



STATE OF ARIZONA

Joint Legislative Budget Committee

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

May 4, 2023

The Chairman called the meeting to order at 10:04 a.m., Thursday, May 4, 2023, in House Hearing Room

1. The following were present:

Members:	Senator Kavanagh, Vice-Chairman	Representative Livingston, Chairman
	Senator Alston	Representative Biasiucci
	Senator Bennett	Representative Chaplik
	Senator Borrelli	Representative Gress
	Senator Diaz	Representative Salman
	Senator Fernandez	Representative Schwiebert
		Representative Stahl Hamilton
 Absent:	Senator Hoffman	Representative Carter
	Senator Mesnard	

APPROVAL OF MINUTES

Senator Kavanagh moved that the Committee approve the minutes of December 13, 2022. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

1. ADOPTION OF COMMITTEE RULES AND REGULATIONS.

The Committee Rules and Regulations remain the same as last session.

(Continued)

2. DEPARTMENT OF CHILD SAFETY (DCS) - Review of Line Item Transfers.

A General Appropriation Act footnote requires Joint Legislative Budget Committee review of any transfers between DCS' line items or the operating budget. DCS submitted for review:

- FY 2022 transfer of \$225,000 and FY 2023 transfer of \$750,000 in General Fund monies from the Foster Home Placement line item to the Permanent Guardianship line item to address an increase in permanent guardianship caseloads;
- FY 2023 transfer of \$1,923,900 in General Fund monies and \$448,100 in DCS Expenditure Authority from the Congregate Group Care line item to the Attorney General Legal Services line item for a 10% salary increase inadvertently omitted from the FY 2023 budget; and
- FY 2023 transfer of \$8,105,000 in DCS Expenditure Authority from the Congregate Group Care line item to the Caseworkers line item to address staffing costs associated with higher than anticipated caseworker retention rates.

The JLBC Staff provided options.

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

A General Appropriation Act footnote requires DES to submit a report for review by the Joint Legislative Budget Committee before transferring any funds into or out of certain Division of Developmental Disabilities line items. DES submitted for review:

- An FY 2022 transfer of \$(600,000) from the Case Management State-Only line item to the Home and Community Based Services (HCBS) State-Only line item.
- An FY 2023 transfer of \$1,000,000 from the HCBS State-Only line item into the Case Management State-Only line item.

The JLBC Staff provided options.

4. 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 to the Joint Legislative Budget Committee for review the entire FY 2023 expenditure plan for GIITEM Border Security and Law Enforcement Subaccount prior to expenditure. DPS requested review of the expenditure plan of \$1,050,000 of the \$2,396,400 FY 2023 appropriation for Border Security and Law Enforcement Grants. 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 2023 allocation of the grants. The Chairman shall decide whether the revisions require Committee review.

(Continued)

5. DEPARTMENT OF EDUCATION (ADE) - Review of Federal Monies Report.

A.R.S. § 15-1052 requires ADE to seek Joint Legislative Budget Committee review of its annual report on the department's receipt of federal monies. The JLBC Staff provided options.

6. AHCCCS - Review of Mid-Year Capitation Rate Changes for Plan Year 2023.

An FY 2023 General Appropriation Act footnote requires the state Medicaid agencies to submit an expenditure plan to the Joint Legislative Budget Committee for review prior to implementing any changes in capitation rates. AHCCCS requested Committee review of the proposed mid-year capitation rates. The JLBC Staff provided options.

Senator Kavanaugh moved that the Committee approve consent agenda items 1, 2, 3, 4, 5, and 6 with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

7. SECRETARY OF STATE (SOS) - Review of FY 2023 Election Services Line Item Transfer.

Ms. Micaela Larkin, JLBC Staff, stated an FY 2023 General Appropriation Act footnote requires SOS to submit an expenditure plan for the Help America Vote Act monies to the Joint Legislative Budget Committee for review prior to transferring monies in or out of the Election Services line item. SOS requested review to transfer \$411,000 from the Election Services line item to the agency's operating budget for 2 funding initiatives in FY 2023. The JLBC Staff provided options.

Keely Varvel, Assistant Secretary of State, responded to member questions.

Senator Kavanaugh moved that the Committee give a favorable review for transferring \$261,000 from the Election Services line item to the operating budget in FY 2023 as follows:

- 1. \$161,000 to backfill underpayments for Access Voter Information Database operating costs.*
- 2. \$100,000 to make physical security improvements to the Secretary of State's office.*

The motion carried.

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

Senator Kavanaugh moved that the Committee go into Executive Session. The motion carried.

At 10:32 a.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 11:22 a.m. the Committee reconvened into open session.

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

1. *Kim Grayer-Mason v. State of Arizona*
2. *Murillo v. State of Arizona, et al.*

The motion carried.

Without objection, the meeting adjourned at 11:23 a.m.


Respectfully submitted:



Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director



Representative David Livingston, Chairman