

JLBC MEETING

At its July 27, 2006 meeting, the Joint Legislative Budget Committee (JLBC) considered the following issues:

Department of Public Safety – Review of Expenditure Plans for Staffing of Additional Highway Patrol Positions and Sworn Salary Increases

– The Committee gave a favorable review of the department's expenditure plan for additional Highway Patrol Personnel and Sworn Officer Salary increases. The Committee requested that DPS report back by November 1, 2006 on an updated salary comparison with the 5 highest paying law enforcement agencies as well as the largest (100+ officers) agencies. As part of the report, the Committee requested the department include information on the new jobs taken by sworn officers who leave DPS.

With the \$5.5 million appropriated to DPS for additional Highway Patrol Personnel in FY 2007, the department plans to hire 46 FTE Positions, of which 41 would be sworn positions.

With the \$2.8 million appropriated to DPS from the Parity Compensation Fund, DPS is proposing to bring all sworn officer classifications within 3.6% of the August 2005 gross pay of the 5 highest paying local agencies. (DPS officers, however, have an extra 5% of their retirement contribution paid by the state compared to the local jurisdictions.) As a result, supervisory related salaries would increase between 9.9% and 16.6%, while officer positions would increase between 6.4% and 9.4%.

Additionally, the Committee expressed concern over DPS' failure to fill sworn officer positions provided in FY 2006. In that year, DPS diverted \$1.2 million that had been provided to add 25 new positions, and instead used the funding for salary increases. Since then, DPS has used \$387,800 from the Parity Compensation Fund to hire 6 of these positions. The department has indicated it will provide JLBC Staff with a long-term plan for filling the remaining positions.

Department of Public Safety – Review of the Gang and Immigration Intelligence Team Enforcement Mission (GITEM) Expenditure Plans – The Committee gave a favorable review of the department's expenditure plan for \$1 million (of their \$10 million appropriation) on license plate readers and expanding their gang tracking database as well as for \$410,000 (of their \$7 million appropriation) to expand their recruiting efforts. The \$10 million

appropriation is to be used to expand GITEM at the local level, including the funding of local border personnel and other border security efforts. The \$7 million appropriation is to be used for an additional 100 sworn positions within DPS, including 50 for immigration and border security.

The Committee also required DPS to submit an expanded expenditure plan prior to spending any additional monies above what has been reviewed. In the interim, the department would be allowed to expend up to \$500,000 to hire new staff prior to additional Committee review. The Committee also requested a timeline for hiring the additional personnel and accomplishing the other objectives of the legislation.

In addition, the Committee recommended that DPS pursue negotiations with a local law enforcement jurisdiction to construct a regional holding facility for illegal immigrants near the Arizona-Mexico border. The purpose of the facility would be to house illegal immigrants until a qualified federal agency takes custody. The Committee also requested DPS to report on the concept of using funding to assist local law enforcement in transporting illegal immigrants to a qualified federal agency when the federal government refuses to take custody in a timely fashion.

Department of Public Safety – Review of the Microwave Communications System Expenditure Plan and Project Timeline

– The Committee gave a favorable review of the department's request and plan relating to the Microwave Communications System with the provisions that DPS submit an updated cost estimate on the southern loop and the entire project in its December 31 report, and that DPS request Committee review of any expenditure from the \$1.2 million contingency greater than \$100,000.

The total cost to upgrade their existing analog microwave communications system to a digital system in the southern loop is estimated to be \$12.4 million (\$4.1 million annually from FY 2007 through FY 2009). Based on the department's 3-year expenditure plan, a total of 3 new sites will be constructed in the southern loop, 19 existing sites would be refurbished (3 located outside the southern loop) and digital equipment would be installed on 15 southern sites.

