

ARIZONA STATE SENATE

45TH LEGISLATURE FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: April 18, 2001

TIME: 1:30 p.m.

ROOM: 109

CHAIRMAN: Senator Solomon

VICE CHAIRMAN: Senator Bee

ANALYST: Deborah Johnston

**COMMITTEE
SECRETARY:** Melissa C. Upshaw

INTERNS: Timothy Bowers and Julie Myers

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. 2007	DP
Senator Cirillo	X			H.B. 2205	DPA/SE
Senator Guenther	X			H.B. 2270	DPA/SE
Senator Hamilton	X			H.B. 2324	DPA/SE
Senator Hellon	X			H.B. 2354	DPA
Senator Martin	X			H.B. 2364	DP
Senator Mitchell	X			H.B. 2424	DPA/SE
Senator Nichols	X			H.B. 2431	DPA
Senator Rios	X			H.B. 2439	DPA
Senator Verkamp	X			H.B. 2459	DPA
Senator Bee, Vice Chairman	X			H.B. 2485	DPA/SE
Senator Solomon, Chairman	X			H.B. 2523	NOT HEARD

BILLS (Continued)

<u>Bill Number</u>	<u>Disposition</u>	<u>Bill Number</u>	<u>Disposition</u>
H.B. 2538	DPA	H.B. 2607	HELD
H.B. 2563	DP	H.B. 2611	DP
H.B. 2567	DPA	H.B. 2618	DPA
H.B. 2581	DPA	H.B. 2619	DISCUSSION/HELD
H.B. 2582	DP	H.B. 2626	DPA/SE
H.B. 2589	DPA		

Tape 1, Side A

Chairman Solomon called the meeting to order at 1:45 p.m. and attendance was noted. For additional attendees, see Sign-in Sheet (Attachment A).

CONSIDERATION OF BILLS

H.B. 2538 – brown cloud study; air quality – DO PASS AMENDED

Representative Carolyn Allen, sponsor of the bill, said the bill is the combination of the Governor's Brown Cloud Study. There were amendments in the Natural Resources, Agriculture and Environment (NRAE) Committee, which would be explained.

Susan Anable, Senate Research Director, said H.B. 2538 adopts and implements a number of the measures recommended by the Governor's Brown Cloud Summit to reduce the brown cloud in the urbanized areas of the state, including imposing diesel engine idling restrictions in Area A (primarily Maricopa County), expanding the Area A nonattainment area, implementing a roadside diesel emission testing program and continuing funding for the voluntary vehicle repair and retrofit program. Ms. Anable briefed the Committee on the NRAE amendment. Ms. Anable explained the 20-page Guenther amendment dated April 17, 2001, 3:45 p.m. It incorporates the provisions of S.B. 1249 that was passed by the Senate as it was amended by the House Environment Committee. Those amendments relate to the limited continuation of the Arizona clean air fund for purposes such as the conversion of heavy duty diesel vehicles to alternative fuels and also for the construction of alternative fuels delivery systems. Additionally, the amendment includes the provisions of the NRAE amendment that make the roadside diesel-testing program a pilot program and delay full implementation of that program. Finally, the amendment appropriates the monies for the brown cloud priorities from the Arizona clean air fund rather than the state general fund. Rather than general fund monies the amendment proposes to have all funding come from the Arizona clean air fund. Ms. Anable noted that there is one significant difference in the way S.B. 1249 is incorporated into this bill in that it would provide for the elimination of the Arizona clean air fund and the emissions in lieu test fee in two years rather than five years. There would be a committee of reference looking at the issues relating to the clean air fund and the air quality fund and other air quality related funding priorities. The committee of reference would come back and make recommendations in two years. The Legislature would have another opportunity to consider how these funding priorities would continue for clean air.

Senator Nichols asked Representative Allen if she foresees any negative consequences from the termination of the clean air fund in two years. Representative Allen said no, but thinks it is time that it is reviewed. However, she does not support doing away with it.

Representative Allen added that Senator Martin would be offering a floor amendment exempting the civil penalties in H.B. 2538 from the various surcharges currently in state law.

Senator Bee moved H.B. 2538 be returned with a DO PASS recommendation.

Senator Bee moved the 20-page Guenther amendment dated 4/17/01; 3:45 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment B).

Senator Bee moved H.B. 2538 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following people were present in support of the bill: **Mike Williams, representing Keating Technologies; Bill Kicksey, Manager, Community Services, Maricopa County; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Knox Kimberly, Attorney, Intel Corporation; Mara Kelly, Government Relations Consultant, City of Mesa; Scott Smith, Lobbyist, Arizona Association of Industries; Yvonne R. Hunter, Public Affairs Representative, Pinnacle West Capital Corporation; and Barbara Burkholder, Executive Director, Arizona Public Health Association. John Kaites, Attorney, Arizona Rock Products Association,** was present in support of the bill and the Guenther amendment as well.

Senator Verkamp asked if this bill included the provision that was in a separate bill that provides using clean air fund money to clean up diesel trucks. Ms. Anable said it does. The Guenther amendment incorporates the provisions of S.B. 1249, which allowed the ongoing use of clean air funds money for the conversion of heavy-duty diesel vehicles to run on alternative fuel.

Senator Verkamp said he already expressed his opposition. He said they are using new car owners' money or in lieu fees to help clean the air by converting heavy duty diesel vehicles. He said the average person is helping the big trucks subsidize their conversion and he is opposed to that.

The motion to return H.B. 2538 with an AS AMENDED, DO PASS recommendation CARRIED by a roll call vote of 11-1-0 (Attachment 1).

H.B. 2485 – DUI; 0.08 – DO PASS AMENDED/STRIKE-EVERYTHING

Barbara Guenther, Family Services Analyst, explained the strike-everything amendment appropriates \$1.4 million in each of the two fiscal years of the biennium for tribal senior centers. It appropriates \$1 million per year for Navajo Nation senior centers and \$400,000 for the Hopi Tribe senior centers. They are required to match funding.

Chairman Solomon said the members have heard testimony on this bill before when it passed the Senate. She said there were a number of people present in support of the bill, and since testimony has been taken in the past and it is strongly supported, the Committee would not hear further testimony.

Senator Bee moved H.B. 2485 be returned with a DO PASS recommendation.

Senator Bee moved the 22-line Verkamp strike-everything amendment dated 4/12/01, 4:39 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment C).

Senator Bee moved H.B. 2485 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 2).

The following were present in support of the bill as amended: **Don Vance, Designated Lobbyist, AARP Arizona; Donna Redford-Kruck, Advocacy Director, Arizona Bridge to Independent Living (ABIL); Janet Regner, Partner, Jamieson and Gutierrez, representing the Hopi Tribe; Jim Driscoll, Arizona Citizen Action; Loris Ann Taylor, Assistant Director, The Hopi Foundation, The Hopi Tribe; Donna Begay, Driver, Birdsprings Senior Center; Sally Wagner,**

