



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

DON SHOOTER
CHAIRMAN 2016
OLIVIA CAJERO BEDFORD
STEVE FARLEY
GAIL GRIFFIN
KATIE HOBBS
JOHN KAVANAGH
DEBBIE LESKO
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HOUSE OF
REPRESENTATIVES

JUSTIN OLSON
CHAIRMAN 2015
LELA ALSTON
RUSSELL "RUSTY" BOWERS
VINCE LEACH
STEFANIE MACH
DARIN MITCHELL
STEVE MONTENEGRO
MICHELLE UGENTI-RITA

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

December 14, 2016

The Chairman called the meeting to order at 1:05 p.m., Wednesday, December 14, 2016, in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Chairman	Representative Olson, Vice-Chairman
	Senator Farley	Representative Alston
	Senator Griffin	Representative Bowers
	Senator Hobbs	Representative Leach
	Senator Kavanagh	Representative Mach
	Senator Lesko	Representative Montenegro
	Senator Yarbrough	Representative Ugenti-Rita

Absent:	Senator Cajero Bedford	Representative Mitchell
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Chairman Don Shooter stated that the agenda item on the Department of Economic Security (DES) Developmental Disabilities transfers would not be heard. DES requested that the item not be heard.

EXECUTIVE SESSION

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

At 1:06 p.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 2:00 p.m. the Committee reconvened into open session.

(Continued)

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

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

- *Armenta v. State of Arizona*
- *Blackmore v. State of Arizona*
- *Ojeda v. State of Arizona.*

The motion carried.

B. JLBC Annual Performance Review per Rule 7.

This item was for information only and no Committee action was required.

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of September 21, 2016, Chairman Don Shooter stated that the minutes would stand approved.

CONSENT AGENDA

The following items were considered without discussion.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2017 Adult Inmate Management System (Automation Projects Fund).

Pursuant to a FY 2017 General Appropriation Act (Laws 2016, Chapter 117) footnote, ADOA/ADC has requested Committee review of ADOA/ADC's expenditure plan for \$8,000,000 appropriated from the Automation Projects Fund in FY 2017 for completion of the replacement of the Adult Inmate Management System. In its analysis, the JLBC Staff offered the following provision:

- A. *Require ADC to submit an expenditure plan if they spend in total, more than \$100,000 of the \$1,307,400 contingency allocation.*

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Emergency Telecommunication Services Revolving Fund Expenditure Plan.

Laws 1998, 4th Special Session, Chapter 6 requires that the Committee review the wireless services portion of ADOA's Emergency Telecommunications Services Revolving Fund (ETSF) expenditure plan.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Public Safety Broadband.

Pursuant to an FY 2017 General Appropriation Act footnote, the Committee is required to review ADOA's annual report on expenditures for the State and Local Implementation Grant program associated with the National Public Safety Broadband Network Initiative.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Automation Projects Fund Expenditure Reallocation.

Pursuant to A.R.S. § 41-714, the Committee is required to review the expenditure plan presented by ADOA from the Automation Projects Fund (APF) prior to expenditure. The FY 2016 APF appropriation included \$500,000 for Enterprise Architecture projects. ADOA has requested review of \$347,000 of its unspent funds for the development of a Customer Relationship Management System. In its analysis, the JLBC Staff offered the following provision:

- A. *ADOA shall ensure that the revised Project Investment Justification document includes additional information as agreed to by JLBC and ASET staff.*

Representative Olson moved that the Committee give favorable reviews to the 4 consent agenda items listed above with the ADC and ADOA provisions as offered by the JLBC Staff. The motion carried.

ARIZONA DEPARTMENT OF EDUCATION (ADE) - Review of Joint Technical Education District (JTED) Quarterly Report.

Mr. Steve Schimpp, JLBC Staff, stated that Laws 2016, Chapter 4 requires the Department of Education (ADE) to submit quarterly reports to the Committee through December 31, 2018 for review on its progress and the subsequent approval or rejection of currently eligible joint technical education district (JTED) programs and courses for eligibility for state funding under the new requirements established in Chapter 4. The JLBC Staff presented options to the Committee.

Ms. Jeanne Roberts, State Director of Career and Technical Education, ADE, responded to member questions.

Representative Olson moved that the Committee give a favorable review to ADE's September 30, 2016 JTED quarterly report rejecting the Arts Management, Entrepreneurship, and Entertainment Marketing programs from eligibility for state funding. The motion carried.

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

Ms. Rebecca Perrera, JLBC Staff, stated that the cost-per-square-foot factors used in SFB new school construction financing "shall be adjusted annually for construction market considerations based on an index identified or developed by the JLBC as necessary but not less than once each year." The JLBC Staff presented options to the Committee.

Representative Olson moved that the Committee approve a 4.31% adjustment in the cost-per-square-foot factors. The adjustment is based on longitudinal inflation data, by measuring the change in the Rider Levett Bucknall Phoenix construction cost index since the last JLBC cost-per-square-foot adjustment in November 2008. A.R.S. § 15-2041D allows this adjustment to only be applied prospectively. The motion carried.

DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2017 First Quarter Benchmarks.

Mr. Patrick Moran, JLBC Staff, stated the FY 2017 General Appropriation Act (Laws 2016, Chapter 117) requires DCS to submit a report to the JLBC for its review of quarterly benchmarks for assessing progress

(Continued)

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 presented options to the Committee.

Mr. Greg McKay, Director, DCS, responded to member questions and circulated documents. (Attachment 1)

Representative Olson moved that the Committee give a favorable review of the department's first quarter benchmark report as outlined in the department's submission. The motion carried.

DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2017 Third Quarter Funding for New Case Aides and Overtime.

Mr. Patrick Moran, JLBC Staff, stated the FY 2017 General Appropriation Act requires DCS to submit a report to the JLBC for its review on private contractor awards to address the backlog of non-active cases prior to the expenditure of monies appropriated for New Case Aides and Overtime Pay. The JLBC Staff presented options to the Committee.

Representative Olson moved that the Committee give a favorable review of \$765,200 for New Case Aides and \$2,092,500 for Overtime Pay in FY 2017 for third quarter funding. Fourth quarter funding for New Case Aides and Overtime Pay will be reviewed upon further updates on progress of reducing the backlog of non-active cases. The motion carried.

DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Sexual Assault Kit Report and Expenditure Plan.

Mr. Eric Billings, JLBC Staff, stated the Committee is required to review DPS' report and expenditure plan for the \$500,000 FY 2017 Sexual Assault Kit Testing line item appropriation prior to its expenditure. The JLBC Staff presented options to the Committee.

Representative Olson moved that the Committee give a favorable review of DPS' report and proposed expenditure plan for the Sexual Assault Kit Testing line item. The motion carried.

ARIZONA BOARD OF REGENTS (ABOR) - Review of Qualifying College Credit Examinations.

Mr. Matt Beienburg, JLBC Staff, stated the Committee is required to review the list of qualifying college credit examinations and passing scores as part of the College Credit by Examination Incentive Program. The JLBC Staff presented options to the Committee.

Mr. Kody Kelleher, Assistant Vice President, Governmental Affairs, ABOR, responded to member questions.

Representative Olson moved that the Committee give a favorable review of ABOR's list of qualifying examinations with the following provisions:

- A. The Committee considers a favorable review of the list of qualifying college credit examinations to remain in effect in subsequent years unless changes are made to the list of examinations or passing scores. Regardless of whether or not such changes are made, ABOR shall continue to report the most current list of qualifying examinations and passing scores to the Department of Education (ADE) and the Committee by September 1 of each year.

(Continued)

- B. ADE shall submit a copy of its statutorily-required report under A.R.S. § 15-249.06 to the Committee for review. In addition to the items required under A.R.S. § 15-249.06, ADE shall list the amount of award funding received by each school under the incentive program.

The motion carried.

ARIZONA BOARD OF REGENTS (ABOR) - Review of FY 2017 Tuition Revenues.


Mr. Matt Beienburg, JLBC Staff, stated that the Committee is required to review the expenditure plan of ABOR for tuition revenue amounts greater than the amounts appropriated by the Legislature, and all non-appropriated tuition and fee revenue expenditures for the current fiscal year. The JLBC Staff presented options to the Committee.

The universities' reported total of \$2.35 billion in gross tuition and fees excludes revenues from course fees, most summer session revenues, non-degree, extended education, personalized learning, mandatory fees and other miscellaneous student fees. The universities do not identify these collections in either their annual budget requests or the tuition revenue report. The excluded revenues equaled approximately \$430 million as of FY 2015.

