

At its October 10, 2023 meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Attorney General – Consideration of Proposed Settlements Under Rule 14 – The Committee approved settlements under Rule 14, which requires Committee approval of Risk Management settlements above \$250,000 pursuant to A.R.S. § 41-621(N).

Executive Session (Consent Agenda)

Arizona Department of Administration – Risk Management Annual Report – Pursuant to Rule 14, the Arizona Department of Administration submitted its annual Risk Management Report regarding the status of pending litigation, information on settlements and judgments, and projected fund balances. The Committee gave a favorable review to the report.

Regular Agenda

Attorney General – Review of Opioid Settlement Expenditure Plan – An FY 2024 General Appropriation Act footnote requires the Attorney General to submit an expenditure plan for review by the Joint Legislative Budget Committee before spending any monies appropriated for the Opioid Abatement line item. The FY 2024 budget appropriated \$12.0 million from the Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund for Opioid Abatement. The Committee gave a favorable review of the following expenditure plan: \$11.5 million for grants to counties with established coordinated reentry planning services programs and \$500,000 for distribution to child and family advocacy centers.

Arizona Department of Corrections – Review of FY 2024 Vacancy Savings Reallocation – Pursuant to an FY 2024 General Appropriation Act footnote, the Arizona Department of

Corrections requested review of its plan to utilize \$4.3 million in FY 2024 General Fund vacancy savings appropriated for Personal Services and Employee Related Expenditures to cover operating costs related to the *Jensen v. Thornell* injunction and for increased correctional officer uniform allowances. The Committee gave a favorable review to the department's proposal.

Secretary of State – Review of Help America Vote Act (HAVA) Expenditure Plan – Pursuant to an FY 2024 General Appropriation Act footnote, the Secretary of State requested review of the expenditure plan for \$4.9 million of federal Help America Vote Act monies. The Committee gave a favorable review of a \$3.7 million expenditure plan and adopted provisions regarding the distribution and uses of those monies.

Consent Agenda

Arizona Department of Administration/Automation Projects Fund – Review of FY 2024 Judiciary Projects – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund. The Arizona Department of Administration requested \$3.3 million for the Arizona Supreme Court to replace its case management system for adult probation and \$2.5 million for the Court to provide web-based services for community supervision electronic monitoring. The Committee gave a favorable review to both projects.

AHCCCS/Department of Economic Security – Review of Capitation Rate Changes for Plan Year 2024 – Pursuant to an FY 2024 General Appropriation Act footnote, the state's Medicaid agencies must present their plans to the Committee for review prior to implementing any changes in capitation rates. The proposed capitation rate adjustments include an average 1.3% increase across Arizona Health Care Cost Containment System programs and (0.8)% for the Department of Economic Security's Developmental

Disabilities program. The Committee gave a favorable review to the Department's request.

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 reported certifying projects totaling \$136.3 million (\$10.6 million of state funds) between FY 2018 and FY 2023. ADE has \$5.4 million of unobligated state funds, including a one-time FY 2024 appropriation of \$5.0 million from the General Fund into the Broadband Expansion Fund, and ADE intends to prioritize the use of the additional monies for rural districts that currently do not have access to fiber-based high-speed broadband. The Committee gave a favorable review to the department's 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. § 41-1724G and A.R.S. § 41-1724H require the Arizona Department of Public Safety to submit for Committee review the entire FY 2024 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 2024 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 2024 Tuition Revenues – Pursuant to an FY 2024 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 2024. The plan allocates approximately \$2.9 billion of the estimated \$4.2 billion in gross FY 2024 tuition to operating expenditures and \$1.1 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 2024.