Elder, Birdsprings Senior Center; Harold Wagner, Birdsprings Senior Center; Leroy Long, Senior Council President, Birdsprings Senior Center; Geneva Yazzie, Senior Council Secretary/Treasurer, Birdsprings Senior Center; Sally Williams, Senior Council Member, Birdsprings Senior Center; Essie Nez, Elder, Birdsprings Senior Center; Jack Becenti Jr., Cook, Birdsprings Senior Center; Lorencita Begaye, Supervisor, Greasewood Springs Group Home; Ruth Hubbard, Elder, Ft. Defiance Senior Center; Melor C. Willie, Office of the President/Vice-President, The Navajo Nation; Sylvia Laughter, State Representative, District 3; Theo N. Otis, Lobbyist, AARP; Joel Goldenberg, AARP; Frank C. Yazzie, Supervisor, Dennehotso Senior Center; Ruth S. Benally, Elder, Ft. Defiance Senior Center; Maxine C. Nez, Elder, Dilcon Senior Center; Eunice Spencer, Senior Supervisor, Dilcon Senior Center; Rachel Thomas, Elder, Dilcon Senior Center; Mae Keams, Elder, Dilcon Senior Center; Norman Nez Sr., Van Driver, Dilcon Senior Center; Alberta James, Elder, Dilcon Senior Center; Grace Spencer, Elder, Dilcon Senior Center; Lucy Davis, Elder, Dilcon Senior Center; Nancy Curley, Elder, Dilcon Senior Center; Juanita Tadytin, Senior Citizen, LeChee Senior Center; Ella Reed, Senior Citizen, LeChee Senior Center; Diana R. Slowtalker, Supervisor, LeChee Senior Center; Alice Lister, Cook, LeChee Senior Center; Mary Yazzie, Assistant Cook, LeChee Senior Center; Betty Thompson, Van Driver, LeChee Senior Center; Elvis Bitsilly, Community Service Coordinator, LeChee Senior Center; Nellie Roanhorse, Elder, Ft. Defiance Senior Center; Edison Yazzie, Keams Canyon, AZ; Helen Geneeha, Keams Canyon, AZ; Mary K. Winslow, Elder, Winslow, AZ; Eleanora Barton, Elder, Winslow, AZ; Lynn Hanston, Phoenix; Pam Allan, Phoenix; Nellie Begay, Elder, Winslow, AZ; William Begay, Elder, Winslow, AZ; Betty Nez, Elder, Winslow, AZ; Marion Thorne, Elder, Winslow, AZ; Louise A. Begay, Elder, Keams Canyon, AZ; Dorothy Begay, Elder; Kee Joe Nez, Elder, Indian Wells, AZ; Dan Bitsilly, Elder, Indian Wells, AZ; June Marie Nez, Elder, Indian Wells, AZ; Bessie Spencer, Elder, Indian Wells, AZ; Juanita Tsosie, Elder, Indian Wells, AZ; Herbert Manygoat, Elder, Indian Wells, AZ; Kee Tsosie, Elder, Indian Wells, AZ; Sonny Begay, Elder, Indian Wells, AZ; Frankie Jackson, Elder, Teesto Senior Building; Kee Attakai Sr., Elder, Teesto Senior Building; and Carson Charley, Elder, Winslow, AZ.

H.B. 2431 – environment; chemicals; electronic reporting (now: environment; electronic reporting; chemicals – DO PASS AMENDED

Susan Anable, Senate Research Director, explained H.B. 2431 requires the Arizona Emergency Response Commission to allow reporting of certain hazardous chemicals reports required under the current state Emergency Planning and Community Right-to-Know law to be posted electronically to the Commission's internet site. The bill requires the State Fire Marshal to establish standards under the state fire code for a statewide database that includes hazardous material management plans and hazardous material inventory statements. Ms. Anable noted that there was a NRAE amendment that was adopted that made some technical changes and also stipulated that the fire departments in districts that do not have the capability to provide and receive their information electronically would be provided an alternative method by which they would be able to submit and receive their information. Ms. Anable said there are three amendments being proposed to the bill that do conflict.

Chairman Solomon received a note from Senator Hamilton saying he does not intend to move his amendment, however, she has some questions with regard to the Martin amendment.

Ms. Anable explained the Solomon amendment appropriates \$535,000 from the state general fund in fiscal year 2002 to the Department of Building and Fire Safety for the purposes of implementing the statewide database requirements. There is an additional appropriation in fiscal year 2003 of

\$283,000 to provide financial resources for the establishment and maintenance of the statewide database.

Chairman Solomon said this was information that was given to the Committee by JLBC in concert with the Fire Marshal as to what they believe the cost would be to implement this program currently. Ms. Anable said that is correct.

Ms. Anable said the Martin amendment changes the reference to the cited international fire code from the 12th Edition to the 1st Edition, noting that this does conflict with the amendment that was adopted by the NRAE amendment that referenced the 2000 Edition of the international fire code.

Chairman Solomon, referring to the bill, said she is uncertain whether or not there will be a database of where these hazardous materials are located or an information system that will provide plans for remediating and taking care of emergencies due to hazardous materials. Ms. Anable said the current federal law and the fire code require certain reporting by entities that store and handle chemicals. This bill does not expand the type of reporting that is required, it requires the jurisdictions responsible for collecting that information to provide it to the state for purposes of developing a statewide database.

Chairman Solomon said the database simply stores information as to location of materials that currently are required by law to be reported. Ms. Anable said it is a compilation of information that is already submitted by the entities that handle and store these chemicals.

Chairman Solomon asked if there was something currently in law that provides a penalty for those who store hazardous materials and do not report them as is required. Ms. Anable said she could not say specifically what the penalties are. There are some penalties under the federal Emergency Planning and Community Right-to-Know Act (EPCRA) requirements for failure to report. She does not know the specific penalties, but will look into that and provide that information. She is also not sure what each jurisdiction's penalties may be for failure to report.

Senator Cirillo, referring to the tragic fire that happened not too far from the Capitol a couple of months ago, said his understanding is that the fire was caused because they had all sorts of cardboard and boxes in back of the building that caught on fire. He asked if these would be considered hazardous. Ms. Anable said it would depend on what the boxes had contained. The federal law as far as EPCRA is concerned requires reporting of stored chemicals and materials if they exceed a certain minimum quantity.

Representative Landrum, sponsor of the bill, explained that there was a fire in her district that dealt with a chemical plant. When the firefighters appeared at the scene they did not know exactly what type of chemicals were inside the building. They did not know if the people should stay in their homes or be evacuated, but made sure everyone was evacuated. Representative Landrum said the bill helps take any doubt out as far as what the community and firefighters are dealing with. She added that the bill is a consensus bill that has support from the local fire jurisdictions, industry, Chamber of Commerce, other state agencies, and many residents all over Arizona.

Jim Larson, Intel Arizona Site Environmental Manager, briefed the Committee about the Intel facility in Chandler that was selected by the President of the United States as a national model under their program called Project Excel, Excellent and Leadership. One of the key components was developing a single emergency electronic planning and reporting document. Having done this

for five years and a lot of experience, Mr. Larson said the program works. The information posted electronically is up-to-date, timely, and available to firefighters.

Senator Bee moved H.B. 2431 be returned with a DO PASS recommendation.

Senator Bee moved the 12-line Solomon amendment dated 4/16/01; 10:36 a.m. be ADOPTED.

Chairman Solomon committed to the members and the sponsor that if an amendment is moved to delay action during such time as a study is conducted and rules are being made, the appropriation will be reduced commensurate with the need.

The motion CARRIED by voice vote (Attachment D).

Senator Bee moved H.B. 2431 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 12-0-0 (Attachment 3).

Senator Hamilton explained his vote. He supports this bill and looks forward to working with Representative Landrum to come up with language for the neighborhoods and firefighters, he voted "aye."

The following were present in support of the bill: **Jim Norton, Lobbyist, Arizona Association of Industries; Margaret Snider, Franciscan Renewal Center, Arizona Interfaith; Bonnie Danowski, Franciscan Renewal Center, Arizona Interfaith Network; Jo Hanken, Teacher, Kyrene Education Association, East Valley Interfaith; Lowell Brown, Educator, Arizona Education Association, Arizona Interfaith Network; Andrea Robson, Arizona Interfaith Network; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Yvonne R. Hunter, Public Affairs Representative, Pinnacle West Capital Corporation; Amy Lawless, Valley Interfaith Project, Arizona Interfaith Network; John Wayne Gonzales, Management Assistant, City of Phoenix; Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce; Barbara Burkholder, Executive Director, Arizona Public Health Association; Deborra Jones, Self-concerned resident of southern Phoenix; Mike Williams, Lobbyist; Scott Meyer; Bert Scott; Heard Still Sr., Owner; Ed Wintergalen, Arizona Interfaith Network; Dave Zabor, Kyrene Education Association, East Valley Interfaith; Tom Donovan, Arizona Interfaith Network; Wendy Kreider, Arizona Interfaith Network; and Dick White, St. Patrick's - East Valley Interfaith. Jim Larsen, Intel Arizona Site Environmental Manager, Chandler, was present as a technical expert.**

H.B. 2589 – comprehensive health insurance; risk pool (now: comprehensive health insurance; pilot program – DO PASS AMENDED

Todd Madeksza, Banking & Insurance Analyst, explained the bill appropriates \$3.4 million in each of two years to establish a health insurance plan within the Department of Insurance (DOI) to guarantee access for individuals who cannot obtain health insurance in the private market and for those individuals with a catastrophic medical condition. He noted there were two proposed amendments being offered to H.B. 2589. The 21-line Solomon amendment dated April 17, 2001, 2:02 p.m., frontloads the appropriation and it prohibits the plan from operating at a loss. Provides that upon discovery that the plan's expenses and losses exceed the total income from premiums, the board terminate the plan, report to the President of the Senate, Speaker of the House of

Representatives and the Director of Insurance and liquidate the plan's assets and pay its liabilities. The 2-page Nichols amendment dated April 4, 2001, 3:30 p.m., strikes the appropriation and replaces it with assessments levied by the DOI on insurance companies doing business in Arizona. The amendment includes a series of premium tax offsets for the same companies that participate in the program.