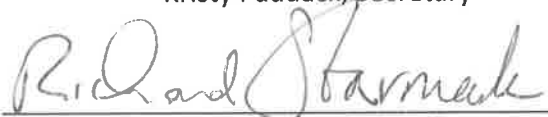
Representative Olson moved that the Committee give a favorable review ABOR's plan with the provision that ABOR report all tuition and fees in future year reports. The motion carried.

Without objection, the meeting adjourned at 3:47 p.m.

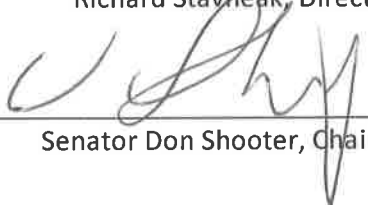
Respectfully submitted:



Kristy Paddack, Secretary



Richard Stavneak, Director



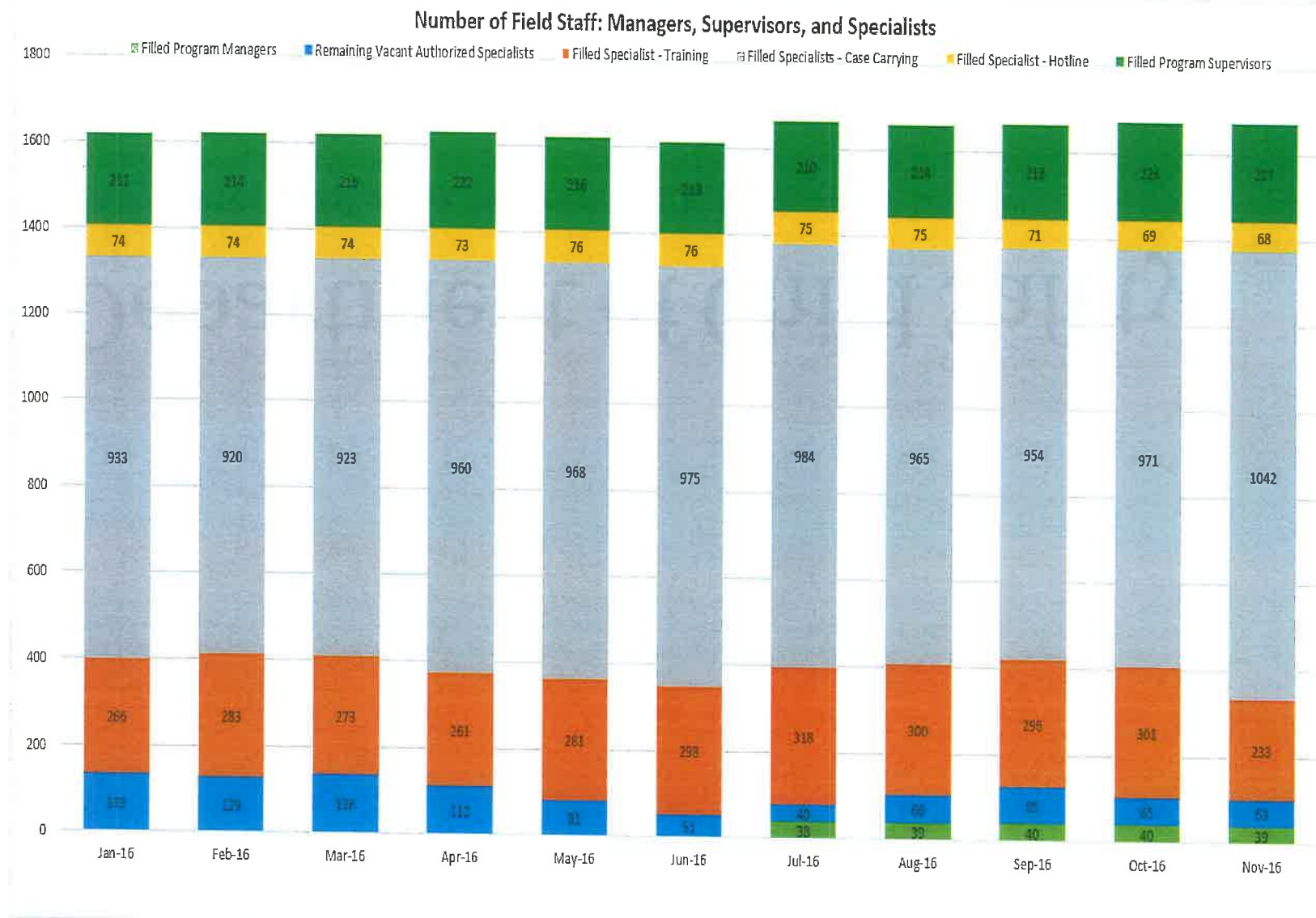
Senator Don Shooter, Chairman

Department of Child Safety

Data charts as of week beginning 12.12.16



