the \$34.2 million has been deemed uncollectible because the debtor is a defunct corporation/LLC (47.7%) or there are no assets/no wages/a negative credit report (18.5%).
- 4) A total of 81% of the total debt is owed to the Department of Revenue.

(Continued)

## Analysis

When state agencies, boards, and commissions are unable to collect past due debts, the uncollected debt is processed in 2 ways: 1) the AG or state agencies may initiate debt collection proceedings; or 2) debt is determined to be uncollectible and then referred to the Committee for review. Upon review by the Committee, debt that is found to be uncollectible may be removed from the state's accounts receivable.

The AG's Collection Enforcement Unit functions as a collection service for debts owed to the state. The unit returns 65% of collected monies to the client agencies and retains the remaining 35% for unit operational costs. While the Collection Enforcement Unit is able to collect from many individuals and businesses that owe monies to the state, some debts are uncollectible for a variety of reasons. The AG's report to the Committee includes the following:

1. Debt owed to the state that was referred to the AG's Collection Enforcement Unit and determined to be uncollectible.
2. Debt owed to state agencies that was not referred to the Collection Enforcement Unit and was deemed to be uncollectible by the individual agency.

Since 2011 the Committee has given favorable reviews of uncollectible debt listings totaling \$382.6 million (*see Table 1*).

<b>Table 1</b>	
<b>Favorably Reviewed Uncollectible Debt</b>	
<b>Year</b>	<b>Uncollectible Debt Listing</b>
<b><u>Reviewed</u></b>	<b><u>(\$ in Millions)</u></b>
2011	\$17.2
2012	30.4
2013	44.9
2014/15	88.4
2016	78.3
2017	50.9
2018	41.3
2019	31.2
<b>Total</b>	<b>\$ 382.6</b>

Since its last report in FY 2019, the AG's office has again reviewed the cases assigned to the Collection Enforcement Unit. Based on this review, the AG advises that \$34.2 million owed to the state is uncollectible as of April 30, 2020. Due to its length, the specific listing of uncollectible debts does not appear in the attached agency material. Please contact the JLBC Staff for the complete listing.

Of the \$34.2 million in uncollectible debt:

- A total of 66.2% is uncollectible because the debtor is a defunct corporation/LLC (47.7%) or there are no assets/no wages/a negative credit report (18.5%). The remaining 33.8% is uncollectible for other reasons (*see Table 2*).
- A total of 81% of the total debt is owed to the Department of Revenue (DOR) (81%). The remaining debt is associated with 30 other specified agencies (*see Table 3*).

(Continued)

- Eleven cases include debts of more than \$250,000, totaling \$3.6 million and making up 10.5% of all debts in this report. Of these cases, 10 are owed to DOR and 1 is owed to the Registrar of Contractors (see Table 4).

<b>Table 2</b>		
<b>Uncollectible Debt by Reason</b>		
<b><u>Reason</u></b>	<b><u>Amount Recommended for Write-Off</u></b>	<b><u>Percentage</u></b>
Defunct Corporation/LLC	\$16,312,500	47.7%
No Assets/No Wages/Negative Credit	6,325,000	18.5
Debt Discharged in Bankruptcy	2,329,100	6.8
Insufficient Information / Evidence to File Suit	2,227,900	6.5
Collection Cost Would Exceed Amount Owed	1,869,100	5.5
Unable to Locate Debtor	1,701,200	5.0
Settled	1,606,200	4.7
Debtor is Deceased	1,233,200	3.6
Agency Has No Claim or Interest	495,300	1.5
Debtor is Incarcerated	46,600	0.1
Debtor Lives and/or Works on Tribal Land	<u>40,400</u>	<u>0.1</u>
<b>Total</b>	<b>\$34,186,500</b>	<b>100.0%</b>

<b>Table 3</b>		
<b>Uncollectible Debt Recommended for Write-Off by Client Agency</b>		
<b><u>Agency</u></b>	<b><u>Amount Recommended for Write-Off</u></b>	<b><u>Percentage</u></b>
Department of Revenue	\$27,682,300	81.0%
Department of Health Services	3,429,500	10.0
Registrar of Contractors	970,600	2.8
State Retirement System	542,300	1.6
Department of Transportation, Risk Management	445,300	1.3
All Others	<u>1,116,600</u>	<u>3.3</u>
<b>Total</b>	<b>\$34,186,500<sup>1/</sup></b>	<b>100.0%</b>

<sup>1/</sup> Does not sum due to rounding.

Table 4

**Largest Individual Cases of Uncollectible Debt**

<b><u>Agency</u></b>	<b><u>Amount Recommended for Write-Off</u></b>	<b><u>Reason Uncollected</u></b>
Department of Revenue	\$453,000	Defunct Corporation/LLC
Department of Revenue	397,100	Defunct Corporation/LLC
Department of Revenue	382,100	Defunct Corporation/LLC
Department of Revenue	377,600	Defunct Corporation/LLC
Department of Revenue	368,300	Settled
Department of Revenue	313,600	Defunct Corporation/LLC
Department of Revenue	272,900	Defunct Corporation/LLC
Registrar of Contractors	270,100	Defunct Corporation/LLC
Department of Revenue	258,100	Defunct Corporation/LLC
Department of Revenue	255,400	Defunct Corporation/LLC
Department of Revenue	<u>253,400</u>	Insufficient Information / Evidence to File Suit
<b>Total</b>	<b>\$3,601,600</b>	

RF:kp





MARK BRNOVICH  
ATTORNEY GENERAL

OFFICE OF THE ARIZONA ATTORNEY GENERAL  
CIVIL LITIGATION DIVISION  
BANKRUPTCY COLLECTION AND ENFORCEMENT SECTION

DON J. LAWRENCE, JR.  
SECTION CHIEF COUNSEL  
DIRECT: 602-542-8300  
DON.LAWRENCE@AZAG.GOV

June 9, 2020

HAND DELIVERED

The Honorable David M. Gowan, Chairman  
Joint Legislative Budget Committee  
Arizona House of Representatives  
1716 West Adams  
Phoenix, Arizona 85007



RE: FY2019 beginning June 27, 2019 through FY2020 March 16, 2020, for Not-Referred Non-DOR Uncollectible Debt Report  
FY2019 beginning May 1, 2019 through FY2020 April 30, 2020, Referred Non-DOR Uncollectible Debt Report  
FY2019 beginning July 1, 2018 through June 30, 2019, DOR Uncollectible Debt Report

Dear Senator Gowan:

As requested by the Joint Legislative Budget Committee ("JLBC") pursuant to A.R.S. § 35-150(E), enclosed are the FY2019 beginning June 27, 2019 through FY2020 March 16, 2020, for Not-Referred Non-DOR Uncollectible Debt Report, FY2019 beginning May 1, 2019 through FY2020 April 30, 2020, Referred Non-DOR Uncollectible Debt Report and the FY2019 beginning July 1, 2018 through June 30, 2019, DOR Uncollectible Debt Report ("the Reports").

The Reports include: 1) debt owed to the State that was referred to the Collection Enforcement Revolving Fund ("CERF") for collection and determined to be uncollectible; and 2) debt owed to the Department of Revenue ("DOR") and other State agencies, boards and commissions that was not referred to the CERF and was deemed uncollectible by the agencies. With respect to the DOR debt listed in the Reports as uncollectible, for FY 2019 the Attorney General's Office is relying upon the certification by DOR set forth in the memorandum dated May 27, 2020, from DOR to the Attorney General's Office and entitled, "Fiscal Year 2019 Certification of Cases for Abatement" ("Certification"). The Certification states that the debt described in the Certification meets the criteria pursuant to A.R.S. § 42-1004B, and for liabilities discharged in bankruptcy, pursuant to the United States Bankruptcy Code, and that DOR has validated through its internal policies and processes that it verified the reasons for abatement, as stated in the Certification, and that they are true and accurate.

With respect to the debt owed to State agencies other than DOR that was not referred to CERF, each respective agency Director certified that the agency has validated through its internal policies and processes that it verified the reasons for abatement, as stated in the Certifications, and that they are true and accurate.

The reporting of a debt as uncollectible, including the act of the State abating the debt, does not necessarily preclude the State from reopening a case and collecting a debt owed to the State at a later date. At times, we have been able to reopen a case and collect a debt because we have identified a debtor's assets or revenue source that previously did not exist or was not able to be located. There are three exceptions to when the State would be able to pursue a debtor post-abatement. They are: 1) debts discharged in bankruptcy; 2) debts where the statute of limitations has expired; and 3) debts that the State has agreed to settle for a lesser amount than what was owed.

The Reports provide a reason each debt is deemed uncollectible. The reasons include case settled, debtor deceased, unable to locate debtor, collection costs would exceed the amount to be collected, agency has no claim or interest, debtor has neither assets nor wages, debtor lives and/or works on a Reservation, debt discharged in bankruptcy and Corporation/LLC defunct.

Finally, the Reports also provide the amount uncollected for each debt. This amount may include all or a portion of the original debt and, if applicable, all or a portion of interest and penalties associated with the debt.

Please contact the undersigned if you have any questions.

Sincerely,



Don J. Lawrence, Jr.  
Section Chief Counsel  
Bankruptcy Collection & Enforcement  
Arizona Attorney General's Office

Enclosures

cc: Representative Regina E. Cobb, JLBC Vice-Chairman (with attachments)  
Richard Stavneak, JLBC Director (with attachments)  
Matthew Gress, OSPB Director (with attachments)  
Ryan Fleischman, JLBC Analyst (with attachments)  
D. Clark Partridge, State Comptroller (with attachments)  
Joseph Sciarrotta, AGO Division Chief of Civil Litigation (with attachments)  
Don J. Lawrence, Jr., AGO Section Chief Counsel of BCE (with attachments)  
Josh Kredit, AGO Deputy Attorney General for Law & Policy (with attachments)

Please contact the JLBC Staff for the complete list of uncollectible debt.





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

DATE: June 17, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Ryan Fleischman, Fiscal Analyst

SUBJECT: Arizona Criminal Justice Commission - Review of Edward Byrne Memorial Justice Assistance Grant Federal Application

### Request

Pursuant to A.R.S. § 41-2403, the Arizona Criminal Justice Commission (ACJC) requests Committee review of the federal application for the Edward Byrne Memorial Justice Assistance Grant (JAG) that is administered by the United States Department of Justice, Bureau of Justice Assistance.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

- A. ACJC shall submit a preliminary proposal by May 15, 2021 if the federal guidelines have not yet been received for 2021.

### Analysis

The Federal Edward Byrne Memorial JAG provides states, tribes, and local governments with funding to support a range of program areas including law enforcement, prosecution, indigent defense, courts, crime prevention and education, corrections and community corrections, and drug treatment and enforcement. Arizona first began receiving the JAG funding in March 1988. Going back to FFY 2012, ACJC has received an average of approximately \$3.6 million in JAG monies annually.

(Continued)

**Key Points**

- 1) ACJC estimates that Arizona will receive \$3.5 million in federal "Byrne" Justice Assistance Grants in federal fiscal year (FFY) 2020.
- 2) The federal government requires legislative review of the state's grant application.
- 3) Because the federal government has not yet requested state plans, this reflects a preliminary proposal.
- 4) A total of \$3.2 million (90%) will be distributed to counties and state agencies; the other 10% will be retained by ACJC for administration costs.
- 5) The proposed distribution is similar to last year's grant application.

