

JOINT LEGISLATIVE BUDGET COMMITTEE

Wednesday, December 16, 2020

9:30 a.m.

Teleconference

JLBC

STATE OF ARIZONA

Joint Legislative Budget Committee

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JOINT LEGISLATIVE BUDGET COMMITTEE

Wednesday, December 16, 2020

9:30 A.M.

Teleconference: 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)

MEETING NOTICE

- Call to Order
- [Approval of Minutes of September 23, 2020.](#)
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION
 - A. Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.
 - B. Arizona Department of Administration - Risk Management Annual Report.
 - C. JLBC Annual Performance Review per Rule 7.
- 1. [DEPARTMENT OF VETERANS' SERVICES - Review of Veterans' Suicide Prevention Program.](#)
- 2. [***ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF ECONOMIC SECURITY - Review of Child Care ATLAS System Replacement.](#)
- 3. [***DEPARTMENT OF ECONOMIC SECURITY - Review of Developmental Disabilities Line Item Transfers.](#)
- 4. [***ARIZONA DEPARTMENT OF EDUCATION - Review of Career and Technical Education \(CTE\) Credential List.](#)

5. ***JLBC STAFF - Consider Approval of Index for School Facilities Board Construction Costs.

*** 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.

12/09/2020

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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.



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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

September 23, 2020

The Chairman called the meeting to order at 9:36 a.m., Wednesday, September 23, 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 Frieze
	Senator Leach	Representative Kavanagh
	Senator Otondo	Representative Petersen
		Representative Roberts
		Representative Toma

Absent: Senator Livingston
Senator Mesnard

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of June 24, 2020. The motion carried.

CONSENT AGENDA

The following items were considered without discussion.

ARIZONA DEPARTMENT OF ADMINISTRATION/AUTOMATION PROJECTS FUND - Review of the Concealed Weapons Tracking System (Department of Public Safety Subaccount).

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund (APF) for the Concealed Weapons Permit Tracking System (CWPT) upgrade project. The JLBC Staff provided options.

(Continued)

AHCCCS - Review of Health Care Investment Fund Assessment Pursuant to Laws 2020, Chapter 46.

Pursuant to A.R.S. § 36-2901.08 and A.R.S. § 36-2999.72, the Arizona Health Care Cost Containment System (AHCCCS) is required to submit to the Committee for review any modifications to Hospital Assessment methodology prior to implementation. The JLBC Staff provided options.

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

An FY 2020 General Appropriation Act footnote requires DCS to submit to the Committee for 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. The JLBC Staff provided options.

DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount.

Pursuant to A.R.S. § 41-1724G and A.R.S. § 41-1724H, 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. DPS submitted for review its proposal to distribute \$1,050,000 of the appropriation from the Subaccount. The JLBC Staff provided options and a potential provision:

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

DEPARTMENT OF EDUCATION (ADE) - Review of K-12 Broadband Connectivity Projects.

A.R.S. § 15-249.07 requires ADE to submit for Committee review its annual report on K-12 broadband connectivity construction projects. The JLBC Staff provided options and a potential provision:

- A. ADE shall include in each report that it submits pursuant to A.R.S. § 15-249.07 an updated estimate of the number of Arizona K-12 students lacking access to bandwidth of at least 4.3 megabits per second (Mbps) per pupil.

DEPARTMENT OF EDUCATION (ADE) - Review of AzM2 Contract.

A.R.S. § 15-741.03 requires the ADE to submit for Committee review its contract renewal for the statewide assessment. The JLBC Staff provided options and a potential provision:

- A. On or before October 15, ADE shall report the status of all contracts for all portions of the statewide assessment and the menu of assessments, including exam vendors, pricing agreements, and an estimate of the number of students taking each exam in FY 2022.

Representative Cobb moved that the Committee give a favorable review, including provisions as outlined in the JLBC Staff analysis, to the 6 consent agenda items listed above.

EXECUTIVE SESSION

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

At 9:38 a.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 9:46 a.m. the Committee reconvened into open session.

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 case of Victoria Burgett and Adam Pawlak v. State of Arizona et. al. The motion carried.

REGULAR AGENDA

ATTORNEY GENERAL (AG) - Review of Election-Related Litigation and Civil Division Expenditure Plans.

Mr. Ryan Fleischman, JLBC Staff, stated that pursuant to A.R.S. § 44-1531.02C, the AG requested Committee review of its expenditure plans to use monies from the Remediation Subaccount of the Consumer Protection and Restitution Revolving Fund for 2 purposes: 1) \$400,000 for election-related litigation and election statutory defense expenses, and 2) \$200,000 to increase the general public's knowledge of the AG's Civil Division as well as pay for operating expenses. The JLBC Staff provided options.

Mr. Ryan Anderson, Attorney General's Office, responded to member questions.

Representative Cobb moved that the Committee favorably reviewed the Attorney General's expenditure plan to expend \$400,000 from the Subaccount for election-related litigation and election statutory defense expenses and \$200,000 from the Subaccount for the purposes of increasing knowledge of the Civil Division and increasing their operating funding.

Representative Friese made a substitute motion that the Committee unfavorably review the AG's expenditure plan to expend \$400,000 from the Subaccount for election-related litigation and election statutory defense expenses and favorably review \$200,000 from the Subaccount for the purposes of increasing knowledge of the Civil Division and increasing their operating funding. The substitute motion failed by a roll call vote of 6-8-0-2. (Attachment 1).

Representative Cobb's motion then carried.

Without objection, the meeting adjourned at 10:21 a.m.

(Continued)

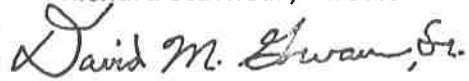
Respectfully submitted:



Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director



Senator David Gowan, Chairman

JOINT LEGISLATIVE BUDGET COMMITTEE

Meeting Date: September 23, 2020

ITEM #: Attorney General – Review of Election-Related Litigation and Civil Division Expenditure Plans

MOTION: Representative Friese's substitute motion

	<u>PRESENT</u>	<u>ABSENT</u>	PASS	AYE	NAY	PRESENT	ABSENT		PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON	X			X				SEN. ALSTON					
SEN. BOWIE	X			X				SEN. BOWIE					
REP. ESPINOZA	X			X				REP. ESPINOZA					
REP. FERNANDEZ	X			X				REP. FERNANDEZ					
REP. FRIESE	X			X				REP. FRIESE					
SEN. GRAY	X				X			SEN. GRAY					
REP. KAVANAGH	X				X			REP. KAVANAGH					
SEN. LEACH	X				X			SEN. LEACH					
SEN. LIVINGSTON		X					X	SEN. LIVINGSTON					
SEN. MESNARD		X					X	SEN. MESNARD					
SEN. OTONDO	X			X				SEN. OTONDO					
REP. PETERSEN	X				X			REP. PETERSEN					
REP. ROBERTS	X				X			REP. ROBERTS					
REP. TOMA	X				X			REP. TOMA					
REP. COBB	X				X			REP. COBB					
SEN. GOWAN	X				X			REP. GOWAN					
TOTALS	14	2	0	6	8	0	2	TOTALS					



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DATE: December 9, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Lauren Jorgensen, Fiscal Analyst

SUBJECT: Department of Veterans' Services - Review of Veterans' Suicide Prevention Program

Request

Pursuant to Section 94 of the FY 2021 General Appropriation Act, the Department of Veterans' Services (DVS) submitted for Committee review its report on expenditures related to the Veterans' Suicide Prevention line item as well as the status of non-state matching funds.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) In FY 2020, a nonprofit organization received \$3.7 million to operate a veterans' mental health program called "Be Connected"
- 2) The FY 2020 amount includes a \$2.0 million federal Veterans' Affairs grant and \$1.2 million from a FY 2020 General Fund appropriation.
- 3) DVS reports the appropriation supports a team of 35 staff who connect service members, veterans, and family members to resources statewide.
- 4) In FY 2020, the program's hotline responded to 18,200 calls.

(Continued)

Analysis

Background

The FY 2021 General Appropriation Act appropriated \$1.2 million from the General Fund to be distributed to a nonprofit veterans' service organization. Of this amount, DVS may spend up to \$78,600 to hire a program specialist to act as a liaison between DVS and the nonprofit organization, leaving \$1.1 million for programmatic operations.

DVS uses the appropriation to maintain, and potentially expand, the Arizona Be Connected program. Be Connected is a collaboration of partners including DVS, the Arizona Coalition for Military Families (ACMF), the United States Department of Veterans' Affairs (VA), the Arizona Health Care Cost Containment System (AHCCCS), the Arizona National Guard, TriWest Healthcare Alliance, and the Governor's Office of Youth, Faith, and Family (GOYFF).

Be Connected operates a 24/7 hotline, hosts an online match tool, and has a staff of Resource Navigators, all of which help service members, veterans, and their families connect to support services and resources. In FY 2020, Be Connected responded to 18,200 calls on its support line, offering crisis counseling as well as assistance in identifying almost 2,500 resources on their website. In addition to other support staff, the Be Connected website currently lists 22 Resource Navigators and Program Specialists, employed by 10 different agencies and organizations.

Funding

Be Connected receives funding from several sources as outlined in *Table 1*. In FY 2020, total funding was \$3.7 million. In April 2020, DVS resigned a 1-year contract with the VA to support Be Connected. DVS reports that this contract includes 4 "option years" in addition to the 1 year of funding. DVS did not report on FY 2021 expenditures. Given the nature of the VA contract, the JLBC Staff expects the FY 2021 expenditures to be similar to FY 2020.

The extension of the VA contract allows the Be Connected program to further expand. In addition to improvement of existing Be Connected program elements, DVS reports 4 main area of focus in FY 2021: high-risk population project, communications, coordination of care, and Be Connected: Door-to-Door.

In the high-risk population project, Be Connected will identify segments of the veterans' population who are at a higher risk of suicide and proactively engage them in their programming. Communications and coordination of care work involves increasing veterans and healthcare systems' awareness of the Be Connected program. The Be Connected: Door-to-Door program, although impacted by COVID-19, would connect veterans to essential visits such as medical appointments, grocery stores, and social opportunities. Due to COVID-19, the program will start with no-contact deliveries of food and other essential items.