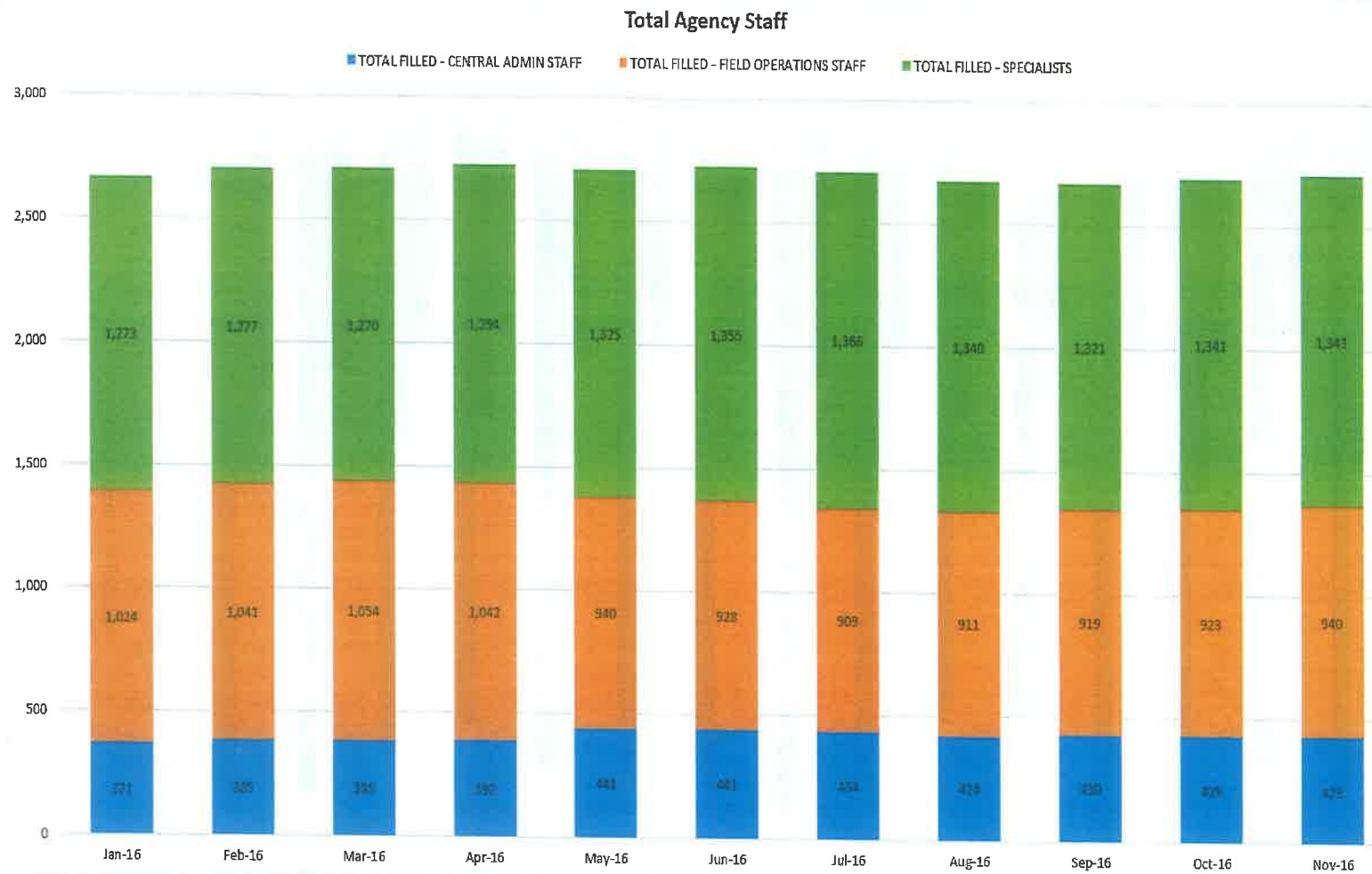
Field Staff



Data Source: DCS Monthly Staffing Report, 12.8.16



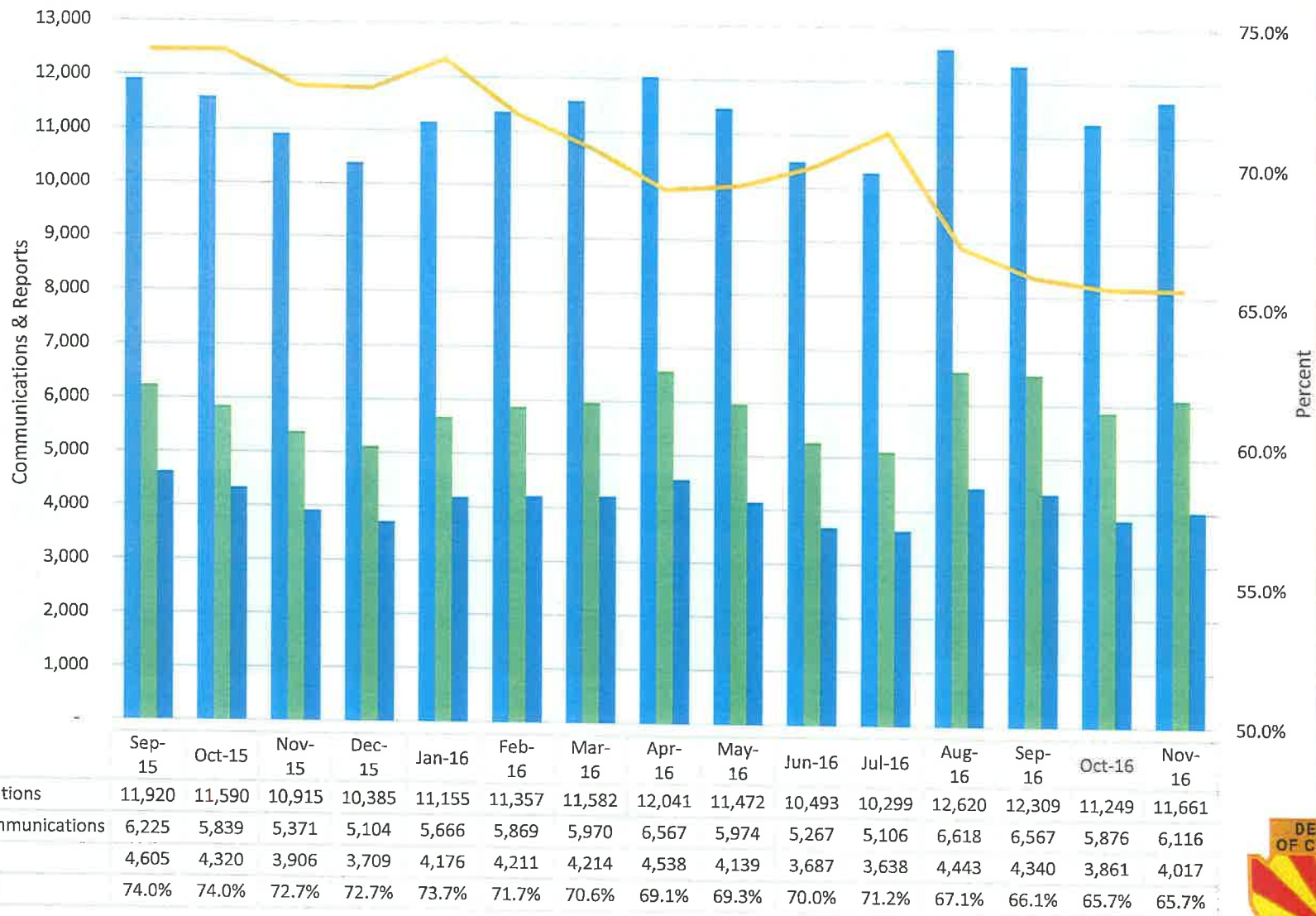
Agency Staff



NOTE: Field Staff includes Program Managers, Field Supervisors, and Specialists
 Data Source: DCS Monthly Staffing Report, 12.8.16



Communications & Reports to the Hotline

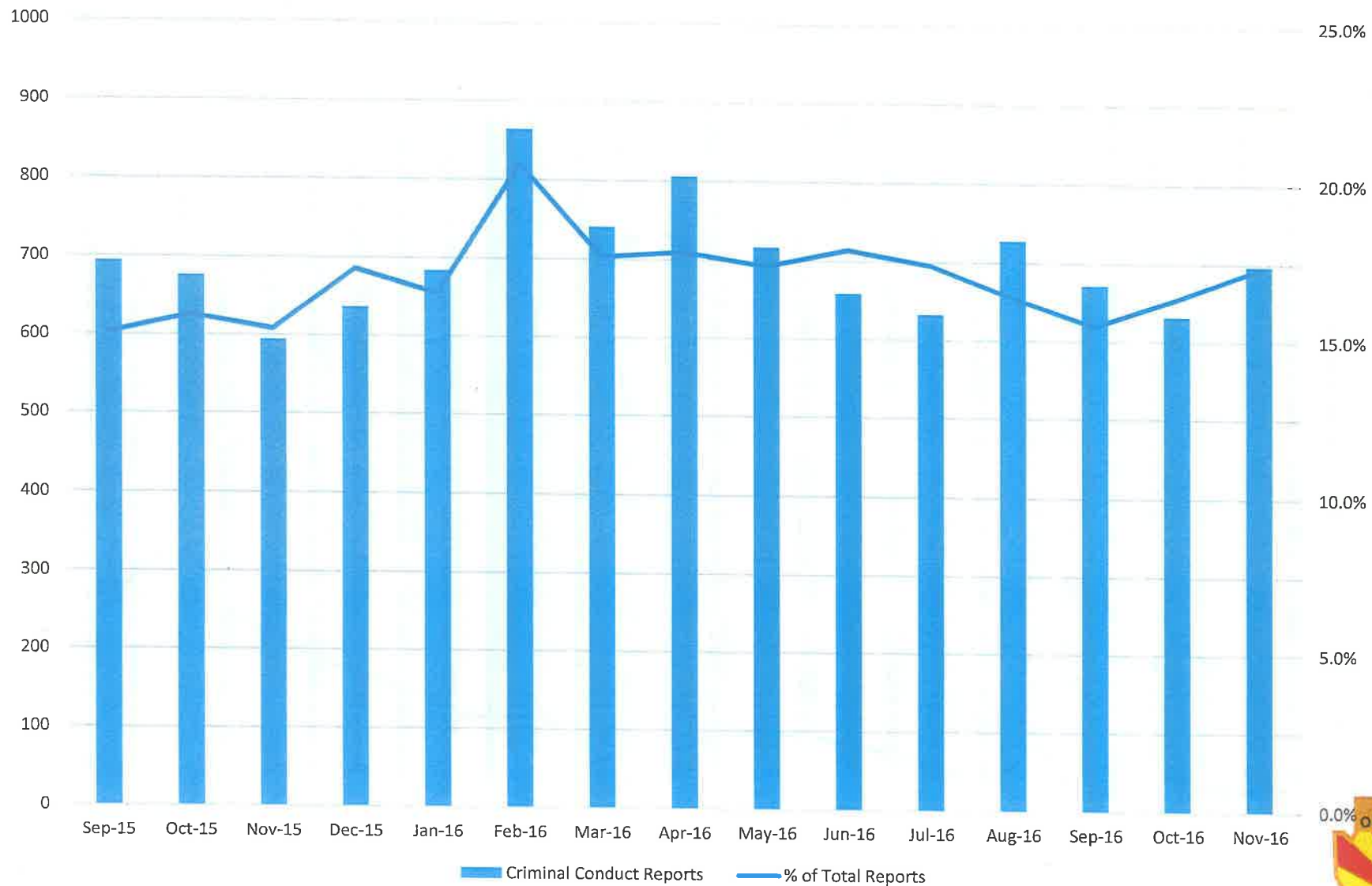


NOTE: Communications, Hotline Communications, and Reports include calls/reports that are no jurisdiction reports. Screen In % shows reports as a percentage of total Hotline Communications.

