

JLBC MEETING

At its January 9th meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Administration – The Committee favorably reviewed ADOA's Risk Management deductible amount of \$10,000. There was no change from the previous year. The deductible was implemented in 1997 to provide an incentive for agencies to avoid risk management losses.

The Committee also gave a favorable review of the expenditure plan for the replacement of ADOA's statewide Human Resources/Payroll System. The project will cost \$80.2 million over 12 years. Funding for this project is provided by an assessment on each agency's Personal Services base. The Committee requested quarterly status reports and information on agency budget reductions from the implementation of the new system by February 15th. Agency-specific personnel and payroll systems may be substantially reduced or eliminated as the new statewide project comes on-line.

Department of Corrections – The Committee favorably reviewed ADC's private prison Request for Proposals for the continued operation of 600 beds by a private prison vendor. The current contract expires at the end of September 2002.

Department of Environmental Quality – The Committee did not take action on the review of Amendment #1 to the Vehicle Emissions Inspection contract. The amendment reduces test fees and transfers liability for non-sufficient funds checks to the state. The current contract with Gordon-Darby Arizona Testing covers emissions program operations for a 7-year period beginning January 2, 2002. Given that the department signed the amendment agreement prior to Committee review, the Committee withdrew a motion for favorable review and did not take action on the item.

Department of Transportation – The Committee approved the release of \$161,500 for 3 months of funding to operate the Grand Canyon Airport through March 31, 2002. The Committee also requested that ADOT report back to the Committee by March 1, 2002 on the status of leasing the airport pursuant to Laws 2000, Chapter 99. A total of \$161,500 remains available from the State Aviation Fund for the last 3 months of FY 2002 operations if a proposed airport lease is not executed.

The Committee favorably reviewed ADOT's proposed 40-year lease of the Grand Canyon National Park Airport provided that technical date corrections are made. ADOT expects the contract to be signed soon and the Grand Canyon Airport Authority, Inc. would take operational control of the airport on April 1, 2002.

Other Reports – The Committee received written reports this month on 1) the Department of Administration's use of alternative fuels and clean burning fuels in the State Motor

Vehicle Fleet, 2) Arizona Corporation Commission/Department of Transportation railroad safety activities, 3) Department of Economic Security Children Services Program, 4) Department of Economic Security Arizona Works, 5) Department of Health Services Health Crisis Fund expenditures, 6) State Mine Inspector Abandoned Mines Safety Fund expenditures and contributions, 7) State Mine Inspector mined land reclamation consultant services, 8) Commission for Postsecondary Education fund deposits and expenditures, 9) Supreme Court Adult Probation Services Fund and Juvenile Probation Fund, 10) Office of Tourism revenue and expenditure plan, and 11) Department of Emergency and Military Affairs declared emergencies.