

STATE OF ARIZONA

## Joint Legislative Budget Committee

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SENATE

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### MINUTES OF THE MEETING

#### JOINT LEGISLATIVE BUDGET COMMITTEE

July 19, 2007

The Chairman called the meeting to order at 9:40 a.m., Thursday, July 19, 2007, in House Hearing Room 4. The following were present:

Members:	Representative Pearce, Chairman	Senator Burns, Vice-Chairman
	Representative Cajero Bedford	Senator Aguirre
	Representative Lopez	Senator Garcia
	Representative Rios	Senator Verschoor
	Representative Yarbrough	
Absent:	Representative Adams	Senator Aboud
	Representative Biggs	Senator Flake
	Representative Boone	Senator Harper
		Senator Waring

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of June 19, 2007, Chairman Pearce stated that the minutes would be adopted.

#### DEPARTMENT OF ECONOMIC SECURITY – Review of Expenditure Plan for Incentive Funding from the Workforce Investment Act

Mr. Jay Chilton, JLBC Staff, stated that in Federal FY 2006, the Department of Economic Security (DES) met the requirements to be eligible for funds above the normal grant. In FY 2007 they received these monies for the first time and will again receive about \$1.5 million to be expended in FY 2008. The FY 2008 expenditure plan proposes to continue this program which seeks to increase the number of qualified health care workers in the state. Like last year, the grant will be split between ADE's Adult Education Services, the Career and Technical Education Program and the Local Workforce Investment Areas. Last year the Committee also requested that certain performance measures for the program be included in the statewide workforce development annual report. It is expected that results from the performance measures in FY 2007 will be included in the upcoming report which is expected in September.

The JLBC Staff recommends a favorable review of the DES FY 2008 expenditure plan.

Discussion ensued on this item.

Mr. Stephen Pawlowski, Financial Services Administrator, DES, responded to member questions.

*Senator Burns moved that the Committee give a favorable review, as recommended by JLBC Staff, to the DES FY 2008 expenditure plan. The Committee also requested that performance measures contained in the expenditure plan be included in the statewide workforce development annual report. The motion carried.*

**DEPARTMENT OF PUBLIC SAFETY – Review of Microwave Communication System Upgrade Expenditures and Progress.**

Ms. Kimberly Cordes-Sween, JLBC Staff, presented the expenditures and progress for the microwave system. She noted that the Department of Public Safety (DPS) did not receive the \$1.6 million in federal Homeland Security funds originally intended for use on the Microwave Communication System (MCS) upgrade for FY 2007. As a result, DPS included a revised expenditure plan and project timeline in the case that no federal Homeland Security funding is received from FY 2007 through FY 2009. Even though DPS is not assuming it will receive federal funds, a document Ms. Cordes-Sween received from the State Department of Homeland Security (SDHS) prior to the meeting indicates their intent to award \$1.6 million in FY 2008 to DPS for the MCS. A copy was given to each Committee member (*Attachment 1*).

Discussion ensued on this item.

Mr. Todd Mason, State Department of Homeland Security, Finance, responded to member questions.

Mr. Kevin Rogers, Department of Public Safety, responded to member questions.

Mr. Curt Knight, Department of Public Safety, responded to member questions.

*Senator Burns moved for a favorable review of the DPS expenditures and progress of the upgrade to its microwave communication system. The Committee requested that DPS report back by October 31, 2008 on the status of the microwave communications project and federal Homeland Security grant funding. The motion carried.*

**DEPARTMENT OF EDUCATION – Review of Research Based Models of Structured English Immersion for English Language Learners.**

Mr. Steve Schimpp, JLBC Staff, stated the English Language Learners (ELL) Task Force is requesting Committee review of the models of Structured English Immersion. The Task Force is required to submit the models to the Committee at least 30 days before adopting them. Mr. Schimpp discussed the table in Attachment 1 in the JLBC Staff recommendation memo, which explains the models.

Discussion ensued on this item.

Mr. Alan McGuire, ELL Task Force Chairman, responded to member questions.

There was no action taken by the Committee.

**EXECUTIVE SESSION – Arizona Department of Administration – Review for Committee the Planned Contribution Strategy for State Employee and Retiree Health Plans.**

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

At 11:58 p.m. the Joint Legislative Budget Committee went into Executive Session.

Senator Burns moved that the Committee reconvene into open session. The motion carried.

At 12:40 p.m. the Committee reconvened into open session.

*Senator Burns moved to give a favorable review of the planned contribution strategy for each health plan. The motion carried.*

Without objection, the meeting adjourned at 12:41p.m.