Data Source: DCS Tableau Dashboard, Communications Received by Weekday and Hour Reports, 12.12.16



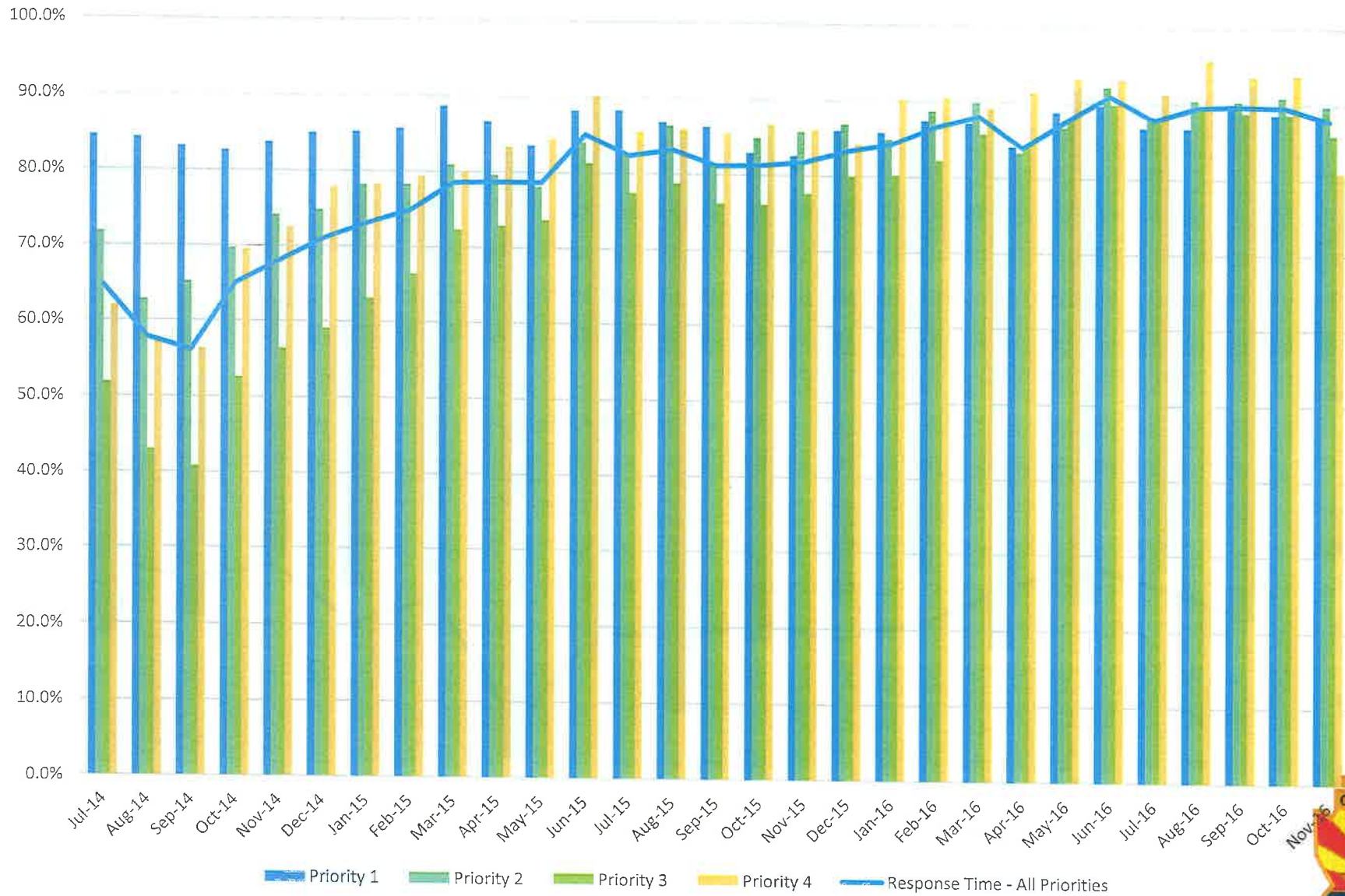
Criminal Conduct Reports



NOTE: Reports include calls/reports that are no jurisdiction reports.
 Data Source: DCS Tableau Dashboard, Criminal Conduct Reports, 12.12.16



Response Timeliness

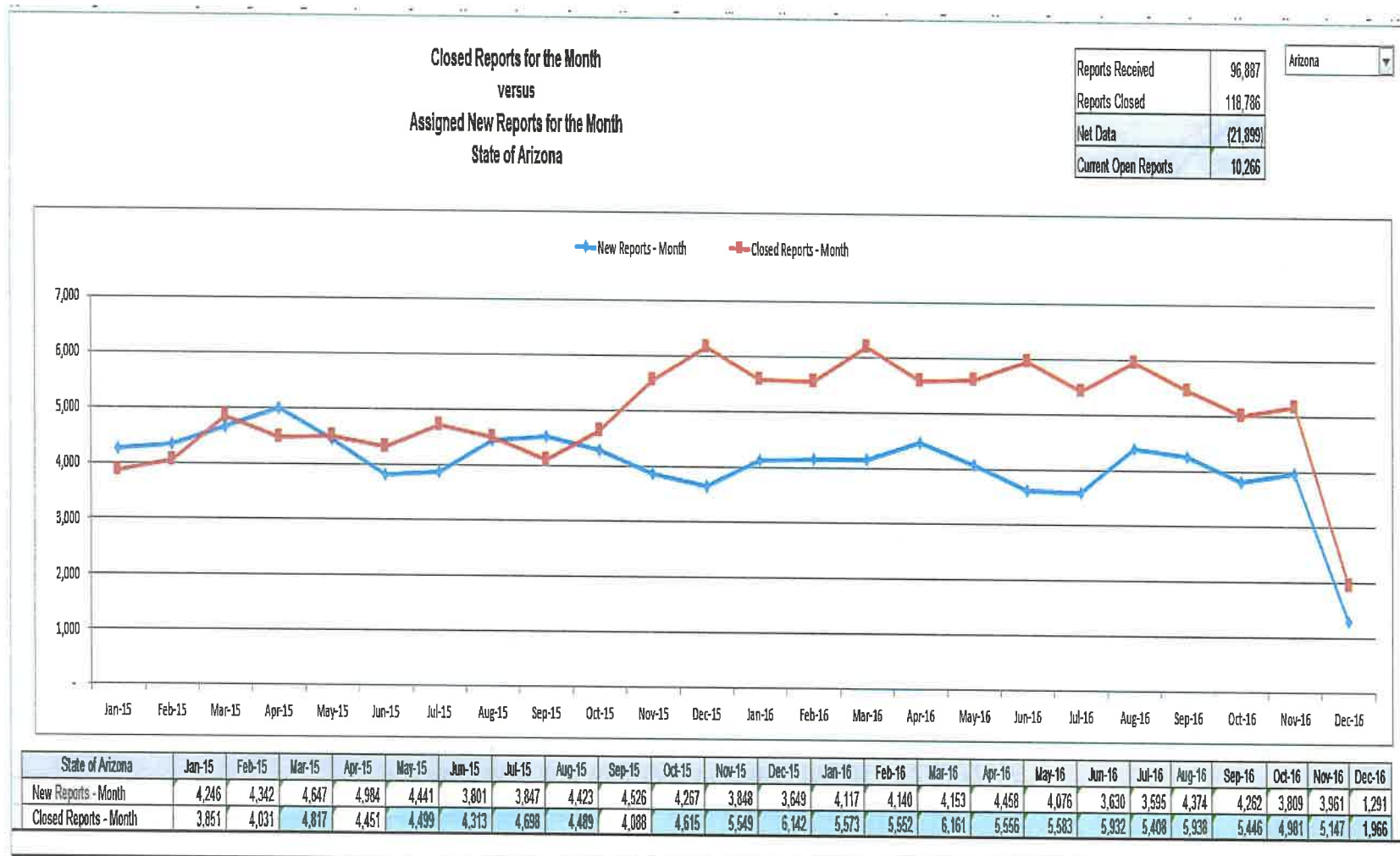


NOTE: November 2016 data is preliminary.