Table 1	
FY 2020 "Be Connected" Program Implementation Funding	
<u>Funding Source</u>	<u>Budget</u>
DVS State Funding ^{1/}	\$ 1,149,800
Governor's Office of Youth, Faith, and Family and AHCCCS funding	460,000
Phoenix VA Health Care System contract (VA Funding)	2,000,000
Private Foundation Grants	95,000
Total	\$3,704,800
^{1/} One full year of General Fund appropriations after accounting for the full-time program coordinator.	



Arizona Department of Veterans' Services
Veterans' Suicide Prevention Services
Joint Budget Legislative Committee – Expenditure Report for FY2020
11/2020

In FY2020, the Arizona Department of Veterans' Services agency budget included a line item appropriation for Veterans' Suicide Prevention for \$1,225,500. This is an expenditure report for the funding and includes the status of non-state matching grant monies.

History of the Be Connected Program

The Be Connected program launched in April 2017. The program is a collaborative public/private partnership between the Arizona Department of Veterans' Services, U.S. Department of Veterans Affairs, Governor's Office of Youth, Faith and Family, Arizona Coalition for Military Families and other key stakeholders statewide. The purpose of the program is to address the disparities in veteran suicide compared to the general population with an upstream prevention approach.



Be Connected was created in response to an identified need. Over an 18-month period of time, the Arizona Violent Death Reporting System found that Arizona veterans were at 3-4x higher risk of suicide than the general population. The office of the late Senator John McCain was instrumental in having Arizona designated as a pilot program state for the federal Clay Hunt Suicide Prevention for American Veterans Act. This designation provided the grounds for the VA within Arizona to partner with the community to address suicide prevention.

After a year-long strategic planning process, the Be Connected program was created. It is based on a highly effective program implemented in support of the Arizona National Guard by the Arizona Coalition for Military Families and other key partners. From 2008-2010, the Arizona National Guard experienced the highest rate of suicide ever three years in a row. A comprehensive program was put in place to 1) train all 8,000 National Guard members and their families 2) transform the culture relating to seeking and helping people connect to support through command messaging and communications and 3) a 24/7 phone line to connect people to care. As a result of this program, the Arizona National Guard went from the highest rate of suicide ever to three years with zero suicides and an increased use of available supportive services.

Be Connected is focused on using the effective elements of this program to focus on the much larger population of 500,000+ service members, veterans and their families statewide.

Be Connected Website: www.BeConnectedAZ.org

Be Connected Support Line: 1-866-4AZ-VETS (429-8387)

Program Growth and Expansion

The following shows the growth and expansion of Be Connected over the past 3.5 years. The program was built by establishing components and then expanding them, with an overall goal of providing statewide reach.

2017

Be Connected launched in April 2017, with one support line team member, the resource matching website and training for community helpers.

2018

Be Connected expanded to three support line team members and added three navigator team members (north, central, south) with continued training.

2019

Be Connected expanded to eight navigator team members statewide and launched a statewide roadshow to engage partner communities and organizations.

2020

Be Connected expanded to six support line team members and fourteen navigator team members statewide. Specialty teams for career navigation and a focus on opioid use disorder were also put into place.



Be Connected

team members are located statewide and collectively serve every community across Arizona.

FY2020 Be Connected Funding

The Be Connected line item funding included the directive that the funds be distributed to a nonprofit organization. Funds were contracted to Technical Assistance Partnership of Arizona (TAPAZ)/Arizona Coalition for Military Families (ACMF), an Arizona nonprofit and 501(c)(3) organization. ACMF is the public/private partnership and collective impact initiative that has operated since 2009 specifically to implement initiatives on behalf of military/veteran key stakeholders in Arizona. With the line item funding, the goal was to have a combination of state and federal funds to support operation and expansion of Be Connected.

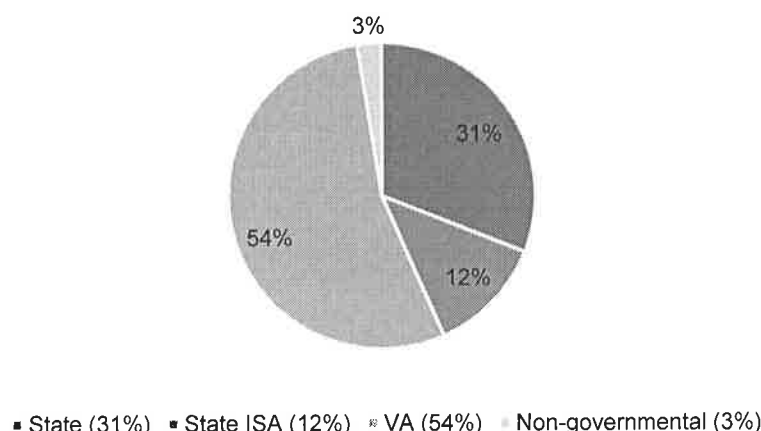
At the time the funding was put in place, TAPAZ/ACMF held a short-term contract with the U.S. Department of Veterans Affairs to support the Be Connected program. It was not known at the time if further VA funds would be available, however in April 2020 a contract was put in place for one year plus four option years to support Be Connected. This funding now complements the state funding as originally envisioned.

In addition to the line item appropriation for Veterans' Suicide Prevention for core Be Connected funding, the Arizona Department of Veterans' Services also holds intergovernmental service agreements (ISAs) with the Governor's Office of Youth, Faith and Family and the Arizona Health Care Cost Containment System to implement specialized areas of focus for Be Connected for employment and opioid use disorder respectively. These funds come from federal grant funds to the respective agencies.

The following chart shows the funding source breakdown for operating Be Connected, with the percentages from state funding (dedicated veteran suicide prevention funds), funds from the ISAs, funds from the VA and funds from non-governmental sources such as grants and foundations.

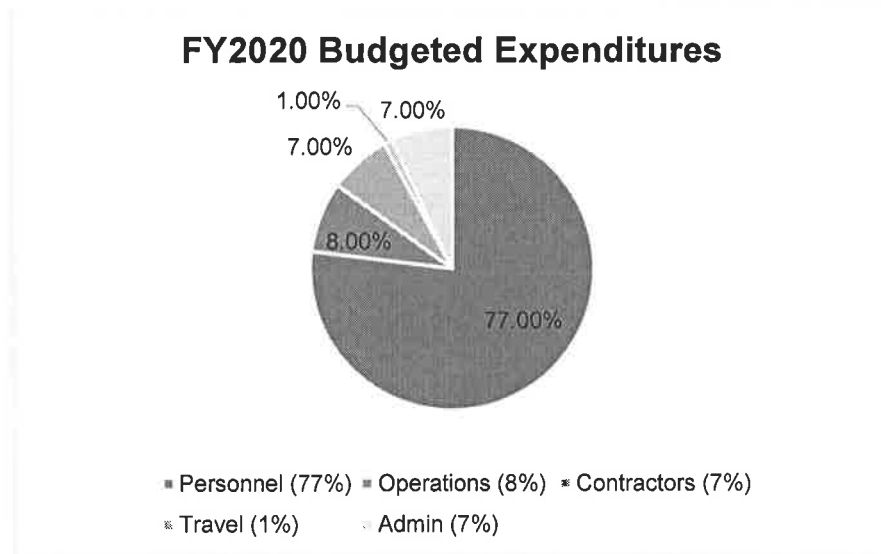
As described above, this composition of funding has allowed for full expansion of the Be Connected program.

FY2020 Funding Source Breakdown



State: \$1,149,786 **State ISA:** \$460,166 **VA:** \$2,004,586 **Non-governmental:** \$95,000

The following chart shows the budgeted expenditures for Be Connected for FY2020. The greatest share of the budget supports personnel costs for provision of services and operation of the program. Operations was the second largest expense. Contractors is the third largest expense, which includes costs such as data & evaluation (in partnership with the ASU College of Health Solutions), web development, strategic planning and video and graphic design for outreach materials and communications. The remaining costs include travel and administrative expense.



Personnel: \$2,856,344 Operations: \$296,763 Contractors: \$259,668
Travel: \$37,095 Admin: \$259,668

Data Report

Be Connected includes a focus on providing direct services and navigation to service members, veterans, family members and helpers, as well as a focus on building our community's capacity to provide effective support to all who serve and their families through training and outreach. This is an overview of the program activity for FY2020.



18,159

DIRECT SERVICE ENCOUNTERS BY
SUPPORT LINE & NAVIGATOR TEAMS



8,363

COMMUNITY MEMBERS
& PROVIDERS TRAINED



2,444

RESOURCES MAPPED ON THE
BE CONNECTED WEBSITE



75,401

COMMUNITY OUTREACH CONTACTS
VIA IN-PERSON, ONLINE AND MEDIA

Key Initiatives for FY2020

Team Expansion – The Be Connected team expanded to more than 35 team members statewide, including Mohave County, Flagstaff, Prescott, Payson, Show Low, Phoenix, Tucson, Sierra Vista and Yuma.

Be Connected Program Model – A focus of this year was development and codifying of the Be Connected program model. This allows for continuous improvement activities according to policies and standards of work, as well as information sharing with other states and communities implementing similar work. Be Connected is being implemented in alignment with the Arizona Management System, including regular team huddles and data tracking.

Be Connected: Career Navigation – The Be Connected: Career Navigation program launched this past year. This program builds upon the Arizona Roadmap to Veteran Employment, a partnership between the Governor's Office, Arizona Department of Veterans' Services, Arizona

Coalition for Military Families and other stakeholders and further integrates the employment effort with Be Connected as an upstream suicide prevention strategy. The Career Navigation team works with service members, veterans and family members from those who are career ready and need support to connect to opportunities with our Arizona Veteran Supportive Employers to those who face barriers to gaining or maintaining employment. The Career Navigation team continues implementation of the statewide SkillBridge MOU with Luke Air Force Base, Davis-Monthan Air Force Base and Ft. Huachuca. A recognition event was held in March 2020 (just before the COVID-19 shutdown) to honor the organizations that earned the Arizona Veteran Supportive Employer designation.

COVID-19 – Due to COVID-19, all Be Connected services and training were pivoted to online delivery. The navigator team now provides some services in person, with proper precautions.

