

At its **December 14, 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).

Consent Agenda

Department of Administration – Consider Approval of State Employee Travel Rate Adjustments – A.R.S. § 38-624(C) requires the Arizona Department of Administration (ADOA) to establish maximum reimbursement amounts for lodging, meal, and mileage expenses taking into consideration the amounts established by the federal government. The Committee gave a favorable review of ADOA's recommendation to increase mileage reimbursement to the federal rate of 65.5 cents, increase standard lodging rates by 9.2% and increase non-standard lodging rates by 6.5%. As a part of the review, the Committee included a provision stating that approval does not constitute an endorsement of additional appropriations to cover higher reimbursement costs.

Arizona Department of Administration/Automation Projects Fund – Review of Human Resources Information System – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the APF. The Committee gave a favorable review of the ADOA's plan to spend \$20.6 million from the APF in FY 2024 for the Human Resources Information System. As part of its review, the Committee included a provision stating its intent that ADOA narrow the scope of the project if needed to keep the project within the original budget, and that Committee review does not constitute endorsement of additional funding.

Arizona Department of Administration/Automation Projects Fund – Review of Department of Revenue Integrated Tax System Modernization – A.R.S. § 41-714 requires Committee review prior to any monies being expended from the Automation Projects Fund (APF). ADOA requested a review of the Department of Revenue's (DOR) plan to spend \$16.7 million from the APF in FY 2024 to complete the planning and discovery phase for a new tax.

system. The Committee gave a favorable review to the department's request. As part of its review, the Committee included a provision requiring DOR to report on or before February 28, 2024 and August 30, 2024 on its progress in developing a project plan, schedule, and deliverables. The Committee also included a provision stating that Committee review is contingent on approval from the Information Technology Authorization Committee (ITAC).

Department of Child Safety – Review of Line Item Transfers – Pursuant to an FY 2024 General Appropriation Act footnote, the Committee is responsible for reviewing the transfer of monies between most Department of Child Safety (DCS) line items. The Committee gave a favorable review to DCS's request to transfer \$651,600 of Federal Expenditure Authority from the Office of Child Welfare Investigations line item to the DCS Operating Budget (\$530,900) and Caseworkers line item (\$120,700).

Arizona Department of Corrections – Review of Bed Capacity Changes – The FY 2024 General Appropriations Act requires the Arizona Department of Corrections (ADC) to submit a bed capacity report by November 1, 2023. The budget also requires that if, after submitting that report, ADC plans to open or close at least 100 beds they must submit that plan to the Committee for review. On November 27, 2023 ADC announced plans to let the Marana prison management-only contract expire on December 31, 2023, effectively closing the 500-bed prison.

Although ADC did not submit the Marana changes for review, the Committee gave a favorable review to the ADC plan.

Department of Economic Security – Review of Plan for the Arizona Training Program at Coolidge – A.R.S. § 36-570 requires the Department of Economic Security (DES) to submit a report for Committee review on or before November 1 of each year on the department's plans for the Arizona Training Program at Coolidge (ATP-C) and associated group homes. The Committee gave a favorable review of DES's plan which includes bringing electrical wiring up to code at its intermediate care facilities and consolidating from 7 facilities to 5 facilities. As part of its review, the Committee included a provision stating that a favorable review does not constitute an endorsement of additional appropriations for costs associated with the department's plans for ATP-C.

Department of Education – Review of AzSCI Science Contract Renewal – A.R.S. § 15-741.03 requires Committee review of the Arizona Department of Education's (ADE) contract renewal for the statewide assessment in science (AzSCI). The Committee gave a favorable review of ADE's FY 2025 AZSCI Assessment contract renewal costing approximately \$2.7 million. As part of its review, the Committee included a provision stating that a favorable review does not constitute an endorsement of adding funding to ADE's budget for cost increases in the AzSCI contract.

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 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 JLBC as necessary but not less than once each year." The Committee approved a 6.52% 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 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 2024 expenditure plan for the GIITEM Border Security and Law Enforcement Subaccount prior to expending any monies. The Committee gave a favorable review of DPS's plan to expend the remaining \$1.1 million of the \$2.4 million appropriation from the Subaccount to continue funding the Border Security and Law Enforcement Grants program. As a part of the review the Committee included a provision requiring DPS to report to the Committee prior to implementing any changes to the proposed allocation.