Data Source: DCS Tableau Dashboard, Report Response Timeliness, 12.12.16



Completed Reports vs. Assigned New Reports

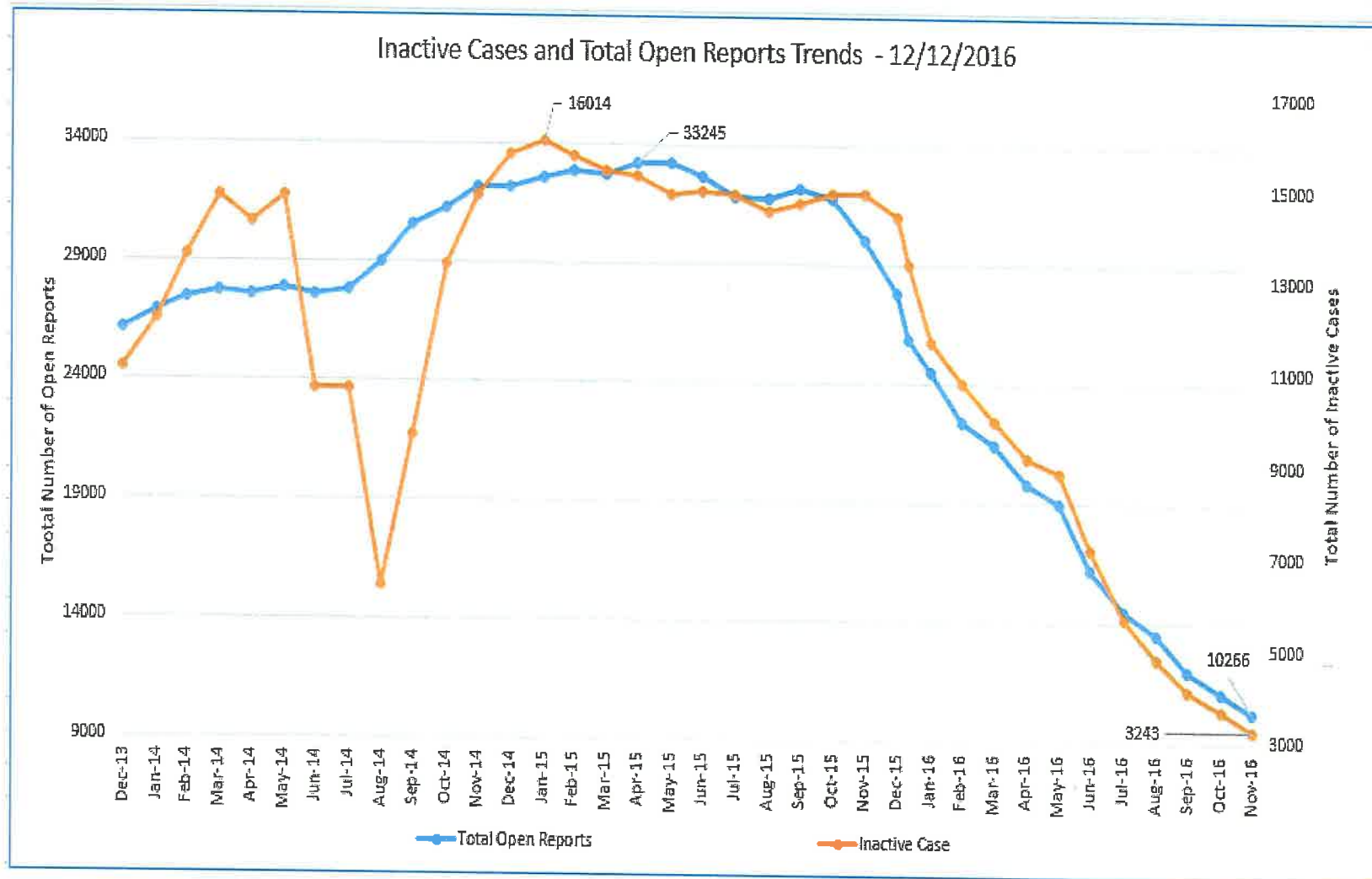


NOTE: Investigations may contain one or more reports. Current open reports is through 12.12.16.

Data Source: Weekly Completed/Assigned Report



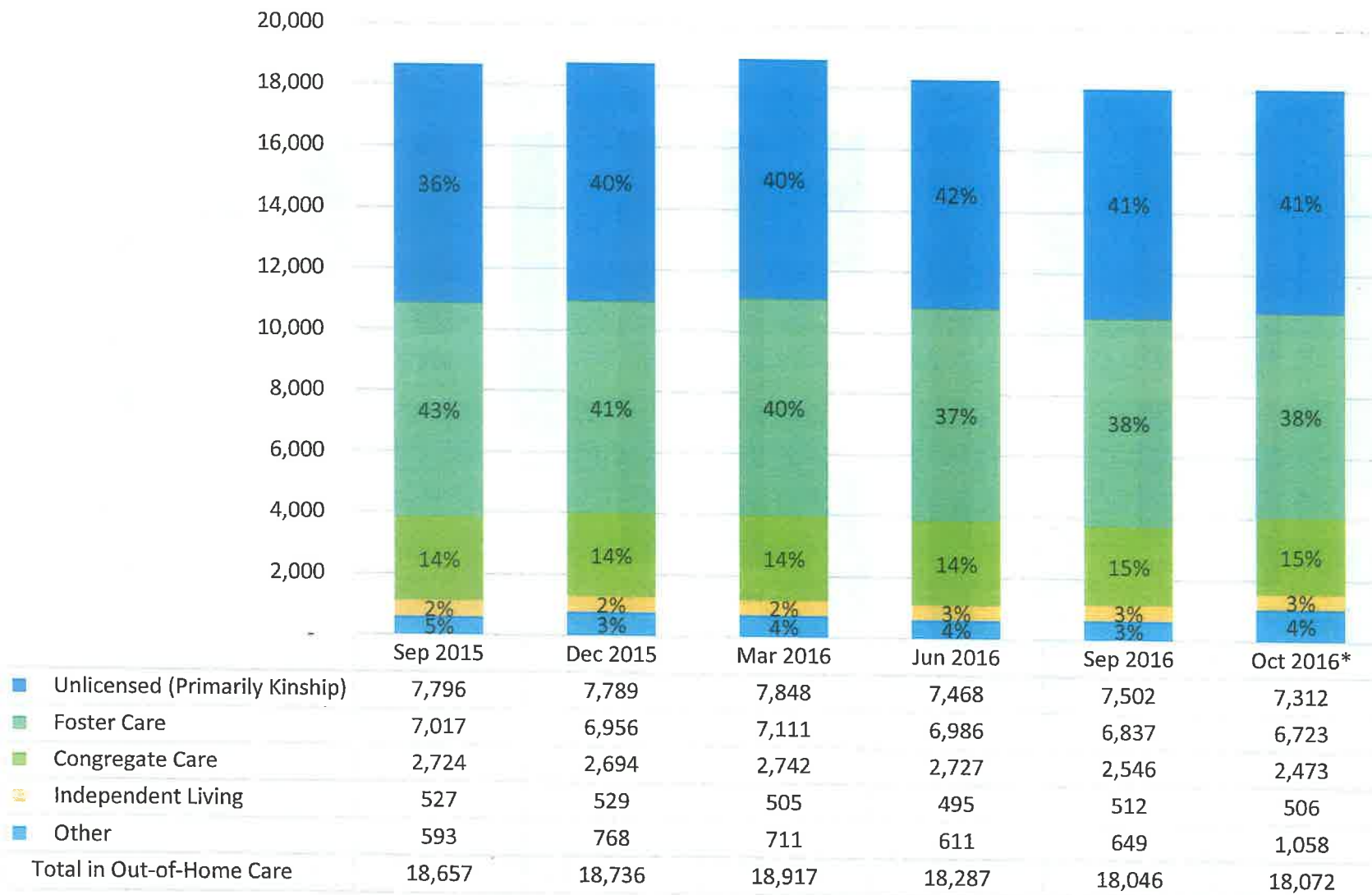
Inactive Cases and Total Open Reports



NOTE: Investigations may contain one or more reports. Current open reports is through 12.12.16.
Data Source: Weekly Completed/Assigned Report, and Weekly DCS Inactives Report