Senator Nichols asked if the two amendments conflict. Mr. Madeksza said the 2-page Nichols amendment strikes the appropriation and the 21-line Solomon amendment reallocates the appropriation.

Representative Leff, sponsor of the bill, said there are 29 states that have risk pools already and Arizona is the only state that has raised the price to match the private sector price, which lowers the amount of money that taxpayers will have to subsidize. Of the two amendments, Representative Leff would prefer the Solomon amendment. She noted that the amount of money has not been changed, but just the allocation. The safety net of the program would cost \$1.7 million the first year and \$2.1 million the second year, according to the actuaries. She said they have been advised that it is irresponsible to have a program without a reserve fund, so the extra \$3 million that is seen in the first year is a reserve fund that will not be used, unless at the end of the program, there are bills outstanding. She noted that this could happen with someone who has a very serious health condition. The first part of the amendment guarantees that the program would end if the money is spent. The reserve fund would then be returned to the general fund. This is a general fund appropriation she feels needs to be spread across the state, in terms of the community being willing to help cover the cost of insurance for people who are in the situation. The people who buy the insurance will be paying a lot of money for this policy, it is not a giveaway. She asked the Committee for their support of the Solomon amendment.

Senator Nichols said it is his opinion that the bill will not make it if there is an appropriation. The purpose of his amendment was to find a way to accomplish Representative Leff's goal and allow the bill to go through this session.

Representative Leff said if she accepts the premium tax credit on the bill, her bill is dead and if this bill goes forward with the appropriation she is willing to fight for it.

Senator Nichols said he is not going to offer his amendment. He would like to point out that the companies do not get back everything they pay out under the amendment, so in fact, they are paying a portion of the cost and only getting back a portion through the adjustment that would occur later.

Representative Leff said the \$3 million reserve fund is a necessity but will make the bill more difficult to pass.

Senator Verkamp said the people that are included are mostly high-risk people. Insurance companies, instead of spreading the risk like they are supposed to under the concept of insurance, want to insure only those who do not need insurance and not insure anybody that does need insurance. He introduced a bill that Senator Cirillo is working on that creates a statewide pool, so there is insurance at an affordable rate with good coverage. Representative Leff said it is true that risk pools have been very expensive for states that have had them. She noted that this bill is done differently. Most risk pools have a relatively low premium. They charge the average cost of a policy for someone who is healthy and only add 100-200 percent above that so it is relatively inexpensive, but taxpayers pay large amounts of money to subsidize the cost. She does not think

that the idea of a risk pool will ever go away because there will always be individuals that have chronic and pre-existing conditions that would be left out. When the money is expended, the program ends automatically. It is guaranteed that they will not be on the hook for any money, except the amount that is appropriated. That would provide these individuals with health insurance for up to three years. They chance losing everything no matter what they are willing to pay because no one will sell them a policy. She said an individual would have to be turned down by two different insurance companies before they are eligible for this program.

David Childers, representing the Health Insurance Association of America, said the Association strongly supports Representative Leff on this legislation as they have supported similar legislation for the past four years. To answer Senator Nichols' question, he said 20 of the 29 states use some form of assessment against insurance companies and of those assessments about one-third of the 20 are assessments with a premium tax credit of some sort. The remaining two-thirds of the 20 states do not have any such benefit for the insurance company.

Senator Bee moved H.B. 2589 be returned with a DO PASS recommendation.

Senator Bee moved the 21-line Solomon amendment dated 4/17/01; 2:02 p.m. be ADOPTED.

Senator Nichols clarified that he would not be offering his amendment.

The motion CARRIED by voice vote (Attachment E).

Senator Bee moved H.B. 2589 be returned with an AS AMENDED, DO PASS recommendation.

Senator Martin said this is the best compromise we are going to get to at the moment. It does not cover everybody. A system could not be created at this moment that would cover everybody because of the budget situation. He reminded everyone that there is a 2,000-person cap on the bill. Without it those people would go without health insurance, spending down or exhausting their income. As a result, taxpayers end up paying 100 percent. Senator Martin said this is a way for them to not only contribute to the premiums, but also contribute to society and continue paying the taxes that help subsidize the program.

Bette Mirgon, in support of the bill, said she was 38 years old when she was diagnosed with breast cancer. When her divorce was final she did not know about COBRA policies, she did not understand it and she was not educated. She happened to be diagnosed within the timeframe that allowed her to go back and get a COBRA policy. She said her assets would have lasted two years. She had an advanced stage of breast cancer, two re-occurrences and four surgeries. Ms. Mirgon volunteers for the wellness community and Bosom Buddies, which is a breast cancer support group. She knows people who are affected and terrified.

Donna Redford, Arizona Bridge to Independent Living (ABIL), said in her work as an advocate she meets people with disabilities all the time. There is the perception that the risk pool consists of people who are insurable and are sick, but that is not necessarily the case as there could be a person that could not get insurance because of a disability, not because of a chronic health problem. They would rather keep them at the higher income levels they earn because either they can work with their disability or have some other form of support; thus paying taxes and contributing.

Tape 1, Side B

The motion to return H.B. 2589 with an AS AMENDED, DO PASS recommendation CARRIED by a roll call vote of 10-0-2 (Attachment 4).

Senator Verkamp explained his vote. He votes "aye" for this bill hoping that it helps as many people as possible. He applauds Representative Leff for introducing this bill because he thinks it is better than nothing. He expressed his hope that that they can move beyond this and keep working on the problem to make a system in this country where people can afford insurance that has adequate coverage for everybody instead of certain groups and certain times.

The following were present in support of the bill: **Joe Abate, Lobbyist, AIDS Policy Alliance/AIDS Project Arizona; Brian McAnallen, Lobbyist, American Cancer Society; Don Vance, Designated Lobbyist, AARP Arizona; Theo N. Otis, Lobbyist, AARP; and Joel Goldenberg, AARP Arizona. Mike Williams, Lobbyist, Healthnet, and Michael Green, Lawyer, Humana Healthcare Plans, both support the bill with the Solomon amendment. Rip Wilson, Lobbyist, Arizona Diabetes Association, supports the bill without the Nichols amendment.**

H.B. 2581 – universities; financial aid trust fund – DO PASS AMENDED

Kimberly Yee, Education Analyst, explained H.B. 2581 increases general fund support of the student financial aid trust fund. It appropriates \$2.36 million in fiscal year 2001-2002 and \$2.46 million in fiscal year 2002-2003 from the state general fund to the Arizona Board of Regents to deposit into the financial aid trust fund. The 4-line Solomon amendment dated April 4, 2001, 1:57 p.m., reduces the general fund match to the financial aid trust fund from 2:1 to 1.25:1. The amendment also reduces the accompanying appropriation from \$2.35 million in fiscal year 2002 and \$2.45 million in fiscal year 2003 to \$588,800 in fiscal year 2002 and \$613,800 in fiscal year 2003.

Senator Cirillo said he had raised a question the first time the bill was heard about the difference between resident and non-resident students and whether or not the State should do more for residents and maybe consider doing nothing for non-residents in this area.

Ms. Yee said it is her understanding that non-resident students do get to dip into this student financial aid trust fund.

