

JLBC MEETING

At its November 6th meeting, the Joint Legislative Budget Committee considered the following issues:

Attorney General Allocation of Settlement Monies – The Committee gave a favorable review to the Attorney General’s plan for allocating monies received as part of the tobacco settlement agreement. This agreement allows states to recoup a portion of the costs related to treating smoking-related illnesses. A new small tobacco company is joining the agreement and the state will receive between \$57,000 and \$147,000 annually. All tobacco settlement monies defray the cost of Proposition 204.

Universities Tuition Revenues – The Committee favorably reviewed the Universities’ plan for expending \$36 million in tuition receipts above their appropriation. The monies will be spent primarily for enrollment growth and the employers’ share of health and retirement increases. The reviewed amounts do not include the non-appropriated share of tuition. Some of these monies will go for financial aid increases.

Department of Revenue Ladewig Expenditures – The Committee received a report on the Department’s administrative expenditures to implement the Ladewig lawsuit settlement agreement. The implementation of the agreement is currently on schedule. The Governor’s veto of the \$75 million Ladewig set-aside during the last regular session, however, leaves the department \$2.8 million short of its administrative budget for FY 2004. DOR is seeking a supplemental to cover these costs.

Department of Revenue Credit Card Payments – The Committee received a report from DOR on its plans to accept credit card payments for the payment of

transaction privilege tax and withholding taxes. The taxpayer would pay the full cost of the credit card convenience fee, which DOR estimates at from 2% to 4% of the tax charged to the credit card.

Maricopa County – Performance Measure Report – The Committee received a report from Maricopa County on 10 performance measures for its adult probation programs. Maricopa County has assumed the state’s share of adult probation costs. The County is maintaining the December 1, 2002 caseload as required by law.

Arizona’s state government programs reflected the economy’s condition. The number of **TANF recipients** increased 2.4% in September (3-month average). Although caseloads declined from August 2003, caseloads and expenditures are still above projected FY 2004 levels.