ACJC is Arizona's designated State Administering Agency for the JAG program. As part of the application process, the federal Bureau of Justice Administration requires the state agency to submit the application for review to the State Legislature, or an organization designated by the State Legislature, not less than 30 days before the submission of the grant. A.R.S. § 41-2403 tasks the JLBC with reviewing the application.

At the June 2019 meeting, the Committee adopted a provision that requires ACJC to submit a preliminary proposal by May 15, 2020 if the federal guidelines have not yet been received for 2020. The federal government has not yet announced the FFY 2020 State Solicitation for JAG or the submission deadline, so this application reflects ACJC's preliminary proposal.

Table 1 shows the budget estimated by ACJC for the FFY 2020 JAG award. The monies can be expended through September 30, 2024. The proposed splits of funds are based on the actuals from the FFY 2019 JAG award. (See the FFY 2019 JAG Award section for more information.)

Table 1	
Proposed FFY 2020 JAG Spending	
<b><u>Projects</u></b>	
Apprehension/Prosecution	\$2,676,700
Forensic Support/Adjudication/Corrections	314,900
IT Infrastructure Set-aside	162,500
<b>Subtotal for Projects</b>	<b>\$3,154,100</b>
Administration	361,000
<b>Total Projects and Administration</b>	<b>\$3,515,100</b>

The Byrne JAG monies are combined with monies in the Drug and Gang Enforcement Fund, established under A.R.S. § 41-2402, to make up the state's Drug, Gang, and Violent Crime Control Grant (DGVCC Grant). There is a match requirement of 25% for DGVCC Grant recipients.

DGVCC Grant monies are awarded for programs and projects that align with the 2020-2025 Arizona Drug, Gang and Violent Crime Control Strategy.

A total of 85% of JAG monies will be used for grants, roughly 5% is for information technology (IT) infrastructure, and 10% is for ACJC administration. The \$3.5 million in grant monies must be expended by September 30, 2024. There is no breakout by recipient because the grant will be disbursed based on applications received.

(Continued)

For the IT infrastructure component, ACJC proposes to set aside approximately 5% (\$162,500) for local law enforcement agencies to upgrade systems that support the National Incident-Based Reporting System (NIBRS) administered by the Arizona Department of Public Safety. NIBRS is an incident-based reporting system used by law enforcement agencies for collecting and reporting data on crimes. JAG funding will help facilitate the transmission of NIBRS data to the National Data Exchange (N-DEx), which is an unclassified national information sharing system that enables criminal justice agencies to search, link, analyze, and share local, state, tribal, and federal records. A total of 5% of FFY 2019 JAG funding was used for this purpose as well.

ACJC proposes using the-remaining \$361,000 of the amount awarded, or approximately 10%, as administrative funds to oversee the JAG Program. These monies would be used, in part, to fund 2.95 FTE Positions.

#### FFY 2019 JAG Award

The FFY 2019 Byrne JAG award was \$3,499,000. Of the \$3,499,000, \$2,991,600 (85%) was allocated to drug control projects, \$157,500 (5%) was allocated for information technology infrastructure, and \$349,900 (10%) was allocated for administrative expenses.

The Bureau of Justice Assistance (BJA) has not released the FFY 2019 Byrne JAG funding to ACJC yet, so none of those monies have been spent. Since the Byrne JAG grant has a 4-year life cycle, ACJC uses a mix of funding from several fiscal year grants, with the oldest available fiscal year funding being used first, to establish its state grant cycle funding. This approach has allowed ACJC to create some consistency in available funding for its sub-grantees that otherwise would not be possible in a "pay as you go" approach. This has become more important as that BJA has taken longer to release funds over the past few years.

Table 2 shows the FY 2021 awards made by purpose area and recipient. Project totals are broken out by funding source: FY 2021 proposed Byrne JAG, FY 2021 proposed Drug and Gang Enforcement Fund, and local match monies.

Table 2

Drug, Gang, & Violent Crime Control Grant Proposed Awards

<u>Award Recipient Agency</u>	<u>FY 20 Total Grant Awards</u>	<u>FY 21 Total Proposed Project</u>	<u>FY 21 Proposed Federal Byrne JAG</u>	<u>FY 21 State Drug &amp; Gang Enforcement Fund</u>	<u>Recipient Match Funds</u>
<u>Apprehension</u>					
Apache County Sheriff's Office	\$ 225,300	\$ 225,300	\$ 78,900	\$ 90,100	\$ 56,300
Cochise County Sheriff's Office	123,000	123,000	43,000	49,200	30,700
Flagstaff Police Department	283,500	283,500	99,200	113,400	70,900
Gila County Sheriff's Office	331,700	331,700	116,100	132,700	82,900
Graham County Sheriff's Office	26,900	26,900	9,400	10,800	6,700
Greenlee County Sheriff's Office	32,000	32,000	11,200	12,800	8,000
Kingman Police Department	336,800	336,800	117,900	134,700	84,200
La Paz County Sheriff's Office	73,600	73,600	25,800	29,500	18,400
Navajo County Sheriff's Office	238,800	238,800	83,600	95,500	59,700
Pinal County Sheriff's Office	141,400	141,400	49,500	56,600	35,300
Salt River Pima Maricopa Police Department	-	116,500	40,800	46,600	29,100
Santa Cruz County Sheriff's Office	155,900	87,400	30,600	35,000	21,800
Tucson Police Department	687,600	687,600	240,700	275,100	171,900
Yavapai County Sheriff's Office	353,900	353,900	123,900	141,600	88,500
Yuma County Sheriff's Office	241,600	241,600	84,500	96,600	60,400
<b>Subtotal</b>	<b>\$ 3,252,000</b>	<b>\$ 3,300,000</b>	<b>\$ 1,155,100</b>	<b>\$ 1,320,200</b>	<b>\$ 824,800</b>
<u>Prosecution</u>					
AG's Office - Medicaid Fraud	\$ 99,000	\$ 102,000	\$ -	\$ 102,000	\$ -
Apache County Attorney	90,600	90,600	31,700	36,300	22,700
Cochise County Attorney	152,200	152,200	53,300	60,900	38,100
Coconino County Attorney	132,500	132,500	46,400	53,000	33,100
Gila County Attorney	66,600	66,600	23,300	26,600	16,600
Graham County Attorney	55,000	55,000	19,300	22,000	13,800
Greenlee County Attorney	42,800	42,800	15,000	17,100	10,700
La Paz County Attorney	70,400	70,400	24,600	28,200	17,600
Maricopa County Attorney	1,076,500	1,076,500	578,700	228,600	269,100
Mohave County Attorney	156,300	156,300	54,700	62,500	39,100
Navajo County Attorney	123,100	123,100	43,100	49,200	30,800
Pima County Attorney	423,300	423,300	148,100	169,300	105,800
Pinal County Attorney	184,800	184,800	64,700	73,900	46,200
Tucson City Attorney	269,400	269,400	94,300	107,700	67,300
Yavapai County Attorney	123,700	120,200	42,100	48,100	30,000
Yuma County Attorney	263,400	263,400	92,200	105,300	65,800
<b>Subtotal</b>	<b>\$ 3,329,500</b>	<b>\$ 3,329,100</b>	<b>\$ 1,331,500</b>	<b>\$ 1,190,700</b>	<b>\$ 806,700</b>
<u>Prosecution - Forfeitures</u>					
Attorney General's Office	\$ 637,400	\$ 637,400	\$ 223,100	\$ 255,000	\$ 159,400
<b>Subtotal</b>	<b>\$ 637,400</b>	<b>\$ 637,400</b>	<b>\$ 223,100</b>	<b>\$ 255,000</b>	<b>\$ 159,400</b>
<u>Forensic Support</u>					
Department of Public Safety	\$ 380,200	\$ 380,200	\$ 262,800	\$ 152,100	\$ 95,100
Tucson Police Dept. - Forensics	65,300	65,300	22,900	26,100	16,300
<b>Subtotal</b>	<b>\$ 445,500</b>	<b>\$ 445,500</b>	<b>\$ 285,700</b>	<b>\$ 178,200</b>	<b>\$ 111,400</b>
<u>Drug Adjudication/Corrections</u>					
Administrative Office of the Courts	\$ 1,336,500	\$ 1,336,500	\$ -	\$ 1,002,400	\$ 334,100
Department of Corrections	100,000	100,000	35,000	40,000	25,000
<b>Subtotal</b>	<b>1,436,500</b>	<b>1,436,500</b>	<b>35,000</b>	<b>1,042,400</b>	<b>359,100</b>
<b>TOTAL</b>	<b>\$ 9,100,900</b>	<b>\$ 9,148,500</b>	<b>\$ 3,030,400</b>	<b>\$ 3,986,500</b>	<b>\$ 2,261,400</b>





# Arizona Criminal Justice Commission

May 15, 2020



*Chairperson*  
SHEILA POLK  
Yavapai County Attorney

*Vice-Chairperson*  
STEVE STAHL, Chief  
Law Enforcement Leader  
City of Maricopa Police Department

ALLISTER ADEL  
Maricopa County Attorney

MARK BRNOVICH  
Attorney General

DAVID K. BYERS, Director  
Administrative Office of the Courts

BARBARA LAWALL  
Pima County Attorney

GREG MENGARELLI, Mayor  
City of Prescott

FRANK MILSTEAD, Director  
Department of Public Safety

MARK NAPIER  
Pima County Sheriff

PAUL PENZONE  
Maricopa County Sheriff

DAVID SANDERS  
Pima County Chief Probation Officer

DAVID SHINN, Director  
Department of Corrections

C.T. WRIGHT, Chairperson  
Board of Executive Clemency

VACANT  
County Supervisor

VACANT  
Former Judge

VACANT  
Sheriff

VACANT  
Chief

VACANT  
Chief

VACANT  
Chief

*Executive Director*  
Andrew T. LeFevre

1110 West Washington, Suite 230  
Phoenix, Arizona 85007  
PHONE: (602) 364-1146  
FAX: (602) 364-1175  
[www.azcjc.gov](http://www.azcjc.gov)

The David M. Gowan, Chairman  
Arizona State Senate  
Joint Legislative Budget Committee  
1716 West Adams Street  
Phoenix, AZ 85007

Dear Senator Gowan:

Pursuant to A.R.S. § 41-2403, the Arizona Criminal Justice Commission (ACJC) is submitting the 2020 Byrne Justice Assistance Grant (Byrne JAG) to the Joint Legislative Budget Committee (JLBC) for review. A.R.S. § 41-2403 requires ACJC to submit a copy of the application to JLBC for review at least 30 days before submission to the federal government. At the September 20, 2018 JLBC meeting, the Committee added a provision requiring ACJC to submit a preliminary proposal by May 15, 2019 if the federal guidelines have not yet been received for 2020. The guidelines have not been released by the federal government and ACJC is submitting a draft proposal for JLBC Committee review.

ACJC is the state administering agency (SAA) for the Byrne Justice Assistance Grant. Byrne JAG, authorized under 42 U.S.C. § 3751(a), is a formula grant that the State must apply for each year and is the leading source of federal justice funding to state and local jurisdictions. Byrne JAG awards may be used for seven purposes: (1) law enforcement, (2) prosecution and courts, (3) prevention and education, (4) corrections and community corrections, (5) drug treatment, (6) planning, evaluation, and technology improvement, and (7) crime victim and witness programs.

The ACJC uses a mix of federal funding from Byrne JAG and state funding from the Drug Enforcement Fund to cover grant costs of various state, county, and municipal drug control programs. Arizona has utilized Byrne JAG funding to implement multi-jurisdictional task forces (MJTFs) which include a tandem prosecutor component and forensic drug analysis support to impact and enhance downstream drug enforcement and monitoring activities. This downstream impact has led to funding probation-based drug monitoring programs and other probation-related services, drug courts, and indigent defense services for drug offenders.

