



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

December 17, 2013

The Chairman called the meeting to order at 1:07 p.m., Tuesday, December 17, 2013, in House Hearing Room 4. The following were present:

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

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of October 29, 2013, Chairman John Kavanagh stated that the minutes would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)

A. ADOA - Review of Automation Projects Fund Expenditures.

Mr. Ben Henderson, JLBC Staff, stated that this item is for review of a \$3.4 million expenditure plan from the Automation Projects Fund for information technology (IT) projects for the Arizona Strategic Enterprise Technology (ASET) Office in ADOA. The JLBC Staff presented options to the Committee.

Mr. Aaron Sandeen, Deputy Director and State Chief Information Officer, ADOA, responded to member questions.

Senator Shooter moved that the Committee give a favorable review of \$3.4 million in FY 2014 expenditures from the Automation Projects Fund for IT projects for the ASET Office in ADOA, with the following provisions:

(Continued)

1. *As a result of further planning and implementation efforts, should there be significant changes in the proposed costs, technology approach, scope of work, or implementation schedule, ADOA-ASET must amend the Project Investment Justification (PIJ) to reflect the changes and submit the updated PIJ to the ADOA-ASET Strategic Oversight team for review, and approval as necessary.*
2. *ADOA-ASET must ensure that the appropriate levels of security controls are in place prior to the migration of any service offerings that may involve sensitive, confidential or Personally Identifiable Information (PII) data to the cloud.*

The motion carried.

B. ADOA - Review of Requested Exchange of Automation Project Fund Transfers and Report on AFIS Charge.

Mr. Matt Gress, JLBC Staff, stated that this item is for review of agency requests to transfer monies between their own funds in order to comply with Automation Project transfers required by the FY 2014 General Appropriation Act. Arizona Department of Administration (ADOA), the Arizona Criminal Justice Commission (ACJC), Department of Health Services, State Mine Inspector, Supreme Court, and the Arizona Department of Transportation (ADOT) have requested Committee review of fund transfers. The JLBC Staff presented options to the Committee.

The second part of this item is a follow-up to the March 26, 2013 Committee meeting, where the Committee required ADOA to report on all agencies, excluding the Universities, who are not participating in the new Arizona Financial Information System (AFIS). In response to that request, ADOA reports that the following agencies have elected not to use the new AFIS system in any way and reported their concerns: Arizona Power Authority, Arizona Commerce Authority, the Public Safety Personnel Retirement System, the Arizona State Retirement System and the Early Childhood Development and Health Board.

Mr. Aaron Sandeen, Deputy Director and State CIO, ADOA, responded to member questions.

Mr. D. Clark Partridge, State Comptroller, General Accounting Office, ADOA, responded to member questions.

Senator Shooter moved that the Committee give a favorable review of all of the requested transfers as shown in Table 1. The motion carried.

ATTORNEY GENERAL - Review of Plan to Transition Capital Postconviction Prosecution Responsibility to Maricopa County.

Mr. Matt Gress, JLBC Staff, stated that this item is for review of a report detailing its plan for transitioning Maricopa County capital postconviction prosecution responsibilities to the county over the next 4 years. The JLBC Staff presented options to the Committee.

Mr. Jeff Zick, Section Chief Counsel, Attorney General's Office, responded to member questions.

Ms. Rebecca Baker, Deputy County Attorney, Maricopa County Attorney Office, responded to member questions.

Senator Shooter moved that the Committee table this item to be reviewed further during budget negotiations. The motion carried.