Debbie Johnston, Appropriations Analyst, referring to Page 1, lines 37 and 38 of the bill, said a certain portion of the non-residents are eligible for the scholarships. However, it is only from the portion they are paying into and not from the general fund appropriations.

Chairman Solomon announced the following people were present in support of the bill: **Charlene Ledet, University of Arizona; Kay Kaprosy, Legislative Liaison, Arizona Department of Education; and Paul Peterson, Executive Director, Arizona Students' Association.**

Senator Bee moved H.B. 2581 be returned with a DO PASS recommendation.

Senator Bee moved the 4-line Solomon amendment dated 4/4/01; 1:57 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment F).

Senator Bee moved H.B. 2581 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 9-0-3 (Attachment 5).

H.B. 2618 – appropriations; health care labor pool – DO PASS AMENDED

Kristina Boone, Education Intern, explained H.B. 2618 appropriates \$500,000 in each of fiscal 2001-2002 and fiscal year 2002-2003 from the state general fund to the Department of Education to establish a three-year model-training program in Pima County for health care workers with limited education skills. Allows community college districts to use specified expenditures to form partnerships with local school to work programs. Ms. Boone noted that there were two amendments being offered to the bill that do conflict.

Chairman Solomon said she would not be offering her 6-line amendment, but she will be offering her corrected 3-line amendment.

Ms. Boone explained the corrected 3-line Solomon amendment reduces the appropriation from \$500,000 to \$150,000 each year.

Chairman Solomon noted that Representative Somers, sponsor of the bill, was unable to be here.

Senator Bee moved H.B. 2618 be returned with a DO PASS recommendation.

Senator Bee moved the 3-line Solomon CORRECTED amendment dated 4/18/01; 9:35 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment G).

Senator Bee moved H.B. 2618 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon said there is no one in opposition to the bill and no one wishing to speak.

Senator Cirillo said he understands why this is being done stating that there are shortages in the professions of nursing, teaching and prison guards. He does not think the answer is to put unqualified people into positions, especially when they are dealing with people that do not have any recourse, for example, in a prison, school or nursing home.

Hermi Cubillos, Director of Job Path, Tucson, said Senator Cirillo is correct. They have made sure that the kinds of people that do make it through are the ones that are going to be the true professionals within the health care field.

The motion CARRIED by a roll call vote of 9-0-3 (Attachment 6).

The following were present in support of the bill: **Patti Bailey, Gilbert, AZ; Jaime Huerta, Tucson, AZ; Bonny Sloane; Christa Selig, Parishioner, St. Pius Catholic Church/Pima County Interfaith Council; Timothy Schmaltz, Foundation for Senior Living; Amy Lawless, Valley Interfaith Project/Arizona Interfaith Network; Andrea Robson, Arizona Interfaith Network; Dick White, St. Patrick's - East Valley Interfaith; Wendy Kreider, Pima County Interfaith Council; Rebecca Rojo, Job Path, Tucson; Don Isaacson, Legislative Counsel, Arizona Association of Homes and Housing for the Aging; Tom Donovan, Arizona Interfaith**

Network; Margaret Snider, Franciscan Renewal Center, Arizona Interfaith Network; Dave Zabor, Kyrene Education Association, East Valley Interfaith; Bonnie Danowski, Franciscan Renewal Center, Arizona Interfaith Network; Lowell Brown, Educator, Arizona Education Association, Arizona Interfaith Network; Jo Hanken, Kyrene Education Association, East Valley Interfaith; Fred A. Markussen, Pima County Interfaith Council, Arizona Interfaith Network; and Ed Wintergalen, Arizona Interfaith Network.

H.B. 2439 – appropriations; domestic violence – DO PASS AMENDED

Sheryl Rabin, Judiciary Analyst, explained H.B. 2439 expands the amount of information that the Domestic Violence and Sexual Assault State Plan Task Force (task force) is required to report and extends the reporting deadline to December 2002. It appropriates \$1.25 million in each of fiscal year 2001-2002 and fiscal year 2002-2003 to the Department of Economic Security (DES) for emergency, residential, transitional and legal programs for domestic violence victims and their children. It also appropriates an additional \$200,000 in fiscal year 2001-2002 from the state general fund to the Governor's Office to hire an independent contractor. Ms. Rabin noted that the amendment adopted by the Judiciary Committee adds two city prosecutors to that task force.

Ms. Rabin explained the 9-line Solomon amendment eliminates the appropriations to the Governor's Office and reduces the appropriation to DES from \$1.25 million in each of fiscal years 2001-2002 and 2002-2003 to \$1 million.

Senator Bee moved H.B. 2439 be returned with a DO PASS recommendation.

Senator Bee moved the 9-line Solomon amendment dated 4/9/01; 9:07 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment H).

Senator Bee moved H.B. 2439 be returned with an AS AMENDED, DO PASS recommendation.

John J. Klein, President, Central Arizona College, spoke in favor of the amendments adding the regional training center and the burn unit to this bill.

Chairman Solomon said the amendments Mr. Klein was speaking to would be added onto another bill where the amendment will be more germane. She noted that there were questions raised to the germaneness of the amendment on this bill and they did find one where they were able to create a good bridge where the Rules Attorneys would not question the germaneness.

The motion CARRIED by a roll call vote of 9-0-3 (Attachment 7).

The following people were present in support of the bill: **Danae Dotolo, Public Policy Advocate, Arizona Coalition Against Domestic Violence; Connie Phillips, Executive Director, Sojourner Center; Christa Selig, Parishioner, St. Pius Catholic Church/Pima County Interfaith Council; Timothy Schmaltz, Foundation for Senior Living; Wendy Kreider, Arizona Interfaith Network; Eddie Sissons, Executive Director, Morris Institute for Justice; Karen Novachek, Director, Lutheran Advocacy Ministry in Arizona; Andrea Robson, Arizona Interfaith Network; Kelly Carmody, Legal Services Director, Arizona Bar Foundation; Tara Plese, Legislative Liaison, Arizona Catholic Conference; Lyle Mann, Manager, Arizona Peace Officer Standards and Training Board; Ron Johnson, Director, Government Relations, State Bar of Arizona; Ed Cibbarelli, Director, Public Safety, Central Arizona College; Jaime Huerta, Tucson, AZ;**

Patricia Madsen, Supervising Attorney, Domestic Violence Legal Advocacy Program; Fred A. Markussen, Pima County Interfaith Council, Arizona Interfaith Network. John A. Blackburn, Special Assistant, Maricopa County Attorney/Arizona Sheriffs Association/Arizona Chiefs of Police, and John A. Blackburn Jr., Lobbyist, Arizona Criminal Justice Commission, were both present in support of the bill as amended.

H.B. 2563 – community transition program – DO PASS

Sheryl Rabin, Judiciary Analyst, explained H.B. 2563 creates a prerelease program and a community transition program for incarcerated criminal offenders and released offenders. It appropriates \$1.5 million to each program in each of fiscal years 2002 and 2003 for a total appropriation of \$6 million. The funding comes from three existing funds: the alcohol abuse treatment fund, drug treatment and education fund, and special services fund. Ms. Rabin noted that the amendment adopted in the Judiciary Committee eliminates the prerelease program and the funding that was appropriated for that program. The funding for the community transition fund is increased from \$500,000 to \$600,000 in fiscal years 2002 and 2003 from both the alcohol abuse treatment fund and the drug treatment and education fund for a total of \$1.2 million in each fiscal year. The appropriation from the special services fund is eliminated under the Judiciary amendment.

Representative Anderson, sponsor of the bill, said the bill is being discussed as it was amended in the Judiciary Committee. The bill is coming out of a committee called the Committee on Homelessness that he co-chaired with Senator Petersen in the past. They heard about people having been released from prison and dropped off in front of homeless shelters with \$50 in their pockets. Sometimes those people have no identification and are still wearing their prison uniforms with their numbers scratched out with a marker. Something needs to be done for those people to become self-sufficient and not go back into a life of crime. The national statistics from the Department of Justice indicate that over 60 percent of the State's criminals end up back in prison. This year there will be 12,000 prisoners coming out of the State's prisons not including those coming out of the jails. He noted that the only controversial aspect of this bill has to do with the funding source, which is addressed in his handout (Attachment I).

