



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

June 13, 2023

The Chairman called the meeting to order at 9:35 a.m., Tuesday, June 13, 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 Carter
	Senator Borrelli	Representative Gress
	Senator Diaz	Representative Salman
	Senator Fernandez	Representative Schwiebert
	Senator Mesnard	Representative Stahl Hamilton

Absent:	Senator Hoffman	Representative Chaplik
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APPROVAL OF MINUTES

Senator Kavanagh moved that the Committee approve the minutes of June 1, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

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

A.R.S. § 38-658A requires that at least 10 days before ADOA enters into, or renews, contracts for medical and dental insurance coverage, the Director of ADOA shall meet with and review for the Joint Legislative Budget Committee, in Executive Session, the planned contribution strategy for each health plan. The JLBC Staff provided options.

(Continued)

1. ATTORNEY GENERAL (AG) - Review of Uncollectible Debts.

A.R.S. § 35-150E requires that the Attorney General's annual report on uncollectible debts owed to the state be reviewed by the Joint Legislative Budget Committee before the debt can be removed from the state accounting system. The AG requested Committee review of \$31,040,600 for debts listed as uncollectible in FY 2023 and prior years. The JLBC Staff provided options.

2A. ARIZONA DEPARTMENT OF ADMINISTRATION/AUTOMATION PROJECTS FUND (ADOA) - Review of AHCCCS Prepaid Medicaid Management Information System.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund (APF). ADOA requested review of \$2,000,000 in FY 2024 funds to begin the development of the Prepaid Medicaid Management Information System (PMMIS) Systems Integrator. The JLBC Staff provided options and a potential provision:

- A. *A favorable review is contingent on approval from the Information Technology Authorization Committee (ITAC).*

2B. ARIZONA DEPARTMENT OF ADMINISTRATION/AUTOMATION PROJECTS FUND (ADOA) - Review of Business One-Stop Web Portal.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund (APF). ADOA requested review of the expenditure of \$6,500,000 from the FY 2023 appropriation from the ADOA APF Subaccount for FY 2024 operating costs and development of the Business One Stop Portal. The JLBC Staff provided options.

Senator Kavanagh moved that the Committee give a favorable review of consent agenda items 1, 2A, 2B and the Executive Session item on State Employee and Retiree Medical and Dental Plans with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

3. 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 (HAVA) 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 for transferring \$596,000 from the Election Services line item to the operating budget in FY 2023. The JLBC Staff provided options.

Gregory Ensell, Chief Finance Officer, Secretary of State, responded to member questions.

Senator Kavanagh moved that the Committee give a favorable review for transferring \$596,000 from the Election Services line item to the operating budget in FY 2023 as follows:

- 1. \$96,000 to pay additional Access Voter Information Database (AVID) operating costs.*
- 2. \$500,000 to implement upgrades to AVID to comply with recent election legislation.*

The motion carried.

(Continued)

4. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2023 Line Item Transfer.

Mr. Geoff Paulsen, JLBC Staff, stated an FY 2023 General Appropriation-Act footnote requires ADC to submit an expenditure plan for review by the Joint Legislative Budget Committee prior to spending any monies appropriated for Personal Services and Employee Related Expenditures (ERE) on anything other than Personal Services or ERE. ADC requested review of its plan to utilize \$44,772,500 in FY 2023 General Fund vacancy savings appropriated for Personal Services and ERE to cover funding shortfalls in 3 areas: inmate health care injunction costs, operational needs and shortfalls, and a private prison per diem line item shortfall. The JLBC Staff provided options and a potential provision.

Ryan Thornell, Director, Department of Corrections, responded to member questions.

Senator Kavanagh moved that the Committee give a favorable review for the department to spend a total of \$38,465,700 as follows:

- a. \$10,775,000 for inmate health care injunction costs.
- b. \$11,000,000 for operational needs and vehicle replacement.
- c. \$16,690,700 for a shortfall in the private prison per diem line item.

As part of its review, the Committee included the following provision:

- A. The department shall work with the health care vendor to amend the existing contract to restore federal Medicaid funding for inmate inpatient services and to seek retroactive reimbursement to the extent possible. The department shall report their progress in the restoration of federal Medicaid reimbursement to the Committee by November 30, 2023.

The motion carried.

Without objection, the meeting adjourned at 10:38 a.m.

Respectfully submitted:

Kristy Paddack

Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, Chairman