

At its **September 26, 2024** meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Attorney General – Consideration of Proposed Settlements Under Rule 14 – The Committee approved 7 Risk Management settlements pursuant to A.R.S. § 41-621(O) and Committee Rule 14.

Executive Session (Consent Agenda)

Arizona Department of Administration - Review for the Committee the Planned Contribution Strategy for State Employee and Retiree Medical and Dental Plans as Required Under A.R.S. § 38-658A – 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 contribution strategy for state employee and retiree medical and dental plans.

Regular Agenda

Arizona Department of Corrections - Review of FY 2025 Vacancy Savings Reallocation – An FY 2025 General Appropriations Act footnote requires the Arizona Department of Corrections (ADC) to seek Committee review of any expenditure plan to spend funding dedicated to Personal Services and Employee Related Expenditures (ERE) on other costs. The Committee gave a favorable review of ADC's plan to utilize \$11.0 million of its FY 2025 General Fund appropriation for Personal Services and ERE to cover various operating costs. As part of the review, the Committee included a provision proposed by the Chairman that requires that in its semi-annual staffing report due December 15, 2024, ADC include the current status of correctional officer recruitment and retention and the Department's plans and

initiatives to improve staffing and reduce correctional officer vacancy levels.

Arizona Department of Education - Review of K-12 Broadband Connectivity Projects - A.R.S. § 15-249.07 requires Committee review of the Arizona Department of Education's annual report on K-12 broadband connectivity construction projects. ADE projects certifying 92 projects through FY 2025 totaling \$137.0 million (\$10.6 million of State matching funds). The Committee gave a favorable review of the Department's report.

Consent Agenda

Arizona Department of Administration - Consider Approval of Requested Transfer of Appropriations –A.R.S. § 35-173 requires Committee approval of any transfer of spending authority within the Arizona Department of Administration (ADOA). ADOA requested authorization to transfer \$1.8 million of Risk Management Revolving Fund monies from its Workers' Compensation Losses and Premiums line item to the Risk Management Administrative Expenses line item in FY 2024 to pay for the higher-than-budgeted expenses of Attorney General contracted legal staff. The Committee approved the Department's proposed transfer.

Arizona Department of Administration/Automation Projects Fund - Review of Automation Projects for ADOA One-Stop Portal, DWR Application Modernization and DES Client Authentication Portal - A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund (APF). The Arizona Department of Administration (ADOA) requested Committee review of \$2.1 million for FY 2025 maintenance and operations of ADOA's Business One-Stop Portal, \$2.5 million for the Department of Water Resources IT Application Modernization, and \$6.0 million for the Department of Economic Security Client Authentication Portal. The Committee gave a favorable review of these projects.

Attorney General - Review of Uncollectible Debts - Pursuant to A.R.S. § 35-150(E), the Attorney General requested Committee review of its listing

of uncollectible debts to be removed from the State's accounting system. The listing totals \$30.2 million for debts listed as uncollectible in FY 2024 and prior years. The Committee gave a favorable review of the Attorney General's proposal.

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 Arizona Department of Public Safety (DPS) to submit for Committee review the entire FY

2025 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expending any monies. The Committee gave a favorable review of the Department's request to distribute \$1.3 million of the Subaccount's \$2.4 million FY 2025 appropriation to three existing programs: the Detention Liaison Officers Program, the Border County Officers Program, and the Pima County Border Crimes Unit. As part of its review, the Committee included a provision requiring DPS to report to the Committee prior to implementing any changes to the proposed allocation.

Universities – Arizona Board of Regents – Review of FY 2025 Tuition Revenues – Pursuant to an FY 2025 General Appropriation Act footnote, the Arizona Board of Regents requested Committee review of its expenditure plan for all projected tuition and fee revenues in FY 2025. The plan allocates approximately \$3.1 billion of the estimated \$4.5 billion in gross FY 2024 tuition to operating expenditures and \$1.2 billion to financial aid, with the remainder going towards debt service and plant funds. The Committee gave a favorable review of the expenditure plan for FY 2025.