Respectfully submitted:

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Sandy Schumacher, Secretary

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Richard Stavneak, Director

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Representative Russell Pearce, Chairman



Governor Janet Napolitano

# State of Arizona

## Department of Homeland Security



Director Leesa Berens Morrison

### Background

Laws 2006, Chapter 345 included a legislative intent statement that provided \$1.6 million annually, for three years from Federal Homeland Security grants be appropriated to the Arizona Department of Public Safety (DPS) for use in the Microwave Communication System Upgrade Project. The Office of Homeland Security, under its previous director was notified by U.S. Department of Homeland Security (DHS) that grant funds could not be used to facilitate the lease-purchase of equipment under the project. Accordingly, the Office reallocated those funds to other projects in an effort to maintain compliance with the federal requirement that all grant funds be allocated within 60 days of the award to the state. Since that time, the Arizona Department of Homeland Security (AZDOHS) has been created and granted primacy of the Homeland Security Grant Program from U.S. DHS. Although FFY 2006 Homeland Security Grant Program dollars have been obligated, AZDOHS is awaiting its FFY 2007 (FY 2008) Homeland Security Grant Program allocation and intends to award \$1.6 million to DPS for the Microwave Communication System Upgrade Project.

### Funding Mechanism

Depending on the amount of Arizona's grant award, numerous options exist for AZDOHS to complete this grant award. The Homeland Security Grant Program is often referred to as one grant, but is, in fact, five unique grant programs.

<i>Grant Program</i>	<i>FFY 2006 Award Amount</i>	<i>"State Portion" (~ 20%)</i>
State Homeland Security Grant Program (SHSGP)	\$ 8,660,000	\$ 1,732,000
Law Enforcement Terrorism Prevention Program (LETPP)	\$ 6,290,000	\$ 1,258,000
Urban Area Security Initiative (UASI)	\$ 3,920,000	\$ 784,000
Metropolitan Medical Response System (MMRS)	\$ 929,320	\$ 27,880 (only 3% retained)
Citizen Corps Program (CCP)	\$ 371,645	\$ 197,920 (53.3% retained)
<b>Total</b>	<b>\$ 20,170,965</b>	<b>\$ 3,999,800</b>

With the exception of CCP, AZDOHS must pass through at least 80 percent of the grant awards to local units of government. This leaves a maximum of 20 percent for state agency projects or statewide projects such as the Microwave Communication System.

Out of this state portion, the Department funded its own operations for management and administration of grant awards (\$1,656,876), funded the Arizona Division of Emergency Management for critical planning functions for training and exercises conducted on behalf of local units of government and state agencies, as well as planning duties associated with the TOPOFF 4 national exercise (\$1,141,485). Other projects funded include the Arizona Fraudulent Identification Task Force (\$270,000), Arizona State University for Emergency Management Curricula development (\$159,435), ADOA-Capitol Police for enhanced video security at state buildings in Phoenix and Tucson (\$88,348) and reimbursements to local law enforcement agencies participating in Operation Stonegarden in support of U.S. Border Patrol (\$485,736). In addition, \$197,920 was set aside for operation of the State Citizen Corps Council and oversight of the Citizen Corps program.

## Possible Funding Scenarios

AZDOHS intends to fund DPS \$1.6 million in each of the subsequent three grant years, but it is difficult to speculate from which specific programs this money will be allocated. The most likely scenario is that both SHSGP and LETPP funding from the "state portion" will be awarded to DPS. In addition, AZDOHS is awaiting further guidance and an eventual grant award from U.S. DHS and the newly created Public Safety Interoperable Communication Grant Program (PSIC). These monies will be distributed from the \$960 million earmarked by U.S. DHS and the U.S. Department of Commerce to improve public safety communications interoperability nationwide. This grant program, depending on the level of funding, may be another option for funding the Microwave Communication System Upgrade project. AZDOHS is planning to award \$1.6 million from the forthcoming FFY 2007 Homeland Security Grant Program award. Notice of this grant award was received Wednesday July 18, 2007:

Grant Funds	FFY2005	FFY2006	FFY2007	% Increase FFY06-07	% Increase FFY05-07
SHSGP	\$ 20,021,731	\$ 8,660,000	\$ 9,120,000	5%	-54%
LETPP	\$ 7,280,630	\$ 6,290,000	\$ 6,520,000	4%	-10%
UASI – Phx	\$ 9,996,463	\$ 3,920,000	\$ 11,900,000	204%	19%
UASI – Tuc			\$ 4,900,000		
MMRS	\$ 910,368	\$ 929,320	\$ 1,032,581	11%	13%
CCP	\$ 254,176	\$ 371,645	\$ 281,549	-24%	11%
PSIC*			\$ 17,713,050		
<b>Total</b>	<b>\$ 38,463,368</b>	<b>\$ 20,170,965</b>	<b>\$ 51,467,180</b>		

\* The Public Safety Interoperable Communication (PSIC) Grant program **eligible** amounts were recently announced. Arizona must complete an application, Interoperable Communications plan and investment justification by December, 2007 to receive this full allocation in March, 2008.