Per an agreement between the Governor and the Legislature, DPS originally anticipated funding the project with \$7.6 million in state appropriations and \$4.6 million in federal Homeland Security funding. The state Office of Homeland Security (OHS),

however, recently informed DPS it has already allocated all federal monies received to date. OHS does not know if future federal funding will be sufficient to provide DPS with monies for this project. The Committee requested OHS provide information on its allocation of Homeland Security funds received from the federal government in FY 2006.

Department of Health Services – Review of Behavioral Health Capitation Rate Changes – The Committee gave a favorable review to the Department of Health Services’ (DHS) FY 2007 capitation rate adjustments for the behavioral health population with the stipulation that the favorable review does not constitute an endorsement of a supplemental request by the agency. The Committee also directed DHS to report to the Committee by August 31, 2006 with an explanation as to how increased methamphetamine money will be coordinated with the \$3 million appropriated by the Legislature in FY 2007 for increased methamphetamine treatment. The capitation rate adjustment is expected to cost approximately \$900,000 more than what was budgeted for this population in FY 2007, although continued caseload declines may offset this cost.

Department of Health Services – Review of Requested Transfer of Appropriations and Report on Arizona State Hospital Expenditure Plan – The Committee gave a favorable review to the Department of Health Services’ (DHS) request to transfer \$538,900 from the Arizona’s State Hospital’s operating budget to the Sexually Violent Person’s Special Line Item. The transfer is technical and will allow the department to implement its Direct Care Worker salary plan.

The Committee also received a summary of DHS’ plan to allocate \$3.1 million in salary increases to direct care workers at ASH. According to the department, the Civil and Forensic Hospital will receive \$2.6 million for salary increases to approximately 397 workers, with the remaining \$538,900 going to the Arizona Community Protection and Treatment Center’s (ACPTC) approximately 95 employees.

Department of Health Services – Review of Children’s Rehabilitative Services Capitation Rate Changes – The Committee gave a favorable review to the Department of Health Services’ (DHS) FY 2007 capitation rate adjustments for the children’s rehabilitative services population. The capitation rate adjustment is within the department’s FY 2007 budget.

AHCCCS – Review of KidsCare Behavioral Health Capitation Rate Changes – The Committee gave a favorable review to the Arizona Health Care Cost Containment System’s (AHCCCS) FY 2007 capitation rate adjustments for the behavioral health care portion of the KidsCare and KidsCare Parents population, with the stipulation that the favorable review does not constitute an endorsement of a supplemental request by the agency. The capitation rate adjustment is expected to cost approximately \$200,000 more than what was budgeted for this population in FY 2007.

Department of Economic Security – Review of FY 2007 WIA Expenditure Plan – The Committee gave a favorable review to \$3.1 million of planned FY 2007 Workforce Investment Act (WIA) Grant expenditures. The Department of Economic Security (DES) had submitted for review a total spending plan of \$3.3 million. The Committee, however, deferred consideration of \$250,000 DES has set aside for Master Teacher Programs until it receives more information about the program.

Department of Economic Security – Review of WIA Incentive Funding – The Committee gave a favorable review to the DES plan for spending \$709,600 of WIA incentive funds. The incentive monies expenditure plan is to provide targeted services to increase the healthcare labor force.

Arizona Game and Fish Department – Review of Watercraft Operation Under the Influence Equipment Expenditure Plan – The Committee gave a favorable review to the Arizona Game and Fish Department’s \$160,000 expenditure plan for Watercraft OUI Enforcement equipment. The department intends to purchase 2 field station mobile operating command post trailers, each equipped with evidentiary breath testing instruments. The department anticipates that the trailers will be used mainly on the Colorado River, Lake Powell and Lakes on the Salt River.

Arizona State Retirement System – Review of FY 2007 Information Technology Expenditure Plan – The Committee gave a favorable review to the Arizona State Retirement System’s (ASRS) FY 2007 Information Technology (IT) Expenditure Plan. The agency’s proposed expenditure plan is in line with the expenditures outlined in the Project and Investment Justification (PIJ) document approved by the Information Technology Authorization Committee (ITAC).