

# ARIZONA STATE SENATE

## 43RD LEGISLATURE FIRST REGULAR SESSION

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### MINUTES OF COMMITTEE ON APPROPRIATIONS

**DATE:** Wed., March 12, 1997    **TIME:** 1:30 p.m.    **ROOM:** Senate Room 109

**CHAIRMAN:** Senator Bowers                      **VICE CHAIRMAN:** Senator Cirillo

**ANALYST:** Tami Ryall                              **COMMITTEE SECY:** Alice Kloppel

**INTERNS:** Mei Wong and Robert Hornby

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#### ATTENDANCE

#### BILLS

| <u>Committee Members</u> | <u>Pr</u> | <u>Ab</u> | <u>Ex</u> | <u>Bill Number</u> | <u>Disposition</u> |
|--------------------------|-----------|-----------|-----------|--------------------|--------------------|
| Senator Arzberger        | X         |           |           | H.B. 2083          | DPA                |
| Senator Bundgaard        |           | X         |           | H.B. 2098          | DP                 |
| Senator Cirillo          | X         |           |           | H.B. 2175          | DPA                |
| Senator Conner           | X         |           |           |                    |                    |
| Senator Freestone        | X         |           |           |                    |                    |
| Senator Gnant            | X         |           |           |                    |                    |
| Senator Henderson        | X         |           |           |                    |                    |
| Senator Huppenthal       | X         |           |           |                    |                    |
| Senator Lopez            | X         |           |           |                    |                    |
| Senator Richardson, G.   | X         |           |           |                    |                    |
| Senator Rios             | X         |           |           |                    |                    |
| Senator Soltero          | X         |           |           |                    |                    |
| Senator Wettaw           | X         |           |           |                    |                    |
| Senator Bowers, Ch.      | X         |           |           |                    |                    |

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#### SPECIAL PRESENTATIONS

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#### GOVERNOR'S APPOINTMENTS

Name

Position

Recommendation

Chairman Bowers convened the meeting at 1:40 p.m. and roll call was taken.

### **APPROVAL OF MINUTES**

**Without objection, Senator Bowers announced the minutes of the March 5, 1997 meeting stand approved as distributed.**

### **CONSIDERATION OF BILLS**

#### **H.B. 2175 - nuclear emergency appropriations and assessments - DO PASS AMENDED**

**Martin Schultz, Arizona Public Service (APS)**, explained the General Fund appropriates \$878,374 for FY 1997-1998 and \$880,824 for FY 1998-1999 to the Nuclear Emergency Management Fund and assesses the same amounts, plus applicable interest, against each consortium of public service corporations and municipal corporations engaged in constructing or operating a commercial nuclear generating station. He distributed a fact sheet (filed with original minutes) updating members on the Palo Verde Nuclear Generating Plant, which last year produced more power than any other power plant in the United States.

Senator Henderson noted the fact sheet indicates Palo Verde serves over 400,000 customers in California, New Mexico and Texas and asked what the State receives in return. Mr. Schultz acknowledged the plant serves people in five states and receives contributions from property taxes from all members of the consortium to the extent they have ownership in the plant, noting this is a huge contribution.

**Senator Cirillo moved H.B. 2175 be returned with a DO PASS recommendation.**

**Tami Ryall, Senate Research Analyst**, explained the Bowers amendment dated 3/11/97 at 12:28 a.m. adds the corresponding number of full-time equivalent positions that go with the appropriations in the bill.

**Senator Cirillo moved the Bowers amendment dated 3/11/97 at 12:28 p.m. be adopted. The motion CARRIED by a voice vote.**

**Senator Cirillo moved H.B. 2175 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 8-0-6. (Attachment #1)**

**H.B. 2083 - state funds; consolidation and elimination - DO PASS AMENDED**

**Victor Riches, Senate Assistant Research Analyst**, explained H.B. 2083 consolidates and eliminates a minimum of ten percent of the total number of existing state funds. He further listed provisions in the bill, noting particularly that the monies received by the Arizona Historical Society (AHS) shall be deposited with the State Treasurer. Mr. Riches explained this provision converts all funds administered by AHS to the state accounting system. He also noted there are four proposed amendments to the bill.