Be Connected: Door-to-Door – The Be Connected: Door-to-Door program is launching in northern Arizona to address the transportation needs of rural veterans. This project was developed based on a need identified by the U.S. Department of Veterans Affairs and a needs assessment and strategic planning process with community stakeholders. Volunteer drivers are being recruited to connect veterans to essential needs. Initially, due to COVID-19, the program will start with no-contact delivery of essentials like food and personal protective equipment (PPE). When it's safe to do so, the goal of Door-to-Door is to connect veterans, family members and caregivers to essential needs such as medical appointments, grocery stores, pharmacies and social and recreational opportunities.

Vulnerability & Resilience Index – This past year, the Arizona Coalition for Military Families received a second year of technical assistance and funding from the CDC and CDC Foundation for a Veteran Evaluation Demonstration Project. The purpose of the grant is to build capacity around data and evaluation. The Arizona project consisted of development of two tools: a state scorecard focused on readiness to implement upstream suicide prevention work and a vulnerability index focused on identifying which segments of the veteran population are at greatest risk of suicide. This project is forming the basis for future work to best extend support to those veterans at highest risk through Be Connected.

Rural Arizona Connects – Through a partnership with the Arizona Center for Rural Health, the Arizona Coalition for Military Families has had a focus on reaching rural veterans with Be Connected. The project focused on engaging Critical Access Hospitals, Rural Health Clinics and other community organizations in targeted communities in the southern region.

Arizona Veteran Survey – In 2019, the second Arizona Veteran Survey was conducted. The survey received over 11,000 responses statewide and the data is informing continued development and advancement of the Be Connected program.

Key Initiatives for FY2021

In addition to continuous improvement of existing Be Connected program components (support line, resource navigation, resource mapping on the website and community training), FY2021 will include a focus on these key initiatives:

High-Risk Populations Project – Based on the work done for the CDC/CDC Foundation project in FY2020, this year includes a significant focus on identifying segments of the population that are at known higher risk and proactively engaging them in supportive services and resource navigation.

Communications – One of the results of COVID-19 was that traditional ways that service members, veterans and families were referred to Be Connected were cut off in many cases due to restrictions on in-person convenings and services. This year includes a focus on strategic communications to ensure awareness about the program and also to support implementation of the high risk project. Strategies and approaches include billboards and a Be Connected magazine. A video campaign is also being deployed called *We're Here for You: Call Be Connected*, which introduces viewers to the concept of upstream prevention and to the Be Connected team, to put a face to the help available. The campaign can be viewed here: <https://vimeo.com/showcase/7624225>

Be Connected: Door-to-Door – This year will see a continued focus on Be Connected: Door-to-Door, including expansion to other communities with an identified need for volunteer driver programs. The Be Connected team is also part of the Maricopa Association of Governments Rural Transportation Incubator cohort, which provides technical assistance and cross-participant sharing opportunities.

Systems & Coordination of Care – It is common for veterans and their families to access care in multiple systems (e.g. VA and community providers). Because of this, it is vitally important that there is strong coordination of care across systems. This project will focus on working with healthcare and other systems to strengthen coordination of care and connection to Be Connected for resource navigation and support.

Acknowledgments

Thank you to the Governor and legislature for this essential support of veteran suicide prevention efforts. Through this funding a strong foundation is in place to address the significant disparity in veteran suicide rates and to support the strength and resilience of all those who have served, their families and communities.



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DATE: December 9, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Alexis Pagel, Fiscal Analyst

SUBJECT: Arizona Department of Administration/Department of Economic Security - Review of Child Care ATLAS System Replacement

Request

Pursuant to an FY 2021 General Appropriation Act footnote, the Arizona Department of Administration (ADOA) has requested that the Committee review \$14,282,300 of Federal Funds and \$7,357,600 of Other Appropriated Funds in FY 2021 for replacement of the Arizona Tracking and Locate Automated System (ATLAS) used by the Department of Economic Security (DES) - Division of Child Support Enforcement (DCSE).

The request was submitted 5 days after the agency submission deadline.

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) Requested FY 2021 expenditures for the ATLAS replacement are \$21.6 million and total costs for the 5-year project are estimated at \$58.7 million.
- 2) Funding for the project consists of Federal Funds (66%) and Other Appropriated Funds (34%).
- 3) The project is scheduled to take 5 years to complete with the majority of funds being expended in years 1 and 2.
- 4) Operational costs are estimated at \$2.0 million starting in FY 2025.

(Continued)

The Information Technology Authorization Committee (ITAC) approved the 5-year \$58.7 million project at its October 21, 2020 meeting. ITAC required DES to submit an amendment to the Project Investment Justification (PIJ) for review and approval should there be significant changes to the scope of work or project costs exceed the approved estimated costs by 10% or more. Additionally, DES is required to work with ADOA security to ensure that the vendor has completed necessary steps to access, transmit, process, or store state data.

Pursuant to A.R.S. § 18-104, if project costs are greater than \$5.0 million, agencies are required to contract with an independent third party to provide additional analysis of project implementation progress. Statute requires agencies to submit quarterly progress reports from the third-party consultant to ITAC and the JLBC. DES has selected the vendor for this, included in the project budget. The Committee may consider the following provision:

- A. Until completion of the project, DES shall submit quarterly progress reports from the third-party consultant to JLBC pursuant to A.R.S. § 18-104 in a timely manner.

In addition, the Committee may consider this following provision regarding the availability of funds:

- B. A favorable review by the Committee does not constitute endorsement of any supplemental funding request that may be required for project costs or any operational costs when the project is complete.

Analysis

Background

The DES DCSE utilizes the mainframe system named ATLAS in order to manage child support cases and disbursement of collections. The ATLAS system currently manages over 300,000 child support cases and \$700.0 million in collections each year along with storage of 1.9 billion active and inactive records.

According to DES, there are several deficiencies of the ATLAS system, including the need for extensive learning to become proficient in its processes, a difficult-to-maintain security infrastructure, and a lack of customer self-service opportunities in the system.

Replacement of the system will allow for a cloud-based environment that DES states will improve efficiency, timeliness and customer service in addition to allowing for greater use of business intelligence queries in the system. The contract for replacement of the system has been awarded as of November 2020.

Current Request

ADOA is requesting a review of the FY 2021 expenditure plan, which would allocate \$21.6 million to begin replacing the system within DES. Funding for this project consists of Federal Funds (66%) and Other Appropriated Funding (34%). Based on Federal Funds covering 66% of the costs, *Table 1* displays the 5-year expenditure plan for development of the new system. Operational costs of the system are expected to total \$2.0 million yearly starting in FY 2025 and are not included in *Table 1*.

The estimated timeline for the project is listed below in *Table 2*.

(Continued)

Table 1

5-Year Development Expenditure Plan

<u>Year</u>	<u>Federal Funds</u>	<u>Other Appropriated Funding</u>	<u>Total</u>
FY 2021	\$14,282,300	\$7,357,600	\$21,639,900
FY 2022	13,514,200	6,961,800	20,476,000
FY 2023	5,421,000	2,792,700	8,213,700
FY 2024	4,051,300	2,087,000	6,138,300
FY 2025	<u>1,498,500</u>	<u>772,000</u>	<u>2,270,500</u>
Total	\$38,767,300	\$19,971,100	\$58,738,400

Table 2

Proposed Project Timeline

<u>Description</u>	<u>Completion</u>
Initiation & Planning	March 2021
Requirements Validation	March 2021
Design	June 2022
Development	June 2022
System Testing	June 2022
User Acceptance Testing	September 2022
Implementation	January 2024
Warranty	January 2024
Transition	January 2025
Operations & Maintenance	January 2025
Closeout	January 2025
Input Paid Invoices	March 2025

AP: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

November 24, 2020

The Honorable David M. Gowan, Chairman
Arizona House of Representatives
Joint Legislative Budget Committee
1700 West Washington Street
Phoenix, Arizona 85007



The Honorable Regina E. Cobb, Vice-Chairman
Arizona State Senate
Joint Legislative Budget Committee
1700 West Washington Street
Phoenix, Arizona 85007

Dear Senator Gowan and Representative Cobb:

The Arizona Department of Administration (ADOA) is submitting this request for review of the fiscal year 2021 Non-Automation Projects Fund (APF) with the project related to the Department of Economic Security, DCSS ATLAS Replacement Project. The monies have been appropriated to support the Non-APF expenditure plan.

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 black ink, appearing to read "J.R. Sloan".

J.R. Sloan
State CIO

Enclosures

cc: Richard Stavneak, Director, JLBC
Matthew Gress, Director, OSPB
Andrew Tobin, Director ADOA
Derik Leavitt, Assistant Director, ADOA
Rebecca Perrera, JLBC Staff
Will Palmisano, OSPB Staff

Agency: Department of Economic Security

Project: DCSS ATLAS Replacement

Appropriation: ADES Operating Lump Sum - Child Support Enforcement Expenditure Authority

CURRENT REQUEST

The Department of Administration on behalf of the Department of Economic Security, is requesting favorable review of \$21,639,879, which consists of 66% Federal funding and 34% of Other appropriated funding from Non - Automation Projects Funds to begin the development of the DCSS ATLAS Replacement. Funding will be requested over the next five years for the development of this project; total projected project cost is \$58,738,365.

FY 2021 Appropriation	FY 2021 Favorably Reviewed	FY 2021 Current Request	FY 2021 Remaining Balance
\$14,282,321	\$0	\$14,282,321	\$0

FY 2021 Other Appropriation	FY 2021 Favorably Reviewed	FY 2021 Current Request	FY 2021 Other Appropriation Remaining Balance
\$7,357,558	\$0	\$7,357,558	\$0

PROJECT DESCRIPTION

Background

The ADES Division of Child Support Services (DCSS) provides timely child support services that are in the best interest of the child. These services include the collection and disbursement of child support payments; establishment of legal paternity for children born out of wedlock; establishment of medical and child support orders; and the location of noncustodial parents. The ADES utilizes a legacy mainframe system named the Arizona Tracking and Locate Automated System (ATLAS) to manage more than 300,000 child support cases across the state and disburse more than \$700M in collections each year. As one of the oldest child support systems in the country, ATLAS has several deficiencies:

- **Technical Platform** – The core ATLAS application is mainframe-based and is almost 20 years old. Technical resources are needed to support the maintenance and operations of the mainframe system and are increasingly difficult to locate, often requiring significant in-house training. The unit that currently works with ATLAS consists of an aging workforce that would result in DCSS being at risk if these individuals leave the agency leaving inexperienced new hires who have less knowledge of older languages to maintain the system.
- **Usability** – The current system utilizes an older mainframe user interface (UI) approach. Navigation between the 720 screens in ATLAS is not intuitive and users require an extended period to become proficient in its use. Many transactions require data input and/or queries on multiple, disconnected screens causing redundant, error-prone work.
- **System Security** – The security infrastructure of ATLAS is complex and difficult to maintain. With independent security components utilized in the periphery systems and the complexity of the ATLAS application, maintaining appropriate security controls are proving to be increasingly difficult. Due to the sophistication of today's security threats and the sensitivity of data stored within ATLAS

(such as Personally Identifying Information (PII), Federal Tax Information (FTI), and cases involving a protective order), system security concerns are becoming more pronounced.