The JAG allocation formula is based primarily on each state's share of the nation's violent crime and population data. For Arizona, ACJC is estimating the amount of the federal fiscal year (FFY) 2020 grant will be \$3,610,450. The following table summarizes the budget plan in the FFY 2019 Byrne JAG application.

*Our mission is to continuously address, improve, sustain and enhance public safety in the State of Arizona through the coordination, cohesiveness, and effectiveness of the Criminal Justice System*

<b>Summary of 2019 Byrne JAG Budget Plan (estimated)</b>	
Federal FY 2019 Grant Award	\$3,610,450
Proposed Expenditure Plan:	
Drug Control Projects <sup>1/</sup>	\$3,086,935
NIBRS Projects <sup>2/</sup>	\$162,470
Administration Expense Allotment <sup>3/</sup>	\$361,045
<b>Total: Projects and Administration</b>	<b>\$3,610,450</b>
1/ These funds will <u>be used</u> as part of the state FY 2022 Drug Control Grant. 2/ The draft proposal includes a 3% set-aside to <u>be used</u> toward National Incident-Based Reporting System compliance. This was a requirement of the FY 2018 grant. 3/ The Byrne grant program allows up to 10 percent of a JAG award may be used for costs to administer the award.	

Arizona first began receiving the Byrne JAG funding in March 1988. Byrne JAG is the cornerstone federal crime-fighting program, supporting the federal government's crucial role in a federal-state-local partnership that enables communities to target resources to their most pressing local needs. Each year, ACJC produces a comprehensive report on the projects funded, the amounts allocated to each project, and the activity reported using Byrne JAG funding in the Enhanced Drug and Gang Enforcement (EDGE) Report. The following bullet points show some of the critical activity supported by the Byrne JAG grant from the most recent EDGE report (FY 2018).

- 36 criminal justice projects funded
- 4,455 Drug-related arrests by funded task-forces
- Over \$139.5 million in illicit drugs seized by funded task-forces
- 504 weapons seized by funded task-forces
- 30,750 drug prosecutions reported by prosecution projects
- 20,316 drug convictions reported by prosecution projects
- 12,747 drug sentences reported by prosecution projects

These funds are critical to illicit drug reduction efforts throughout Arizona. If you have any questions, please contact Tony Vidale, ACJC Deputy Director, at 602-365-1155 or [tvidale@azcjc.gov](mailto:tvidale@azcjc.gov).

Sincerely,



Andrew T. LeFevre  
Executive Director

## **Abstract**

The Arizona Criminal Justice Commission is a statutorily authorized entity mandated to carry out various coordinating, monitoring, and reporting functions regarding the administration and management of criminal justice programs in Arizona.

The Commission, as the state-administering agency for the Byrne/JAG program, distributes these funds via competitive grants to state, tribal, county, and local government agencies to support the Drug, Gang, and Violent Crime Control (DGVCC) program. The *2020-2025 Drug, Gang, and Violent Crime Control State Strategy* is the Commission's primary decision-making tool for the allocation of funds and to guide project activity for the DGVCC program.

The goals of the project in accordance with the Strategy are to curtail the flow of illicit drugs, drug proceeds, and instruments used to perpetuate violence across Arizona, and reduce violent crime and illicit drug use, and deter repeat offenders in Arizona. In response to drug, gang, and violent crime in Arizona, the following seven purpose areas have been identified as potential funding areas for the 2020-2025 time period:

- Apprehension
- Prosecution
- Forensic Support Services
- Adjudication and Sentencing
- Corrections and Community Corrections
- Substance Abuse Treatment for Corrections-Involved Individuals
- Prevention and Education

In addition to the seven purpose areas, a listing of strategic principles has been developed based on a thorough analysis of the strengths, weaknesses, opportunities, and challenges of the DGVCC program. Both the seven purpose areas and strategic principles serve as the Commission's criteria for establishing funding priorities.

The top ten project identifiers associated with proposed project activities include the following: Task Forces, Prosecution, Asset Forfeiture, Forensic Science, Adjudication, Gangs, Drugs, Fraud, Drug Courts, and Policing.



## Program Narrative

### **Statewide Strategic Plan:**

The Arizona Criminal Justice Commission (ACJC) is the designated State Administering Agency (SAA) responsible for the coordinating, monitoring and reporting functions associated with the administration and management of criminal justice programs in the State of Arizona.

To make the best possible use of funds, ACJC developed a strategic plan to establish funding priorities. The first plan, the Arizona Drug Control Strategy, was developed in 1987 with extensive input from local, state, and federal agencies. Meetings were held in various parts of the state with members of the criminal justice system, related professional associations, and the general public. Information was provided in the following three areas: (1) drug control problems; (2) current resources devoted, and (3) resource needs.

Through the years, the Drug Control Strategy was updated, refined, and expanded to include gang and violent crime. The plan has followed an orderly progression with annual updates, culminating in an enhanced statewide drug, gang, and violent crime control strategy. The first multi-year strategy was written in 2000 and continued for three years, followed by four-year strategies developed in 2004, 2008, 2012, and 2016. The *2020-2025 Drug, Gang, and Violent Crime Control State Strategy* was approved by the Commission on May 21, 2020, and serves as the Commission's primary decision-making tool for the allocation of funds and to guide project activity for the Drug, Gang, and Violent Crime Control (DGVCC) program.

The 2020-2025 State Strategy was developed by utilizing data and analysis from the FBI's Uniform Crime Reports, Arizona Gang Threat Assessment, Arizona Department of Public Safety Crime in Arizona Report, National Survey on Drug Use and Health, ACJC Arizona Youth Survey, Arizona Health Status and Vital Statistics Report, grant-related performance measurement data, and reports prepared by the Arizona Department of Corrections and the Arizona Department of Juvenile Corrections. A public hearing was held in April 2020 in Phoenix to gather stakeholder input on the effectiveness of the current program areas and to identify areas for inclusion in the 2020-2025 Strategy. Also, a video of the public hearing was posted on the ACJC website to allow public input for those that could not attend the meeting.

As detailed in the 2020-2025 Strategy, the DGVCC program seeks to curtail the flow of illicit drugs, drug proceeds, and instruments used to perpetuate violence across Arizona, reduce violent crime and illicit drug use, and deter repeat offenders in Arizona. In response to drug, gang, and violent crime in Arizona, the following seven purpose areas have been identified as potential funding areas for the 2020-2025 period:

#### **Tier 1**

- Apprehension
- Prosecution

#### **Tier 2**

- Forensic Support Services
- Adjudication and Sentencing
- Corrections and Community Corrections

#### **Tier 3**

- Substance Abuse Treatment for Corrections-Involved Individuals
- Prevention and Education.

In addition to the seven purpose areas, a listing of strategic principles has been developed based on a thorough analysis of the strengths, weaknesses, opportunities, and challenges of the DGVCC program. The seven purpose areas and strategic principles serve as the Commission's instruments for establishing funding priorities. Each grant year, the Commission establishes priorities based on statewide needs and the funding environment.

### **Strategic Plan Purpose Area Descriptions:**

The *2020-2025 Drug, Gang, and Violent Crime Control State Strategy* establish seven purpose areas based on public comment, stakeholder input, identified gaps in state resources, and an analysis of drug, gang, and violent crime data pertinent to Arizona. These established purpose areas are as follows:

**Apprehension:** Serving as the entry point into the criminal justice system and having a primary role in maintaining public order and enforcing the law, law enforcement efforts play a critical role in contributing to the achievement of the goals of the *Strategy*. Key elements of focus include disrupting and dismantling trafficking and associated criminal networks and interdicting drugs, proceeds, and weapons.

The apprehension purpose area may include, but is not limited to, efforts promoting enhanced information sharing and intelligence exchange, approaches to address locally distinct drug, gang, and violent crime-related challenges, and proactive policing strategies to address drug, gang, and violent crime such as multi-agency, multi-jurisdictional task forces. Over the years, the DGVCC program has provided consistent support to multi-agency, multi-jurisdictional drug, gang, and violent crime task forces and has regarded task forces and their tandem prosecution projects as the centerpiece of program efforts.

**Prosecution:** With the duty of seeking justice and protecting the public safety and welfare of the community, prosecutorial efforts have a critical function in cases pertaining to drug, gang, and violent crime move through the criminal justice system, from investigation to charging decisions and sentencing. Prosecutorial efforts are an important contributor to achieving the goals of the *Strategy*, with a primary role of holding offenders properly accountable.

The prosecution purpose area may include, but is not limited to, prosecutorial efforts in tandem with multi-agency, multi-jurisdictional drug, gang, and violent crime task forces, efforts to deny criminals currency, property and drugs such as statewide civil forfeiture efforts, and other effective prosecution strategies to address drug, gang, and violent crime. Historically, prosecution efforts in tandem with multi-agency, multi-jurisdictional task forces have been a primary focus for moving forward the goals of the DGVCC program.

**Forensic Support Services:** Forensic support services directed toward detecting crime and identifying criminals are fundamental to supporting law enforcement and prosecution agencies in addressing drug, gang, and violent crime. Providing expedient, reliable, accurate and unbiased forensic support services promotes efficient case processing and enhances the operation of law enforcement and prosecution functions in the state, contributing to the advancement of the goals of the *Strategy*. The Commission has provided continuous support to

the forensic support services purpose area over the years, as forensic support projects have provided significant utility to apprehension and prosecution efforts.

The forensic support services purpose area includes activities such as evidence examination and analysis, development of investigative leads, training, providing expert courtroom testimony and other forensic support services as they pertain to drug, gang, and violent crime-related cases.

**Adjudication and Sentencing:** When stability and workload balance are characteristic of adjudication and sentencing processes for drug, gang, and violent crime cases, there is greater system efficiency, offenders are held appropriately accountable, and offenders often receive services to deter repeat offenses. Efficient, effective adjudication processes contribute to moving forward the goals of the *Strategy*. Traditionally, the Commission has regarded the adjudication and sentencing purpose areas as fulfilling a critical support role to apprehension and prosecution efforts and thus has provided consistent support to adjudication and sentencing projects.

The adjudication and sentencing purpose area may encompass a range of activities associated with court processes. Such activities include, but are not limited to, pre-trial services, improved criminal court case processing, supporting specialty courts and public defender services.

**Corrections and Community Corrections:** Corrections and community corrections are critical elements to assuring public safety and offender accountability in addition to providing opportunities to deter repeat offenses. Corrections and community corrections can be a pathway for impacting drug, gang, and violent crime and moving forward the goals of the *Strategy*.

This purpose area includes projects responding to the needs of prison and jail facilities and corrections practitioners, to providing secure care for offenders of drug, gang, and violent crime. Projects could include, but are not limited to, safety and security improvements, inmate programming, corrections equipment and technology, and contraband control and detection. For community corrections, projects may include, but are not limited to, pre-release planning, coordinated reentry services, and supporting probation and parole services for offenders of drug, gang, and violent crime.

**Substance Abuse Treatment for Corrections-Involved Individuals:** Providing substance abuse treatment for corrections-involved individuals can reduce the likelihood of reoffending; consequently improving public safety and reducing the burden on the criminal justice system. Providing treatment and early intervention to youth involved in the juvenile justice system can prevent adjudicated youth from returning or entering the adult criminal justice system. Supporting such efforts contributes to moving forward the goals of the *Strategy*.

