

## JLBC MEETING

At the October 26<sup>th</sup> meeting, the Committee considered the following issues:

**JLBC Staff – Consider Approval of Index for Construction Costs** – The Committee adjusted the cost-per-square-foot factors used in the School Facilities Board's (SFB) building renewal and new school construction financing by 12.8%. JLBC Staff estimates that the impact on new construction costs over the next 4 years would be \$28.9 million and that building renewal formula would be increased by \$16.7 million. This adjustment applies to construction projects not yet approved by SFB. While both nationwide and local construction cost indices increased by 5% to 6% in the past year, the Committee adjusted the cost-per-square-foot factor by 12.85% due to concerns that prior year adjustments may not have reflected local inflationary costs.

**Arizona Board of Regents – Review of FY 2006 Tuition Revenues** – The Committee gave a favorable review of an expenditure plan by the Universities on tuition revenue. The Committee also recommended that the Universities not fund alumni associations with tuition revenues. According to the report, total tuition collections are estimated to be \$52.6 million above the original FY 2006 budget. The higher revenue is primarily due to increases in tuition approved by ABOR in March 2005. Of the \$52.6 million, the universities plan on using \$30.1 million in the appropriated budgets to cover operating inflationary increases, unfunded enrollment from prior years and academic and support planning priorities. Most of the non-appropriated tuition increase is allocated to financial aid.

**Arizona Department of Administration – Review of Risk Management Deductible** – The Committee gave a favorable review to the Department of Administration's risk management deductible amount of \$10,000. According to the department, no deductible has ever been charged to a state agency.