Table 1		
Requested FY 2014 Fund Transfer Exchanges		
<u>Original Fund</u> ^{1/}	<u>Agency Fund</u> ^{2/}	<u>Transfer Amount</u> ^{3/}
Arizona Department of Administration		
Stimulus Statewide Administration Fund	Capital Outlay Stabilization Fund	\$ 2,400
<i>Subtotal</i>	<i>Subtotal</i>	\$ 2,400
Arizona Criminal Justice Commission		
Drug and Gang Enforcement Fund	State Aid to Indigent Defense Fund	\$ 43,000
Victim Compensation and Assistance Fund	State Aid to Indigent Defense Fund	27,300
State Aid to County Attorneys Fund	State Aid to Indigent Defense Fund	7,000
Criminal Justice Enhancement Fund	State Aid to Indigent Defense Fund	4,500
Drug and Gang Prevention Resource Center Fund	State Aid to Indigent Defense Fund	<u>1,700</u>
<i>Subtotal</i>	<i>Subtotal</i>	\$ 83,500
Department of Health Services		
Nursing Care Institution Resident Protection Revolving Fund	Health Services Licensing Fund	\$ 300
<i>Subtotal</i>	<i>Subtotal</i>	\$ 300
State Mine Inspector		
Abandoned Mines Safety Fund	Aggregate Mining Reclamation Fund	\$ 600
<i>Subtotal</i>	<i>Subtotal</i>	\$ 600
Supreme Court		
Grants and Special Revenue Fund	Juvenile Probation Services Fund	\$ 11,700
Grants and Special Revenue Fund	Arizona Lengthy Trial Fund	<u>171,900</u>
<i>Subtotal</i>	<i>Subtotal</i>	\$183,600
Arizona Department of Transportation		
Railroad Review Fund	Railroad Corridor Acquisition Fund	\$ 1,000
<i>Subtotal</i>	<i>Subtotal</i>	\$ 1,000
^{1/} Fund Source for transfers in budget. ^{2/} Funds from which agencies are requesting transfers in order to accommodate the mandated transfer. ^{3/} Transfer amounts proposed by agency.		

JLBC STAFF - Consider Approval of Index for School Facilities Board Construction Costs.

Mr. Ben Henderson, JLBC Staff, stated that this item requires the Committee’s approval of adjustment to the cost-per-square-foot factors used in the School Facilities Board (SFB) new school construction financing. The JLBC Staff presented 2 options to the Committee, in addition to a 3rd option presented by SFB.

Mr. Dean T. Gray, Executive Director, School Facilities Board, responded to member questions.

Senator Shooter moved that the Committee approve a 0% adjustment in the cost-per-square-foot factors. The adjustment is based on longitudinal inflation data, by measuring the change in the Rider Levett Bucknall construction cost index for the Phoenix area since the last JLBC cost-per-square-foot adjustment was made in November 2008. The motion carried.

SECRETARY OF STATE - Review of FY 2009 Records Services Fund Spending Plan.

Ms. Krista MacGahan, JLBC Staff, stated that this item is for review of expenditures from the Records Services Fund as authorized by a non-lapsing appropriation made in FY 2009. The JLBC Staff presented options to the Committee.

(Continued)

Mr. Jim Drake, Assistant Secretary of State, Office of the Secretary of State, responded to member questions.

Mr. Ted Hale, Deputy Director, Library, Archives and Public Records, Office of the Secretary of State responded to member questions.

Senator Shooter moved that the Committee give a favorable review of the total expenditure plan of \$228,700: 1) \$109,300 for 12 repair projects to bring the Records Services Center to current building codes and protect records stored in the building, 2) \$28,000 for costs associated with the transportation of a statue of John C. Greenway from the U.S. Capitol's Statutory Hall to Arizona, and 3) \$91,400 for building renovations with the following provision: The Secretary of State shall use the \$91,400 contingency amount for building renovation and code compliance projects. The Secretary of State shall notify the JLBC Chairman and the JLBC Staff of the specific projects funded with the \$91,400 amount prior to expenditure to determine whether the projects are within the intended scope of the Committee's review. If the Chairman believes the project is outside the intended scope, the Secretary of State will be notified to seek Committee review. The motion carried.

EXECUTIVE SESSION

Senator Shooter moved that the Committee go into Executive Session. The motion carried.

At 2:26 p.m. the Joint Legislative Budget Committee went into Executive Session.

Senator Shooter moved that the Committee reconvene into open session. The motion carried.

At 3:05 p.m. the Committee reconvened into open session.

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

Senator Shooter moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the cases of:

- *Henderson/Palmer v. State of Arizona*
- *Claim of Richard Arriola*
- *Diane Parker v. Arizona Department of Agriculture*

The motion carried.

B. JLBC - Annual Performance Review per Rule 7.

This item was for information only and no Committee action was required.

Without objection, the meeting adjourned at 3:11 p.m.

Respectfully submitted:



Kristy Paddack, Secretary



Richard Stavneak, Director



Representative John Kavanagh, 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>.