This purpose area includes, but is not limited to, providing residential substance abuse treatment for inmates, preparing offenders for reentry into the community, and supporting community-based treatment and other broad-based aftercare services upon release.

**Prevention and Education:** Effective prevention and education efforts designed to prevent and/or reduce drug, gang, and violent crime are cost-effective and result in increased public safety. A proactive approach that addresses drug, gang, and violent crime before its inception create an opportunity to thwart negative consequences related to safety, health, and academic

achievement. Prevention and education efforts are an effective means for moving forward the goals of the *Strategy*.

The prevention and education purpose area encompasses evidence-based interventions and environmental prevention strategies. Efforts should involve multiple sectors of the community and focus on reducing access and opportunity, enforcing consequences and decreasing the likelihood of engaging in drug, gang, and/or violent crime by addressing risk and protective factors.

### **Funding Coordination Efforts:**

The Drug, Gang, and Violent Crime Control program coordinates and leverages resources with other program funding sources to further Arizona's efforts to combat drug supply/demand, reduce criminal street gang and violent crime, and sustain programs that address crime problems consistent with program guidelines and the needs of the state. The funding sources for this program include:

- *Edward Byrne Memorial Justice Assistance Grant (Byrne/JAG)*. These federal funds are from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance (BJA).
- *Drug and Gang Enforcement Account (DEA)*. These are state funds collected pursuant to A.R.S. 41-2402. The DEA receives funds from mandatory fines and surcharges from drug offenders.
- *Matching funds*. These dollars are provided by each recipient to leverage the federal and state dollars committed to the program. Matching funds build buy-in and ownership for local criminal justice initiatives and increases the overall size and effectiveness of the program.

In the past, the Arizona Criminal Justice Commission has leveraged federal Byrne/JAG and state DEA funds to cushion the blow of sharp federal cuts. These funds have ensured that the Drug, Gang, and Violent Crime Control program continues to operate at consistent funding levels.

Given the economic downturn, offenders are frequently unable to pay the fines and surcharges that fund the state DEA account. Therefore, the revenue stream of funding the program has declined. Although revenue collections are still lower than levels before the downturn, they appear to be rebounding. The program, therefore, will be in a better position to rely on state DEA funds along with federal Byrne/JAG funds.

Since 1990, Arizona has been part of the Southwest Border High Intensity Drug Trafficking Area (SWB HIDTA). The Arizona counties designated as a part of the SWB HIDTA are Cochise, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, and Yuma. Several of the ACJC Commissioners serve on the HIDTA Executive Committee. This dual role provides coordination between the Drug, Gang, and Violent Crime Control program and HIDTA Initiatives, so they work in concert with each other.

In addition, the Commission and its members are active participants in the Law Enforcement Coordinating Committee (LECC), the Arizona Prosecuting Attorney's Advisory Council (APAAC), the Arizona Substance Abuse Partnership (ASAP), and other working groups, task forces and

committees. These efforts ensure that complementary goals and objectives and non-duplicative efforts are effectively instituted and followed.

### **Timeline of Project and Sub-grantee Award Process:**

The Arizona Criminal Justice Commission's sub-grantee award process begins when a grant solicitation is simultaneously published online and transmitted to all known eligible agencies. After the application deadline passes, ACJC staff review grant applications and prepare funding recommendations for Commission consideration. At the designated ACJC Commission meeting, the Commission makes awards based on staff recommendations, the Drug Committee recommendations, and public comment. Agencies selected for funding receive grant agreements soon after the commission meeting.

Project period and activities typically commence July 1 and terminate June 30. During this period, ACJC program staff will monitor sub-grantee performance by conducting programmatic and financial reviews, in addition to reviewing financial and activity reports. Periodically, program staff will provide technical assistance to a sub-grantee by telephone or e-mail. Program staff conducts a quality assurance review of quarterly activity reports submitted by sub-grantees. Also, program staff may request assistance with data analysis from the in-house Statistical Analysis Center (SAC) staff to further assess project performance.

All interactions with the sub-grantees provide insight into their progress and allow program staff to address any areas that need assistance to guarantee that the grant-funded activities will be completed successfully.

### **Performance Measurement Data:**

Arizona Criminal Justice Commission staff provides guidance through the competitive solicitation process to assure sub-grantees develop appropriate performance measures. Prior to funding, a thorough review of each applicant's goals, objectives, and performance measures is conducted, and feedback, including requested performance measurement changes, is provided to each funded applicant. On an as-needed basis, ACJC staff will provide customized training and technical assistance regarding the development of performance measures. Performance measures data is collected and reported on a quarterly basis.

The quarterly performance measurement collection and reporting process is designed to document project progress toward achieving stated objectives and is designed for periodic review with the project official. Performance measurement data is utilized for continual project evaluation and improvement.

All sub-grantees are required to adopt prescribed goals, objectives, and performance measures in tracking progress and measuring project success. Sub-grantees will be required to report on a quarterly basis the accountability measures developed by BJA that are applicable to the agency's respective project. All of the measures will be reported through BJA's PMT, utilizing the measures outlined in the attached handout:

<https://www.ojp.gov/funding/apply/grant-performance-measurement-and-progress-reporting-information>



### **Budget Narrative**

Invitations to apply for Drug, Gang and Violent Crime Control grant funds from the Byrne/JAG funds will be sent to all current recipients and potentially eligible future recipients. Arizona continues to leverage state and federal funds to increase the effectiveness and collaborative enforcement efforts through continued funding of projects that reduce drug, gang, and violent crime in Arizona.

Byrne/JAG funds are anticipated to be used to fund apprehension and prosecution projects. Funding will also be used for the criminal justice information sharing projects, forensic analysis, detention, adjudication, which are all components of the criminal justice system. Funding priorities focus on personnel salaries, employee-related expenses (ERE), overtime, and professional/contractual services.

NIBRS Compliance: Arizona Criminal Justice Commission proposes to solicit applications for projects to local law enforcement agencies to upgrade technology infrastructure to allow for and support National Incident-Based Reporting System (NIBRS) to the Arizona Department of Public Safety (DPS) with special consideration given to solutions that support the subsequent submission of incident data to the National Data Exchange (N-DEx).

### **Request for Administrative Funds**

The Arizona Criminal Justice Commission is applying for FFY 2020 Edward Byrne Justice Assistance Grant and is requesting to use 10 percent (\$361,045) of the amount awarded as administrative funds. **Please see the attached budget detail worksheet for a full breakdown of requested administrative funds.**

The administrative funds are needed to cover the expenses incurred by Commission staff for administration of the federal grant program. Administrative expenses include personnel and office resources to set up, maintain and process program and individual project files, project monitoring activities, progress reporting, and ensuring proper compliance with all mandates and restrictions applicable to the Byrne JAG program.

Staff expends a significant amount of time conferring with sub-grantee agencies and other stakeholders interested in pursuing these funds. Every effort is made to provide information, answer questions, consult reference and technical assistance sources, and ensure that sub-grantees have every opportunity for successful projects. Staff is required to travel to and from Byrne/JAG funded projects to conduct on-site programmatic and financial compliance monitoring visits, in addition to providing technical assistance.

### **FFY 2020 Budget Plan**

The following budget is an estimate based on the current state fiscal year funding plan. Funding estimates are provided as an overall total because specific budget category breakdown information is not available at this time. The Arizona Criminal Justice Commission will continue to recommend personnel salaries, employee-related expenses, overtime (including overtime ERE), and professional/contractual services as the main priority for funding.

The Arizona Criminal Justice Commission plans to initiate a sub-grantee solicitation for applications meeting the identified purpose areas. ACJC staff will conduct application reviews before presenting a recommendation for award to the Drug, Gang, and Violent Crime Committee and the full Commission. In addition, the Commission will solicit applications for projects to assist state and local jurisdictions in becoming NIBRS compliant.

The Arizona Criminal Justice Commission's budget plan is an estimate and is subject to change based on applications received within each purpose area. The estimated budget plan for the Edward Byrne Justice Assistance Grant award for the period through September 30, 2024, is as follows:

### **Budget Plan**

#### **Projects**

Tier I Projects:	\$2,676,699
Tier II Projects:	\$314,906
NIBRS Set-aside:	<u>\$162,470</u>
<b>Subtotal for Projects:</b>	<b>\$3,249,405</b>

#### **Pass-through**

Initial 60% Allocation	\$3,610,450
Allowable Administrative Costs	<u>\$361,045</u>
Subtotal for Pass-through	\$3,086,935
Variable Pass-Through Rate	66.9%
<b>Required VPT Amount:</b>	<b>\$2,106,719</b>

#### **Administration**

Admin (10%)	<u>\$361,045</u>
<b>Subtotal for Admin:</b>	<b>\$361,045</b>

<b>Total Projects and Administration</b>	<b>\$3,610,450</b>
--	--------------------





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 17, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Alexis Pagel, Fiscal Analyst

**SUBJECT:** Department of Economic Security - Review of Developmental Disabilities Line Item Transfers

### Request

Pursuant to an FY 2019 General Appropriation Act footnote, before transferring any funds into or out of certain Division of Developmental Disabilities (DDD) line items, the Department of Economic Security (DES) must submit a report for review by the Joint Legislative Budget Committee (JLBC).

DES requests Committee review of an FY 2019 transfer of \$718,800 in General Fund monies from the Case Management - State Only line item to the State-Funded Long Term Care Services line item.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

### Analysis

As a result of DES moving significant funding out of service lines into administration and case management in previous years, the FY 2019 budget continued a footnote requiring Committee review of any funding being transferred in or out of the DDD Operating Budget line and the Case Management lines to provide oversight if the department proposes to increase or decrease administrative resources.

(Continued)

DES plans to transfer \$(718,800) of General Fund monies out of the Case Management State-Only line item in FY 2019. The transfer will include a corresponding increase of \$718,800 in the State-Funded Long Term Care Services line item. DES reports that the transfer is required to align funding with expenditures for FY 2019 as room and board costs funded from the line item increased by 4.9%, thereby exceeding the appropriation.

AP:kp



## DEPARTMENT OF ECONOMIC SECURITY

*Your Partner For A Stronger Arizona*

Douglas A. Ducey  
Governor

Cara M. Christ, MD, MS  
Interim Director

April 30, 2020

The Honorable Regina E. Cobb  
Chairman, Joint Legislative Budget Committee  
Arizona State House of Representatives  
1700 West Washington Street  
Phoenix, Arizona 85007

The Honorable David Gowan  
Vice Chairman, Joint Legislative Budget Committee  
Arizona State Senate  
1700 West Washington Street  
Phoenix, Arizona 85007



Dear Representative Cobb and Senator Gowan:

The Arizona Department of Economic Security (ADES/Department) requests to be placed on the Joint Legislative Budget Committee's (JLBC) next agenda for review of appropriation transfer plans for the Division of Developmental Disabilities (DDD) as required by Laws 2019, First Regular Session, Chapter 263, Section 31:

*Before transferring any monies in or out of the case management - Medicaid, case management - state-only, and DDD administration line items, the department of economic security shall submit a report for review by the joint legislative budget committee.*

The Department requests to transfer General Fund appropriation authority out of the State Only Case Management Special Line Item (SLI) into the State Funded Long Term Care SLI in order to cover an appropriation shortfall in this line for Fiscal Year (FY) 2019.

Special Line Item	Fund Source	Amount (\$)
DE21 – Case Management - State Only	General Fund	(718,820.70)
DE23 – State-Funded Long Term Care Services	General Fund	718,820.70

This transfer is necessary in order to align appropriation authority and funding with expenditures and cash flow for FY 2019. Approval of this transfer request will ensure that the Department will be able to maximize the available revenue sources. This request is made to support the Department's goal of assisting the greatest number of Arizonans in need.