To answer Chairman Solomon's question, Representative Anderson said the drug treatment fund, according to JLBC, currently has a \$4.4 million balance but it is going down to \$1.5 million. Even with the amount of money that they are using, there will still be a positive balance in 2003.

Senator Cirillo said he would like to be assured that we are not stealing money from the programs when they are incarcerated and using that money for programs when they walk out of the jail door, because that does not buy us anything. Then once they get out of prison all that investment is worthless. They go back to the same neighborhood and friends who got them in prison in the first place. Potentially this money could have been used for other things even though it was not allocated in the budget.

Representative Anderson said the Director of Corrections (ADC) pointed out three basic categories of prisoners coming out of prison: 1) the hard core - criminal minded people that would not benefit or be involved in this program; 2) a group that would have learned their lesson, possibly have a family and a job lined up for them on the outside; 3) the middle of the two groups. If the inmates had mentors and a case manager, with this group in place, they could actually make it.

Jeff Taylor, representing the Grace Place Foundation, said the Foundation does exactly what the bill talks about. He spoke about his personal experience of being incarcerated and released on four different occasions. The problem is how the prisoners are being released. ADC needs to work with the transition community because the need is tremendous. Mr. Taylor stressed that having been there, he cannot emphasize enough that if he were released today being clean from alcohol and drugs for six years with \$50 in his pocket and dropped off in those neighborhoods, he would be at risk.

Senator Nichols asked about the existing programs within the ADC. He asked Mr. Taylor if current ADC's programs would be effective in promoting transition or would this be a more effective use. Mr. Taylor said he believes both are needed. A person could have five years of treatment in prison and be released homeless, and all that treatment in prison is useless. He thinks the Department is doing above and beyond what they are being called on to do, as their job is to incarcerate people. Mr. Taylor said the real problem is having the resources to treat the core issue of why people are being arrested, which is usually a drug problem.

Senator Nichols commented that is a little bit like asking the schools to teach family values. We do sometimes overextend our expectations for our agencies and our programs.

Dr. Robert Olding, Assistant Director of Programs and Services, Arizona Department of Corrections, said their concern with this bill focuses on the use of the funds that have been developed. The reduction in available funding will curb their ability to continue, plan, develop and expand the level of services related to each of these funding sources. The Department favors the transition, they believe it should be funded and there should be services provided in excess of what now exists, but they do not see the benefit of taking away funds that contribute to existing and expanding services.

Senator Nichols asked about the percentage of inmates being released with \$50 in their pocket and what percentage has more. Dr. Olding said he did not have those statistics with him, but the \$50 that is being referred to is called "kick out" money or release money. That is the minimum amount of money being provided to the inmates. There is also an opportunity for inmates who work at institutional and Arizona Correctional Industry (ACI) jobs to earn money and put away savings and have trust funds. Some of the pre-release programs are also starting to focus on trying to get the inmates to develop a savings plan so they can have more money when they are released.

Dr. Olding added that the work incentive pay program has a range of wages from 10 cents to 50 cents an hour as set by statute. The ACI program has programs that allow for payment of 80 cents up to minimum wage in certain programs.

To answer Senator Verkamp's question, Dr. Olding said the inmates are released and transported to points where they could potentially get services, sometimes that does end up being in the city. He said there is a problem with inmates who lack resources and are being turned loose. The Department no longer has jurisdiction over many of these inmates. Although truth in sentencing does allow for a great number of inmates to be released with supervision into the community, there are still a significant number who have expired their sentence. The Department, by law, has to release the inmates into the community.

Margie Frost, East Valley, runs a facility for homeless men. She has received letters from men asking her to find them a place to live once they are released from prison. She has the same

number of letters from women inmates. This program will work and is much needed. Where the money is going to come from she does not know, but she asked the Committee to please find it and help those who are on the front line.

Chairman Solomon thanked Ms. Frost for the work she is doing.

Senator Bee moved H.B. 2563 be returned with a DO PASS recommendation.

Dale Rinard, President/CEO, TERROS, said TERROS has been a substance abuse treatment provider for over 30 years in the community and provides part of the correction officers offender liaison program for the State. The program has steadily increased over time as the Department refers prisoners to it. But if it is going to reduce the funding for the existing treatment programs, then there will be a conflict and the resources would not be adequate to continue what they are currently doing. He said he would not want the program jeopardized in any way.

Representative Anderson said based on the information he received from the Department, according to their budget request, they allocated the amount they were planning to spend in the next two years for these programs. As indicated in ADC's letter, there is not the infrastructure in the community to provide the aftercare. The current programs in place will not be reduced. All that is being done is taking from funds that were there left over, which potentially could have been used if these kinds of programs were expanded. He noted that he does plan to come back in two years to request a general fund appropriation.

The motion CARRIED by a roll call vote of 11-0-1 (Attachment 8).

The following were present in support of the bill: **Larry Miller, Executive Director, Arizona Call to Renewal; Mark Holleran, CEO Central Arizona Shelter Services; John Feit, Community Liaison, St. Vincent De Pauc Society; and Les Koel.**

H.B. 2007 – victims' rights; notification; reporting requirement (now: voting systems upgrade fund; appropriation) – DO PASS

Jim Keane, Government Analyst, explained H.B. 2007 requires county election officers to use marksense optical scan voting systems and establishes the voting systems upgrade (VSU) fund, to be administered by the Secretary of State, to assist county officers in purchasing or leasing such systems. In addition it establishes procedures for the Secretary of State to respond to voting equipment failure. Mr. Keane noted that the bill initially had an appropriation of \$3.4 million in fiscal year 2001-2002 from the state general fund to the VSU fund to assist county elections officers in obtaining marksense voting systems, but the Government Committee adopted an amendment to remove the \$3.4 million appropriation.

Senator Cirillo said he has heard several of the smaller counties were not supportive of this effort and would like to stay with the system that they have for voting today. He asked if there has been any testimony or discussion heard in Committee along that line. Mr. Keane said he has not heard that.

Jessica Funkhouser, State Election Director, Secretary of State, in support of the bill, was present to answer any questions.

Dan Gutenkauf, Legal Researcher, representing Citizens for a Fair Vote Count, in opposition to the bill, said he has six different points to make and has evidence he would like entered into the record because it is too comprehensive to cover in a five minute presentation. Mr. Gutenkauf distributed handouts (Attachment J) to the Committee.

Senator Arzberger asked if having the appropriations removed from the bill in Government Committee would require county election officers to use a particular voting system. Chairman Solomon said it does give some direction to counties.

Senator Hellon asked if this is a mandate on counties, noting there is a concern if they are then required to spend county money. Chairman Solomon said it is not an unfunded mandate.

Senator Bee moved H.B. 2007 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 9).

Helen Purcell, County Recorder, Arizona County Recorders Association, and Jim Sawyer, Executive Director, Arizona Association of Counties, were both present in support of the bill.

H.B. 2354 – technological education districts; attendance; retroactivity (now: tax rolls; tribal land settlement) – DO PASS AMENDED

Jim Keane, Government Analyst, explained H.B. 2354 establishes the county Navajo-Hopi land dispute settlement fund with \$250,000 received from the federal government pursuant to the Navajo-Hopi Land Dispute Settlement Act of 1996. In addition, interest earned on the fund will be used to reimburse counties for lost tax collections due to the removal of certain lands owned by the Hopi tribe from county tax rolls as a result of the 1996 Act. The 5-line Solomon amendment, dated April 5, 2001, 8:43 a.m., is a technical change relating to the Navajo-Hopi Land Dispute Settlement.

Representative Flake, sponsor of the bill, thanked the Committee for hearing this bill. He said this is an important bill to those counties where the Hopi Tribe is taking private land out of and off the tax rolls to go to reservation status with a 1996 Congressional bill of Senator McCain's. He said Congress appropriated \$250,000 to this state to be put in trust, the interest of which was to pay the counties that had lost their private land in lieu of taxes. This could not be done administratively, so they had to have legislation. Currently, the Hopis are applying for private land in Navajo and Coconino counties. They still have other land to buy, so there could be some in other counties.

