

At its April 2022 meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Arizona Department of Administration – Risk Management Services - Consideration of Proposed Settlements – The Committee approved several settlements under Rule 14, which requires Committee approval of Risk Management settlements above \$250,000 pursuant to A.R.S. § 41-621(N).

Regular Session

Arizona Department of Administration – Consider Approval of Requested Transfer of Appropriations – A.R.S. § 35-173 requires ADOA to submit for Committee approval any transfers of spending authority. The Committee approved a \$3,000,000 FY 2022 transfer of Risk Management Revolving Fund monies from the Workers' Compensation line item to the Risk Management Administrative Expenses line item. The approval included a provision requiring ADOA to submit a report to the JLBC Staff on the monthly expenditures for contracted Risk Management legal expenses from either the operating budget or the Risk Management Administrative Expenses line item on or before the last day of April, May, June, and July 2022.

Arizona Department of Corrections – Review of Proposed Reallocation of Personal Services and Employee Related Expenditures Appropriations – An FY 2022 General Appropriation Act footnote requires ADC to submit an expenditure plan for Committee review prior to spending any monies appropriated for Personal Services and Employee Related Expenditures for other purposes. The Committee gave a favorable review of the department's plan to spend \$16,986,100 on security equipment.

Arizona Department of Corrections – Review of Request for Proposals to Operate Phoenix West Prison – A.R.S. § 41-1609.01 requires ADC to submit for Committee review any published Request for Proposals (RFP) for a private prison contract. The Committee gave a favorable review to the department's RFP for the management and operation of the Phoenix West prison. The favorable review included a provision requiring ADC to report the contracted per diem rate and the annual value of the contract upon selecting a vendor.

Consent Agenda

AHCCCS/Department of Economic Security – Review of Mid-Year Capitation Rate Changes for Plan Year 2022 – An FY 2022 General Appropriation Act footnote requires the state Medicaid agencies to submit for Committee review any changes in capitation rates prior to implementation. The Committee gave a favorable review of mid-year adjustments to the CYE 2022 capitation rates for AHCCCS and the DES Arizona Long Term Care System (ALTCs) program.

Department of Child Safety – Review of Expenditure Authority Line Item Transfers – An FY 2022 General Appropriation Act footnote requires DCS to submit a report for review by the Committee before transferring funds from any line item, except for transfers between line items relating to the comprehensive health plan. The Committee gave a favorable review of an FY 2022 transfer of \$1,312,300 of Expenditure Authority monies from the Foster Home Placement line item into the Extended Foster Care line item.

Department of Economic Security – Review of Developmental Disabilities Line Item Transfers – An FY 2021 General Appropriation Act footnote requires DES to submit a report for Committee review before transferring any funds into or out of certain Division of Developmental Disabilities (DDD) line items. The Committee gave a favorable review of the following transfers of

federal Long Term Care System Fund (LTCSF) monies out of the FY 2021 DDD Administration line item: \$9,000,000 into the FY 2021- Physical and Behavioral Health Services - Medicaid line item and \$550,000 into the Premium Tax line. The Committee also gave a favorable review of the following LTCSF transfers out of the FY 2021 Case Management - Medicaid line item: \$10,000,000 into the FY 2021 Physical and Behavioral Health Services - Medicaid line item and \$5,000,000 into the FY 2021 Home and Community Based Services - Medicaid line item.