The Honorable Regina E. Cobb  
The Honorable David Gowan

Page 2

If you have any questions, please contact Kathy Ber, Director of Legislative Services, at (602) 542-4669.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Wesley Fletcher', with a stylized, flowing script.

Wesley Fletcher for

Cara M. Christ, MD  
Interim Director

cc: Karen Fann, President, Arizona State Senate  
Rusty Bowers, Speaker, Arizona House of Representatives  
Richard Stavneak, Director, Joint Legislative Budget Committee  
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Members of the Joint Legislative Budget Committee







STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 17, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Patrick Moran, Principal Fiscal Analyst

**SUBJECT:** Arizona Department of Education - Review of Career Technical Education District Annual Report

### Request

The Arizona Department of Education (ADE) requests Committee review of its annual Career Technical Education District (CTED) report for FY 2019, as required by A.R.S. § 15-393.01.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

#### Key Points

- 1) For FY 2019, 14 CTEDs with 99 member school districts reported Average Daily Membership (ADM) of 38,286.
- 2) CTEDs collectively reported \$189 million in expenditures including \$57 million (30%) for central campus sites and \$132 million (70%) for satellite sites (excludes costs of new construction).
- 3) An average of 42% of CTE seniors who took the first course of a CTED program during their high school years also took the second course (retention rate).
- 4) An average of 96% of those seniors passed the second course.

### Analysis

ADE's annual CTED report provides data on CTED enrollment, location, expenditures, retention rates, and pass rates. *Table 1* summarizes data from the report.

(Continued)

Table 1 shows that CTEDs students collectively enrolled in 158,768 courses during the 2018-2019 school year. After accounting for pupils enrolling in more than one course, pupils who attended on a part-time basis, and exclusion of 9<sup>th</sup> graders, CTEDs served 38,286 Average Daily Membership (ADM) students. Reported CTED ADM ranged from a low of 266 for the Cobre Valley Institute of Technology (CVIT) to a high of 20,000 for the East Valley Institute of Technology (EVIT).

Table 1 indicates that CTEDs collectively reported \$189 million in total costs (excluding construction expenditures) for FY 2019. That total included \$57 million (30%) for central campus costs and \$132 million (70%) for satellite costs.

Table 1 also summarizes CTED retention and pass rate data. It shows that for the 2018-2019 school year an average of 42% of CTED seniors who took the first course in a CTED program during their high school years also took the second course during their high school years, as a measure of CTED retention rates. It also shows that an average of 96% of those seniors passed the second CTED course.

Table 1

Summary of CTED Annual Report Data 1/

CTED	Students		Reported Costs (\$)			Retention Rate (%) <u>4/</u>	Pass Rate (%) <u>5/</u>
	Enrollment <u>2/</u>	ADM <u>3/</u>	Central Campus	Satellites	Total		
CAVIAT	3,344	514	614,600	3,260,100	3,874,700	52.8	83.8
CAVIT	3,830	993	4,136,500	4,469,100	8,605,600	48.9	93.8
CTD	5,938	777	537,600	6,521,800	7,059,500	52.3	92.6
CVIT	1,517	266	782,300	1,750,700	2,533,000	49.1	89.9
EVIT	47,664	20,000	19,508,100	30,643,700	50,151,800	31.9	96.0
GIFT	2,034	358	918,500	1,206,100	2,124,600	54.3	93.8
MICTED	1,688	416	1,800,700	1,899,300	3,700,000	45.9	93.0
NATIVE	2,604	499	936,700	5,837,300	6,774,000	66.8	98.0
NAVIT	4,055	882	2,020,700	4,602,500	6,623,200	52.3	89.8
Pima CTED	26,045	4,245	14,696,600	21,226,400	35,923,000	42.9	96.1
STEDY	7,838	1,125	1,188,600	4,583,000	5,771,600	32.0	97.4
VACTE	1,735	281	357,100	1,898,200	2,255,300	49.0	89.8
WAVE	5,404	659	1,324,400	5,136,400	6,460,800	37.9	97.1
West-MEC	<u>45,072</u>	<u>7,272</u>	<u>8,488,300</u>	<u>38,911,300</u>	<u>47,399,600</u>	<u>46.2</u>	<u>96.4</u>
<b>TOTALS</b>	<b>158,768</b>	<b>38,286</b>	<b>57,310,800</b>	<b>131,945,800</b>	<b>189,256,600</b>	<b>41.9</b>	<b>95.6</b>

1/ Figures shown for each CTED are for its central campus(es) and satellite sites combined unless otherwise indicated.

2/ Duplicated for students enrolled in 2 or more CTED courses.

3/ Is less than enrollment because most students attend CTEDs on a part-time basis and 9th Graders are included in CTED enrollment data but are excluded from their ADM data.

4/ The percentage of SY 2018-2019 seniors who enrolled in the first course of a CTED eligible program during their years in high school and also enrolled in the second course.

5/ The percentage of SY 2018-2019 seniors who received a passing grade for the second course of a CTED eligible program during their years in high school.



State of Arizona  
Department of Education



May 6, 2020

Mr. Richard Stavneak, Director  
Joint Legislative Budget Committee  
1716 West Adams Street  
Phoenix, AZ 85007

Recently a copy of the 2020 CTED Annual Report was forwarded to your office along with a data disc. We have discovered that the Addendum document which contained the "Summary of the CTED Annual Report Data" had an error. The enclosed disc has a revised copy of that document with the error corrected. My apologies for any inconvenience this might have caused. Please contact me if you have questions regarding the information provided.

Sincerely,

Marilyn Gardner  
CTE Fiscal, Grants & Accountability Director  
Career and Technical Education  
Arizona Department of Education  
1535 W Jefferson  
Phoenix, AZ 85007  
marilyn.gardner@azed.gov



## **2020 Career & Technical Education District (CTED) Report**

Pursuant to Arizona Revised Statutes (ARS) §15-393.01(C)

Submitted by the Arizona Department of Education  
Career & Technical Education Section

Cathie Raymond  
Deputy Associate Superintendent, Career & Technical Education

Kate Wright  
Associate Superintendent, High Academic Standards for Students



Arizona Department of Education

## **2020 Career & Technical Education District (CTED) Report**

### **Scope of the Report**

Under the provisions of the Arizona Revised Statutes (ARS) §15-393.01(C), the Arizona Department of Education, Career & Technical Education (ADE-CTE) unit is required to collect and analyze information submitted by each Career & Technical Education District (CTED) and make this information available to select individuals and groups as specified below. The enclosed information is based on data available during the previous school year (SY2018-2019).

ARS §15-393.01(C)- On or before December 31<sup>st</sup> of each year, the Career and Technical Education division of the Department of Education shall submit a Career & Technical Education District annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Secretary of State and the Joint Legislative Budget Committee. The annual report shall include the following:

- 1) The average daily membership of each joint district, including the average daily membership of each centralized campus, satellite campus and leased centralized campus as defined in section §15-393.
- 2) The actual student count of each joint district, including the student count of each centralized campus, satellite campus and leased centralized campus as defined in section §15-393.
- 3) The programs and corresponding courses offered by each joint district, including the location of each program and course.
- 4) For each joint district based on program or course location:
  - a) The student enrollment of each program and corresponding course.
  - b) The percentage of students who enrolled in the second year of each program and corresponding course relative to the number of students in the same cohort who enrolled in the first year of each program and corresponding course.
  - c) The percentage of students who completed each program relative to the number of students in the same cohort who began the program.
- 5) The costs associated with each program offered by the joint district.
- 6) A listing of any programs or courses that were discontinued by review of the Career and Technical Education division pursuant to section §15-393, subsection V.

- 7) A listing of any programs or courses that were continued by review of the Career and Technical Education division pursuant to section §15-393, subsection V.
- 8) A listing of any programs or courses that were added by the Career and Technical Education division.
- 9) For applicable school districts, the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to personnel, equipment and facilities.
- 10) Any other data or information deemed necessary by the Department of Education.

The enclosed information is intended to be summative in nature and provide an overview of the processes and data collection methods used for each component required by statute. ***Supplemental documents are listed at the conclusion of each section of the report (indicated by an \*) and are available for review on the enclosed digital file.***

- \* 2018-2019 List of Career & Technical Education Districts in Arizona (includes member school districts)

## **Section One:**

**Section one of the report addresses the following required elements pursuant to ARS §15-393.01(C):**

- 1) The average daily membership of each joint district, including the average daily membership of each centralized campus, satellite campus and leased centralized campus as defined in Section §15-393.**
- 2) The actual student count of each joint district, including the student count of each centralized campus, satellite campus and leased centralized campus as defined in Section §15-393.**
- 5) The costs associated with each program offered by the joint district.**

The ADE-CTE annual CTED Report utilizes data gathered from the previous school year for analysis (currently the 2018-2019 school year). Expenditures in support of career and technical education programs are reported from all funding sources rather than simply CTED funding. The cost reporting spreadsheet utilized for this report was reviewed in conjunction with the Arizona Office of the Auditor General (AOAG) to efficiently gather all required data. The Program 300 codes in the Chart of Accounts listed in the Uniform System of Financial Records for Arizona School Districts (USFR) has been identified for use in tracking local expenditures related to career and technical education programs. This reflects the second year these program codes to have been mandatory for use in tracking expenditures.

CTED member districts typically receive state and federal grants, as well as, other local funding (such as local tax levy revenues, State Aid, State Vocational Block Grant funding, Carl D. Perkins funding, tax credit contributions, gifts of equipment/supplies and other secondary sources). It is important to note that, apart from the East Valley Institute of Technology (EVIT), CTED districts do not typically apply for federal Carl D. Perkins grant funds. Historically, teacher salaries and benefits have been the strongest indicator of total program costs, followed by the equipment/supplies utilized to implement career and technical education programs. The ADE-CTE will continue to work with the AOAG should any modifications become necessary to gather appropriate program cost information for future reports.

The statute also requires that the ADE-CTE provide the Average Daily Membership (ADM) and actual student count of CTE students for each CTED including the central campus, leased central campus and satellite locations. This information was solicited through the completion of spreadsheets by each CTED in consultation

with their member districts. The ADM for 10<sup>th</sup> - 12<sup>th</sup> grade CTE students was requested, along with the actual student count of the 9<sup>th</sup> - 12<sup>th</sup> grade students attending CTE programs. Although 9<sup>th</sup> grade students do not generate CTED ADM, they were included in the student count since the cost reporting spreadsheet includes all funding sources. Their inclusion in the actual student counts gives a broader picture of student participation in career and technical education programs across the state.

For further information please see:

- \* Link to AAGO Cost Reporting Guidance Webinars-  
<https://www.azauditor.gov/reports-publications/school-districts/webinars>
- \* 2018-2019 Cost Reporting Summaries by CTED
- \* 2018-2019 ADM-Student Count by Location

## **Section Two:**

**Section two of the report addresses the following required elements pursuant to ARS §15-393.01(C):**

- 3) The programs and corresponding courses offered by each joint district, including the location of each program and course.**
- 4) For each joint district based on program or course location:**
  - a) The student enrollment of each program and corresponding course.**
  - b) The percentage of students who enrolled in the second year of each program and corresponding course relative to the number of students in the same cohort who enrolled in the first year of each program and corresponding course.**
  - c) The percentage of students who completed each program relative to the number of students in the same cohort who began the program.**

ADE-CTE has traditionally gathered student enrollment data through the satellite districts every year by means of the CTE Data Portal application (available through ADE Connect). This data includes enrollment in all the programs and corresponding courses being offered to students throughout the state. District students attending programs at locations other than their local high school are also specifically identified. Student enrollment in internship, cooperative education and diversified cooperative education courses are included to document programs that provide a work-based learning component but are not eligible for CTED funding.