Chairman Solomon said she does not believe there is any mention in the federal act of money going to the counties. This was why she held the bill at first to make sure that they were doing this exactly in the matter that was appropriate for them.

Representative Flake said maybe that was never stated in the act, but Senator McCain's intention, he told the counties, was to use the money for that purpose.

Tape 2, Side A

To answer Senator Nichols' question, Representative Flake said the Hopis have the ability to buy 500,000 acres and they can apply for reservation status. A good share of the land that they buy will be state trust land, which will have to be appraised. That will not take anything from the coffers

of the counties because no taxes have been paid on that land anyway. He said there could be some Bureau of Land Management (BLM) or possibly even Forest Service land, but he is not sure if Forest Service land could go into reservation land status. Approximately 300,000 acres have already been bought.

Chairman Solomon announced the following people were present in support of the bill: **Tonia Garrett, Government Affairs Manager, Arizona Association of Counties; Janet Regner, Partner, Jamieson and Gutierrez, The Hopi Tribe; and Loris Ann Taylor, Assistant Director, The Hopi Foundation, The Hopi Tribe.**

Senator Bee moved H.B. 2354 be returned with a DO PASS recommendation.

Senator Bee moved the 5-line Solomon amendment dated 4/5/01; 8:43 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment K).

Senator Bee moved H.B. 2354 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 10).

H.B. 2582 – procurement on-line bidding – DO PASS

Jim Keane, Government Analyst, said H.B. 2582 is an emergency measure allowing the use of on-line bidding for state contracts and establishing the state electronic commerce (SELCO) fund to help finance electronic commerce initiatives.

Representative Voss, sponsor of the bill, said the bill comes out of a year's worth of work from the task force on telecommunications out of the Arizona Legislative Exchange Council (ALEC). There are vendors who provide electronic or what is known as on-online bidding. She noted there was a similar bill that allowed municipal bonding to be done on-line. This bill allows the State Procurement Office to employ the very same procedure. Representative Voss noted that the State of Pennsylvania started using this bidding process. When they normally would have paid \$14 million for office furniture they actually ended up paying \$8 million.

Senator Bee moved H.B. 2582 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 11).

H.B. 2205 – environment; hazardous waste site; notice – DO PASS AMENDED/STRIKE-EVERYTHING

Julie Szperling, Commerce Analyst, explained the strike-everything amendment being offered to H.B. 2205 appropriates \$2.5 million in each of fiscal years 2001-2002 and 2002-2003 from the state general fund to the Arizona Department of Commerce for initiatives relating to the Arizona Partnership for the New Economy (APNE). The strike-everything amendment breaks down the appropriation allocating specified amounts in each fiscal year for the five APNE initiatives listed. The 8-line Solomon amendment removes the funding breakdown.

Senator Bee moved H.B. 2205 be returned with a DO PASS recommendation.

Senator Bee moved the 19-line Solomon strike-everything amendment dated 4/16/01; 9:54 a.m. be ADOPTED (Attachment L).

Senator Bee moved the 8-line Solomon amendment dated 4/17/01; 1:34 p.m. to the strike-everything amendment be ADOPTED. The motion CARRIED by voice vote (Attachment M).

Senator Bee moved the strike-everything amendment AS AMENDED, be ADOPTED. The motion CARRIED by voice vote.

Senator Bee moved H.B. 2205 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 7-1-4 (Attachment 12).

Senator Cirillo explained his vote. The Subcommittee on Criminal Justice and Transportation had a nice presentation with a lot of "sexy" phrases, but he was not convinced. He noted that almost everyone says, "give us the money and we will work out the plan later," and he votes "no."

Senator Martin explained his vote. He said as the Chair of the subcommittee with the "sexy" phrases he votes "aye."

The following were present in support of the bill: **Rick Zelznak, Director, Government Information Technology Agency. Jackie Norton, Director, Arizona Department of Commerce; Becky Hill, Legislative Coordinator, League of Arizona Cities & Towns; and John Kaites, Attorney, Southern Arizona Tech Council, Arizona Software and Internet Association, Greater Tucson Economic Council (GTEC),** support the strike-everything amendment.

H.B. 2270 – appropriations; drug court funding – DO PASS AMENDED/STRIKE-EVERYTHING

Gail Hicks, Assistant Research Analyst, said the strike-everything amendment being proposed to H.B. 2270 prohibits public employers from discriminating against employees or job applicants because an individual is, or is perceived by the public employer or the agent of the public employer to be, heterosexual, homosexual, bisexual, transgendered or transsexual. The amendment also updates terminology associated with discriminatory employment practices. Ms. Hicks informed the Committee that the strike-everything might seem familiar as the issue was originally heard in the Senate as S.B. 1225, noting that the terms gender, identify and sexual orientation have been replaced by heterosexual, homosexual, bisexual, transgendered and transsexual.

Senator Verkamp asked if this applies only to state employees or does it apply to everyone. Ms. Hicks said this only applies to public employers.

Kathie J. Gummere, Interim Chair of the Arizona Human Rights Fund, said she is also an attorney in private practice. In both functions she has come to learn that there are many employees of state government who are in fear of losing their jobs, being demoted or not getting hired because of their sexual orientation. She distributed a letter (Attachment N) from the Minister of Shadow Rock Congregational Church describing the circumstances of an employee of his who happens to work for the State and is also being discriminated against.

James D. Craig, representing himself, stated that he would like to make it clear that he is not present to speak on behalf of the Department of Education, but rather as a state employee. He

has worked for the Department for three years keeping quiet about his sexual orientation, but he is breaking his silence today. He does not know what the consequences of his testimony will be, but he feels this is an important enough issue to face whatever risks may come. Discrimination based on sexual orientation can have a tremendous effect on state employees and on the state itself. State employment can be a hostile environment for gay and lesbian people. Some of his friends have left state employment because of this environment. Mr. Craig said passing H.B. 2270 would be a great step toward making the gay and lesbian workers in state government happier and more productive and more likely to stay with their jobs. He urged the Committee for their favorable support.

Chairman Solomon thanked Mr. Craig for his testimony and appreciates his willingness and the risk he has taken in coming forward.

Senator Nichols moved H.B. 2270 be returned with a DO PASS recommendation.

Senator Nichols moved his 9-page strike-everything amendment dated 4/12/01; 3:30 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment O).

Senator Nichols moved H.B. 2270 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 6-2-4 (Attachment 13).

The following were present in support of the bill: **Mark Dillon, Employment Attorney, representing herself;** and **Bill Mac Donald, Chair, Arizona Human Rights Fund.**

H.B. 2567 – appropriation; Hopi radio broadcasting – DO PASS AMENDED

Julie Szperling, Commerce Analyst, explained H.B. 2567 appropriates \$105,000 in fiscal year 2001-2002 from the state general fund to the Department of Economic Security (DES) for distribution to the Hopi Tribe for expenses in connection with KUYI radio station. The 2-line Solomon amendment makes a technical correction changing the recipient from Hopi Tribe to Hopi Foundation.

Senator Bee moved H.B. 2567 be returned with a DO PASS recommendation.

Senator Bee moved the 2-line Solomon amendment dated 4/4/01; 1:50 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment P).

Senator Bee moved H.B. 2567 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 10-0-2 (Attachment 14).

The following people were present in support of the bill: **Janet Regner, Partner, Jamieson and Gutierrez, The Hopi Tribe;** and **Loris Ann Taylor, Assistant Director, The Hopi Foundation, The Hopi Tribe, representing KUYI 88.1 FM.**

H.B. 2459 – transfer of monies; health centers (now: medically underserved areas; capital; appropriation) – DO PASS AMENDED

Meghann Brennan, Health Intern, explained H.B. 2459 appropriates \$2.5 million in fiscal years 2001-2002 and 2002-2003 from the state general fund to the Department of Health Services (DHS) for capital project grants to public and nonprofit entities that provide health care and dental services. There are two amendments being proposed to the bill. The 3-line Hellon amendment, dated April 17, 2001, 2:22 p.m., changes the funding source from the general fund to the medically needy account. The 7-page Nichols amendment, dated April 17, 2001, 3:50 p.m., adds the provisions of S.B. 1556, appropriating \$150,000 annually from the tobacco tax medically needy account to DHS for health service districts.

