

JLBC MEETING

At its June 20, 2017 meeting, the Joint Legislative Budget Committee considered the following issues:

Arizona Department of Administration – Review of FY 2018 Projects (Automation Projects Fund) – The Committee gave a favorable review of \$3.0 million in total expenditures in FY 2018 for Arizona Strategic Enterprise Technology (ASET) projects, consisting of: \$1.0 million for Security, Privacy, and Risk; \$500,000 for Digital Government; and \$1,500,000 for Project Management. The favorable review included reporting requirements.

Arizona Department of Administration – Review of 90/10 E-Licensing Project (Automation Projects Fund) – The Committee gave a favorable review of \$595,500 appropriated from the Automation Projects Fund in FY 2018 for a 90/10 E-Licensing Project. The favorable review included reporting requirements.

Arizona Department of Administration/Arizona Department of Education – Review of AELAS Expenditure Plan (Automation Projects Fund) – The Committee gave a favorable review of the expenditure plan of \$7.3 million from the Automation Projects Fund for the Arizona Education Learning and Accountability System (AELAS). The favorable review included numerous provisions, including reporting requirements.

Arizona Department of Administration/Department of Environmental Quality – Review of myDEQ Expenditure Plan (Automation Projects Fund) – The Committee gave a favorable review of the FY 2018 expenditure plan of \$3.2 million from the Automation Projects Fund for Phase 4 of the development of DEQ's web portal, myDEQ. The favorable review included reporting requirements.

Arizona Department of Administration/Industrial Commission – Review of Claim Processing Project (Automation Projects Fund) – The Committee gave a favorable review of \$1.0 million in proposed FY 2018 expenditures from the Automation Projects Fund for the Industrial Commission Claims Processing System Upgrade.

Arizona Department of Administration/Department of Revenue – Review of Data Center Equipment Upgrade (Automation Projects Fund) – The Committee gave a favorable review to \$5.5 million of DOR's \$12.0 million proposed expenditure plan from the Automation Projects Fund to replace DOR's data center hardware. DOR shall submit a Project Investment Justification (PIJ)

to the Information Technology Advisory Committee (ITAC) for review and approval. Subsequent to ITAC review and approval, DOR may submit a request for the Committee to review the remaining \$5.5 million. DOR shall also contract with a third-party consultant to provide quarterly third-party reviews of the project to the Chairman of JLBC, the Committee and JLBC Staff.

Arizona Department of Administration – Review of Arizona Financial Information System Transaction Fee – The Committee gave a favorable review of the proposed 32.5-cent transaction fee to state agencies for the operation of AFIS.

Arizona Department of Administration – Review of Risk Management Deductible – The Committee gave a favorable review of the proposed deductible increase from \$100 to \$2,500 for agencies with budgets of at least \$1.0 million.

Arizona Health Care Cost Containment System – Review of Expenditure Plan for Targeted Investment Program – The Committee gave a favorable review of the \$300.0 million expenditure plan for AHCCCS' Targeted Investments Program of incentive payments to health providers. AHCCCS will expend \$300.0 million in cumulative funding between FY 2018 and FY 2022, primarily from Federal Funds. The favorable review included reporting requirements.

AHCCCS/Department of Economic Security/Department of Child Safety – Review of Capitation Rate Changes for Plan Years 2017 and 2018 – The Committee gave a favorable review CYE 2017 capitation rate adjustments for the Arizona Long Term Care System (ALTCS) and the Children's Rehabilitative Services Program and Calendar Year End (CYE) 2018 adjustments for the ALTCS-Developmental Disabilities program and the Comprehensive Medical and Dental program. The favorable review included a provision with reporting requirements.

Attorney General – Review of FY 2018 Internet Crimes Against Children (ICAC) Expenditure Plan – The Committee gave a favorable review of the AG's expenditure plan for the \$1.3 million FY 2018 appropriation to the ICAC Enforcement line item.

Attorney General – Review of Uncollectible Debts – The Committee gave a favorable review of the AG's FY 2017 list of \$50.9 million in uncollectible debt, excluding the \$5.6 million owned by National Century Financial Enterprises from this review.

Department of Child Safety – Review of FY 2017 Third Quarter Benchmarks – The Committee gave a favorable review of the report assessing DCS's progress towards

meeting benchmarks for the number of caseworkers, the number of backlog and open reports, and the number of children in out-of-home-care.

Department of Child Safety – Review of Line Item Transfers – The Committee gave a favorable review of the transfer of \$4.1 million from the General Fund and \$8.6 million in expenditure authority funds across several line items to Adoption Services, Emergency and Residential Placements, Training Resources, DCS Child Care Subsidies, and In-Home Mitigation.

Department of Child Safety – Review of Retention Pay Expenditure Plan – The Committee gave a favorable review of the \$1.7 million FY 2018 expenditure plan for the Retention Pay line item, which consists of: \$1.0 million for retention stipends, \$392,300 for program manager salary adjustments, and \$316,400 for one-time bonuses for individuals or groups of employees with excellent performance. The favorable review included provisions with reporting requirements.

Arizona Department of Corrections – Review of Inmate Health Care Per Diem Change – The Committee gave a favorable review to increase the inmate health care per diem from \$12.06 to \$12.54.

Department of Economic Security – Review of Developmental Disabilities Equity Expenditures – The Committee gave a favorable review of DES' plan to expend \$14.5 million of equity monies on Division of Developmental Disabilities state-only programs.

Arizona Department of Education – Review of Joint Technical Education District (JTED) Quarterly and Annual Reports – The Committee gave a favorable review of ADE's December 31, 2016 and March 31, 2017 JTED quarterly reports. It also reviewed ADE's FY 2016 JTED annual report.

Arizona Department of Environmental Quality – Review of Safe Drinking Water Expenditure Plan – The Committee gave a favorable review of the ADEQ's expenditure plan for \$1.8 million from the Safe Drinking Water Program Fund for the Safe Drinking Water Program.

Department of Public Safety – Review of BSTF Expenditure Plan – The Committee gave a favorable review of the \$1.3 million expenditure plan for local support funded by the border Strike Task Force (BSTF). The plan allocates \$761,700 for BSTF local law enforcement positions and \$500,000 for border-related prosecution and jail costs.

Department of Public Safety – Review of the Expenditure Plan for the GIITEM Fund Border Security and Law Enforcement Subaccount – The Committee gave a favorable review of DPS' \$2.4 million FY 2018 expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM). The expenditure plan includes distributions to all 15 county sheriffs, 4 municipalities, and the Arizona Department of Corrections.