A relatively new segment of the annual CTED report requires information on the enrollment of students in CTE programs and their subsequent completion rate. For the last two years, ADE-CTE has chosen to focus on the career and technical education enrollment and completion patterns of graduating seniors. This cohort model has shown to provide a more comprehensive picture of the success of students throughout their high school years. Students elect to take CTE courses as their schedules permit, resulting in some students completing programs across nonconsecutive school years.

For further information please see:

- \* 2018-2019 Student Enrollment in Programs-Courses by Location
- \* 2018-2019 Course Enrollment/Completion Data by Program

## **Section Three:**

**Section three of the report addresses the following required element pursuant to ARS §15-393.01(C):**

**6) A listing of any programs or courses that were discontinued by review of the Career and Technical Education division pursuant to section §15-393, subsection V.**

The list of eligible programs did not change for the 2018-2019 school year compared to the previous year (no programs or courses were discontinued). The ADE-CTE completed program monitoring for all eligible programs throughout the state to meet the December 2018 deadline.

**Section Four:**

**Section four of the report addresses the following required element pursuant to ARS §15-393.01(C):**

**7) A listing of any programs or courses that were continued by review of the Career and Technical Education division pursuant to section §15-393, subsection V.**

Using the methodology described in Section Three, a total of 58 CTE programs meet the compliance criteria of a CTED eligible program as described in statute. All approved CTE programs require a coherent sequence of courses incorporating a minimum number of Carnegie Units of instruction (most programs requiring two Carnegie Units). CTED Superintendents are required to submit to the ADE-CTE an annual Statement of Assurance affirming that CTED eligible programs include (at a minimum) the required sequence of courses and are implemented with programmatic fidelity. The ADE-CTE Program Specialists monitor the CTED programs at central and member district levels in a structured rotation to ensure compliance to the law. In Fall of 2018, the Statement of Assurance was digitally incorporated into the CTE Data Portal application as a required component for each CTED annually.

For further information please see:

- \* 2018-2019 CTE Program List- CTED Eligibility
- \* 2018-2019 CTED Statement of Assurance CTE Data Portal Snapshot

**Section Five:**

**Section five of the report addresses the following required element pursuant to ARS §15-393.01(C):**

**8) A listing of any programs or courses that were added by the Career and Technical Education division.**

The CTE Program List provides options for approved CTE programs and is compiled every two years based on a formula using Arizona Labor Market Information through the Office of Economic Opportunity. There are some occupations that are critical to the local economy of a community, while not having a significant presence in other communities. These occupations do not currently appear on the primary CTE Program List (due to the geographic nature of the jobs) but do provide sound occupational opportunities for the members of the community. In 2013, the ADE-CTE developed a process that enables school districts who are members of a CTED to offer programs that are vital to the local community, but do not appear on the approved CTE Program List. Based on local labor market data, a CTED can submit a "Proposed Occupational Program" request that outlines how the program will meet the required components of an approved CTE/CTED program. The ADE-CTE reviews and provides approval of all local occupational programs that meet these requirements.

New Local Occupational programs added during the 2018-2019 school year were:

Occupational Therapy Aide - 51.2604.00



Fire Inspection - 43.0201

51.0806.00 Physical Therapy Technician

For further information please see:

- \* 2018-2019 CTE Program List
- \* 2018-2019 CTE Proposed Local Occupational Program Request Form
- \* 2018-2019 CTE Local Occupation Program List

## **Section Six:**

**Section five of the report addresses the following required element pursuant to ARS §15-393.01(C):**

**9) For applicable school districts, the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to personnel, equipment and facilities.**

A new section to the CTED Annual Report was introduced last year and includes data illustrating that applicable districts show "maintenance of effort" with regards to their CTED funding. Districts must also show that funds were used to supplement rather than supplant the amount used during the "base year" for career and technical education courses. The report specifically requires the inclusion of common expenditure types for career and technical education courses, which covers staffing, equipment and facilities.

The applicable districts must include a copy of the "Work Sheet for Determining the Appearance of Supplanting with CTED Monies" form when submitting their Annual Financial Report (AFR) to the ADE School Finance each year. A request was made to the ADE School Finance to provide a summary document of the data provided by all the applicable districts for FY2018-2019. The enclosed spreadsheet is a summary of all the data provided to the ADE for this period of time, arranged by CTED.

For further information please see:

- \* 2018-2019 Supplement Not Supplant Data Spreadsheet

## **Addendum:**

Beginning with the 2020 Annual CTED Report, a summary table of report data is being provided at the request of the Joint Legislative Budget Committee.

- \* 2018-2019 Summary of Annual CTED Report Data





STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

**DATE:** June 23, 2020

**TO:** Members of the Joint Legislative Budget Committee

**FROM:** Maggie Rocker, Fiscal Analyst

**SUBJECT:** Secretary of State - Review of Expenditure Plans for Help America Vote Act (HAVA) Projects (March 2018 and December 2019 Allocations)

### Request

Pursuant to FY 2019 and FY 2021 General Appropriation Act footnotes, the Secretary of State (SOS) is requesting review of 2 expenditure plans for Help America Vote Act (HAVA) monies.

The first round of HAVA monies was allocated by the federal government to the state in March 2018. SOS currently estimates this March 2018 allocation has an available balance of \$2.4 million.

The second round of HAVA monies was allocated by the federal government in December 2019. Of this allocation, SOS was appropriated \$1.3 million in the enacted budget.

This agenda item addresses the review of FY 2021 expenditures of the following monies: 1) \$2.2 million from the March 2018 HAVA grant; and 2) \$695,000 from the December 2019 HAVA grant.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

(Continued)

- A. The SOS shall notify the Committee of any changes to the FY 2021 expenditure plan exceeding \$100,000 and the Chairman may determine whether the changes require further Committee review.

**Key Points**

- 1) HAVA provides federal monies to states for implementing improvements to election administration.
- 2) Arizona received an allocation from the federal government in March 2018.
- 3) SOS would expend \$2.2 million of the March 2018 monies, including:
  - a. \$925,400 - Completion of the state's voter registration database
  - b. \$345,000 - Voter registration database maintenance costs
  - c. \$350,000 - IT Security enhancements
  - d. \$571,600 - County subgrants
- 4) SOS would expend \$695,000 of the December 2019 monies, including:
  - a. \$500,000 - Public information campaign
  - b. \$160,000 - Security enhancements, including \$50,000 for a threat liaison officer program, \$10,000 for a multi-factor authentication system and \$100,000 for an elections security analyst
  - c. \$35,000 - County assistance, including USB drives and county employee engagement

**Analysis**

Background

Enacted in 2002, the federal Help America Vote Act (HAVA) imposes several requirements on states with respect to the conduct of federal elections. These restrictions were accompanied with one-time federal grant dollars to states to improve election security. More recently, the federal government approved one-time HAVA funding in FY 2018, including \$7.5 million for Arizona, for the purpose of enhancing election cybersecurity. Of this amount, \$2.4 million remains available.

In December 2019, the federal government approved another round of funding for Arizona, totaling \$8.5 million, with an emphasis on election security. During the 2020 Legislative Session, the Arizona Legislature appropriated \$6.7 million of the federal allocation. Of this amount, \$5.4 million was appropriated to the counties, with a minimum of \$50,000 allocated to each county and the remaining monies distributed based on population. The remaining amount (\$1.3 million), was allocated to SOS and requires JLBC review before expending the monies.

This agenda item addresses the review of FY 2021 expenditures of the following monies:

- \$2.2 million from the remaining \$2.4 million of March 2018 HAVA monies.
- \$695,000 from the \$1.3 million allocated to SOS from the December 2019 HAVA monies.

Please see *Table 1* below for a breakdown of the allocations.

Table 1	
SOS FY 2021 Expenditure Plan – March 2018 HAVA Monies	
	FY 2021
Voter Registration Database Completion	\$ 925,400
Voter Registration Database Maintenance Costs	345,000
Information Technology Security Enhancements	350,000
County Subgrants	571,600
HAVA Grant Coordination	<u>7,000</u>
<b>Total</b>	<b>\$2,199,000</b>
SOS FY 2021 Expenditure Plan – December 2019 HAVA Monies	
	FY 2021
Public Information Campaign	\$ 500,000
<u>Security Enhancements</u>	
Threat Liaison Officer Program	50,000
Multi-Factor Authentication Report	10,000
Elections Security Analyst	<u>100,000</u>
<b>Subtotal – Security Enhancements</b>	<b>\$ 160,000</b>
<u>County Assistance</u>	
USB Drives	10,000
County Employee Engagement	<u>25,000</u>
<b>Subtotal – County Assistance</b>	<b>\$ 35,000</b>
<b>Total</b>	<b>\$ 695,000</b>

#### March 2018 HAVA Grant Expenditure Plan

*Access Voter Information Database (AVID) Voter Registration System Completion* – SOS proposes to carry forward \$925,400 from its FY 2020 expenditure plan into FY 2021 for implementation and project management costs associated with AVID. As previously reviewed by the Committee, SOS' FY 2020 plan included these monies to address cost overruns for the new AVID system. Due to implementation delays, deliverables will not be billed until FY 2021. This does not constitute new funding.

*AVID Voter Registration System Maintenance Costs* – SOS proposes to spend \$345,000 in FY 2021 for the state's share of maintenance and operation costs of AVID. This amount constitutes 50% of the cost, with counties paying the remaining 50%. Prior to FY 2019, the state paid 25% of the operating costs with the counties paying the remainder. SOS' FY 2020 plan included monies to address the final year of operating costs for the old voter registration system (known as "VRAZII") and the partial year cost for the new AVID system. The FY 2021 SOS request addresses the full year operating costs for the new AVID system.

*Information Technology (IT) Security Enhancements* – In accordance with a 2018 IT Security Assessment, SOS proposes to spend \$350,000 on IT security enhancements in FY 2021. This amount would support the purchase of a higher capacity firewall, which would segment the SOS network and prevent attacks in other SOS systems from affecting election computer systems. In addition, the SOS request would fund autonomous threat detection software and a contractor to help implement solutions recommended in the assessment.

*County Subgrants* – At the June 2019 meeting, the Committee reviewed \$2.4 million in spending for county subgrants. Under the grant proposal, each county received a base amount of \$100,000 and then a specified amount per active registered voter based on county population. Due to delays with some

(Continued)

counties applying for their subgrants, SOS is proposing to carry forward \$571,600 from FY 2020 into FY 2021 to finish distributing the monies under this program. This does not constitute new funding.

*HAVA Grant Coordination* – SOS proposes to spend \$7,000 in FY 2021 to continue to pay for the cost of HAVA grant coordination to administer the fund. This amount represents 10% of the cost of 1 FTE Position. SOS' FY 2020 plan also included monies for the cost of HAVA grant coordination.

#### December 2019 HAVA Grant Expenditure Plan

*Public Education* – SOS proposes to spend \$500,000 on educating the public about voting rights, voting procedures, and voting technology.

*Threat Liaison Officer Program* – SOS proposes to spend \$50,000 for an officer to be stationed in each county on Election Day. These officers would be in communication with the Arizona Counter Terrorism Information Center throughout the day regarding incidents and threats.