Children in Out-of-Home Care



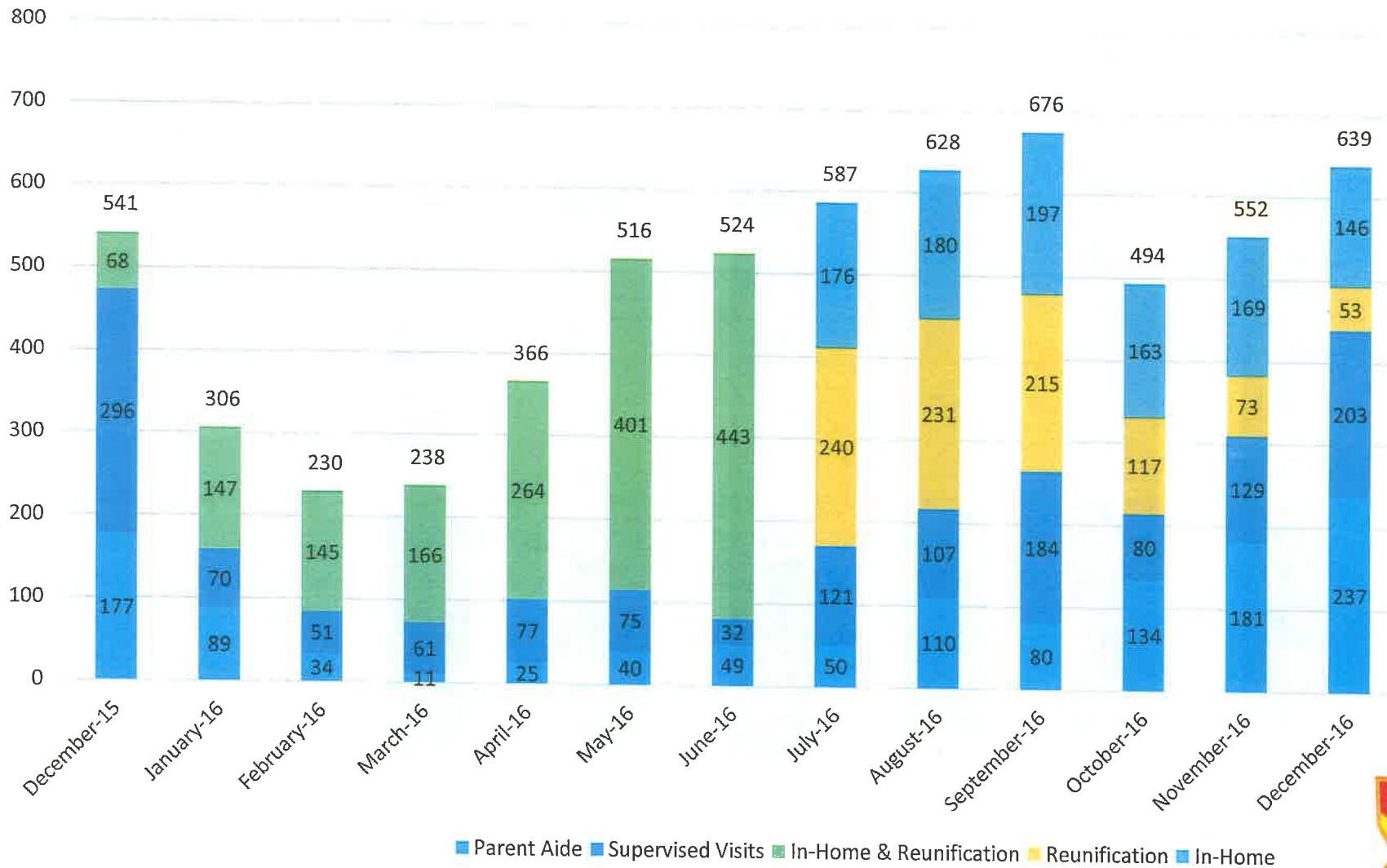
NOTE: October 2016 data is preliminary

Data Source: DCS Monthly Out-of-Home Care Report, 11.21.16



Service Referral Waitlist

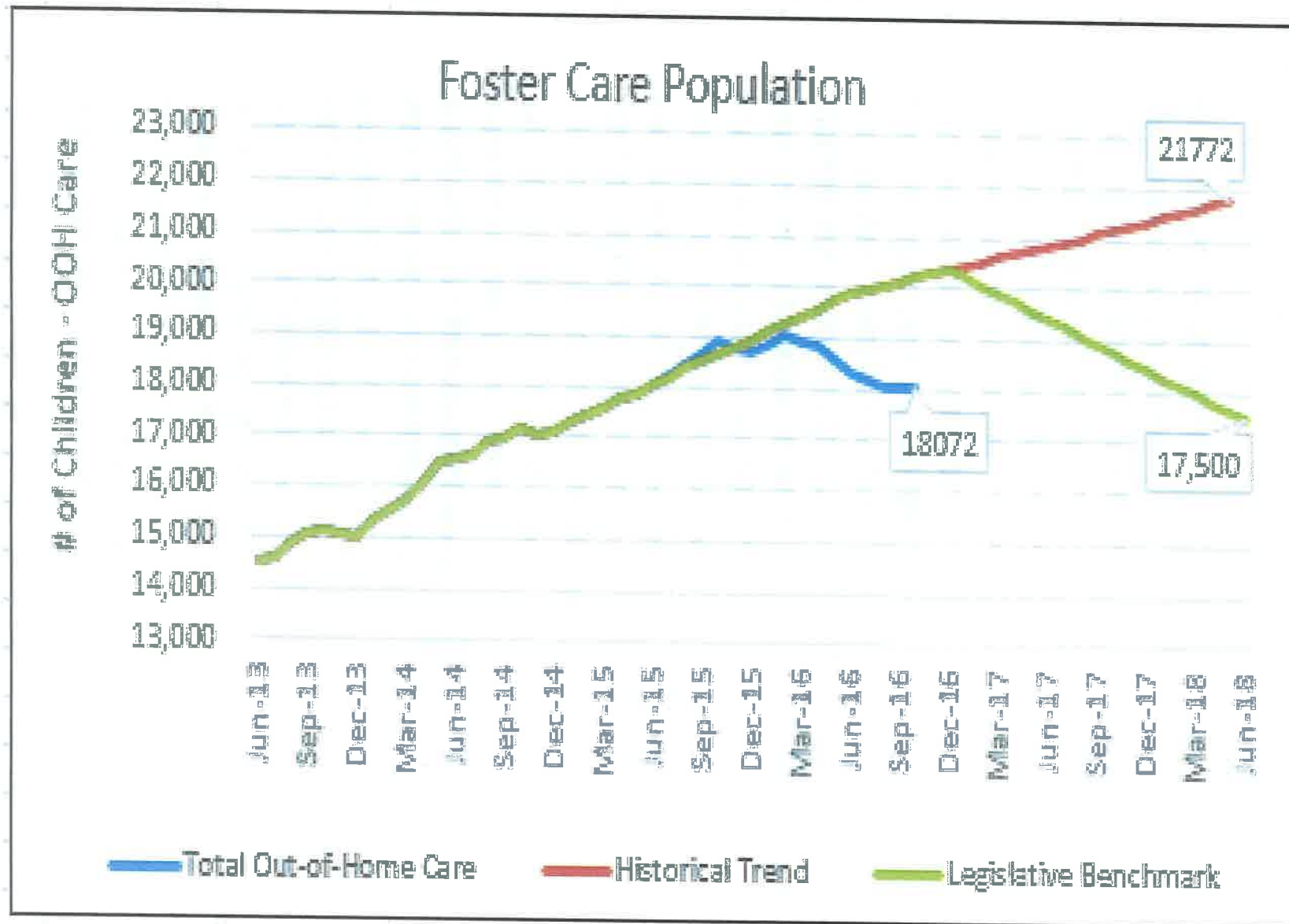
Parent Aide, Supervised Visits, and In-home



NOTE: November 2016 data through 12.12.16
 Data Source: Weekly DCS Waitlist Report