- *Inflexibility* – Changes to business processes to achieve efficiencies or changes to comply with updated state laws and are difficult and time-consuming to implement in ATLAS. Significant analysis and testing is required for changes and often experience delays resulting in limitation of Arizona claims of additional federal dollars to operate the child support program.
- *Data Reliability and Reporting* – Accurate reporting of program statistics is a challenge for DCSS staff to comply with federal reporting requirements. The reporting process is complex and requires significant manual intervention and staff time to execute. Tableau business intelligence tool has provided an opportunity to apply predictive analytics in certain circumstances, but it is limited in effectiveness, due to the data integrity issues brought forward by ATLAS.
- *Customer Access* – The current system lacks advanced real-time customer access to case information through the ADES-DCSS website. The lack of customer self-service opportunities increases telephone traffic to the DCSS call center, which often results in extended call wait times. Additionally, caseworker staff efficiency is decreased due to walk-in clients visiting DCSS offices to complete even simple transactions which could be handled with a robust self-service web portal.

Solution

The DCSS ATLAS Replacement will have the ability to move into a cloud based environment with a modern technology platform allowing design principles that facilitate future maintenance and enhancements, improve efficiency and timely delivery of services, resulting in an improvement of performance measures through automated workflows. Additionally, the solution will increase customer service with easily accessed information of case managers, increased use of predictive analytics through business intelligence queries directly in the system and reduce development and implementation time by transferring a federally certified system. The solution will be responsible for integrating with various systems allowing the ability to accurately collect, dispensing and enforcing child support laws following the Family Support Act of 1988 (FSA-88).

Benefits

The DCSS ATLAS Replacement project will result in the following benefits:

- *Service Enhancement* – The modernized/replacement ATLAS system is expected to provide DCSS with new functional capabilities and increased automated processes, offering opportunities for DCSS to enhance child support enforcement services.
- *Cost Reduction* – The current ATLAS system is complex in design and requires highly skilled technical personnel to make changes to business processing rules. DCSS shall request functional capabilities within the system to allow the modification of business rules by DCSS business analysts. In addition, there are current processes that force case managers to manually enter data that is readily available from other systems and organizations. The modernized/replacement ATLAS system is expected to support more efficient methods of obtaining data.
- *Problem Avoidance* – The design of the current ATLAS system makes system access and usage a complex task for the DCSS workforce. The modernized/replacement system is expected to address current system usage problems by providing a “user friendly” worker interface. ATLAS is essentially a data entry system; the current best practices are to move towards a decision support system that provides field personnel with recommendations. The upgraded system is expected to address these issues with real-time data collection using mobile technology, Interactive Voice Response (IVR) systems, Global Positioning System (GPS), multimedia, biometric scanning, and sensing solutions.
- *Increased Collections* – A modern case management system is expected to increase child support collections by allowing for enhanced tracking of payment sources, automated data cross-matches with more financial institutions to increase the sources of funds intercepted, and enhanced

predictive analytics for targeted case management activities to include enforcement and early intervention.

PROJECT GOALS/MILESTONES

Define your goals and milestones, Start Date, End Date, and duration.

Description	Start Date (Est.)	End Date (Est.)	Duration (weeks/months)
Initiation & Planning	1/4/2021	3/31/2021	3 Months
Requirements Validation	1/4/2021	3/31/2021	3 Months
Design	4/1/2021	6/30/2022	1 Year 3 Months
Development	4/1/2021	6/30/2022	1 Year 3 Months
System Testing	6/30/2021	6/30/2022	1 Year
User Acceptance Testing	7/1/2022	9/30/2022	3 Months
Implementation	10/1/2022	1/4/2023	1 Year 4 Months
Warranty	1/4/2023	1/3/2024	1 Year
Transition	1/4/2023	1/3/2025	2 Years
Operations & Maintenance	1/4/2023	1/3/2025	2 Years
Closeout	12/1/2024	1/3/2025	1 Year 1 Month
Input Paid Invoices	1/3/2025	3/4/2025	2 Months

PROJECT COST DETAIL

Professional Services

Vendor to complete all major implementation tasks to include design, development, testing, training, implementation, federal certification, warranty, knowledge transfer, and operations and maintenance \$38,181,267

IV&V

Vendor to provide independent quality control reports detailing project performance and risk \$2,894,520

Quality Management/Testing

Vendor to assure key quality management processes govern each phase of development and implementation \$4,754,424

Hardware/Software/Licensing

\$8,332,217

Facilities

\$4,575,937

Total Development Cost for FY [Year]

\$58,738,365

Project Cost by Category	PY21	PY22	PY23	PY24	PY25	Total
Professional & Outside Services	\$18,189,039	\$17,594,740	\$5,255,725	\$3,171,372	\$1,619,335	\$45,830,211
Hardware						
Software	1,880,029	1,932,212	\$2,008,963	2,017,968	493,046	8,332,217
Communications						
Facilities	1,570,811	948,987	948,987	948,987	158,165	4,575,937
License & Maintenance Fees						
Other Operational Expenditures						
Total Development	21,639,879	20,475,939	8,213,675	6,138,327	2,270,545	58,738,365
Total Operational					2,017,968	2,017,968



STATE OF ARIZONA

Joint Legislative Budget Committee

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BEN TOMA

DATE: December 9, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Lauren Jorgensen, Fiscal Analyst

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

Request

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, the Department of Economic Security (DES) must submit a report for review by the Joint Legislative Budget Committee (JLBC).

DES requests Committee review of a retroactive transfer of \$1,575,000 of General Fund monies out of the FY 2020 Case Management - State Only line item as follows:

- \$1,275,000 into the FY 2020 line item for Targeted Case Management - Medicaid.
- \$300,000 into the FY 2020 line item for Home and Community-Based Services - State Only.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) DES is requesting transfers of \$1.3 million into Targeted Case Management and \$300,000 into Home and Community-Based Services for a retroactive FY 2020 adjustment to reflect actual costs.
- 2) The transfers would be financed by a decrease of \$(1.6) million from Case Management.

(Continued)

Analysis

DDD Line item Transfer

As a result of DES moving significant funding out of service lines into administration and case management in previous years, the FY 2020 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.

DES plans to transfer \$(1.6) million of General Fund monies out of the Case Management - State Only line item in FY 2020. The transfer will include a corresponding increase of \$1.3 million for Targeted Case Management - Medicaid and \$300,000 for Home and Community-Based Services - State Only. The transfer is intended to align DES' actual costs by service category with the original amounts allocated by special line item.

LJ:kp



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Douglas A. Ducey
Governor

Michael Wisehart
Director

November 25, 2020



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

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

Dear Senator Gowan and Representative Cobb:

The Arizona Department of Economic Security (DES/Department) is requesting a review of the Division of Developmental Disabilities (DDD) expenditure plan, pursuant to Laws 2020, Second Regular Session, Chapter 58, Section 27:

The department shall report to the Joint Legislative Budget Committee on or before August 1, 2020, the number of filled positions for case managers and non-case managers in the Division of Developmental Disabilities as of June 30, 2020. The department shall submit an expenditure plan of its staffing levels for review by the Joint Legislative Budget Committee if the department plans on hiring staff for non-case manager, non-case aide, non-case unit supervisor and non-case section manager positions above the staffing level indicated in the August 1, 2020 report.

DES is also requesting a review of appropriation transfer plans for the DDD as required by Laws 2020, Second Regular Session, Chapter 58, Section 27:

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

Filled Positions

DDD Membership growth has been consistent over the past several years, increasing by 5.3 percent in Fiscal Year (FY) 2020 and is projected to grow by another 5.0 percent in FY 2021. Growth in membership and the additional staffing needed to maintain the safety of members through the COVID-19 Pandemic requires DES to hire case management staff to follow Centers for Disease Control and Prevention guidelines and non-case management staff to support them. Providing adequate operational support to frontline staff allows them to maintain focus on members and their families. The filled positions and staffing plans listed below are spread across the state to improve the provision of care for all members.

The filled position reports submitted in 2019 and 2020 reflected non-case management positions of 945 and 1,086, respectively, for an increase of 141 Full-Time Equivalent positions over that period. Subsequently, the Department has hired an additional 7 direct care staff and 24 managed care staff, responding to caseload growth and leveraging the availability of qualified candidates. Direct care consists primarily of nursing and habilitation positions that care for and provide assistance to DDD members in their daily lives. Managed care represents a combination of direct care oversight and administrative functions, including nursing supervisors and those positions necessary for DDD to function efficiently and administer the Arizona Long Term Care System services, Targeted Case Management (TCM), and State-Only programs which include training, project management, and a portion of quality management staff. Simultaneously, turnover rates for some positions discussed below have temporarily slowed during the COVID-19 Pandemic.

Table 1 below outlines the changes between June 2019 and the Department's current staffing levels. The growth in non-case management is needed to support case management positions by providing coordination, oversight and workload assistance in order to properly support case management staff as they handle complex and rapidly growing workloads.

Table 1: Filled Positions History

Position Type	Filled Positions (6/30/2019)	Filled Positions (6/30/2020)	Current Staffing Level
Case Management	1,150	1,173	1,185
Direct Care (Non-Case Management)	653	791	798
Managed Care (Non-Case Management)	292	295	319
Total	2,095	2,259	2,302

Quality Management Staff

On November 1, 2019, the Abuse and Neglect Prevention Task Force, established by Executive Order 2019-03, reported findings that included a recommendation that the Arizona Health Care Cost Containment System (AHCCCS) and DES should improve the tracking and public availability of information, and strengthen training opportunities for members, their families and facilities to identify abuse. The task force also called for improved public awareness and multi-agency coordination. This has led to an increase in investigations and reports statewide, driving the need for additional staff across all protective services.

