

At its December 2022 meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Arizona Department of Administration, Risk Management Services – 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).

Regular Agenda

Department of Emergency and Military Affairs – Review of Border Security Fund Transfer – Laws 2022, Chapter 313 requires that the Department of Emergency and Military Affairs (DEMA) submit transfers of funding within the Border Security Fund to the JLBC for review. DEMA requested review of a \$10.0 million transfer from the \$30.0 million allocation for local government prosecution costs to the Arizona National Guard for a southern border deployment. The Committee gave a favorable review of the transfer.

Consent Agenda

Arizona Department of Administration – Consider Approval of Maximum Lodging, Meal, and Mileage Reimbursement Rates – Pursuant to A.R.S. § 38-624C, the Arizona Department of Administration (ADOA) proposed new maximum reimbursement amounts for lodging, meal, and mileage expenses taking into consideration the amounts established by the federal government. These reimbursements compensate state employees traveling on official state business. Statute requires Committee approval of any rate change. The Committee approved ADOA's proposal with the provision that Committee approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.

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 \$4.6 million of Risk Management Revolving Fund monies from its Risk Management Losses and Premiums line item to the Risk Management Administrative Expenses line item in FY 2023. The Committee approved the transfer and included a provision stating that by May 31, 2023, ADOA shall report to the JLBC Staff an updated projection of its contracted Risk Management legal expenses.

Arizona Department of Administration/Automation Projects Fund – Review of FY 2023 Projects – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund (APF). The Committee gave a favorable review to 2 projects totaling \$0.6 million and included a provision that upon completion of each consultant's assessment, the Department of Agriculture and the Secretary of State shall each submit a report to JLBC Staff on the results and recommendations from their consultant.

Arizona Department of Administration/Department of Economic Security – Review of Child Care ATLAS System Replacement – Pursuant to an FY 2021 General Appropriation Act footnote, ADOA has requested that the Committee review its expenditure plan for \$25.6 million in FY 2023 for replacement of the Arizona Tracking and Locate Automated System (ATLAS) used by DES - Division of Child Support Enforcement. The Committee gave a favorable review of the request, along with provisions requiring quarterly reporting on the project status.

Department of Child Safety – Review of Line Item Transfers – Pursuant to an FY 2023 General Appropriation Act footnote, the Committee is responsible for reviewing the transfer of monies between most Department of Child Safety (DCS) line items. DCS

submitted for Committee review technical transfers that reflect allocations of federal funding and the allocation of \$16.4 million appropriated in FY 2023 for salary increases to various line items. The Committee gave a favorable review of the transfers.

Department of Education – Review of AzSCI Science Contract Renewal – Pursuant to A.R.S. § 15-741.03, the Arizona Department of Education (ADE) requested Committee review of its contract renewal for the statewide assessment in science. The Committee gave a favorable review of the renewal.

JLBC Staff – Consider Approval of Index for Arizona Department of Administration – School Facilities Division Construction Costs – A.R.S. § 41-5741D3(c) requires that the cost-per-square-foot factors used in the Arizona Department of Administration (ADOA) School Facilities Division (SFD) new school construction formula "shall be adjusted annually for construction market considerations based on an index identified or developed by the Joint Legislative Budget Committee (JLBC) as necessary but not less than once each year." The Committee approved a 7.27% adjustment in the cost-per-square-foot factors. The adjustment is based on a cost index which the Committee has used since 2013.

Department of Public Safety – Review of Commercial Vehicle Enforcement Line Item Expenditure Plan – Pursuant to Laws 2022, Chapter 313, DPS submitted an operational and expenditure plan to the Committee for review before expending monies from its Commercial Vehicle Enforcement line item. The Committee gave a favorable review of the request.