



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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HOUSE OF
REPRESENTATIVES

JOHN KAVANAGH
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ADAM KWASMAN
DEBBIE LESKO
STEFANIE MACH
JUSTIN OLSON
MICHELLE UGENTI

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

April 10, 2014

The Chairman called the meeting to order at 8:40 a.m., Thursday, April 10, 2014, in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Chairman	Representative Kavanagh, Vice-Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Griffin	Representative Kwasman
	Senator McComish	Representative Lesko
	Senator Melvin	Representative Mach
	Senator Pancrazi	
	Senator Tovar	

Absent:	Senator Yarbrough	Representative Gowan
		Representative Ugenti

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of December 17, 2013, Chairman Don Shooter stated that the minutes would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)

A. ADOA - Review of Emergency Telecommunication Services Revolving Fund Expenditure Plan.

Mr. Ben Henderson, JLBC Staff, stated that this item is for review of the wireless services portion of ADOA's Emergency Telecommunications Services Revolving Fund (ETSF) FY 2014 expenditure plan. The JLBC Staff presented options to the Committee.

Representative Kavanagh moved that the Committee give a favorable review of the \$5.7 million wireless portion of the FY 2014 ETSF expenditure plan. The motion carried.

(Continued)

B. ADOA - Consider Approval of Employer Sanctions Enforcement Distributions.

Mr. Ben Henderson, JLBC Staff, stated that this item is to consider approval for ADOA to distribute \$300,500 from the \$513,200 FY 2014 appropriation from the County Attorney Immigration Enforcement line item to county sheriffs and county attorneys for the enforcement of immigration-related employer sanctions. The JLBC Staff presented options to the Committee.

Table 1		
Employer Sanctions Distributions		
	FY 2013	FY 2014
	<u>Distribution</u>	<u>Distribution</u>
Apache County Attorney	\$7,127	\$7,127
Apache County Sheriff	7,127	0 ^{2/}
Cochise County Attorney	13,089	0 ^{2/}
Cochise County Sheriff	13,089 ^{1/}	0
Coconino County Attorney	13,396	13,396
Coconino County Sheriff	13,396	13,396
Gila County Attorney	5,341	5,341
Gila County Sheriff	5,341	0 ^{2/}
Graham County Attorney	3,709	0 ^{3/}
Graham County Sheriff	3,709 ^{1/}	0 ^{2/}
Greenlee County Attorney	841	0 ^{3/}
Greenlee County Sheriff	841	0 ^{2/}
La Paz County Attorney	2,042	2,042
La Paz County Sheriff	2,042	0 ^{2/}
Mohave County Attorney	19,949	19,949
Mohave County Sheriff	19,949 ^{1/}	0
Navajo County Attorney	10,708	10,708
Navajo County Sheriff	10,708	10,708
Pima County Attorney	97,687	97,687
Pima County Sheriff	97,687	0 ^{2/}
Pinal County Attorney	37,447	37,447
Pinal County Sheriff	37,447	37,447
Santa Cruz County Attorney	4,726	4,726
Santa Cruz County Sheriff	4,726 ^{1/}	0 ^{2/}
Yavapai County Attorney	21,030	21,030
Yavapai County Sheriff	21,030	0 ^{2/}
Yuma County Attorney	19,508	19,507
Yuma County Sheriff	19,508 ^{1/}	0 ^{2/}
Total Allocated	513,200	300,511
Total Unallocated	0	212,689
Statutory Allocation - Maricopa	700,000	700,000
Total Appropriation	\$1,213,200	\$1,213,200

^{1/} Returned FY 2013 or declined FY 2014 funds
^{2/} Did not report intended use of FY 2014 funds
^{3/} Reported no use for FY 2014 funds

Representative Lesko moved that the Committee approve ADOA's proposal, which distributes \$300,500 of the \$513,200 appropriation as shown in Table 1, with the following provisions:

(Continued)

- 1) *If a county attorney or sheriff not currently scheduled to receive any monies under ADOA's proposal, subsequently requests FY 2014 funding for enforcement of immigration-related employer sanctions, ADOA may provide those funds and*
- 2) *Any unused appropriation at the end of FY 2014 reverts to the General Fund.*

The motion carried.

DEPARTMENT OF ECONOMIC SECURITY (DES)

A. DES - Review of Contingency Funding Expenditure Plan.

Mr. Stefan Shepherd, JLBC Staff, stated that this item is for review of an expenditure plan submitted by DES for the \$10,500,000 in the Contingency Funding line item prior to expenditure. The JLBC Staff presented options to the Committee.

