

JLBC Meeting

At its April 28, 2009 meeting, the Joint Legislative Budget Committee considered the following issues:

AHCCCS – Review of Revised Acute Care Capitation Rate Changes – The Committee gave a favorable review to 3 capitation rate changes: reducing the physician services portion of Acute Care capitation rates, eliminating dental sealants for primary teeth as a covered service, and shifting costs for the Department of Economic Security’s state – only Developmental Disabilities program to AHCCCS’ Acute Care program. The proposed rates would allow AHCCCS to reduce their costs consistent with the January budget revisions.

Attorney General – Review of Allocation of Settlement Monies

Eli Lilly

The Committee gave a favorable review to the Attorney General’s (AG) \$2.2 million allocation plan for attorney’s fees and consumer fraud activities. The settlement is a result of the investigation of the marketing of a drug used for the treatment of bipolar disorders.

Pfizer, Inc.

The Committee gave a favorable review to the AG’s \$2.5 million allocation plan for attorney’s fees and consumer fraud activities. The settlement is a result of the investigation of the marketing and sale of a pain medication.

Countrywide

The Committee gave a favorable review to the AG’s \$4.3 million allocation plan as a result of the multistate suit brought

against Countrywide Financial Corporation, based on an investigation of their lending practices. Of the settlement amount, \$4,098,300 will be distributed to Arizona consumers: half to borrowers who have experienced a home foreclosure and the other half to be used for foreclosure relief and mitigation programs that are administered by the AG. In addition, the AG will receive \$200,000 for attorney’s fees and consumer fraud activities.

Great Expectations – The Committee gave a favorable review to the AG’s \$525,000 allocation plan as a result of the consent agreement with Great Expectations, a referral dating service. Of the settlement amount, \$250,000 will be paid to Arizona consumers whom have already filed complaints with the AG. In addition, the AG will receive \$275,000 for their consumer fraud unit.

Community Colleges – Review Renewal of Diné College’s Funding Compact – The Committee gave a favorable review to the 10-year renewal of the funding compact between the state and the Navajo Nation. Consistent with statute, the compact allows 10% of transaction privilege tax (TPT) revenues that are generated within the Navajo Nation to be used for Diné College.

Fund Transfer Exchanges – Review of Requested Exchange of Fund Transfers – The Committee gave a favorable review to the requested exchange of fund transfers for the Corporation Commission, the Arizona Department of Housing, the Department of Insurance and the Arizona State Parks Board. Subject to JLBC review, the Special

Session budget legislation permits agencies to revise their fund transfers downward if other fund transfers are increased by the same amount. In the single largest shift, the Committee favorably reviewed replacing a \$3 million transfer from the State Parks Enhancement Fund with a \$2 million transfer from the State Lake Improvement Fund and a \$1 million transfer from the Heritage Fund.

Services line to the Employee Related Expenditures (ERE) line in FY 2009. The agency projects that total ERE costs will be \$1.6 million for FY 2009, exceeding the appropriated amount of \$1.5 million.

Arizona State Schools for the Deaf and Blind – Review of Intended Use of Voucher Fund Expenditures – The Committee gave a favorable review to the Arizona State Schools for the Deaf and Blind’s (ASDB) expenditure plan for the \$878,500 appropriation to the Voucher Fund to pay for expenses associated with projected enrollment growth and inflation. ASDB plans to use the monies for personnel and supplies.

Department of Environmental Quality – Review of Intended Use of Monies in the Indirect Cost Recovery Fund – The Committee gave a favorable review to the Department of Environmental Quality’s (DEQ) intended uses of the Indirect Cost Recovery Fund in excess of their FY 2009 appropriation of \$11.9 million. The Committee favorably reviewed the option to increase Indirect Cost Recovery Fund expenditures to a total of \$12.5 million for the entire fiscal year. The Indirect Cost Recovery Fund is used to pay administrative and overhead expenses for DEQ programs.

Arizona Pioneers’ Home – Consider Approval of Requested Transfer of Appropriations – The Committee approved the agency’s request to transfer up to \$100,000 from the Personal