As part of its commitment to protect DDD members and vulnerable adults, DES has been working with AHCCCS to strengthen the Quality Management Unit (QMU). These positions allow the Department to fulfill contractual obligations to monitor, assess, investigate and report quality management and performance. In June of 2018, AHCCCS conducted a focused audit of quality management operations at DDD, which determined that there was a lack of clinical staff carrying out quality of care functions. DES has been working to resolve this finding, despite the high QMU turnover in FY 2019 and even higher

levels of turnover in FY 2020. DES retained 70 QMU staff between FY 2019 and FY 2020 for a total of 133 QMU staff. Drawing on these experienced staff and planned hires, the Department will continue to monitor and evaluate individual member needs and to develop robust and targeted provider training to address quality of care concerns.

Table 2, below, provides a breakout of the non-case management positions that have been filled following the exceptionally low staffing report submitted by the Department on June 30, 2019, as well as planned hiring to support the QMU and address the AHCCCS audit finding. DES also intends to backfill temporarily vacant positions.

Table 2: Staffing Level Changes After June 30, 2019 Letter in Non-Case Management Positions

Non-Case Management Positions	Staffing Changes Between June 30, 2019 and Current Staffing Level
State-Operated Direct Care	68
Quality Management Staff	70
Support Coordinator Administration	9
Training and Process Improvement	15
Project Management	6
Community Resources	4
Subtotal: Staffing Level Changes	172
<i>Hiring Plan: Quality Management Staff</i>	34
<i>Hiring Plan: Expected Backfill</i>	17
Total:	223

Transfer Review

The Department is requesting a transfer of General Fund appropriation authority out of the State Only Case Management Special Line Item (SLI) into the TCM and State Only Home and Community Based Services SLI in order to cover an appropriation shortfall in these lines for FY 2020.

The Honorable Regina E. Cobb
The Honorable David Gowan
Page 4

Special Line Item	Fund Source	Amount (\$)
DE21 – Case Management - State Only	General Fund	(1,575,000)
DE21 – Targeted Case Management	General Fund	1,275,000
DE21 – Home and Community-Based Services - State Only	General Fund	300,000

The Department remains committed to serving members in their homes, and transferring funds into Home and Community Based Services - State Only will allow DES to support members and promote personal dignity and independence. This transfer will also enable the Department to maintain the caseload ratio in FY 2021, allowing for uninterrupted services for DDD members and remaining in compliance with the AHCCCS - DDD contract.

This transfer is necessary in order to align appropriation authority and funding with expenditures and cash flow for FY 2020. Approval of this transfer request will ensure that the Department is in compliance with Medicaid regulations and reduces the risk of lost federal revenue.

Sincerely,



Michael Wisehart
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
Holly Henley, Director, Arizona State Library, Archives and Public Records



STATE OF ARIZONA

Joint Legislative Budget Committee

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BEN TOMA

DATE: December 9, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Patrick Moran, Principal Fiscal Analyst

SUBJECT: Arizona Department of Education - Review of Career and Technical Education (CTE) Credential List

Request

The Arizona Department of Education (ADE) requests Committee review of the career technical education industry credentials list for the Arizona Industry Credential Incentive Program, as required by A.R.S. § 15-249.15.

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) ADE established a list of Career and Technical Education (CTE) programs eligible for \$1,000 incentive payment per student authorized by FY 2020 budget (begins in FY 2021).
- 2) Eligibility based on "in-demand education list" developed by the Office of Economic Opportunity (OEO).
- 3) CTE programs will receive \$3.7 million of incentive payments in FY 2021 for 3,667 students completing a qualifying program.
- 4) Programs receiving most incentive payments include Nursing Services, Medical Assisting Services, and Sports Medicine and Rehabilitation.

(Continued)

Analysis

The FY 2020 K-12 Budget Reconciliation Bill (BRB) established the Arizona Industry Credentials Incentive Program, which provides school districts, charter schools, and Career and Technical Education Districts (CTEDS) with \$1,000 per graduating high school student who obtains a certification, credential or license that is accepted by a vocation or industry through a career technical education course or program. The program is funded on a one-time basis in each of FY 2021 and FY 2022 with a \$5.0 million deposit from the General Fund into the Arizona Industry Credential Incentive Program Fund.

FY 2021 Incentive Payments by Program	
<u>CET Program Type</u>	<u>Incentive Payments</u>
Nursing Services	\$646,500
Medical Assisting Services	447,000
Sports Medicine and Rehabilitation	321,500
Construction Technologies	308,500
Welding Technologies	285,000
Veterinary Assisting	178,000
Engineering	127,500
Bioscience	124,500
Emergency Medical Services	104,500
Dental Assisting	99,000
All Other	<u>1,025,000</u>
	\$3,667,000

ADE is required to annually publish and post on its website and submit to JLBC for review the career technical education industry credentials list that are eligible for the \$1,000 payment. Prior to publishing the list, ADE receives an "in-demand education list" from the Office of Economic Opportunity (OEO) that identifies and ranks top occupations in each industry that "address a critical statewide, regional, or local economic need." ADE is then required to convene a "quality skills commission" consisting of representatives from the Arizona Commerce Authority, districts, charter schools, CTEDs, industry, and business to review certificates, credentials, and licenses that qualify for the \$1,000 payment before publishing the list. ADE reports that for FY 2021, the final list includes only credentials associated with CTE

programs that received a rating of at least 3 out of 5 on OEO's in-demand education list.

Incentive payments made in FY 2021 are based on credentials that were earned by high school students that graduated in 2019. The department reports that 3,667 unduplicated students received a qualifying credential in 2019, generating total incentive payments of \$3.7 million in FY 2021, including \$1.7 million for CTEDs and \$2.0 million for school districts. *Table 1* shows the incentive payments by type of program for FY 2021, while *Table 2* displays incentive payments by type of credential (Some credentials, such as Occupational Safety and Health Administration (OSHA) 10-hour outreach trainings, are available in multiple programs).

Given the original \$5.0 million appropriation for the program, the \$3.7 million of expenditures will result in \$1.3 million in unspent monies for the program in FY 2021. The \$1.3 million will be available for expenditure in FY 2022, as monies in the Arizona Industry Credential Incentive Fund are non-lapsing.

PM:kp

FY 2021 Incentive Payments by Credential Type	
<u>Credential Type</u>	<u>Incentive Payments</u>
OSHA-10 Outreach Training	\$1,167,500
Certified Nursing Assistant	494,500
Certified Clinical Medical Assistant	245,000
Emergency Medical Responder/Technician	155,500
American Welding Society	149,500
Approved Veterinary Assistant	140,500
National Center for Construction Education and Research (Core)	117,500
Certified SolidWorks Associate/Professional	93,000
Microsoft Office Specialist	90,000
All Other	<u>1,014,000</u>
	\$3,667,000



Arizona Department of Education



TO: Patrick Moran
Analyst, Joint Legislative Budget Committee

FROM: Callie Kozlak
Associate Superintendent, Policy & Government Relations

Date: March 13, 2020

RE: Career Technical Education Industry Credentials List, School Year 2019-2020 and 2020-2021

Dear Patrick Moran,

Per A.R.S. § 15-249.15(E), the Arizona Department of Education is required to submit the Career Technical Education Industry Credentials List to the Joint Legislative Budget Committee that includes only those certificates, credentials, and licenses that would qualify for the Arizona Industry Credentials Incentive Program.

Please find enclosed the CTE Industry Credentials List for School Year 2019-2020 and 2020-2021. The lists are categorized by sector, Classification of Instruction Program code, program name, and credential. In the SY 2020-2021 list, you will find those programs that received a rating of two or below from the Office of Economic Opportunity's ratings have been removed.

Please reach out to ADE's Policy & Government Relations Office with any questions.

Sincerely,

Callie Kozlak
Associate Superintendent, Policy & Government Relations.

Enclosure



Arizona Department of Education



Arizona Industry Credential Incentive Program: 2019 Graduates

Summary

Participating Local Educational Agencies (LEAs) reported that 3,731 2019 graduates from individual schools such as school districts and Career Technical Education Districts (CTEDs) obtained a total of 3,936 credentials (i.e. certificates or licenses) in select, high-demand industries. One hundred sixty-eight of these students obtained between 2 - 4 credentials each. Sixty-four students obtained credentials while attending a school district and a CTED.

One thousand seven hundred thirteen students obtained eligible credentials through a Career Technical Education District (CTED). Seventy-four students obtained between 2 - 4 credentials each. The adjusted student count is 1,681. Incentive payments are prorated for 32 students that attended a school district and a CTED. The projected amount of funding for CTEDs in FY2021 is \$1,681,000.

Two thousand eighteen students obtained eligible credentials through a school district. Ninety-four students obtained between 2 - 4 credentials each. The adjusted student count is 1,986. Incentive payments are prorated for 32 students that attended a school district and a CTED. The projected amount of funding for school districts in FY2021 is \$1,986,000.

A total of 3,731 students were reported in total as obtaining eligible credentials. Each student may generate no more than \$1,000 each. Students that earned more than one qualifying credential (nonduplicative) through their attendance at more than one entity, the funds are prorated equally (\$500 per entity). Incentive payments are prorated for 64 students that attended a school district and a CTED with an adjusted student count of 3,667. The total projected funding in FY2021 is \$3,667,000.