Mr. Charles Flanagan, Director, Division of Child Safety and Family Services, DES, responded to member questions.

Mr. Eric Jorgensen, Deputy Director, Division of Child Safety and Family Services, DES, responded to member questions.

Representative Kavanagh moved that the Committee give a favorable review of the expenditure plan submitted by DES for the \$10,500,000 in the Contingency Funding line item. The motion carried.

B. DES - Review of Intensive Family Services Implementation.

Mr. Stefan Shepherd, JLBC Staff, stated that this item is for review of an expenditure plan submitted by DES for the \$5,000,000 in the Intensive Family Services line item prior to expenditure. The JLBC Staff presented options to the Committee.

Mr. Charles Flanagan, Director, Division of Child Safety and Family Services, DES, responded to member questions.

Mr. Eric Jorgensen, Deputy Director, Division of Child Safety and Family Services, DES, responded to member questions.

Mr. Alex Ong, Finance and Business Operations Deputy Administrator, DES, responded to member questions.

Representative Kavanagh moved that the Committee acknowledged reviewing the department's expenditure plan for the current fiscal year with the provision that the department report by June 1, 2014 on how it plans to expend the Intensive Family Services funds in FY 2015. With input from both the House and Senate as well as the Child Protective Services Reform Workgroup, the Committee will then provide further guidance on whether the FY 2015 appropriation is to be expended for a new program or integrated into existing services. The motion carried.

ARIZONA DEPARTMENT OF EDUCATION - Review of Sunnyside Unified Payments.

Mr. Steve Schimpp, JLBC Staff, stated that this item is for review of the Arizona Department of Education's plan to provide the Sunnyside Unified School District in Pima County with \$1,910,800 in

(Continued)

corrected Basic State Aid funding due to a recent settlement in the Arizona Tax Court regarding property taxes paid in prior years by the Raytheon Company.

Representative Kavanagh moved that the Committee give a favorable review to the Arizona Department of Education's plan to provide the Sunnyside Unified School District with \$1,910,800 in corrected Basic State Aid funding due to a recent settlement in the Arizona Tax Court regarding property taxes paid in prior years by the Raytheon Company. The motion carried.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY - Review of Vehicle Emissions Contract Modifications.

Ms. Micaela Larkin, JLBC Staff, stated that this item is for review of proposed modifications or amendments to the Vehicle Emissions Inspection contract with a private vendor. The JLBC Staff presented options to the Committee.

Mr. Trevor Baggione, Air Quality Division Deputy Director, DEQ, responded to member questions.

Representative Kavanagh moved that the Committee give a favorable review of the proposed Vehicle Emissions Inspection contract modifications. The motion carried.

AHCCCS/DEPARTMENT OF HEALTH SERVICES - Review of Revised Capitation Rate Changes for Acute Care and Behavioral Health Services.

Mr. Jon Stall, JLBC Staff, stated that this item is for review of the Arizona Health Care Cost Containment System (AHCCCS) and the Department of Health Services (DHS) capitation rate changes prior to implementation. AHCCCS and DHS are revising their capitation rates associated with the integration of Acute and Behavioral Health Care for the seriously mentally ill in Maricopa County.

Representative Kavanagh moved that the Committee give a favorable review to the proposed capitation rate changes for Acute Care and Behavioral Health Services with the following provisions:

- 1) *DHS report to the Committee by May 1, 2014 on the reasons for not using a reinsurance program and*
- 2) *AHCCCS report to the Committee on the status of its discussions with the federal government concerning childless adult cost sharing provisions.*

The motion carried.

EXECUTIVE SESSION

It was moved that the Committee go into Executive Session. The motion carried.

At 10:04 a.m. the Joint Legislative Budget Committee went into Executive Session.

It was moved that the Committee reconvene into open session. The motion carried.

At 10:21 a.m. the Committee reconvened into open session.

A. Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.

Representative Kavanagh moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the case of Keller v. Arizona Board of Regents. The motion carried.

Without objection, the meeting adjourned at 10:22 a.m.

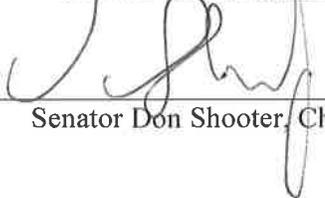
Respectfully submitted:



Kristy Paddack, Secretary



Richard Stayneak, Director



Senator Don Shooter, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.
A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.