

ARIZONA STATE SENATE

44TH LEGISLATURE SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: Wed., January 26, 2000

TIME: 1:30 p.m.

ROOM: 109

CHAIRMAN: Senator Gnant

VICE CHAIRMAN: Senator Cirillo

ANALYST: Deborah Johnston

COMMITTEE SECRETARY: Melissa C. Upshaw

INTERNS: Ethan Shaner and Michelle Thornham

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			S.B. 1079	Subcommittee
Senator Bennett	X			S.B. 1138	Subcommittee
Senator Grace	X			S.B. 1162	Subcommittee
Senator Guenther	X			S.B. 1165	Subcommittee
Senator Hamilton	X			S.B. 1166	Subcommittee
Senator Huppenthal	X			S.B. 1169	Held
Senator Jackson	X			S.B. 1174	Subcommittee
Senator Lopez	X			S.B. 1175	Held
Senator Rios	X			S.B. 1178	Held
Senator Smith	X			S.B. 1179	Subcommittee
Senator Solomon	X			S.B. 1180	Subcommittee
Senator Wettaw	X			S.B. 1182	Subcommittee
Senator Cirillo, Vice Chairman	X			S.B. 1184	Subcommittee
Senator Gnant, Chairman	X			S.B. 1185	Subcommittee

<u>Bill Number</u>	<u>Disposition</u>	<u>Bill Number</u>	<u>Disposition</u>	<u>Bill Number</u>	<u>Disposition</u>
S.B. 1188	Subcommittee	S.B. 1209	Subcommittee	S.B. 1247	Subcommittee
S.B. 1189	Subcommittee	S.B. 1215	Subcommittee	S.B. 1248	Subcommittee
S.B. 1196	Subcommittee	S.B. 1222	Subcommittee	S.B. 1250	Subcommittee
S.B. 1198	Subcommittee	S.B. 1223	Subcommittee	S.B. 1258	Subcommittee
S.B. 1199	Subcommittee	S.B. 1225	Subcommittee	S.B. 1261	Subcommittee
S.B. 1200	Subcommittee	S.B. 1226	Subcommittee	S.B. 1270	Subcommittee
S.B. 1201	Subcommittee	S.B. 1228	Subcommittee	S.B. 1271	Subcommittee
S.B. 1202	Subcommittee	S.B. 1232	Subcommittee	S.B. 1279	Subcommittee
S.B. 1203	Subcommittee	S.B. 1233	Subcommittee	S.B. 1280	Subcommittee
S.B. 1204	Subcommittee	S.B. 1234	Subcommittee	S.B. 1282	Subcommittee
S.B. 1208	Subcommittee	S.B. 1242	Subcommittee		

Tape 1, Side A

Attendees Sign in Sheet (Attachment A)

Chairman Gnant called the meeting to order at 1:30 p.m., and attendance was noted.

APPROVAL OF MINUTES

There were no minutes to approve.

ASSIGNMENT OF BILLS TO SUBCOMMITTEES

Chairman Gnant stated that the bills listed on the agenda are assigned to subcommittees as indicated with the exception of S.B. 1169, which is being HELD at the request of the sponsor.

CONSIDERATION OF BILLS

S.B. 1178 – supplemental appropriations - HELD

Chairman Gnant stated that S.B. 1178 was put on S.B. 1177 as a substitute for the House bill, therefore, S.B. 1178 would be HELD and may be used as a “striker” as the Chair will have some use for it in the future.

S.B. 1175 – state funds; appropriation; cancellation - HELD

Ethan Shaner, Senate Appropriations Intern, explained S.B. 1175 converts several funds from nonappropriated to appropriated status and eliminates a number of other funds and accounts upon the recommendation of the Joint Legislative Budget Committee (JLBC). Conversions of funds include the drug treatment and education fund, oil overcharge fund, and the Department of Corrections revolving fund. Elimination of funds include the statutory authority for the technology system fund, repeals of the temporary assistance to needy families stabilization fund, and the public health fund. The bill cancels the long term care reinsurance fund; health plan performance bond fund; electric and natural gas utility assistance fund; and debt service for 87, M/RARF 87A, and M/RARF 88A.

Chairman Gnant reiterated S.B. 1175 is an annual bill that converts funds from nonappropriated to appropriated status, and once in awhile it will actually do some elimination. He said there is no one present to speak on this bill, and asked if there were any questions or comments.

