



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

HOUSE OF
REPRESENTATIVES

JOHN KAVANAGH
VICE-CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
BRIAN FERNANDEZ
JAKE HOFFMAN
J.D. MESNARD

(602) 926-5491

azjlbc.gov

DAVID LIVINGSTON
CHAIRMAN
LEO BIASIUCCI
NEAL CARTER
JOSEPH CHAPLIK
MATT GRESS
ATHENA SALMAN
JUDY SCHWIEBERT
STEPHANIE STAHL HAMILTON

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

December 14, 2023

The Chairman called the meeting to order at 2:03 p.m., Thursday, December 14, 2023, in Senate Hearing Room 1. The following were present:

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

APPROVAL OF MINUTES

Senator Kavanagh moved that the Committee approve the minutes of November 9, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Consider Approval of State Employee Travel Rate Adjustments.

A.R.S. § 38-624C requires the Committee to approve any changes to ADOA’s maximum reimbursement rates for lodging, meal, and mileage expenses. These reimbursements compensate state employees traveling on official state business.

(Continued)

ADOA proposed an increase to both the personal vehicle mileage reimbursement rate and maximum lodging rates to align with the new federal rates. ADOA did not propose any change to the current meal reimbursement rates. The JLBC Staff provided options and a potential provision:

- A. *Committee approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.*

2A. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUNDS (APF) - Review of Human Resources Information System.

A.R.S. § 41-714 requires Committee review prior to any monies being expended the APF. ADOA requested review of a \$20,647,800 FY 2024 expenditure plan for the Human Resources Information System. The JLBC Staff provided options and a potential provision:

- A. *It is the Committee's intent that ADOA narrow the scope of the project if needed to keep the project within the original budget. A review by the Committee does not constitute an endorsement of additional funding.*

2B. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUNDS (APF) - Review of Department of Revenue Integrated Tax System Modernization.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from the APF. ADOA requested on behalf of the Department of Revenue (DOR) to expend a total of \$16,656,400 of its \$19,369,400 FY 2024 APF appropriation to complete the planning and discovery phase with the selected vendor for the new tax system. The JLBC Staff provided options and potential provisions:

- A. *On or before February 28, 2024 and August 30, 2024, DOR shall report to the Committee on its progress in developing a project plan, schedule, and deliverables.*
- B. *A favorable review is contingent on approval from the Information Technology Authorization Committee (ITAC).*

3. DEPARTMENT OF EDUCATION (ADE) - Review of AzSCI Science Contract Renewal.

A.R.S. § 15-741.03 requires ADE to seek Committee review to establish or renew a contract for any portion of the statewide assessment. ADE proposed renewal of its contract for the statewide assessment in science (AzSCI). The JLBC Staff provided options and a potential provision:

- A. *A favorable review does not constitute an endorsement of adding funding to ADE's budget for cost increases in the AzSCI contract.*

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

An FY 2024 General Appropriation Act footnote requires Committee review for the transfer of monies between most DCS line items. DCS requested the FY 2024 transfer of \$651,600 of Federal Expenditure Authority from the Office of Child Welfare Investigations line item to the Operating Budget (\$530,900) and the Caseworkers line item (\$120,700).

The JLBC Staff recommended a favorable review of the transfers.

5. DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Plan for the Arizona Training Program at Coolidge.

A.R.S. § 36-570 requires DES to submit a report for review by the Committee on or before November 1 of each year on the department's plans for the Arizona Training Program at Coolidge (ATP-C) and associated group homes. The JLBC Staff provided options and a potential provision:

- A. *A favorable review by the Committee does not constitute an endorsement of additional appropriations to cover costs associated with the department's plans for ATP-C.*

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.

