

JLBC MEETING

At its September 21, 2016 meeting, the Joint Legislative Budget Committee considered the following issues:

Arizona Department of Administration – Consider Approval of Maximum Lodging and Per Diem Reimbursement Rates – The Committee approved ADOA’s proposal to adopt the Federal Fiscal Year (FFY) 2017 lodging rates and to establish a flat meal reimbursement rate of \$13 and \$20 for employees who travel for at least 6 hours or 12 hours, respectively, without an overnight stay. As part of its approval, the Committee included a provision stating that Committee approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.

Arizona Department of Administration – Review of ASET Projects (Automation Projects Fund) – The Committee gave a favorable review of \$1.0 million in non-lapsing FY 2016 monies and \$13.4 million in proposed FY 2017 expenditures from the APF for Information Technology (IT) projects for the Arizona Strategic Enterprise Technology (ASET) Office in ADOA. The favorable review includes numerous provisions including reporting requirements.

Arizona Department of Administration – Review of ASET E-Procurement Project – The Committee gave a favorable review of ADOA’s \$300,000 allocation for replacement of the state’s e-procurement system with the provision that the Committee review does not commit the Legislature to any additional funding above currently allocated \$15.1 million to replace the e-procurement system. In addition, the Committee received the Risk Management Annual Report pursuant to Rule 14. The Committee requested that future annual reports continue to include specified information.

Arizona Department of Administration/Department of Child Safety – Review of CHILDS (Automation Projects Fund) – The Committee gave a favorable review of DCS’ \$6.2 million FY 2016 expenditure plan from the Automation Project Fund for the Children’s Information Library and Data Source (CHILDS) replacement project to implement the mobile solution, develop more Requests for Proposal (RFPs), and fund other components of the project. The favorable review included provisions with reporting requirements.

AHCCCS/Department of Economic Security/Department of Child Safety – Review of Proposed Capitation Rate Changes – The Committee

gave a favorable review of AHCCCS’ proposed plan year 2017 capitation rate changes for AHCCCS Acute Care, Arizona Long Term Care System (ALTCS) Elderly & Physically Disabled, Children’s Rehabilitative Services, DCS/Comprehensive Medical & Dental Program, and ALTCS/DES Developmentally Disabled (DD). The favorable review included provisions that AHCCCS submit Behavioral Health Services capitation rates for plan year 2017 and report to the Committee by October 28, 2016 on the expansion of Hepatitis C drug coverage.

Attorney General – Review of Uncollectible Debts – The Committee gave a favorable review of the AG’s FY 2016 list of \$78.3 million in uncollectable debt.

Attorney General – Review of FY 2017 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 2017 appropriation to the ICAC Enforcement line item.

Department of Child Safety – Review of DCS’s Financial Processes – The Committee gave a favorable review of an audit of DCS’ internal financial processes with a provision that DCS contract with Moss-Adams for follow-up audits in October 2016 and April 2017. These audits would measure DCS’ progress in meeting the recommendations in Moss-Adams’ initial report. Moss-Adams’ full report for both of the audits would be shared with the Committee in Executive Session.

Department of Child Safety – Review of FY 2016 Fourth Quarter Benchmarks – The Committee gave a favorable review of DCS’ fourth benchmark report, which assessed the progress made in increasing the department’s number of FTE Positions and in reducing the number of backlog cases.

Department of Child Safety – Review of FY 2017 Second Quarter Funding for New Case Aides and Overtime – The Committee gave a favorable review of \$765,200 for New Case Aides and \$2,092,500 for Overtime Pay in FY 2017 for second quarter funding. A total of \$1,530,300 for new Case Aides and \$4,185,000 for Overtime Pay will be reviewed upon further updates on the progress of reducing the backlog of non-active cases.

Department of Child Safety – Review of Alternative Use of Backlog Privatization Resources – The Committee gave a favorable review of DCS’ plan to transfer \$2.2 million from FY 2016 backlog privatization line item to the Out-of-Home Support Services line item for contracted permanency services. The favorable review included provisions that the transfer of funds does not occur until the backlog of 60-day cases is under 1,000 cases, that DCS report the terms and conditions of the

contracts to JLBC, and DCS provide quarterly reports to JLBC on the number of children who receive permanency in the most recent quarter compared to the fourth quarter.

Arizona Commerce Authority – Review of Progress on Auditor General Recommendations – The Committee gave a favorable review of ACA's report. The favorable review included a provision that the ACA report back to the Committee once all the Auditor General's recommendations have been implemented.

Department of Economic Security – Review of Division of Developmental Disabilities Salary Adjustments and Hiring – The Committee gave a favorable review of DES' plan for DDD salary adjustments and hiring. The favorable review included provisions with reporting requirements.

Arizona Department of Education – Review of Joint Technical Education District (JTED) Quarterly Report – The Committee gave a favorable review to ADE's June 30, 2016 JTED quarterly report, with the exception of the Food Products and Processing systems program, which was held for further consideration at the next JLBC meeting.

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 Emissions Inspection Fund for the Safe Drinking Water Program.

Department of Public Safety – Review of Border Strike Force Expenditure Plans – The Committee gave a favorable review of DPS' \$1.3 million expenditure plan for the Border Strike Force's ongoing and one-time line items.