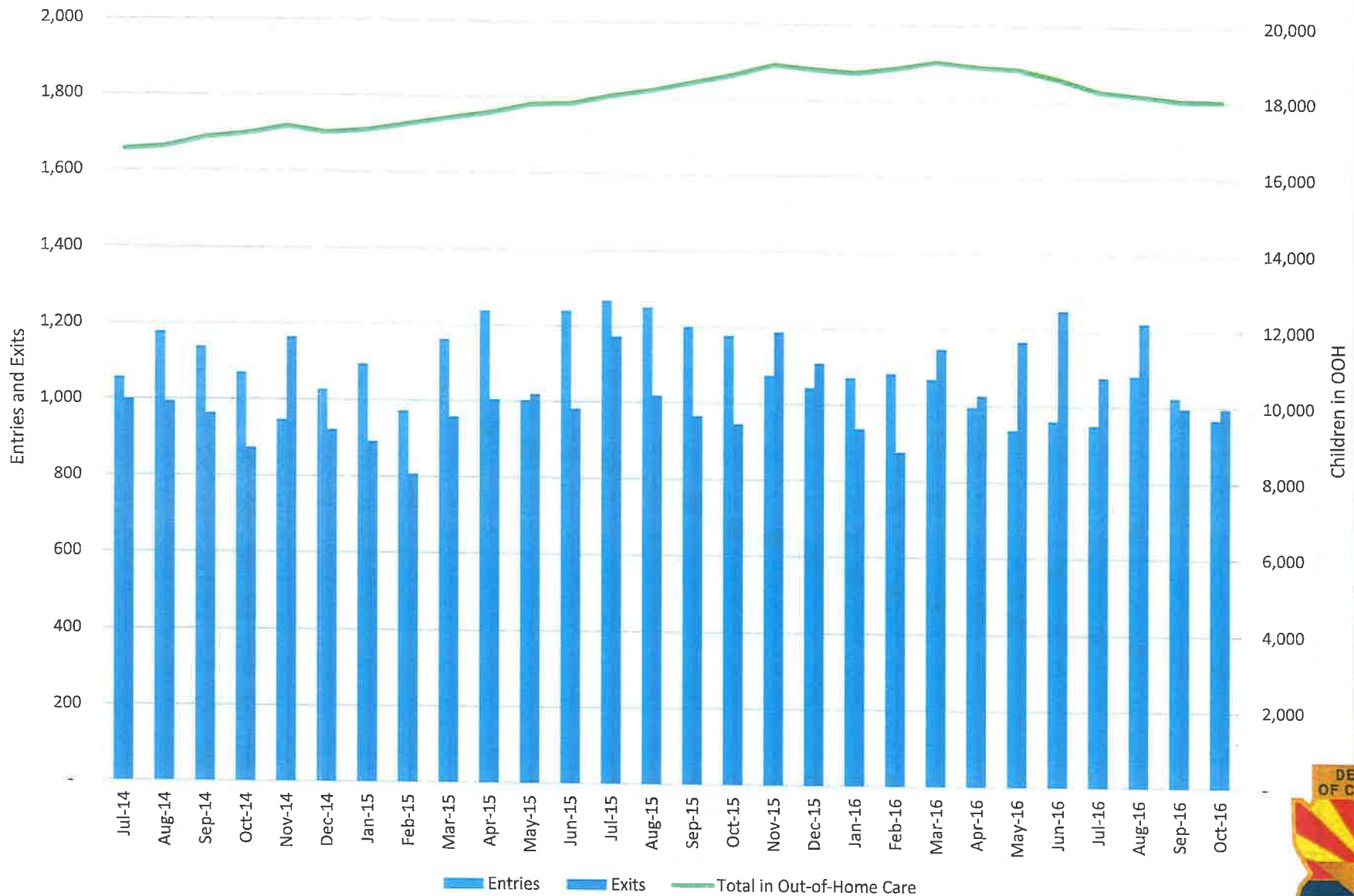
Out-of-Home Care Projection



NOTE: Current OOH population reflects October 2016 data
 Data Source: DCS Monthly Out-of-Home Care Report, 11.21.16



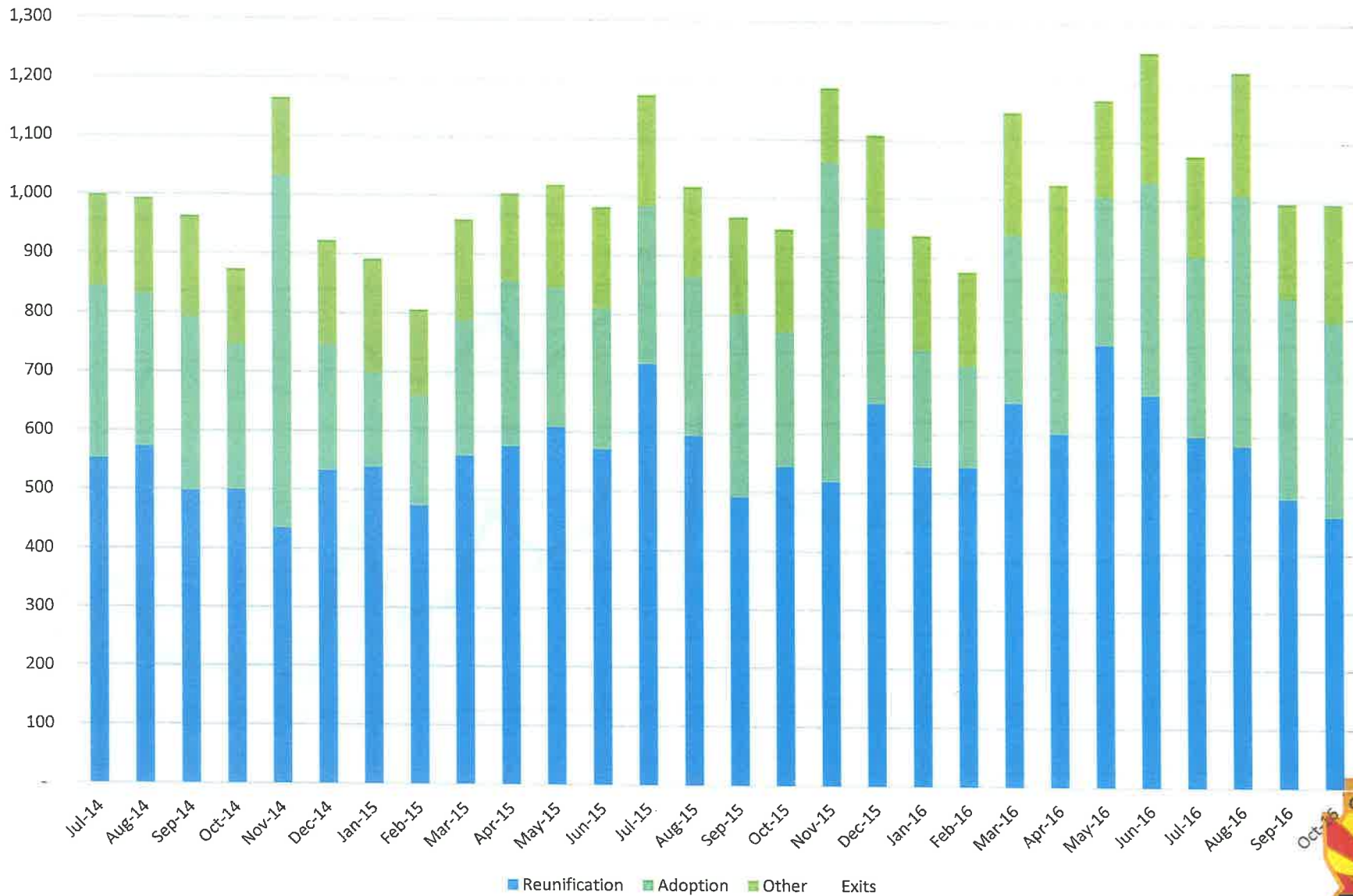
Entries and Exits



Data Source: Removals & Returns Dashboard, 12.12.16. Data for October 2016 is preliminary.