- Table 1 – Career Technical Education Districts (CTEDs)
- Table 2 – School Districts
- Table 3 – All Entities

Table 1 - Career Technical Education Districts (CTEDs)

Entity	Column: A Count of Students	B Count of Credentials Reported	C Count of Students Shared by Two Entities (1 student = .50 in Column D)	D Prorated Amount	E Adjusted Student Count (Column A-D)	F Count of Students that Obtained 2-4 Credentials	G Incentive Amount * Weight (Column D * \$1,000)
CTED: Central Arizona Valley Institute of Technology (CAVIT)	165	165	16.00	8.00	157.00	0	\$157,000.00
CTED: Cobre Valley Institute of Technology (CVIT)	23	23	0	0	23.00	0	\$23,000.00
CTED: Cochise Technology District (CTD)	24	27	11.00	5.50	18.50	3	\$18,500.00
CTED: Coconino Association for Vocations, Industry and Technology (CAVIAT)	33	46	0	0	33.00	11	\$33,000.00
CTED: East Valley Institute of Technology (EVIT)	551	551	0	0	551.00	0	\$551,000.00
CTED: Gila Institute for Technology (GIFT)	35	35	0	0	35.00	0	\$35,000.00
CTED: Mountain Institute Career and Technical Education District (MICTED)	39	40	4.00	2.00	37.00	1	\$37,000.00
CTED: Northeast Arizona Technological Institute of Vocational Education (NATIVE)	8	8	0	0	8.00	0	\$8,000.00
CTED: Northern Arizona Vocational Institute of Technology (NAVIT)	77	77	0	0	77.00	0	\$77,000.00
CTED: Pima County (Pima County CTED)	172	204	11.00	5.50	166.50	32	\$166,500.00
CTED: Southwest Technical Education District of Yuma (STEDY)	4	4	0	0	4.00	0	\$4,000.00
CTED: Valley Academy for Career Technology Education (VACTE)	32	59	0	0	32.00	27	\$32,000.00
CTED: Western Arizona Vocational Education School District #50 (WAVE)	39	39	13.00	6.50	32.50	0	\$32,500.00
CTED: Western Maricopa Education Center #402 (WEST-MEC)	511	511	9.00	4.50	506.50	0	\$506,500.00
Total	1,713	1,789	64.00	32.00	1,681.00	74	\$1,681,000.00

Entity	Column: A Count of Students	B Count of Credentials Reported	C Count of Students Shared by Two Entities (1 student = .50 in Column D)	D Prorated Amount	E Adjusted Student Count (Column A-D)	F Count of Students that Obtained 2-4 Credentials	G Incentive Amount * Weight (Column D * \$1,000)
Agua Fria Union High School District	66	66	1.00	0.50	65.50	0	\$65,500.00
Amphitheater Public Schools	27	27	0	0	27.00	0	\$27,000.00
Ash Fork Joint Unified School District	10	10	3.00	1.50	8.50	0	\$8,500.00
Bagdad Unified School District	3	3	0	0	3.00	0	\$3,000.00
Benson Unified School District	5	5	0	0	5.00	0	\$5,000.00
Bisbee Unified School District	21	22	4.00	2.00	19.00	1	\$19,000.00
Blue Ridge Unified School District	9	9	0	0	9.00	0	\$9,000.00
Buckeye Union High School District	45	47	1.00	0.50	44.50	2	\$44,500.00
Camp Verde Unified School District	2	2	0	0	2.00	0	\$2,000.00
Casa Grande Union High School District #82	31	31	1.00	0.50	30.50	0	\$30,500.00
Catalina Foothills School District	7	7	0	0	7.00	0	\$7,000.00
Chandler Unified School District	90	96	0	0	90.00	6	\$90,000.00
Chinle Unified School District #24	15	15	0	0	15.00	0	\$15,000.00
Chino Valley Unified School District	17	17	1.00	0.50	16.50	0	\$16,500.00
Colorado City Unified School District #124	15	15	0	0	15.00	0	\$15,000.00
Colorado River Union High School District #2	36	37	12.00	6.00	30.00	1	\$30,000.00
Deer Valley Unified School District	78	78	1.00	0.50	77.50	0	\$77,500.00
Duncan Unified School District	3	3	0	0	3.00	0	\$3,000.00
Dysart Unified School District	100	101	2.00	1.00	99.00	1	\$99,000.00
Florence Unified Schools	12	12	0	0	12.00	0	\$12,000.00
Ganado Unified School District 20	36	45	0	0	36.00	9	\$36,000.00
Gilbert Public Schools	8	8	0	0	8.00	0	\$8,000.00
Glendale Union High School District	30	30	0	0	30.00	0	\$30,000.00
Heber-Overgaard Unified School District	5	5	0	0	5.00	0	\$5,000.00
Higley Unified School District	5	5	0	0	5.00	0	\$5,000.00
Holbrook School District #3	3	3	0	0	3.00	0	\$3,000.00
Humboldt Unified School District #22	38	38	0	0	38.00	0	\$38,000.00
J.O. Combs Unified School District	21	21	0	0	21.00	0	\$21,000.00
Joseph City Unified School District	2	2	0	0	2.00	0	\$2,000.00
Kayenta Unified School District #27	4	4	0	0	4.00	0	\$4,000.00
Kingman Unified School District	32	33	1.00	0.50	31.50	0	\$31,500.00
Lake Havasu Unified School District #1	46	46	0	0	46.00	0	\$46,000.00
Mammoth-San Manuel Unified School District	1	1	0	0	1.00	0	\$1,000.00
Marana Unified School District	51	57	3.00	1.50	49.50	5	\$49,500.00
Maricopa Unified School District #20	74	78	15.00	7.50	66.50	4	\$66,500.00
Mayer Unified School District	5	5	0	0	5.00	0	\$5,000.00
Mesa Unified School District	30	30	0	0	30.00	0	\$30,000.00
Morenci Unified School District	1	1	0	0	1.00	0	\$1,000.00
Nogales Unified School District #1	33	33	0	0	33.00	0	\$33,000.00
Page Unified School District #8	22	25	0	0	22.00	3	\$22,000.00
Paradise Valley Unified School District	30	33	0	0	30.00	3	\$30,000.00
Parker Unified School District #27	2	2	0	0	2.00	0	\$2,000.00
Payson Unified School District	8	8	0	0	8.00	0	\$8,000.00
Peoria Unified School District	144	155	1.00	0.50	143.50	11	\$143,500.00
Phoenix Union High School District	47	60	0	0	47.00	13	\$47,000.00
Pinon Unified School District #4	6	8	0	0	6.00	2	\$6,000.00
Queen Creek Unified School District	19	19	0	0	19.00	0	\$19,000.00
Ray Unified School District	9	9	0	0	9.00	0	\$9,000.00
Red Mesa School District 27	2	2	0	0	2.00	0	\$2,000.00
Saddle Mountain Unified School District #90	7	7	0	0	7.00	0	\$7,000.00
Safford Unified School District	4	4	0	0	4.00	0	\$4,000.00
Sahuarita Unified School District	12	12	2.00	1.00	11.00	0	\$11,000.00
Sanders Unified School District #18	10	40	0	0	10.00	10	\$10,000.00
Santa Cruz Valley Unified School District #35	28	28	0	0	28.00	0	\$28,000.00
Santa Cruz Valley Union High School District	2	2	0	0	2.00	0	\$2,000.00
Scottsdale Unified School District	22	22	0	0	22.00	0	\$22,000.00
Sierra Vista Unified School District #68	14	14	0	0	14.00	0	\$14,000.00
St. David Unified School District	7	7	6.00	3.00	4.00	0	\$4,000.00
St. Johns Unified School District	1	1	0	0	1.00	0	\$1,000.00
Sunnyside Unified School District #12	46	62	0	0	46.00	8	\$46,000.00
Tanque Verde Unified School District	5	5	1.00	0.50	4.50	0	\$4,500.00
Tempe Union High School District	118	118	0	0	118.00	0	\$118,000.00
Tolleson Union High School District	37	42	2.00	1.00	36.00	1	\$36,000.00
Tombstone Unified District	1	1	0	0	1.00	0	\$1,000.00
Tucson Unified School District	124	130	5.00	2.50	121.50	6	\$121,500.00
Vall Unified School District	53	53	0	0	53.00	0	\$53,000.00
Valley Union High School District	1	1	1.00	0.50	0.50	0	\$500.00
Wickenburg Unified School District #9	16	16	1.00	0.50	15.50	0	\$15,500.00

Window Rock Unified School District	17	17	0	0	17.00	0	\$17,000.00
Yuma Union High School District #70	187	196	0	0	187.00	8	\$187,000.00
Total	2,018	2,147	64	32	1,986.00	94	\$1,986,000.00

Table 3 - All Arizona Local Educational Agencies (LEAs)

Entity	Column: A Count of Students	B Count of Credentials Reported	C Count of Students Shared by Two Entities (1 student = .50 in Column D)	D Prorated Amount	E Adjusted Student Count (Column A-D)	F Count of Students that Obtained 2-4 Credentials	G Incentive Amount * Weight (Column D * \$1,000)
Agua Fria Union High School District	66	66	1.00	0.50	65.50	0	\$65,500.00
Amphitheater Public Schools	27	27	0	0	27.00	0	\$27,000.00
Ash Fork Joint Unified School District	10	10	3.00	1.50	8.50	0	\$8,500.00
Bagdad Unified School District	3	3	0	0	3.00	0	\$3,000.00
Benson Unified School District	5	5	0	0	5.00	0	\$5,000.00
Bisbee Unified School District	21	22	4.00	2.00	19.00	1	\$19,000.00
Blue Ridge Unified School District	9	9	0	0	9.00	0	\$9,000.00
Buckeye Union High School District	45	47	1.00	0.50	44.50	2	\$44,500.00
Camp Verde Unified School District	2	2	0	0	2.00	0	\$2,000.00
Casa Grande Union High School District #82	31	31	1.00	0.50	30.50	0	\$30,500.00
Catalina Foothills School District	7	7	0	0	7.00	0	\$7,000.00
Chandler Unified School District	90	96	0	0	90.00	6	\$90,000.00
Chinle Unified School District #24	15	15	0	0	15.00	0	\$15,000.00
Chino Valley Unified School District	17	17	1.00	0.50	16.50	0	\$16,500.00
Colorado City Unified School District #124	15	15	0	0	15.00	0	\$15,000.00
Colorado River Union High School District #2	36	37	12.00	6.00	30.00	1	\$30,000.00
CTED: Central Arizona Valley Institute of Technology (CAVIT)	165	165	16.00	8.00	157.00	0	\$157,000.00
CTED: Cobre Valley Institute of Technology (CVIT)	23	23	0	0	23.00	0	\$23,000.00
CTED: Cochise Technology District (CTD)	24	27	11.00	5.50	18.50	3	\$18,500.00
CTED: Coconino Association for Vocations, Industry and Technology (CAVIAT)	33	46	0	0	33.00	11	\$33,000.00
CTED: East Valley Institute of Technology (EVIT)	551	551	0	0	551.00	0	\$551,000.00
CTED: Gila Institute for Technology (GIFT)	35	35	0	0	35.00	0	\$35,000.00
CTED: Mountain Institute Career and Technical Education District (MICTED)	39	40	4.00	2.00	37.00	1	\$37,000.00
CTED: Northeast Arizona Technological Institute of Vocational Education (NATIVE)	8	8	0	0	8.00	0	\$8,000.00
CTED: Northern Arizona Vocational Institute of Technology (NAVIT)	77	77	0	0	77.00	0	\$77,000.00
CTED: Pima County (Pima County CTED)	172	204	11.00	5.50	166.50	32	\$166,500.00
CTED: Southwest Technical Education District of Yuma (STEDY)	4	4	0	0	4.00	0	\$4,000.00
CTED: Valley Academy for Career Technology Education (VACTE)	32	59	0	0	32.00	27	\$32,000.00
CTED: Western Arizona Vocational Education School District #50 (WAVE)	39	39	13.00	6.50	32.50	0	\$32,500.00
CTED: Western Maricopa Education Center #402 (WEST-MEC)	511	511	9.00	4.50	506.50	0	\$506,500.00
Deer Valley Unified School District	78	78	1.00	0.50	77.50	0	\$77,500.00
Duncan Unified School District	3	3	0	0	3.00	0	\$3,000.00
Dysart Unified School District	100	101	2.00	1.00	99.00	1	\$99,000.00
Florence Unified Schools	12	12	0	0	12.00	0	\$12,000.00
Ganado Unified School District 20	36	45	0	0	36.00	9	\$36,000.00
Gilbert Public Schools	8	8	0	0	8.00	0	\$8,000.00
Glendale Union High School District	30	30	0	0	30.00	0	\$30,000.00
Heber-Overgaard Unified School District	5	5	0	0	5.00	0	\$5,000.00
Higley Unified School District	5	5	0	0	5.00	0	\$5,000.00