*Multi-Factor Authentication of Election Night Reporting* – SOS proposes to spend \$10,000 to add multi-factor authentication for county employees who log into the election night reporting system. Multi-factor authentication systems typically require a password and one additional "factor" to log into a system.

*Elections Security Analyst* – SOS proposes to spend \$100,000 for an Elections Security Analyst in FY 2021. Because there is no federal limit on the spending period for the December 2019 grant, SOS intends to fund this position using HAVA monies across multiple years. SOS has not yet indicated a plan for how the position would be funded once the December 2019 grant is fully expended.

The position would help coordinate between the SOS' IT and Elections Divisions, focusing on the security of Arizona's elections systems, including AVID, and providing consultation to counties on strategies to mitigate cyber security threats.

*Universal Serial Bus (USB) Drives for Counties* – SOS proposes to spend \$10,000 for USBs for counties to upload election results to the election night reporting system. For security purposes, tallying computers at each county are not connected to the internet. To prevent data from being compromised, a new USB drive is used each time data is transferred to an internet-connected computer, which then uploads election results to SOS.

*County Employee Engagement* – SOS proposes to spend \$25,000 for county employee engagement to help promote a security-focused mindset; these expenses include printing and distribution of materials, web design, travel, and an incentives program.

MR:kp



**KATIE HOBBS**  
SECRETARY OF STATE  
*State of Arizona*

Joint Legislative Budget Committee  
1716 West Adams  
Phoenix, AZ 85007

UPDATED June 22, 2020  
Via email

Dear Senator Gowan and Representative Cobb,

On December 20, 2019, the Consolidated Appropriations Act of 2020 was signed into law. The Act included \$425 million in new HAVA funds, with Arizona's portion set at \$8,362,741. Additionally, on March 23, 2018, the Consolidated Appropriations Act of 2018 was signed into law. The 2018 Act included \$380 million in HAVA funds, with Arizona's portion set at \$7,463,675. The funds were made available to states to improve the administration of elections for Federal office, including to enhance technology and make election security improvements. This funding provides Arizona with additional resources to secure and improve election administration.

**2020 HAVA Spending Plan**

The Secretary of State's office was appropriated \$1,338,100 of the 2020 HAVA grant for election systems improvements. Our office puts forth the following spending plan for fiscal year 2021:

Description	Amount
Public Education	\$500,000
Threat Liaison Officer Program	\$50,000
Multi-factor Authentication for Election Night Reporting System	\$10,000
USBs for counties	\$10,000
County Employee Engagement	\$25,000
Election Security Analyst	\$100,000
<b>TOTAL</b>	<b>\$695,000</b>
<b>BALANCE</b>	<b>\$643,100</b>

**Public Education:** While purchasing new equipment and software security upgrades are part of the HAVA Election Security Grants, so is educating the public about elections and elections security. The grant allows for educating voters concerning voting procedures, voting rights, and voting technology. As part of an ongoing commitment to public education from Secretaries of State across the country, the Arizona Secretary of State's Office is participating in the #TrustedInfo2020 effort to promote accurate election information and sources, and to combat election-related misinformation and/or disinformation. The SOS is working with a public

relations and communications firm to disseminate a campaign about ensuring the safety and security of the vote.

**Threat Liaison Officer Program:** The Threat Liaison Officer (TLO) provides for an officer to be stationed with each county election official on Election Day. These funds would be used for overtime, travel and any other expenses associated with having a TLO on site at all 15 counties. TLOs are specially trained officers who are connected with the Arizona Counter Terrorism Information Center throughout the day and are communicating incidents and threats back and forth in order to ensure security of elections.

**Multi-factor Authentication for Election Night Reporting System:** The State's Election Night Reporting system (ENR) is used by all 15 counties to upload election night results to the SOS system, which is how they are reported to the public. In order to help secure this function further, the SOS would like to implement multi-factor authentication (MFA) for those logging into the system. MFA is becoming more standard practice in IT security due to threats of cyber-attacks.

**USBs:** Before a county uploads election results into the ENR system, they must first move them from the tallying computer at the county, which is not connected to any other server or internet, to an internet-connected computer in order to upload them to the SOS. EVERY TIME this transfer of data occurs, a fresh USB drive should be used to minimize any opportunity for corruption or other problem with the transfer of data. Furthermore, the USB drives should be purchased from a known entity, rather than bulk purchasing off the internet where the source of the USB drive is unknown.

**County Employee Engagement:** The purpose of this is to hold workshops that help build public response skills for the counties. Additionally, a program is needed to promote a security-focused mindset on a daily basis. This involves distributing materials, providing incentives, and constantly engaging with the counties on an individual basis to create a security-conscious election ecosystem. We foster the mindset that employees at all levels will be rewarded for thinking about security in their daily tasks, and we keep stressing the importance of that mission and what is at stake. The expenses would include printing and distributing materials, web design, incentive programs, and travel.

**Election Security Analyst:** The Election Assistance Commission (EAC) recently announced that the spending period for the 2020 grant is unlimited, replacing the 5-year period originally imposed. The updated period of availability will provide for ongoing funding, allowing our office to pay for the Election Security Analyst position over multiple years, without the need for an allotment from the general fund. This position will help provide active engagement coordination between the IT and Elections Divisions within the SOS, with a primary focus on ensuring security of the state's elections' systems, including the statewide voter registration database, as well as provide consultation and training to the counties on cyber security threats and strategies to mitigate them.

### **2018 HAVA Spending Plan**

The Secretary of State's office was appropriated \$5,400,400 of the 2018 HAVA grant in fiscal year 2019 to further the goals of HAVA and improve election security. In June 2018 the Joint Legislative Budget Committee approved fiscal year 2019 spending for completion of the new voter registration database (AVID) and for an election security assessment. A fiscal year 2020 spending plan was approved in June of 2019 for various expenditures, including the AVID project and County subgrants. At that time, it was thought that the state would not be able to meet the match requirement and would be required to return the match amount of \$373,184 to the Election Assistance Commission. Our office was able to meet the match by using eligible county expenses paid for from the county's operating budget, resulting in neither a penalty nor a gain to the fund.



The Secretary of State's office projects a \$2,410,164 balance at the end of fiscal year 2020 and puts forth the following spending plan for fiscal year 2021:

Description	Amount
AVID Project	\$925,387
IT Security Enhancements	\$350,000
AVID M&O – State Share	\$345,000
HAVA Grant Coordinator	\$7,000
County Subgrants	\$571,609
<b>TOTAL</b>	<b>\$2,198,996</b>
<b>Balance</b>	<b>\$211,168</b>

**AVID:** \$925,387 in implementation and project management costs for the new statewide voter registration system were approved under the fiscal year 2020 spending plan. The SOS Office has covered expenses related to AVID from the original HAVA 251 Grant and did not have to start spending the allocation from the 2018 HAVA Appropriation. This is primarily due to delayed implementation past the originally planned date (delayed from April 2019 to November 2019), which has resulted in delayed deliverables being presented as finalized by the June 30, 2020 deadline. Therefore, this line item carries forward the amount approved for fiscal year 2020 into fiscal year 2021 so that when the deliverables are billed in FY2021, we have the funding set aside to pay them. This does not provide new or additional funding for the project, but accounts for the extended project timeline that has had the effect of delaying the expenditures.

**IT Security Enhancements:** One of the primary purposes of the HAVA Election Security Grants has been security fortification of elections related systems. The following items are recommended for implementation as the result of an IT Security Assessment that was conducted in 2018 by Gartner, Inc.

*Purchase firewall/ segment LANS - \$107,100*

A higher capacity firewall is needed to segment the SOS network into different security zones. This segmentation prevents lateral movement of cyber threats across our network. Isolating the election staff from the rest of the agency helps secure those computers and gives us the ability to deny that attacks on the rest of our office network affects election staff computers.

*Purchase NTA/UEBA solution (Darktrace) - \$130,000*

This solution detects unusual and known malicious network behavior, can stop the malicious traffic before it has a chance to damage systems, and provides forensic history for investigative use.

*Contractor to work on assessment remediation - \$112,900*

We have many labor-intensive roadmap items in our previous Gartner and DHS security assessments that still need to be addressed. We wish to hire a contractor or service to help with implementing the solutions recommended in the assessments.

**AVID Maintenance & Operations:** Maintenance and operations costs on the statewide voter registration system are \$690,000 in fiscal year 2021, with 50% charged to HAVA and the other 50% paid by the counties.

**HAVA Grant Coordinator:** 10% of one FTE charged to HAVA for administration of the fund.

**County Subgrants:** Some of the counties have not applied for their subgrants. This line carries the subgrant balance over from fiscal year 2020 so that the counties may continue to apply for their subgrants throughout fiscal year 2021. This is not additional or new subgrant funding.

Thank you for your time and consideration of this matter. Should you have any questions, please do not hesitate to reach out to Assistant Secretary of State, Allie Bones, at 602-542-4919 or [abones@azsos.gov](mailto:abones@azsos.gov).

Sincerely,

A handwritten signature in black ink, appearing to be 'KH' followed by a long horizontal stroke.

Katie Hobbs  
Arizona Secretary of State



STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

DAVID M. GOWAN  
CHAIRMAN  
LELA ALSTON  
SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
DAVID LIVINGSTON  
J.D. MESNARD  
LISA OTONDO

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF  
REPRESENTATIVES

REGINA E. COBB  
VICE-CHAIRMAN  
DIEGO ESPINOZA  
CHARLENE R. FERNANDEZ  
RANDALL FRIESE  
JOHN KAVANAGH  
WARREN PETERSEN  
BRET M. ROBERTS  
BEN TOMA

DATE: June 23, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Jordan Johnston, Fiscal Analyst

SUBJECT: Department of Public Safety - Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount

### Request

Pursuant to A.R.S. § 41-1724G and A.R.S. § 41-1724H, the Arizona Department of Public Safety (DPS) is required to submit for Committee review the entire FY 2021 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expending any monies. The Subaccount is funded primarily from a \$4.00 surcharge on criminal violations.

DPS has submitted for review its proposal to distribute \$1,346,100 of the \$2,396,100 FY 2021 appropriation from the Subaccount to continue to fund 3 existing programs: Detention Liaison Officer Program (\$456,800), Border County Officers (\$539,300), and Border Crimes Unit (\$350,000). DPS plans to submit to the Committee an allocation plan for the Border Security and Law Enforcement Grants (\$1,050,000) for review at a later date this year.

### Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

- A. DPS shall report to the Committee prior to implementing any changes to the proposed FY 2021 allocation of the grants (*see Table 1*). The Chairman shall decide whether the revisions require Committee review.

(Continued)

**Key Points**

- 1) DPS is requesting review of \$1.3 million of its \$2.4 million GIITEM Subaccount appropriation.
- 2) DPS proposes continuing to fund 3 existing programs:
  - Detention Liaison Officers Program (\$456,800), 3 jurisdictions
  - Border County Officers Program (\$539,300), 5 jurisdictions
  - Pima County Border Crimes Unit (\$350,000)
- 3) DPS will submit to the Committee for review at a later date an allocation plan for the Border Security and Law Enforcement Grants (\$1.05 million).
- 4) DPS indicates the participation of the agencies is subject to change based on the jurisdictions' willingness to meet the requirements of the program.

**Analysis**

Pursuant to A.R.S. § 12-116.04, the GIITEM Border Security and Law Enforcement Subaccount receives revenues from a \$4.00 criminal fee assessed on fines, violations, forfeitures and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.