Representative Miranda, sponsor of the bill, stated this is a very good program that has been funded in the past, helping over 19 communities. He is fine with the two proposed amendments to the bill. He urged the Committee for their favorable support.

In response to Senator Nichols' question, Representative Miranda said there were numerous other projects that were not funded. In 2000, there were eight projects throughout the state that were not funded, so hopefully the bill will help some of those projects and other projects that involve renovation, expansion or initial construction.

To answer Senator Bee's question, Representative Miranda clarified that this has been funded in the past from the medically needy fund.

Chairman Solomon announced the following were present in support of the bill: **Joel Goldenberg, AARP; Theo N. Otis, Lobbyist, AARP; Kristin Greene, Director, Government Affairs, Arizona Association of Community Health Centers; Judy Bernas, Association Director, U of A Health Sciences Center; and Don Vance, Designated Lobbyist, Arizona AARP.**

Senator Bee moved H.B. 2459 be returned with a DO PASS recommendation.

Senator Bee moved the 3-line Hellon amendment dated 4/17/01; 2:22 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment Q).

Senator Nichols moved his 7-page amendment dated 4/17/01; 3:50 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment R).

Senator Bee moved H.B. 2459 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 11-0-1 (Attachment 15).

H.B. 2424 – TANF; foster care payments – DO PASS AMENDED/STRIKE-EVERYTHING

Kathy Seeglitz, Assistant Research Analyst, said the strike-everything amendment to H.B. 2424 allows an eligible person to receive a financial subsidy from AHCCCS for prescription drugs that is equal to the average rebate that pharmaceutical manufacturers pay the Arizona Health Care Cost Containment System (AHCCCS). It creates a prescription medication subsidy pilot program under AHCCCS, and appropriates \$4 million from the medically needy account to the AHCCCS administration in fiscal year 2001-2002 for the program.

Senator Nichols said he appreciates Chairman Solomon hearing this as a strike-everything and appreciates Representative Landrum making her bill available for the striker. He mentioned that he and Representative Gullett were on *Horizon* a few weeks ago and near the end of the program they talked about a parking lot solution to prescription drug bills. Senator Cumiskey had a subsidy program that was extremely attractive to the interest groups in this state. Senator Nichols said the fiscal impact got away from them, so they agreed to do modified catastrophic as per Representative Gullett, but using the Cumiskey model, which was having the card issued by AHCCCS, avoiding the retail purchase of drugs. They combined that with the Vermont model, a waiver that would allow a large number of people in this state to get prescription drugs at a significant discount. Senator Nichols said the combination of these provides a very reasonable bill that will hopefully be signed by the Governor for the benefit of the people of this state.

Senator Nichols said the Gullett/Cumiskey part will be limited to the rural areas who are strongly in support because it will provide help for those who do not have access to a Medicare alternative. The other portion of the bill will cover those who ask for and are granted a waiver and people in urban areas as well. It will help rural and urban areas alike, everyone under the 300 percent federal poverty level. Senator Nichols said it will still cost money to get their drugs, but it would be much reduced over the existing cost. He noted that people in Vermont are very satisfied with this program.

Chairman Solomon announced the following people were present in support of the bill: **Jim Driscoll, Coalition on Prescription Drugs, Arizona Citizen Action; Karen Novachek, Director, Arizona Economical Council; Timothy Schmaltz, Foundation for Senior Living; Ed Curtis Tremble; Vernice Tremble; Shelia E. Tremble; Theo N. Otis, Lobbyist; Lee Fairbanks, M.D., Family Physician, representing self; and Joel Goldenberg, AARP. Joe Abate, Attorney, Pharmaceutical Research and Manufacturers of America, and Donald Vance, Designated Lobbyist, Arizona AARP, both support the strike-everything amendment. Michael Racy, Lobbyist, Glaxo Smithkline Pharmaceuticals, was present in opposition to the bill.**

Donna Redford-Kruck, Advocacy Director, Arizona Bridge to Independent Living (ABIL), said the prescription drug crisis coalition is very much in favor of this. It represents the rural seniors, people with disabilities and people in the urban areas who are seeing a 17 percent increase in cost for prescription drugs.

Donald Vance, Designated Lobbyist, Arizona AARP, spoke in support of the bill.

Senator Bee moved H.B. 2424 be returned with a DO PASS recommendation.

Senator Bee moved the 12-page Solomon strike-everything amendment dated 4/16/01; 11:30 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment S).

Senator Bee moved H.B. 2424 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 7-3-2 (Attachment 16).

Senator Nichols explained his vote. He has heard it said that this bill would be dead on arrival in certain quarters because of certain lobbyists' opposition. It is a sad day in Arizona if indeed a few lobbyists from out-of-state corporations can kill something for the people of this state, particularly

when it costs the state nothing. He said that is wrong and he hopes to prove that to be wrong, he votes "aye."

H.B. 2607 – ~~prescription medication; coverage~~ (now: coverage; prescription; medication) – HELD

Chairman Solomon announced that H.B. 2607 would be HELD.

H.B. 2626 – appropriation; emergency medical technicians – DO PASS AMENDED/STRIKE-EVERYTHING

Meghann Brennan, Health Intern, said the strike-everything amendment allows nursing care institution administrators to employ persons age 16 and older to provide direct care to residents. This amendment addresses a shortage of direct care providers, especially certified nursing assistants in nursing care institutions. Ms. Brennan noted that the strike-everything amendment was passed by the Senate Health Committee, and clarified that Chairman Solomon's striker is identical to the Health amendment.

Senator Bee moved H.B. 2626 be returned with a DO PASS recommendation.

Senator Bee moved the 9-line Solomon strike-everything amendment dated 4/16/01; 9:27 a.m. be ADOPTED. The motion CARRIED by voice vote (Attachment T).

Senator Bee moved H.B. 2626 be returned with an AS AMENDED, DO PASS recommendation.

Chairman Solomon announced the following were present in support of the bill: **Joel Goldenberg, AARP**, and **Theo N. Otis, Lobbyist, AARP**. **Don Vance, Designated Lobbyist, Arizona AARP**, supports the strike-everything amendment.

The motion CARRIED by a roll call vote of 10-0-2 (Attachment 17).

H.B. 2364 – northeastern Arizona environmental projects; appropriations – DO PASS

Garth Kamp, NRAE Intern, explained H.B. 2364 appropriates \$350,000 annually from the state general fund to the State Land Department for the planning and implementation of specific environmental programs impacting economic development in eastern Arizona counties. He noted there was an amendment adopted in the NRAE Committee that makes the annual \$350,000 appropriation a two-year appropriation for fiscal 2001-2002 and 2002-2003.

Senator Brown, said this has been a good program. One of the main purposes of it is to study what we can do with the small trees that are growing throughout our forest in the higher elevations of Arizona.

Sandy Bahr, Sierra Club, Grand Canyon, in opposition to the bill, said the money in this bill goes to the eastern Arizona counties and is passed through to the private non-profit, Environmental Economic Communities Organization. The Sierra Club believes that the dollars that were appropriated for this in the past were used inappropriately. They have helped to fund this private non-profit fundraising cost and to oppose ballot measures, which is an inappropriate use of state

dollars. She noted that Dr. Martin Moore, who is the Chair of this entity, was also the Chair of Arizonan's against Proposition 202. Ms. Bahr said if the Committee is going to appropriate these dollars they should make the projects specific and attach some strings. She realizes that this is not a lot of money, but in a year when they are looking at what to fund and not to fund, she thinks the Committee needs to at least make sure that the State's dollars are used in an appropriate fashion.

Representative Flake, sponsor of the bill, said of the bills that he has worked on for different agencies, this is the most important bill to him and the only bill that has a general fund appropriation. He feels this is important to the health of the forest. There is progress being made because they are beginning to bring in federal interests, federal dollars and intergovernmental groups. It is imperative to keep this going or we are going to see our forest burn.