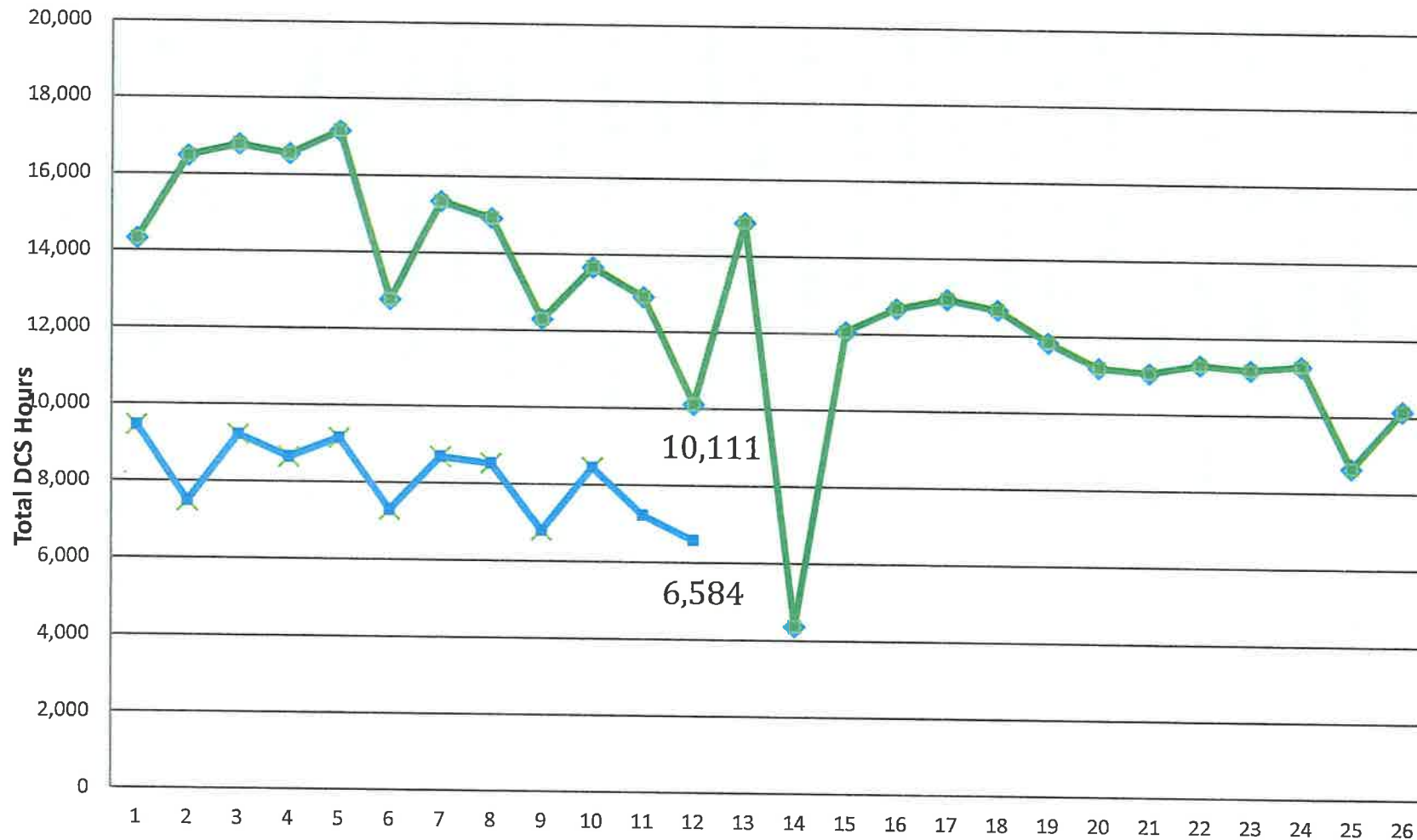
Exits by Type



Data Source: DCS Tableau Dashboard, Removals and Exits, 12.12.16

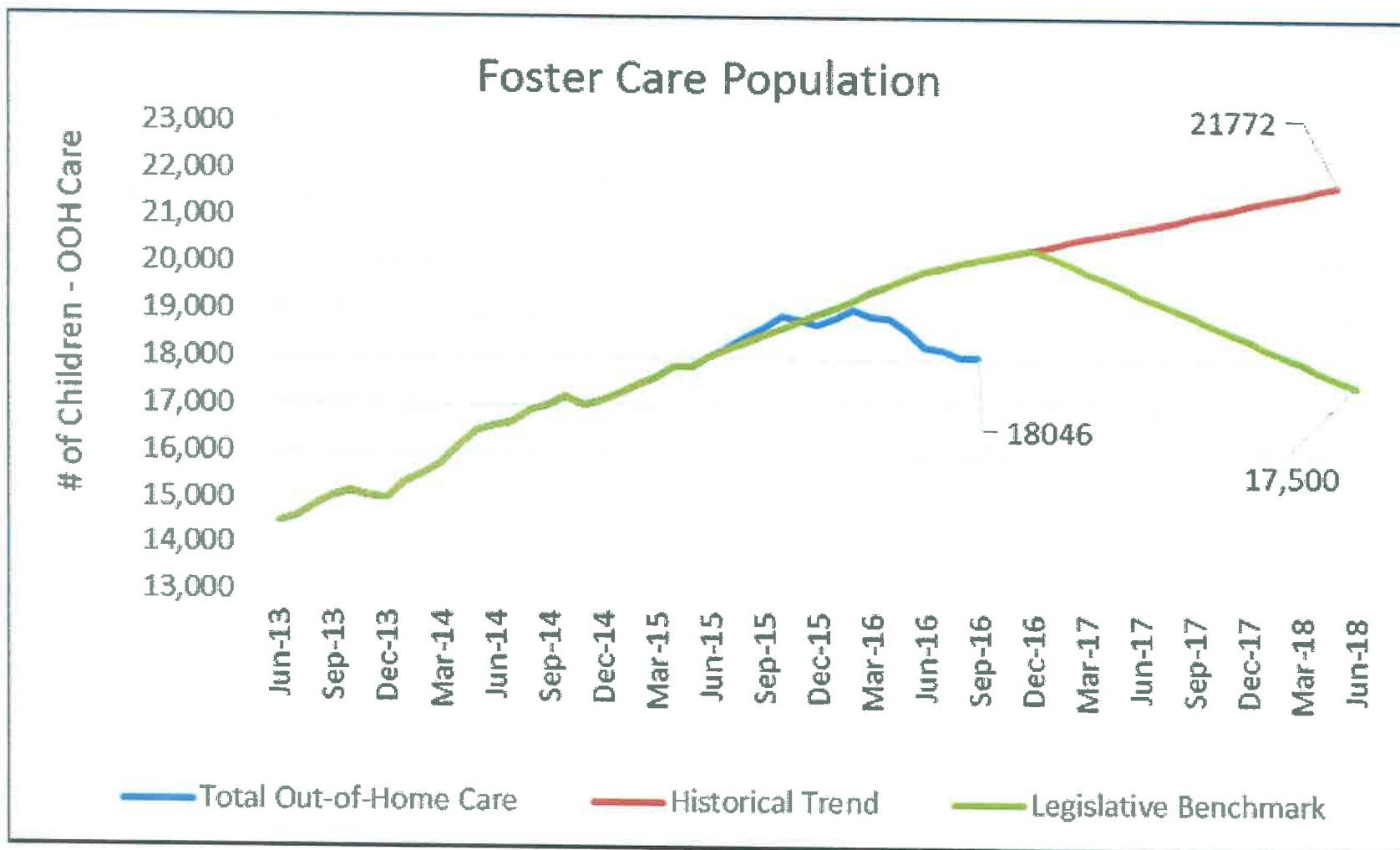


Overtime Utilization by Pay Period



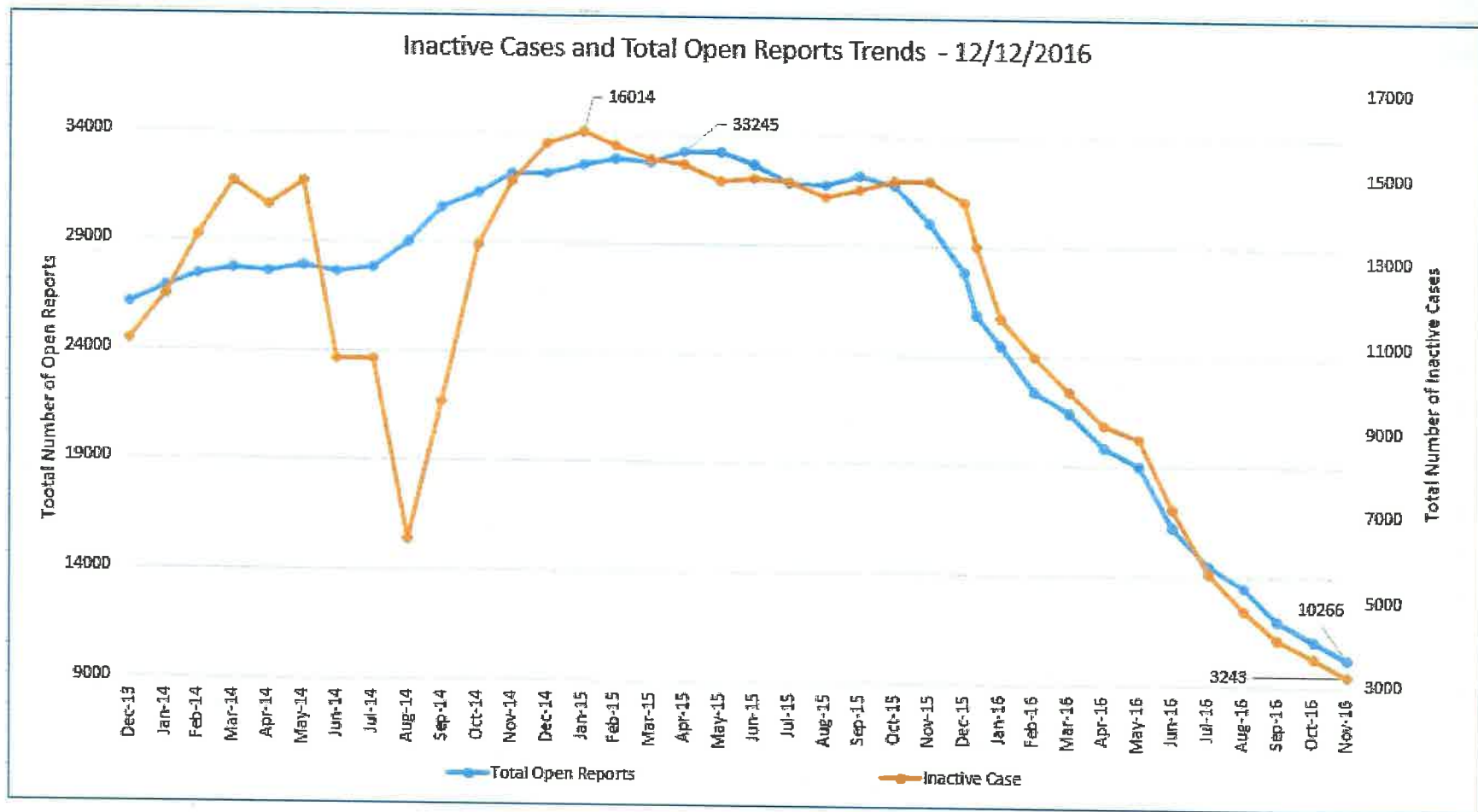
Data Source: DCS Finance Report, Overtime Detail Report, 12.9.16





* Projected population to be below 18K in December for the first time since May 2015





* Revised open report milestone internally to 10,200 down from 13,000