A.R.S. § 41-1724G and A.R.S. § 41-1724H requires Committee review of the DPS expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expenditure. DPS requested review of expenditure plan of the remaining \$1,050,000 of the \$2,396,400 FY 2024 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 2024 allocation of the grants. The Chairman shall decide whether the revisions require Committee review.*

7. STATE DEPARTMENT OF CORRECTIONS (ADC) - Review of Bed Capacity Changes.

An FY 2024 General Appropriations Act footnote requires ADC to submit a bed capacity report by November 1, 2023. The budget also requires that if, after submitting that report, ADC plans to open or close at least 100 beds they must submit that plan to the Committee for review. On November 27, 2023, the Governor announced that the Marana prison management-only contract would expire, effectively closing the Marana prison. While ADC did not submit a plan for review, the Chairman elected to place this item on the agenda for review. The JLBC Staff provided options.

8. JLBC STAFF - Consider Approval of Index for Arizona Department of Administration - School Facilities Division Construction Costs.

A.R.S. § 41-5741D3(c) requires that the cost-per-square-foot factors used in ADOA School Facilities Division (SFD) new school construction formula "shall be adjusted annually for construction market considerations based on an index identified or developed by the Joint Legislative Budget Committee (JLBC) as necessary but not less than once each year." The JLBC Staff provided options:

- 1) Approve a 6.52% adjustment in the cost-per-square-foot factors. The adjustment is based on the change in the Rider Levett Bucknall (RLB) Phoenix construction cost index since the cost factors were last adjusted in December 2022. The new revised per square foot dollar amounts apply to districts that were awarded new schools by SFD on December 15, 2023 for funding in FY 2025. The revised rates are as follows:

(Continued)

<u>Grade</u>	<u>\$ per square foot</u>
K-6	\$329.26
7-8	\$347.62
9-12	\$402.43

2) Approve a different adjustment factor.

Senator Kavanaugh moved that the Committee approve consent agenda items 1 and 8 (option 1) with the JLBC Staff provisions and give a favorable review of consent agenda items 2A, 2B, 3, 4, 5, 6 and 7 with the JLBC Staff provisions. The motion carried.

EXECUTIVE SESSION

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

At 2:08 p.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 3:15 p.m. the Committee reconvened into open session.

A. Attorney General - Consideration of Proposed Settlements under Rule 14.

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

1. *Stephen Outram v. State of Arizona.*
2. *John Fanelli v. State of Arizona, et al.*
3. *Lauren Shaw v. State of Arizona.*

The motion carried.

Representative Salman requested a roll call vote for the remaining case settlement presented by the Attorney General. By a show of hands 5 ayes and 5 nays, that settlement was not approved. (Attachment 1)

B. JLBC Annual Performance Review per Rule 7

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

Without objection, the meeting adjourned at 3:21 p.m.

Respectfully submitted:

Kristy Paddack

Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <https://www.azjlbc.gov/jlbc-meetings/>.

JOINT LEGISLATIVE BUDGET COMMITTEE

Meeting Date: December 14, 2023

ITEM #1: Attorney General – Rule 14
MOTION: Motion Not Approved

ITEM #:
MOTION:

	PRESENT	ABSENT	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON	X				X		
REP. BIASIUCCI		X					
SEN. BENNETT	X			X			
SEN. BORRELLI		X					
REP. CARTER		X					
REP. CHAPLIK	X			X			
SEN. DIAZ	X						
SEN. FERNANDEZ	X				X		
REP. GRESS	X			X			
SEN. HOFFMAN		X					
SEN. MESNARD		X					
REP. SCHWIEBERT	X				X		
REP. STAHL HAMILTON	X				X		
REP. SALMAN	X				X		
SEN. KAVANAGH	X			X			
REP. LIVINGSTON	X			X			
TOTALS	11	5		5	5		

	PASS	AYE	NAY	PRESENT	ABSENT
SEN. ALSTON					
REP AUSTIN – Temp member					
REP. BIASIUCCI					
SEN. BENNETT					
SEN. BORRELLI					
REP. CARTER					
REP. CHAPLIK					
SEN. DIAZ					
SEN. FERNANDEZ					
REP. GRESS					
SEN. HOFFMAN					
SEN. MESNARD					
REP. SCHWIEBERT					
REP. SALMAN					
SEN. KAVANAGH					
REP. LIVINGSTON					
TOTALS					