

## JLBC MEETING

At its July 2021 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 two settlements under Rule 14, which requires Committee approval of Risk Management settlements above \$250,000 pursuant to A.R.S. § 41-621(N).

**Arizona Department of Administration – Review for Committee the Planned Contribution Strategy for State Employee and Retiree Medical and Dental Plans** – A.R.S. § 38-658 (A) requires the director of the Arizona Department of Administration (ADOA) to meet with and review for the Joint Legislative Budget Committee, in Executive Session, the planned contribution strategy for each health plan at least 10 days before ADOA enters into, or renews, contracts for medical and dental insurance coverage. The Committee gave a favorable review of the report with a provision that prior to the next JLBC meeting ADOA submit a report with an update on the financial status of the Health Insurance Trust Fund.

### Regular Agenda

**Arizona Department of Administration/Automation Projects Fund – Review of Business One-Stop Web Portal** – A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund. The Committee gave a favorable review of \$7,758,900 for Phase 1 of ADOA's Business One-Stop Shop web portal.

**Department of Child Safety – Review of FY 2021 Quarterly Benchmarks** – An FY 2021 General Appropriation Act footnote requires the Department of Child Safety (DCS) to submit to the Committee for review a quarterly report on benchmarks for assessing progress made in increasing DCS' number of FTE Positions, meeting

caseload standards for caseworkers, reducing the number of backlog cases and open reports, and reducing the number of children in out-of-home care. The Committee gave a favorable review of the DCS' FY 2021 third quarter benchmark report.

**Arizona Criminal Justice Commission – Review of Edward Byrne Memorial Justice Assistance Grant Federal Application** – A.R.S. § 41-2403 requires the Arizona Criminal Justice Commission (ACJC) to submit its federal application for the Edward Byrne Memorial Justice Assistance Grant to the Committee for review 30 days prior to submission to the federal government. The Committee gave a favorable review of the proposal with a provision that ACJC submit a preliminary proposal to the Committee by May 15, 2022 if the federal guidelines have not yet been received for 2022.

**Department of Revenue – Review of Progress Report on Transaction Privilege Tax Administration and Enforcement Audit Report** – An FY 2021 General Appropriation Act footnote requires the Department of Revenue to submit a report on the implementation progress of the recommendations included in the Office of Auditor General's (OAG) March 2019 report on Transaction Privilege Tax (TPT) administration and enforcement for Committee review. The Committee gave a favorable review of the report.

**Secretary of State – Review of Expenditure Plans for Help America Vote Act (HAVA) Projects (March 2018 and December 2019 Allocations)** – An FY 2019 General Appropriation Act footnote requires the Secretary of State (SOS) to submit an expenditure plan for March 2018 HAVA funds (authorized by the Consolidated Appropriations Act of 2018) prior to spending those monies. In addition, an FY 2021 General Appropriation Act footnote requires the SOS to submit an expenditure plan for the December 2019 HAVA funds (authorized by the Consolidated Appropriations Act of 2020) prior to spending those monies. The Committee tabled the request until the next Committee meeting.

## Consent Agenda

**Arizona Department of Administration/Automation Projects Fund – Review of ADE School Finance Replacement Project** – A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund. The Committee gave a favorable review of \$3,600,000 for the Arizona Department of Education (ADE) School Finance System Replacement.

**Arizona Department of Administration– Consider Approval of Requested Transfer of Appropriation** – A.R.S. § 35-173 requires ADOA to submit for Committee approval any transfers of spending authority. The Committee approved the transfer of \$900,000 of Risk Management Revolving Fund monies from ADOA's operating lump sum appropriation to the Risk Management Administrative Expenses line item in FY 2021.

**Attorney General – Review of Uncollectible Debts** – A.R.S. § 35-150 (E) requires that the Attorney General's annual report on uncollectible debts owed to the state be reviewed by the Committee before the debt can be removed from the state accounting system. The Committee gave a favorable review of the Attorney General's FY 2021 list of \$21,069,638 in uncollectible debt.

**Arizona Department of Corrections – Review of FY 2021 Third Quarter Correctional Officer Staffing Report** – An FY 2021 General Appropriation Act footnote requires the Arizona Department of Corrections (ADC) to submit for Committee review a quarterly staffing report detailing correctional officers staffing levels. The Committee gave a favorable review of ADC's third quarter report.

**Arizona Department of Education – Review of Transwestern Settlement** – A.R.S. § 15-915 (B) requires ADE to submit to the Committee for review its re-calculation of Basic State Aid for school districts with property values affected by the *Transwestern Pipeline Co. v. Arizona Department of Revenue* litigation. The Committee gave a favorable review of ADE's computed additional Basic State Aid funding of \$7.4 million from the General Fund to account for the lower property values.

**Arizona Department of Education – Review of Career Technical Education District Annual Report** – A.R.S. § 15-393.01 requires ADE to submit to the Committee for review its annual report on Career Technical Education Districts (CTEDs). The Committee gave a favorable review of ADE's annual CTED report for FY 2020.

**Arizona Department of Education – Review of K-12 Broadband Connectivity Projects** – A.R.S. § 15-249.07 requires ADE to submit for Committee review its annual report on K-12 broadband connectivity construction projects. The Committee gave a favorable review of the report.

**Department of Health Services – Review of Long-Term Care Audit Report** – An FY 2021 General Appropriation Act footnote requires the Department of Health Services (DHS) to submit for Committee review a Long-Term Care Audit Report. In September 2019, the Auditor General published a performance audit that included recommendations for improving DHS investigations of long-term care facilities. The Committee gave a favorable review of the report.

**Department of Public Safety – Review of the Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount** – A.R.S. § 41-1724 (G) and A.R.S. § 41-1724 (H) require the Department of Public Safety to submit to the Committee for review the entire FY 2022 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expenditure. The Committee gave a favorable review for the expenditure plan of \$1,361,600 of the \$2,411,600 FY 2022 appropriation to fund 3 existing programs: Detention Liaison Officers (\$463,900), Border County Officers Program (\$547,700) and Pima County Border Crimes Unit (\$350,000). The favorable review included a reporting provision.

**Arizona Board of Regents – Review of 2022 Tuition Revenues** – An FY 2022 General Appropriation Act footnote requires the Arizona Board of Regents (ABOR) to submit an expenditure plan for Committee review for all projected tuition and fee revenues in FY 2022. The Committee gave a

favorable review of ABOR's FY 2022 expenditure plan. The gross FY 2022 tuition and fee collections are projected to be \$3.58 billion, or \$177.1 million higher than FY 2021. The universities estimate \$(981.2) million in tuition waivers and awards in FY 2022, resulting in \$2.59 billion of net tuition.