Holbrook School District #3	3	3	0	0	3.00	0	\$3,000.00
Humboldt Unified School District #22	38	38	0	0	38.00	0	\$38,000.00
J.O. Combs Unified School District	21	21	0	0	21.00	0	\$21,000.00
Joseph City Unified School District	2	2	0	0	2.00	0	\$2,000.00
Kayenta Unified School District #27	4	4	0	0	4.00	0	\$4,000.00
Kingman Unified School District	32	33	1.00	0.50	31.50	0	\$31,500.00
Lake Havasu Unified School District #1	46	46	0	0	46.00	0	\$46,000.00
Mammoth-San Manuel Unified School District	1	1	0	0	1.00	0	\$1,000.00
Marana Unified School District	51	57	3.00	1.50	49.50	5	\$49,500.00
Maricopa Unified School District #20	74	78	15.00	7.50	66.50	4	\$66,500.00
Mayer Unified School District	5	5	0	0	5.00	0	\$5,000.00
Mesa Unified School District	30	30	0	0	30.00	0	\$30,000.00
Morenci Unified School District	1	1	0	0	1.00	0	\$1,000.00
Nogales Unified School District #1	33	33	0	0	33.00	0	\$33,000.00
Page Unified School District #8	22	25	0	0	22.00	3	\$22,000.00
Paradise Valley Unified School District	30	33	0	0	30.00	3	\$30,000.00
Parker Unified School District #27	2	2	0	0	2.00	0	\$2,000.00
Payson Unified School District	8	8	0	0	8.00	0	\$8,000.00
Peoria Unified School District	144	155	1.00	0.50	143.50	11	\$143,500.00
Phoenix Union High School District	47	60	0	0	47.00	13	\$47,000.00
Pinon Unified School District #4	6	8	0	0	6.00	2	\$6,000.00
Queen Creek Unified School District	19	19	0	0	19.00	0	\$19,000.00
Ray Unified School District	9	9	0	0	9.00	0	\$9,000.00
Red Mesa School District 27	2	2	0	0	2.00	0	\$2,000.00
Saddle Mountain Unified School District #90	7	7	0	0	7.00	0	\$7,000.00
Safford Unified School District	4	4	0	0	4.00	0	\$4,000.00
Sahuarita Unified School District	12	12	2.00	1.00	11.00	0	\$11,000.00
Sanders Unified School District #18	10	40	0	0	10.00	10	\$10,000.00
Santa Cruz Valley Unified School District #35	28	28	0	0	28.00	0	\$28,000.00
Santa Cruz Valley Union High School District	2	2	0	0	2.00	0	\$2,000.00
Scottsdale Unified School District	22	22	0	0	22.00	0	\$22,000.00
Sierra Vista Unified School District #68	14	14	0	0	14.00	0	\$14,000.00
St. David Unified School District	7	7	6.00	3.00	4.00	0	\$4,000.00
St. Johns Unified School District	1	1	0	0	1.00	0	\$1,000.00
Sunnyside Unified School District #12	46	62	0	0	46.00	8	\$46,000.00
Tanque Verde Unified School District	5	5	1.00	0.50	4.50	0	\$4,500.00
Tempe Union High School District	118	118	0	0	118.00	0	\$118,000.00
Tolleson Union High School District	37	42	2.00	1.00	36.00	1	\$36,000.00
Tombstone Unified District	1	1	0	0	1.00	0	\$1,000.00
Tucson Unified School District	124	130	5.00	2.50	121.50	6	\$121,500.00
Vail Unified School District	53	53	0	0	53.00	0	\$53,000.00
Valley Union High School District	1	1	1.00	0.50	0.50	0	\$500.00
Wickenburg Unified School District #9	16	16	1.00	0.50	15.50	0	\$15,500.00
Window Rock Unified School District	17	17	0	0	17.00	0	\$17,000.00
Yuma Union High School District #70	187	196	0	0	187.00	8	\$187,000.00
Total	3,731	3,936	128.00	64.00	3,667.00	168	\$3,667,000.00

Arizona Industry Credentials Incentive Program
Incentive Amount by Program and Credential

Credentials by Program	Sum of Weight 1 - \$1,000 .5 - \$500.00 0 - \$0.00	Weight *\$1,000
Accounting	5	\$5,000.00
Microsoft Office Specialist (MOS) – Associate for 2016	1	\$1,000.00
QuickBooks Certified User (QBCU) Desktop 2016	4	\$4,000.00
Animation	23	\$23,000.00
Adobe Certified Associate (ACA) Creative Cloud – Video Design Specialist	5	\$5,000.00
Autodesk Certified User (ACU) – Maya	18	\$18,000.00
Architectural Drafting	4	\$4,000.00
Autodesk Certified User (ACU) – 3Ds Max	3	\$3,000.00
Certified SolidWorks Associate (CSWA)	1	\$1,000.00
Bioscience	124.5	\$124,500.00
Biotechnician Assistance Credential (BACE)	40	\$40,000.00
OSHA 10 – Healthcare	84.5	\$84,500.00
Business Management	75	\$75,000.00
Assessment of Skills and Knowledge (A*S*K) – Fundamental Business Concepts	12	\$12,000.00
Microsoft Office Specialist (MOS) – Associate for 2016	55	\$55,000.00
Microsoft Office Specialist (MOS) – Associate for Office 365	1	\$1,000.00
Microsoft Office Specialist (MOS) – Expert for 2016	7	\$7,000.00
Business Operations	26	\$26,000.00
Microsoft Office Specialist (MOS) – Associate for 2016	25	\$25,000.00
Microsoft Office Specialist (MOS) – Expert for 2016	1	\$1,000.00
Cabinetmaking	47	\$47,000.00
National Center for Construction Education and Research (NCCER) – Core	2	\$2,000.00
OSHA 10 – Construction Industry	45	\$45,000.00
Carpentry	7	\$7,000.00
OSHA 10 – Construction Industry	7	\$7,000.00
Computer Maintenance	66	\$66,000.00
CompTIA – A+	20	\$20,000.00
CompTIA – Security +	2	\$2,000.00
Testout Pc Pro Certification	44	\$44,000.00
Construction Technologies	308.5	\$308,500.00
National Center for Construction Education and Research (NCCER) – Construction Technologies	41	\$41,000.00
National Center for Construction Education and Research (NCCER) – Core	35	\$35,000.00
OSHA 10 – Construction Industry	232.5	\$232,500.00
Dental Assisting	99	\$99,000.00
OSHA 10 – Healthcare	48	\$48,000.00
Radiation Health and Safety (RHS)	51	\$51,000.00
Digital Communication	20	\$20,000.00
Adobe Certified Associate (ACA) Creative Cloud – Video Design Specialist	5	\$5,000.00
Adobe Certified Associate (ACA) Creative Cloud – Visual Design Specialist	13	\$13,000.00
Adobe Certified Associate (ACA) Creative Cloud – Web Design Specialist	1	\$1,000.00
PrintED/SkillsUSA Student Certification – Digital Production Printing	1	\$1,000.00
Digital Photography	10	\$10,000.00
Adobe Certified Associate (ACA) Creative Cloud – Visual Design Specialist	10	\$10,000.00
Electrical and Power Transmission Installation	20.5	\$20,500.00
Independent Electrical Contractors (IEC) – Year 1 Apprenticeship certificate	3.5	\$3,500.00
National Center for Construction Education and Research (NCCER) – Core	17	\$17,000.00
Electronic Technologies	7	\$7,000.00
General Radiotelephone Operators (GROL/PG) – Element 1	7	\$7,000.00
Emergency Medical Services	104.5	\$104,500.00
Emergency Medical Responder (EMR)	12	\$12,000.00
Emergency Medical Technician (EMT)	70.5	\$70,500.00
OSHA 10 – Healthcare	22	\$22,000.00
ENERGY	16.5	\$16,500.00
National Center for Construction Education and Research (NCCER) – Core	16.5	\$16,500.00
Engineering	127.5	\$127,500.00
Autodesk Certified User (ACU) – Inventor – Imperial	27.5	\$27,500.00
Certified SolidWorks Associate (CSWA)	69	\$69,000.00
Certified SolidWorks Professional (CSWP)	4	\$4,000.00
Robotics Engineering Curriculum (REC) – ROBOTC	27	\$27,000.00
Film and TV Production	9	\$9,000.00
Adobe Certified Associate (ACA) Creative Cloud – Video Design Specialist	5	\$5,000.00
Apple Certified Pro (ACP) – Final Cut Pro	4	\$4,000.00
Graphic Design	89	\$89,000.00

