



STATE OF ARIZONA

Joint Legislative Budget Committee

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

December 16, 2020

The Chairman called the meeting to order at 9:37 a.m., Wednesday, December 16, 2020, via video conference. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Alston	Representative Espinoza
	Senator Bowie	Representative Fernandez
	Senator Gray	Representative Friesse
	Senator Livingston	Representative Kavanagh
	Senator Otondo	Representative Petersen
		Representative Roberts
		Representative Toma

Absent: Senator Leach
Senator Mesnard

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of September 23, 2020. The motion carried.

CONSENT AGENDA

The following items were considered without discussion.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Child Care ATLAS System Replacement.

An FY 2021 General Appropriation Act footnote requires ADOA to submit to the Committee on behalf of DES - Division of Child Support Enforcement (DCSE) an expenditure plan for replacement of the Arizona Tracking and Locate Automated System (ATLAS) for review. The JLBC Staff provided options and potential provisions:

(Continued)

- A. *Until completion of the project, DES shall submit quarterly progress reports from the third-party consultant to JLBC pursuant to A.R.S. § 18-104 in a timely manner.*
- B. *A favorable review by the Committee does not constitute endorsement of any supplemental funding request that may be required for project costs or any operational costs when the project is complete.*

DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Developmental Disabilities Line Item Transfers.

An FY 2020 General Appropriation Act footnote requires DES to submit a report for review by the Committee before transferring any funds into or out of certain Division of Developmental Disabilities (DDD) line items. DES requested review of the following FY 2020 General Fund transfers totaling \$1,575,000 out of the Case Management - State Only line item:

- \$1,275,000 into the Targeted Case Management - Medicaid line item.
- \$300,000 into the Home and Community-Based Services - State Only line item.

The JLBC Staff provided options.

ARIZONA DEPARTMENT OF EDUCATION (ADE) - Review of Career and Technical Education (CTE) Credential List.

A.R.S. § 15-249.15 requires ADE to annually submit the career technical education industry credentials list for the Arizona Industry Credential Incentive Program for review by the Committee. The JLBC Staff provided options.

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

A.R.S. § 15-2041 requires that the cost-per-square-foot factors used in School Facilities Board new school construction financing be adjusted annually for construction market considerations based on an index identified or developed by the Joint Legislative Budget Committee as necessary but not less than once each year. The JLBC Staff provided the following option that the Committee approved:

1. Approve a 2.76% 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.

The new revised per square foot dollar amounts apply to districts that were awarded new schools by the School Facilities after December 16, 2020. The revised rates are as follows:

<u>Grade</u>	<u>\$ per square foot</u>
K-6	\$168.90
7-8	\$178.31
9-12	\$206.44

Representative Cobb moved that the Committee give a favorable review, or approval, as applicable, including provisions as outlined in the JLBC Staff analysis, to the 4 consent agenda items listed above. The motion carried.

(Continued)

EXECUTIVE SESSION

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

At 9:39 a.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 10:00 a.m. the Committee reconvened into open session.

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

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

1. *Claim of Lamont Laster*
2. *Donald Williams Jr. v. State of Arizona et. al.*

The motion carried.

B. ARIZONA DEPARTMENT OF ADMINISTRATION - Risk Management Annual Report.

This item was for information only and no Committee action was required. The Committee received the Risk Management Annual Report pursuant to JLBC Rule 14. The Committee requests that future annual reports continue to include the following information:

- Status of open claims and lawsuits.
- Status of claims and lawsuits reported on the prior year annual report.
- Total number of claims and lawsuits filed with Risk Management during the prior fiscal year.
- Total settlement and judgment costs during the prior fiscal year.
- Number of liability settlements greater than the JLBC level and cost of each settlement.
- Number of liability cases taken to trial by Risk Management categorized by:
 - Number of verdicts for the state with detail of the associated judgment amounts.
 - Number of verdicts against the state with detail of the associated judgment amounts.
- Projected Risk Management Fund balance.
- Proposed changes to state insurance coverage, state statutes, and claim procedures.

C. JLBC Annual Performance Review per Rule 7

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

REGULAR AGENDA

DEPARTMENT OF VETERANS' SERVICES (DVS) - Review of Veterans' Suicide Prevention Program.

Ms. Lauren Jorgensen, JLBC Staff, stated that an FY 2021 General Appropriation Act footnote requires DVS to submit for Committee review its report on expenditures related to the Veterans' Suicide Prevention line item as well as the status of non-state matching funds. The JLBC Staff provided options.

(Continued)

Mr. Luis Marquez, Assistant Deputy Director, Administration, DVS, responded to member questions.

Ms. Nicole Baker, Assistant Deputy Director, Public and Intergovernmental Affairs, DVS, responded to member questions.

Representative Cobb moved that the Committee favorably reviewed DVS' expenditure plan. The Committee also requested that the department submit an updated report detailing reasons for service encounters, number of unique service encounters, satisfaction survey results, and a list of distinguishing duties between Be Connected Staff and Veterans' Benefits Counselors. The report is to be submitted by March 1, 2020. The motion carried.

Without objection, the meeting adjourned at 10:16 a.m.

Respectfully submitted:

Kristy Paddack

Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director

A handwritten signature in blue ink, reading "David M. Gowan, Sr.", is written over a horizontal line.

Senator David Gowan, Chairman