The subaccount monies are distributed by DPS to county sheriffs and other local law enforcement agencies to fund border security programs, personnel, and equipment. The proposed DPS expenditure plan would allocate the entire FY 2021 GIITEM Border Security and Law Enforcement Subaccount appropriation to 4 existing programs. They are currently requesting review of the following 3:

Detention Liaison Officers Program - \$456,800 to fund detention and correctional officers that serve within jails and state prisons to gather intelligence from inmates about illegal activities along the border. This is the same amount that the Committee reviewed in FY 2020. The FY 2021 plan proposes to fund detention officers in Cochise and Pima Counties and correctional officers/investigators in the Department of Corrections. Unlike FY 2020, the program does not intend to fund a youth correctional officer at the Department of Juvenile Corrections (DJC).

Pinal and Santa Cruz Counties have expressed interest in re-joining the program but are unable to commit the personnel and funding necessary at this time. Recipients of the funding pay 25% of the payroll costs of the positions. Because the Detention Liaison Officers Program is dependent on local governments providing the 25% match, the department has indicated it may shift funding between recipients as circumstances dictate.

Border County Officers Program - \$539,300 to hire county sheriff deputies and municipal police officers that work as part of the GIITEM Task Force's Border District investigating border-related crimes such as drug trafficking and human smuggling. This is an increase of \$300 from the amount the Committee reviewed in FY 2020. The FY 2021 plan proposes to fund officers and deputies in the Oro Valley Police Department, Coolidge Police Department, Eloy Police Department, Yuma County Sheriff's Office, and Cochise County Sheriff's Office. Recipients of the funding pay 25% of the payroll costs of the positions.

Pima County Border Crimes Unit - \$350,000 to fund a portion of the costs of 10 Pima County Sheriff's deputies that focus exclusively on border-related crimes. This allocation is the same as the amount reviewed by the Committee in FY 2020.

(Continued)

Table 1 below provides the full FY 2020 expenditure plan reviewed by the Committee and the proposed FY 2021 plan. The department has stated that the participation of the agencies is subject to change based on the jurisdictions' willingness to meet the requirements of the program.

<b>Table 1</b>			
<b>DPS Expenditure Plan – GIITEM Subaccount</b>			
	<b>FY 2020 Reviewed Allocation</b>	<b>FY 2020 Projected Allocation</b> <sup>1/</sup>	<b>FY 2021 Proposed Allocation</b> <sup>2/</sup>
<b><u>Detention Liaison Officers Program</u></b>			
Cochise County Sheriff's Office	\$ 50,800	\$ 36,400	\$ 65,300
Pima County Sheriff's Office	101,500	92,700	130,500
Department of Corrections	253,700	185,700	261,000
Department of Juvenile Corrections	50,800	-	-
<b>Subtotal</b>	<b>\$456,800</b>	<b>\$314,800</b>	<b>\$456,800</b>
<b><u>Border County Officers Program</u></b>			
Cochise County Sheriff's Office	\$ 231,000	\$ 213,500	\$ 231,300
Coolidge Police Department	77,000	-	77,000
Eloy Police Department	77,000	47,500	77,000
Oro Valley Police Department	77,000	54,000	77,000
Yuma County Sheriff's Office	77,000	80,500	77,000
<b>Subtotal</b>	<b>\$539,000</b>	<b>\$395,500</b>	<b>\$539,300</b>
<b><u>Pima County Border Crimes Unit</u></b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
<b><u>Border Security and Law Enforcement Grants</u></b>			
Cochise County Sheriff's Office	\$ 250,000	\$ 250,000	-
Graham County Sheriff's Office	100,000	-	-
Greenlee County Sheriff's Office	100,000	100,000	-
La Paz County Sheriff's Office	100,000	100,000	-
Santa Cruz County Sheriff's Office	250,000	250,000	-
Yuma County Sheriff's Office	250,000	250,000	-
Unallocated <sup>3/</sup>	-	-	\$1,050,000
<b>Subtotal</b>	<b>\$1,050,000</b>	<b>\$950,000</b>	<b>\$1,050,000</b>
<b>Total</b>	<b>\$2,395,800</b>	<b>\$2,010,300</b>	<b>\$2,396,100</b>
<sup>1/</sup> Represents actual FY 2020 allocation from the subaccount through June 1, 2020, plus projections through June 30, 2020. <sup>2/</sup> Represents estimated new proposed FY 2021 allocation from the subaccount. <sup>3/</sup> DPS will submit an expenditure plan to the Committee for the Border Security and Law Enforcement Grants FY 2021 allocation at a later date.			

**Border Security and Law Enforcement Grants** - The department plans to work with the Arizona Sheriff's Association (ASA) to determine how the Border Security and Law Enforcement Grants will be distributed. DPS has allocated \$1,050,000 for this program. This total allocation amount is unchanged from FY 2020. DPS will submit an expenditure plan for this allocation to the Committee for review at a later date.

JJ:kp



# ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

*"Courteous Vigilance"*

**DOUGLAS A. DUCEY** **HESTON SILBERT**  
Governor Director

May 22, 2020

Senator David Gowan, Chairman  
Joint Legislative Budget Committee  
1716 West Adams  
Phoenix, AZ 85007

Dear Senator Gowan:

Pursuant to the FY 2021 Criminal Justice Budget Reconciliation Bill, Section 2, the Department of Public Safety (DPS or the Department) is submitting its FY 2021 expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount (Subaccount) to the Joint Legislative Budget Committee (JLBC) for review.

The FY 2021 General Appropriations Act appropriates \$2,396,100 from the Subaccount to DPS. Pursuant to A.R.S. § 41-1724, "...monies in the subaccount shall be used for law enforcement purposes related to border security, including border personnel". The monies may also be used for "...safety equipment that is worn or used by a peace officer who is employed by a county sheriff."

DPS intends to continue funding the four existing programs that have previously been given a favorable review by the JLBC. The Department's overall FY 2021 expenditure plan is as follows:

Detention Liaison Officer Program	\$456,800
Border County Officers	539,300
Border Crimes Unit	350,000
Border Security and Law Enforcement Grants	1,050,000
<b>TOTAL</b>	<b>\$2,396,100</b>

The above expenditure plan is substantially similar to the FY 2020 plan.

## **Detention Liaison Officer Program**

The Detention Liaison Officer (DLO) Program provides funding for detention and correctional officers in southern Arizona jails and prisons. The concept of the program is to utilize these specially trained officers to glean as much intelligence as possible from detainees and inmates about activities related to border crimes. Information gathered by these officers is fed into DPS-managed databases (e.g., GangNet), and shared among law enforcement agencies throughout the State.

The program currently funds one (1) detention officer in Cochise County and two (2) in Pima County, as well as four (4) correctional officers/investigators in southern Arizona prisons, operated by the Department of Corrections. Santa Cruz and Pinal Counties, who have participated in the past, have

expressed an interest in re-joining the program, but are unable to commit personnel and funding at this time. If one or both of these counties are able to join, DPS is interested in having them do so, pending the availability of funds.

At any given time, the agencies participating in the DLO Program may shift based on jurisdictions' ability and willingness to participate, and on program budget constraints. The Department wishes to retain the ability to move modest amounts of money between the DLO and Border County Officer Program, as circumstances dictate. DPS has allocated \$456,800 for the DLO Program in FY 2021. Local agencies pay 25% of the payroll costs of their positions. The DLO Program was first reviewed by the JLBC in August 2007.

#### **Border County Officers**

The Border County Officers Program provides funding for county sheriff deputies and municipal police officers who work as part of the GIITEM Task Force's Southern District. The district investigates border crimes and disrupts criminal organizations involved in drug trafficking, human smuggling, and other border-related crimes.

The program currently funds officer and deputy positions with the Oro Valley, Eloy, Coolidge and Yuma Police Departments and with the Cochise County Sheriff's Office (3). As referenced in the DLO Program discussion, DPS wishes to retain the ability to move modest amounts of money between the DLO and Border County Officer Programs, as circumstances dictate.

At any given time, the agencies participating in the program may shift based on jurisdictions' ability and willingness to participate and on program budget constraints. DPS has allocated \$539,300 for the program in FY 2021. Local agencies pay 25% of the payroll costs of their positions. The Border County Officers Program was first reviewed by JLBC in August 2007.

#### **Border Crimes Unit**

Subaccount monies fund a portion of the costs of 10 deputies from the Pima County Sheriff's Department who operate as part of the Border Crimes Unit. The BCU works in cooperation with GIITEM and conducts interdiction efforts in remote areas of Pima County.

DPS has allocated \$350,000 for the project in FY 2021. Pima County pays for all costs above the \$350,000 level. The Pima County portion exceeds 25% of the payroll costs for the 10 positions. The BCU was first reviewed by JLBC in August 2007.

#### **Border Security and Law Enforcement Grants**

In recent years, DPS has conferred with the Arizona Sheriffs' Association (ASA) on the distribution of the Border Security and Law Enforcement Grants. We have contacted the ASA about the FY 2021 distribution plan but have not reached a resolution. For historical perspective, the following table shows the FY 2019 and FY 2020 allocations of these monies:



County Sheriff	FY19 Allocations	FY20 Allocations	FY21 Plan
Apache	\$0	\$0	TBD
Cochise	230,000	250,000	TBD
Coconino	0	0	TBD
Gila		0	TBD
Graham <sup>1/</sup>	100,000	100,000	TBD
Greenlee	100,000	100,000	TBD
La Paz	100,000	100,000	TBD
Maricopa	0	0	TBD
Mohave	0	0	TBD
Navajo	60,000	0	TBD
Pima <sup>2/</sup>	0	0	TBD
Pinal <sup>3/</sup>	0	0	TBD
Santa Cruz	230,000	250,000	TBD
Yavapai	0	0	TBD
Yuma	230,000	250,000	TBD
<b>TOTAL</b>	<b>\$1,050,000</b>	<b>\$1,050,000</b>	<b>\$1,050,000</b>

<sup>1/</sup> In each year, Graham County declined its allocation.

<sup>2/</sup> Per the submitted distribution plan, DPS intends to reimburse the Pima County Sheriff's Department an additional \$350,000 for eligible Border Crimes Unit costs. In addition, the Criminal Justice Budget Reconciliation Bill has allocated \$400,000 from the GIITEM Fund to PCSD in FY 2018 through FY 2021.

<sup>3/</sup> The Pinal County Sheriff's Office has been allocated an additional \$500,000 in FY 2017 through FY 2021 from the GIITEM Fund pursuant to A.R.S. § 41-1724.

DPS will present a grant allocation plan to the JLBC for review at a future meeting. We anticipate the plan will be finalized over the summer. The "delay" in reviewing the grant allocations should have no effect on the receiving counties operations, as the allocations are typically made in October (50%) and April (50%) due to cash flow limitations of the GIITEM Subaccount.

Grant recipient agencies may use the funding for any purpose consistent with statute. As required by statute, in order to receive the funding, recipient agencies must certify each fiscal year to the DPS Director that the agency is complying with A.R.S. §11-1051 to the fullest extent of the law. If one or more sheriffs' offices do not accept the funding, DPS intends to prorate unobligated amounts over those agencies that do accept the grants.

If you have any questions, please contact Phil Case, DPS Budget Director, at 602-223-2463, or via email at [pcase@azdps.gov](mailto:pcase@azdps.gov).

Sincerely,



Heston Silbert, Colonel  
Director

C: Representative Regina Cobb, Vice-Chairman  
Matthew Gress, OSPB Director  
Richard Stavneak, JLBC Director