Senator Bee announced the following people were present in support of the bill: **Martin Moore, Executive Director, Eastern Arizona Counties Organization; Lewis Tenney, President, County Supervisor Association; Jane Beck, St. Johns, AZ; Jim Palmer, County Supervisor, Graham County; Terry Cooper, Manager, Graham County; Mark Herrington, County Supervisor, Graham County; and Alan Stephens, Executive Director, County Supervisors Association. Kenneth Rozen, Legislative Liaison, Arizona State Land Department**, neutral on the bill, was present to answer questions if necessary.

Senator Cirillo moved H.B. 2364 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 9-0-3 (Attachment 18).

H.B. 2611 – ~~municipal general plan; amendment~~ (now: underground storage tank; fund transfers – DO PASS

Susan Anable, Senate Research Director, explained H.B. 2611 establishes a Municipal Tank Closure and Corrective Action Program in the Arizona Department of Environmental Quality (ADEQ) to assist small cities and towns in closing orphaned underground storage tanks (USTs) and remediating releases discovered during the closure of those tanks. It transfers unobligated monies in the UST grant account to the newly established municipal tank closure and corrective action program account by the end of 2001. Ms. Anable noted that the NRAE amendment to this bill made two clarifying and technical corrections.

Representative Flake, sponsor of the bill, said the strike-everything amendment to H.B. 2611 will use unallocated money that could be used to solve the orphaned underground storage tanks. He said the Governor's Office and ADEQ have found this fund and volunteered this money, noting about \$3 million that will help do this throughout the State. He urged the Committee to support this bill to help the little towns, especially along Interstate 40.

Senator Bee moved H.B. 2611 be returned with a DO PASS recommendation.

Chairman Solomon noted that **John Timko, Director, Administrative Services Division, ADEQ**, and **Jim Buster, Legislative Liaison, ADEQ**, were both present in support of the bill:

The motion CARRIED by a roll call vote of 8-0-4 (Attachment 19).

H.B. 2324 – technical correction; government information technology (now: information protection; emergency response) DO PASS AMENDED/STRIKE-EVERYTHING

Susan Anable, Senate Research Director, said the proposed strike-everything amendment to H.B. 2324 would eliminate the prohibition on a public power entity from charging a monthly service fee for natural gas provided for the refueling of vehicles through home refueling systems. Ms. Anable said this bill was contained in S.B. 1430, which passed the Senate and got stalled in the House.

Chairman Solomon noted that **Mara Kelly, Government Relations Consultant, City of Mesa**, was present in support of the bill.

Senator Bee moved H.B. 2324 be returned with a DO PASS recommendation.

Senator Bee moved the 4-line Solomon strike-everything amendment dated 4/12/01; 4:43 p.m. be ADOPTED. The motion CARRIED by voice vote (Attachment U).

Senator Bee moved H.B. 2324 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-0-4 (Attachment 20).

H.B. 2619 – JLBC; economic impact reports – DISCUSSION/HELD

Debbie Johnston, Appropriations Analyst, explained H.B. 2619 requires, upon request of a member of the Legislature, staff from the Joint Legislative Budget Committee (JLBC) to prepare an economic impact report on legislation impacting the private sector. The legislation includes a timeline for submitting an analysis and appropriates \$100,000 from the state general fund in fiscal year 2002-2003 for economic consulting services in order to assist with the analysis.

Representative Somers, sponsor of the bill, sees the bill as an insurance policy to avoid a "one-size fits all" approach to businesses and makes good public policy. She said the Tucson Chamber of Commerce has been the supporter of this bill and she is proud to have her name attached to the bill as the prime sponsor.

Tape 2, Side B

Senator Cirillo supports the concept of the bill. He said this past session the members have had an awful time getting fiscal notes from JLBC, and he asked if JLBC would be able to handle the workload.

Chairman Solomon said she had the same question so she asked Richard Stavneak to be here.

Representative Somers said it is her understanding that the appropriation amount was recommended by Mr. Stavneak. She said having this law on the books would make members think twice before sponsoring legislation, it would force them to do their homework in advance. If it forces something to be slowed down, she does not see a problem with that.

Chairman Solomon asked what prevents the members from requiring JLBC by request to provide this information to them now. Why does it need to be done by statute? Representative Somers

said when a fiscal note is requested, the members are asking what it is going to cost the state. Right now there is nothing that forces JLBC to get the data that it would take to do an external study. They would have to get input from the business community at large and other experts.

Chairman Solomon said having worked very closely with JLBC this year and as a member of the Appropriations Committee for a number of years, she knows that JLBC staff go and find external information, unless it deals with the agencies. Representative Somers said that it is where the input has to be received from the business community who are willing to step up and help out. Earlier this year she requested an impact study on business and Mr. Stavneak was able to give her some sense of the magnitude. She said it was a bill she was able to support once she received that information.

Chairman Solomon asked why the members would assume that information from the business community is more scientific, reliable or verifiable than information from JLBC. Representative Somers said that if this is passed and monies are available, an expert consultant on a contract basis would be able to utilize their skills and knowledge of the business community and what the bill might do.

Chairman Solomon asked if JLBC would hire a consultant to go out and work with the business community to get the data. Representative Somers said the business would have to be asked, but they would not be the only source of data.

Chairman Solomon asked if there is anything now that prevents the business community from sharing this data. Representative Somers said this gives the process structure and some scientific basis.

Chairman Solomon said the idea is good, but this could be done by rule or in other ways besides statute. With regard to the lack of flexibility that the statute would allow, she does have some concern about this.

Senator Hamilton said when they talk about the fiscal impact as it impacts the general fund, they do not look at that as government money. He thinks it is entirely within the pattern of what JLBC does in protecting the taxpayer's money. To go forth with this idea is a natural extension of the job that JLBC already does. Chairman Solomon agrees and believes this could be done by rule.

Chairman Solomon said the way the timeline is articulated in the bill, she asked Mr. Stavneak if this would place his staff in a difficult position if bills are fast tracked or discharged from the committee.

Richard Stavneak, JLBC Director, said under those circumstances it would be difficult to produce a report in a quick period of time.

Chairman Solomon understands that the Speaker or the President can waive the Third Read submission requirement, but is the analysis then required by the time the bill reaches the other chamber? Mr. Stavneak said it is required under the bill that before the bill can be heard in the subsequent house, they would have had to complete their analysis, which would be difficult in a fast tracked situation.

Chairman Solomon said would it not be almost impossible in a fast tracked situation because the bills are substituted before Third Reading. Mr. Stavneak said in the substitution method or if it

were decided to move the bill quickly through the second house, in either circumstance it would be difficult.

With regard to the million-dollar floor, Chairman Solomon asked if JLBC would be able to discern initially between requests that have at least a million-dollar impact and those that do not. Mr. Stavneak said he thinks JLBC would be able to discern roughly whether or not something might have a \$10,000 to \$50,000 impact, but it is difficult to discern those in the broader area of \$500,000 or \$1 million.

Chairman Solomon said if the impact was less than \$1 million and if an analysis would indicate that the impact is less than \$1 million, she would think that the members would want that data and that information so they could make good decisions. She asked if staff time is really being saved. Mr. Stavneak said he would want to transmit that information, agreeing with Chairman Solomon.

Senator Cirillo said too many sponsors drop a bill having not thought out or done the work, and that is when the analysis should be done. He said that should be analyzed at that time even before session starts if the bill is a complicated bill.

Chairman Solomon agrees with Senator Cirillo and stated that as Chair of JLBC next year she is going to make a commitment to make that happen. Having reviewed the bill and with the number of questions being raised, she will hold the bill. Chairman Solomon informed the members that she did not meet with Mr. Stavneak prior to this meeting. She believes there is an option for JLBC to take some action and to require that certain things be done not requiring statute.

Chairman Solomon said she would not take further testimony, because she is holding the bill.

Those present in support of the bill were: **Nathan Leonard, Manager of Governmental Affairs, Tucson Metropolitan Chamber of Commerce; Samantha Fearn, Vice President of Public Affairs, Arizona Chamber of Commerce; and Scott Smith, Lobbyist, Arizona Association of Industries.**

There being no further business, the meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Melissa C. Upshaw, Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's office/Resource Center, Room 115.)