**Senator Cirillo moved H.B. 2083 be returned with a DO PASS recommendation.**

Mr. Riches explained the Bowers amendment dated 3/11/97 at 11:57 a.m. repeals the SLIM Fund and corrects an error regarding the closing of the Department of Administration funds by replacing the Federal Grant Fund with a donation fund.

**Senator Cirillo moved the Bowers amendment dated 3/11/97 at 11:57 a.m. be adopted. The motion CARRIED by a voice vote.**

Mr. Riches explained the Bowers amendment dated 3/11/97 at 4:13 p.m. requires the AHS to submit a quarterly report to the Joint Legislative Budget Committee detailing all expenditures of its nonappropriated funds.

Senator Bowers explained the amendment alleviates concern expressed by members of the AHS that people donating monies toward acquisitions and augmentation of exhibits, may hesitate if the monies could be affected by legislative action.

Senator Bowers announced **Ben Hill, Interim Executive Director, AHS, and Cindy Halperin, AHS State Board**, were present in support of the amendment.

**Senator Cirillo moved the Bowers amendment dated 3/11/97 at 4:13 p.m. be adopted. The motion CARRIED by a voice vote.**

**Senator Lopez indicated he would withdraw his #1 amendment dated 3/10/97 at 11:22 a.m. as it dealt with the same issue as the previous Bowers amendment.**

Senator Lopez explained his #2 amendment dated 3/10/97 at 11:25 a.m. continues the Arizona Conservation Corps with the remaining \$350,000 of its funding, which he asserted would cover operating costs of the program for at least two years longer. He urged support

for continuing the program which benefits urban children by employing them for improvement projects around the State.

Senator Bowers asked if Senator Lopez had information regarding the Corps' annual budget and asked for confirmation of his understanding \$350,000 would be sufficient to handle all the youth who used to belong to the organization. Senator Lopez confirmed staff has indicated this amount would be sufficient to fund the Corp for a couple of years.

Senator Bowers indicated the Parks Board does not want to continue the Corps because it does not fit with its mission nor with the training of its personnel. He explained that personnel dedicated to the Corps are needed for other projects, such as the development of Kartchner Caverns, and expressed opposition to the amendment. Senator Bowers appreciated the effort to keep the children in the Corps working, acknowledging it is beneficial to them and the State.

Senator Wettaw asked if the Corps' remaining funding was included in the reversion count and Senator Bowers confirmed it has been. Senator Wettaw expressed support for preserving opportunities for youth to be involved in good efforts like the Conservation Corps, suggesting they may be utilized at the environmental educational centers being set up.

Senator Bowers agreed good comes from these types of activities, but clarified the four environmental educational centers being set up are not staffed by at-risk teens, but are merely centers where any school may come and use the curriculum made available. He expressed his understanding the Conservation Corps works on trails and camps and expressed his wish to see the Corps utilized through a public-private agency that would maximize its benefit, such as Boys Ranch.

Senator Arzberger suggested that the Corps could be utilized in building and improvement projects at the environmental education centers and its mission should be increased, not decreased. He recounted the good work done by participants by the federal Conservation Corps during the 1930's, whose projects are still in use today in Arizona parks and in flood and erosion control.

Senator Bowers agreed there is work to be done at these sites and agreed to further discuss the issue of directing Corps participants to perform some of this work.

Senator Cirillo suggested the Corps could serve as an outlet for unemployed people in rural areas in conjunction with welfare reform efforts.

Senator Wettaw asked if it would be possible to continue the Corps for one more year, not reverting all of the remaining funds.

Senator Bowers suggested it may be possible to combine efforts, using welfare monies and keeping the Corps participants involved in projects at the environmental education centers. He expressed his wish to discuss this further with interested members at another time.