Adobe Certified Associate (ACA) Creative Cloud – Visual Design Specialist	33	\$33,000.00
Adobe Certified Associate (ACA) Creative Cloud – Web Design Specialist	9	\$9,000.00
PrintED/SkillsUSA Student Certification – Digital File Preparation/Digital File Output	3	\$3,000.00
PrintED/SkillsUSA Student Certification – Graphic Design	44	\$44,000.00
Heating Ventilation and Air Conditioning	12	\$12,000.00
National Center for Construction Education and Research (NCCER) – Core	11	\$11,000.00
OSHA 10 – Construction Industry	1	\$1,000.00
Heavy Equipment Operations	21	\$21,000.00
National Center for Construction Education and Research (NCCER) – Core	19	\$19,000.00
OSHA 10 – Construction Industry	2	\$2,000.00
Home Health Aide	60	\$60,000.00
Direct Care Worker (DCW)	29	\$29,000.00
OSHA 10 – Healthcare	31	\$31,000.00
Laboratory Assisting	36	\$36,000.00
Certified Phlebotomy Technician	36	\$36,000.00
OSHA 10 – Healthcare	0	\$0.00
Marketing	10	\$10,000.00
Assessment of Skills and Knowledge (A*S*K) – Fundamental Marketing Concepts	6	\$6,000.00
NAFTrack Certification – Academy of Finance	4	\$4,000.00
Mechanical Drafting	18.5	\$18,500.00
Autodesk Certified User (ACU) – AutoCAD	3.5	\$3,500.00
Autodesk Certified User (ACU) – Maya	2	\$2,000.00
Certified SolidWorks Associate (CSWA)	13	\$13,000.00
Medical Assisting Services	447	\$447,000.00
Clinical Medical Assistant (CCMA)	245	\$245,000.00
OSHA 10 – Healthcare	126	\$126,000.00
Registered Medical Assistant (RMA)	76	\$76,000.00
Mental and Social Health Technician	21	\$21,000.00
Mental Health Technician Certification	21	\$21,000.00
Music and Audio Production	25	\$25,000.00
Certified Radio Operator	25	\$25,000.00
Network Security	77	\$77,000.00
Certified Entry Networking Technician (CCENT)	0.5	\$500.00
Client Pro (Windows 7-8 management troubleshooting certification)	10.5	\$10,500.00
CompTIA – A+	20.5	\$20,500.00
CompTIA – IT Fundamentals	7.5	\$7,500.00
Network Pro (networking basics)	18	\$18,000.00
Network+	5	\$5,000.00
Security Pro (entry-level IT security administrator)	1	\$1,000.00
Testout Pc Pro Certification	14	\$14,000.00
Nursing Services	646.5	\$646,500.00
Certified Nurse Assistant (CNA)	494.5	\$494,500.00
Licensed Nurse Assistant (LNA)	73	\$73,000.00
OSHA 10 – Healthcare	79	\$79,000.00
Pharmacy Support Services	80	\$80,000.00
Certified Pharmacy Technician (CPhT)	1	\$1,000.00
OSHA 10 – Healthcare	79	\$79,000.00
PHYSICAL THERAPY	18	\$18,000.00
Certified Physical Therapy Aide (CPTA)	12	\$12,000.00
OSHA 10 – Healthcare	6	\$6,000.00
Plumbing Technology	3	\$3,000.00
National Center for Construction Education and Research (NCCER) – Core	3	\$3,000.00
Precision Machining	49	\$49,000.00
Certified SolidWorks Associate (CSWA)	6	\$6,000.00
National Institute for Metalworking Skills (NIMS)	2	\$2,000.00
National Institute for Metalworking Skills (NIMS) – CNC Lathe entry level	4	\$4,000.00
National Institute for Metalworking Skills (NIMS) – CNC Mill Entry level	0	\$0.00
National Institute for Metalworking Skills (NIMS) – Job Planning, Benchwork and Layout	16.5	\$16,500.00
National Institute for Metalworking Skills (NIMS) – Measurement, Materials and Safety	20.5	\$20,500.00
Software and App Design	73.5	\$73,500.00
Certified Internet Web (CIW) JavaScript Specialist	16	\$16,000.00
CompTIA – A+	9	\$9,000.00
CompTIA – IT Fundamentals	4	\$4,000.00
Microsoft Technology Associate (MTA)	44.5	\$44,500.00
Sports Medicine and Rehabilitation	321.5	\$321,500.00
Certified Personal Trainer (CPT)	29	\$29,000.00
Emergency Medical Responder (EMR)	73	\$73,000.00
OSHA 10 – Healthcare	219.5	\$219,500.00
Stagecraft	70	\$70,000.00
OSHA 10 – Construction Industry	70	\$70,000.00
Therapeutic Massage	26	\$26,000.00

Licensed Massage Therapist (LMT)	26	\$26,000.00
Veterinary Assisting	178	\$178,000.00
Approved Veterinary Assistant (AVA)	140.5	\$140,500.00
OSHA 10 – Healthcare	37.5	\$37,500.00
Welding Technologies	285	\$285,000.00
American Welding Society (AWS) D17.1 GTAW 1F	40	\$40,000.00
American Welding Society (AWS) D17.1 GTAW 1G	2	\$2,000.00
American Welding Society (AWS) D17.1 GTAW 3G	4.5	\$4,500.00
American Welding Society (AWS) D17.1 GTAW 4G	0	\$0.00
American Welding Society (AWS) D17.1 SMAW 1F	1	\$1,000.00
American Welding Society (AWS) D17.1 SMAW 1G	9	\$9,000.00
American Welding Society (AWS) D17.1 SMAW 2F	4	\$4,000.00
American Welding Society (AWS) D17.1 SMAW 2G	24	\$24,000.00
American Welding Society (AWS) D17.1 SMAW 3F	5	\$5,000.00
American Welding Society (AWS) D17.1 SMAW 3G	22	\$22,000.00
American Welding Society (AWS) D17.1 SMAW 4G	6	\$6,000.00
American Welding Society (AWS) FCAW 2G	24	\$24,000.00
American Welding Society (AWS) FCAW 3G	3	\$3,000.00
American Welding Society (AWS) FCAW 4G	2	\$2,000.00
American Welding Society (AWS) GMAW 4G	3	\$3,000.00
National Center for Construction Education and Research (NCCER) – Core	14	\$14,000.00
National Center for Construction Education and Research (NCCER) – Welding Level 1	6	\$6,000.00
National Center for Construction Education and Research (NCCER) – Welding Level 2	38	\$38,000.00
OSHA 10 – Construction Industry	77.5	\$77,500.00
Grand Total	3,667	\$3,667,000.00



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DATE: December 9, 2020

TO: Members of the Joint Legislative Budget Committee

FROM: Rebecca Perrera, Principal Fiscal Analyst

SUBJECT: JLBC Staff - Consider Approval of Index for School Facilities Board Construction Costs

Request

A.R.S. § 15-2041D3(c) requires that the cost-per-square-foot factors used in the School Facilities Board (SFB) new school construction formula "shall be adjusted annually for construction market considerations based on an index identified or developed by the Joint Legislative Budget Committee (JLBC) as necessary but not less than once each year." The cost-per-square-foot factors were last adjusted in December 2019.

Committee Options

The Committee has at least the following options:

1. Approve a 2.76% adjustment in the cost-per-square-foot factors. The adjustment is based on the change in the Rider Levett Bucknall (RLB) Phoenix construction cost index since the cost factors were last adjusted. The Committee has used this methodology for the last 7 years. *Table 1* lists the cost-per-square-foot amounts for this recommendation.
2. A different adjustment factor. SFB has not offered a recommended adjustment.

Key Points

- 1) JLBC is annually required to adjust SFB new construction cost-per-square-foot factors.
- 2) Based on a local Phoenix construction cost index, prices have increased by 2.76% in the last year.
- 3) The Committee has used this same index for the last 7 years.
- 4) The 2.76% adjustment would not apply to new FY 2022 schools, but would potentially add \$2 million to \$3 million for schools approved to start construction in FY 2023.

(Continued)

Table 1

Cost-Per-Square-Foot Amounts for Each Option

	<u>K-6</u>	<u>7-8</u>	<u>9-12</u>
Current Cost-Per-Square Foot Amounts	\$ 164.36	173.52	200.90
Committee Option - Phoenix Construction Index (2.76%)	168.90	178.31	206.44

Analysis

Background Information

The original Students FIRST legislation (Laws 1998, 5th Special Session, Chapter 1) established funding amounts per-square-foot of space for new construction. There are different per-square-foot factors for grades K-6, 7-8, and 9-12 space. Current statute requires that SFB use the cost-per-square-foot in effect at the time a new construction project is approved, except that SFB may adjust the formula based on geographic or site conditions as defined in statute. Statute requires that the Committee adjust the cost-per-square-foot amounts at least once per year. The Committee traditionally only considers base construction inflation (such as changes to the price of labor and materials) and not cost adjustments for changes in school design elements over time. *Table 2* outlines the construction costs adjustments between 2008 and present.

Table 2

Construction Index History

<u>Fiscal Year</u>	<u>Increase</u>
2008	1.98%
2008-2016 ^{1/}	0.00%
2017	4.31%
2018	3.12%
2019	6.19%
2020	5.29%

^{1/} The Committee approved a 0% adjustment in construction costs in each year due to the decline in construction costs during the recession.

Adjustment Options

The Committee has used the RLB Phoenix construction cost index methodology since 2013. Since the Committee last approved an adjustment in December 2019, the RLB index has increased by 2.76%. In comparison, the Phoenix Consumer Price Index (CPI) increased by 2.77% in the same time period. The Phoenix CPI is not specifically related to construction costs.

Fiscal Impact

The new rates apply to any schools awarded after the date of the Committee's action. SFB is next scheduled to award new schools on December 15, 2020, the day before the JLBC meeting. As a result those December 15th awards, which would be funded in the FY 2022 budget, will not be eligible for the new rates. These new FY 2022 awards can only be eligible if the Legislature makes a change in the current statutory language.

SFB is also currently in the process of conceptually approving schools which would be funded in FY 2023. This process does not represent formal SFB approval and is subject to change in the future. These schools, if formally approved next year, would receive the proposed cost adjustment at an approximate cost of \$2 million to \$3 million.

RP:kp