



STATE OF ARIZONA

Joint Legislative Budget Committee

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LISA OTONDO

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

July 14, 2022

The Chairman called the meeting to order at 9:36 a.m., Thursday, July 14, 2022, in House Hearing Room

1. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Gray	Representative Bolick
	Senator Leach	Representative Butler
	Senator Livingston	Representative Chávez
		Representative Kavanagh
		Representative Longdon
		Representative Osborne
Absent:	Senator Alston	Representative Toma
	Senator Bowie	
	Senator Kerr	
	Senator Otondo	

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of May 24, 2022. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion.

(Continued)

EXECUTIVE SESSION - Arizona Department of Administration - 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 the Arizona Department of Administration (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. ADOA requested review of its planned contribution strategy for state employee and retiree medical coverage for Plan Year 2023. The Committee will address the dental contribution strategy once ADOA submits its plan for that coverage. The JLBC Staff provided options.

1A. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUND - Review of Human Resources 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 Committee review of the expenditure of \$22,397,800 in FY 2023 funds for the ADOA Human Resources Information System. The JLBC Staff provided options and potential provisions:

- A. *Within 10 days of awarding the contract for the project, ADOA shall report to the JLBC Staff on the selected vendor, total cost of the project, and estimated timeline.*
- B. *A favorable review is contingent on approval from the Information Technology Authorization Committee (ITAC).*

1B. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUND - Review of ADE School Finance System Replacement Project.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's APF. ADOA requested Committee review of the expenditure of \$3,600,000 from the department's FY 2022 appropriation for the Arizona Department of Education (ADE) School Finance Replacement Project in FY 2023. The JLBC Staff provided options.

1C. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUND - Review of Department of Water Resources Application Modernization Project.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's APF. ADOA requested Committee review of the expenditure of \$1,700,000 in FY 2023 funds for the Arizona Department of Water Resources Application Modernization project. The JLBC Staff provided options and potential provisions:

- A. *Within 10 days of awarding the contract for the project, ADOA shall report to the JLBC Staff on the selected vendor, total cost of the project, and estimated timeline.*
- B. *A favorable review is contingent on approval from the Information Technology Authorization Committee (ITAC).*
- C. *A favorable review by the Committee does not commit the Legislature to any ongoing funding above the FY 2023 appropriation.*

(Continued)

2. 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 Committee before the debt can be removed from the state accounting system. The AG requested Committee review of \$16,370,754 in uncollectible debt. The JLBC Staff provided options.

4. ARIZONA CRIMINAL JUSTICE COMMISSION (ACJC) - Review of Edward Byrne Memorial Justice Assistance Grant Federal Application.

A.R.S. § 41-2403 requires ACJC to submit its federal application for the Edward Byrne Memorial Justice Assistance Grant to the Committee for review 30 days prior to submission to the federal government. The JLBC Staff provided options and a potential provision:

- A. *ACJC shall submit a preliminary proposal to the Committee by May 15, 2023 if the federal guidelines have not yet been received for 2023.*

5. ADMINISTRATIVE OFFICE OF THE COURTS (AOC)/DEPARTMENT OF WATER RESOURCES (DWR) - Review of General Adjudication Personnel and Support Fund FY 2023 Expenditure Plan.

A.R.S. § 12-177.01 requires AOC and DWR to submit an expenditure plan to the Committee for review prior to spending monies from the General Adjudication Personnel and Support Fund in FY 2022 and FY 2023. AOC and DWR requested Committee review of the plan to spend \$1,936,200 from the fund in FY 2023. The JLBC Staff provided options.

6. 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 Committee for review the FY 2023 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expenditure. DPS requested Committee review of the expenditure plan of \$1,346,400 of the \$2,396,400 FY 2023 appropriation to fund 3 existing programs: Detention Liaison Officer Program (\$458,300), Border County Officers (\$538,100), and Border Crimes Unit (\$350,000). 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.*

8. DEPARTMENT OF CHILD SAFETY - Review of Line Item Transfers.

An FY 2022 General Appropriation Act footnote requires Committee review of any transfers between line items or the operating budget. DCS requested Committee review of the department's FY 2022 transfer of \$10,105,000 of Expenditure Authority monies out of the operating budget and into the following 4 line items: Adoption Services (\$7,400,000), Foster Home Placement (\$620,000), Congregate Group Care (\$1,950,000), and Extended Foster Care (\$135,000).

Representative Cobb moved that the Committee give a favorable review of the consent agenda items as follows: the medical portion of the Executive Session item on State Employee Health Insurance and agenda items 1A, 1B, 1C, 2, 4, 5, 6 and 8 with the JLBC Staff provisions listed above. The motion carried.

Item 7. ARIZONA BOARD OF REGENTS (ABOR) - Review of FY 2023 Tuition Revenues was not part of the consent agenda motion and was held for potential consideration at a future meeting.

REGULAR AGENDA

3. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of Request for Proposals to Operate Florence West Prison.

Mr. Geoff Paulsen, JLBC Staff, stated that A.R.S. § 41-1609.01 requires ADC upon publication to submit a private prison Request for Proposals (RFP) to the Committee for review. ADC requested Committee review of the department's RFP for the management and operation of the Florence West prison. The JLBC Staff provided options and potential provisions:

- A. *Upon selecting a vendor, the department shall report to the Committee on the contracted per diem rate and the annual value of the contract.*
- B. *In the next regular legislative session, the department shall work with the full legislature to address the expected property tax revenue loss to the local jurisdictions resulting from the state taking ownership of the prison.*

Mr. David Shinn, Director, ADC, responded to member questions.

Representative Cobb moved that the Committee give a favorable review of the RFP with the JLBC Staff provisions. The motion carried.

Without objection, the meeting adjourned at 10:13 a.m.

Respectfully submitted:



Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director



Senator David Gowan, Chairman