**Lorenzo Martinez, Joint Legislative Budget Committee (JLBC), Fiscal Analyst,** explained the funding flow for the Corps, noting that state monies were put up to receive federal matching funds which were eliminated in 1996. He explained that with the elimination of federal funds, the program was phased out, this being the last year of the phase-out. Mr. Martinez explained that if the Committee wished to restore the program, it would have to increase the appropriation for the Parks Board, as it was eliminated in the Appropriations Subcommittee. He indicated that JLBC and the Office of Strategic Budgeting and Planning did not recommend continuing the Corps because its original mission of dealing with conservation-type activities has changed over the past couple of years to focus on social service activities, such as housing rehabilitation, and no longer fits the mission of the Parks Board.

Senator Arzberger asked if eliminating the funding for the program also eliminates the program. Mr. Martinez explained that currently the program is eliminated because the Parks Board does not have an appropriation to continue its funding. He clarified the bill is the second step in eliminating the program altogether and the remaining balance will revert to the General Fund.

Mr. Martinez confirmed Senator Arzberger understands that if part of the money is left in the Corps fund for one year, the mission of the program could be changed during that time. Mr. Martinez emphasized, however, that if the program was to be continued beyond that one year, funding would need to be appropriated to whatever agency is chosen to administer it. He noted the Corps fund currently contains \$333,200; that in FY 1996 the program spent \$227,000 and that in FY 1997 it spent \$56,700 as part of the phase-down.

Senator Soltero asked what had been accomplished with the \$56,700 and Mr. Martinez indicated he did not know but could find out and report back.

**Senator Lopez moved his #2 amendment dated 3/10/97 at 11:25 a.m. Be adopted. The motion FAILED by a voice vote.**

**Senator Cirillo moved H.B. 2083 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 8-4-2. (Attachment #2)**

**H.B. 2098 - military airports; baseline study - DO PASS**

**Tami Ryall, Senate Research Analyst**, explained H.B. 2098 is an emergency measure expanding the approved uses for monies appropriated to the Arizona Military Airport Preservation Committee in FY 1995-1996. She indicated the bill expands usage of the appropriation to include performing a baseline study and expands the bases it applies to, including all the major military installations in Arizona. Ms. Ryall provided background and detailed provisions as outlined on the fact sheet.

Representative Jean McGrath, sponsor of the bill, very briefly expressed her enthusiastic support for H.B. 2098.

**Senator Cirillo moved H.B. 2098 be returned with a DO PASS recommendation.**

**Syl Arena, representing Luke Area Landowners**, explaining he serves on the Military Airport Preservation Committee and expressed opposition to the bill. He indicated he supports pursuing a baseline study, but expressed concern the bill mitigates the potential to develop accurate legal descriptions of the noise contours around the air bases. Mr. Arena asserted that the economic impact of contours will be demonstrated in an owner's ability to sell his land.

Mr. Arena noted that two years ago, \$200,000 was appropriated to the Preservation Committee for the exclusive purpose of developing legal meets and bounds descriptions. He expressed his understanding that the draft Request for Proposal that has been circulating on this issue has come back with a bid of \$350,000. Mr. Arena suggested the difference between the cost and the appropriation may affect the ability to develop adequate legal descriptions.

Mr. Arena confirmed Senator Arzberger understands that his group favored the compromise made two years ago.

**Barry Aarons, Governor's Office**, questioned how Mr. Arena came up with a bid figure of \$350,000, as the bid process is still ongoing and no award has been made. He noted that the aggregate of the three or four bids which have been submitted would not exceed \$300,000; that several municipalities and county governments have indicated they would be more than willing to contribute to the total cost above the \$200,000 appropriation; and that the bid separates the two studies, not allowing the baseline study to begin until funding has been identified.

**The motion to return H.B. 2098 with a DO PASS recommendation  
CARRIED by a roll call vote of 11-1-2. (Attachment #3)**

Without objection the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

Alice Kloppel,  
Committee Secretary

(Tape and attachments on file in the Office of the Senate Secretary)