Senator Lopez stated that the Chair is correct that every year or so they do meet to convert some funds to appropriated status. In the past, he said he has not objected to a great number of them. But, he does understand that included in these are some issues that are there as a result of an initiative, and while they were not effect when Proposition 105 did not allow the Legislature to tinker with their deals, it seems to him that we ought to live up to that spirit. He queried if there were initiatives in this that were being converted to appropriated status that are a result of initiatives passed by the people.

Brad Regens, Fiscal Analyst, JLBC Staff, approached the podium.

Before Mr. Regens could reply to Senator Lopez's inquiry, the Chair commented that it was his understanding there were some congratulations in order for Mr. Regens. Mr. Regens answered that was correct, and received congratulations from the Committee on his recent engagement.

In response to Senator Lopez's inquiry, Mr. Regens replied that there are two funds which were created by Proposition 200, which was in the 1996 general election which dealt with drug offenders, and also one fund which was created as part of the enabling legislation from that. He answered yes and that the recommendation is to convert these three to appropriated status. And now it is his opinion that they do not run into the 105, no change initiative from the 1998, because in actuality the Legislature has already twice made changes to the Department of Corrections drug treatment fund. During the 1998 Session, those monies which, as part of the initiatives, were to be used for drug treatment for inmates who were paroled initially were expanded to allow that those monies to be used for all parole inmates.

Secondly, during the last Legislative Session, which took place after the 1998 no change initiative had been adopted, that fund was further changed. The original 1996 initiative provided that the Department of Corrections use luxury tax monies to aid these inmates. However, that source of revenue was to expire at the end of calendar year 1999, and the thought was that those individuals who would be paroled as part of that initiative would have been paroled and would have worked their way through the treatment. However, last Session, the Legislature made a change to allow that funding source to continue in perpetuity. So, based on these two experiences where that initiative has already been changed, they have made the recommendation to appropriate these monies.

Senator Lopez stated that he appreciated Mr. Regens answer to his inquiry, but that it was not sufficient for him to suggest continuing to tinker with it. He said the fact that we already did something does not make it right to tinker with it anymore. In his opposition to have the motion split, he expressed his hope that the Committee join him in his endeavors by holding on to this legislation.

Chairman Gnant asked if there were any additional questions for Mr. Regens. No questions were asked.

Chairman Gnant stated that he did not see any amendments before the Committee, and not having any knowledge of Senator Lopez's concerns prior to this meeting, he asked Senator Lopez if he would prefer to have S.B. 1175 held, so that he may prepare an amendment for next week.

Senator Lopez replied that he would like to see the bill held, so that the Members could make their determination formally.

Chairman Gnant stated that S.B. 1175 would be HELD.

Before adjourning the Committee, Chairman Gnant said he would like to make a general statement for those present and to those interested on the Senate Appropriations process.

The Chair said that every year at this time, it is heard from the Appropriations Chairman and perhaps Leadership saying that there is no money. And every year, the Members say, "nonsense there is plenty of money, you just do not want to recognize that there is money." He explained that two things have happened this past year that have not happened previously. A slightly better job of forecasting was done last year when the two-year budget was passed. In his opinion, it is still underestimated, but the forecast was "upped" twice, in September and December. In his opinion, those forecasts

have brought them very close to the mark, and indeed, the December revenues are within \$3 million of what was forecasted, which in Government operations is just about hitting the spot. He said the January numbers will not be known until February 15th and the February numbers until March 15th, but both are relatively low revenue collection months. Therefore, by the time this Legislature adjourns, they will not have much more information than what they have now. The information they have now shows that they will just about break even. It means whether it is liked or not liked, very few bills that are heard in Subcommittee will come back to the Full Committee, and even fewer are going to go the Senate Floor. He said that his guess is that none of them may make it through the process. He noted that some of them are working on an alternative mechanism, but the mechanism will not be picking up ninety-five percent of the bills that are out there. In fairness, he said he feels there is the right to know at least his view on things early on. For very many, despite the worthiness of their cause, including some projects that are dear to him, they will not be funded this year. For most it will be a 2001 decision and not a 2000 decision.

In response to the Chair's explanation of the Appropriations process, Senator Solomon said there are a number of Members who have bills on the Subcommittee agendas, while their subcommittees are meeting. She asked the Chair his thoughts on how this process will affect them. The Chair replied that what immediately comes to mind is the bumper sticker of two words of which the second word is "happens." He commented that one should "flip" back and forth between meetings. Senator Solomon responded that she would rather "flit."

Without objection, the meeting was adjourned at 1:40 p.m.

Respectfully submitted,

Melissa C. Upshaw, Committee Secretary

(Tapes and attachments on file with the Secretary of the Senate's Office at the Resource Center.)