

ARIZONA STATE SENATE

46TH LEGISLATURE
FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: May 14, 2003

TIME: 8:30 a.m.

ROOM: SHR 109

CHAIRMAN: Senator Burns

VICE CHAIRMAN: Senator Waring

ANALYSTS: Deborah Johnston
Carolyn Atwater

**COMMITTEE
SECRETARY:** Tracey Moulton

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Anderson	X			SB 1360	DPA
Senator Arzberger	X			SB 1361	DPA
Senator Bee	X			SB 1362	DPA
Senator Cannell	X			SB 1363	DPA
Senator Giffords			X	SB 1364	DP
Senator Harper	X				
Senator Martin	X				
Senator Mead	X				
Senator Rios	X				
Senator Soltero	X				
Senator Verschoor	X				
Senator Waring, Vice Chairman	X				
Senator Burns, Chairman	X				

GOVERNOR'S APPOINTMENTS

Chairman Burns called the meeting to order at 9:05 a.m. and attendance was noted. Senator Burns noted that Senator Giffords was excused.

ADOPTION OF MINUTES

Senator Burns moved the minutes of March 26, 2003, April 2, 2003 and April 9, 2003 be approved. Without objection, the minutes were approved as distributed.

Senator Burns announced that public testimony would not be heard, as testimony was taken during the subcommittee process. Additionally, he noted that there has been ample time for members to meet with and hear from constituents. He stated that the object of the meeting is to work the budget and the amendments.

Senator Burns recessed the meeting at 9:08 a.m.

The meeting was reconvened at 4:15 p.m. Senator Burns announced that the meeting would recess until 1:00 p.m. May 15, 2003.

May 15, 2003

Senator Burns reconvened the meeting at 1:10 p.m.

CONSIDERATION OF BILLS

SB 1361 – general appropriations; 2003-2004 and 2004-2005 – DO PASS AMENDED

Debbie Johnston, Appropriations Committee Analyst, explained SB 1361 makes State general fund and other fund appropriations for State agency obligations for FY 2004. Additionally, agencies supported only by other funds and those with State general fund (GF) budgets of less than \$1 million are funded for FY 2004-2005 as well. Some of the highlights from the legislation include:

HEALTH & WELFARE

Arizona Health Care Cost Containment System Budget (AHCCCS)

- Reduces State general fund support by \$7.7 million for the elimination of optional services including the following programs:
 - Ticket to Work (\$500,000).
 - State Emergency Services Doctor/Clinic Reimbursement (\$4,800,000).
 - Adult Emergency Dental Care (\$1,200,000).
 - Young Adult Transitional Insurance (\$140,500).
- Eliminates support for the Children's Health Insurance Program (CHIP) Parents and Premium Sharing Programs. (Currently, these are funded from the medically needy account of the tobacco tax fund.)

- Reduces State general fund support by \$14.2 million for cost sharing measures, such as co-payments and monthly premiums. (This includes acute care, long term care (LTC), the Proposition 204 population and CHIP.)
- Reduces State general fund support by \$7.8 million to reflect anticipated savings due to shortening the re-determination period from 12 to 6 months for the acute care and Proposition 204 populations.
- Funds breast and cervical cancer at \$180,000 from the general fund for a caseload of 45 persons.
- Funds health care group at \$5 million from the general fund, reflecting reductions in re-insurance coverage.
- Prohibits AHCCCS and AHCCCS contractors from conducting or contracting for media advertising.

Department of Economic Security (DES)

- Applies a 15% reduction on agency administrative expenses.
- Reduces State general fund support by approximately \$6.6 million in the LTC program to reflect savings related to assessing an annual four percent deductible for households with income above \$40,000 with children in the program.
- Reduces State general fund support by \$474,000 for the State only Developmentally Disabled (DD) cost sharing measures.
- Reduces Temporary Assistance for Needy Families (TANF) block grant support for the Job Opportunity and Basic Skills Training (JOBS) program by \$3 million to reflect the elimination of services to approximately 967 clients.
- Reduces total funding for child care subsidy and transitional child care by \$50 million, dropping the eligibility trigger to 110% federal poverty level (FPL), eliminates the 2nd year transitional assistance and increases co-payments by 50% and decreases the subsidy from an average \$290/month to \$270/month.
- Eliminates funding for the following programs:
 - General Assistance
 - Institutional Support Payments
 - Tuberculosis Control Payments
 - Intensive Family Services
 - Healthy Families
 - Family Builders Services Component
 - Homeless Youth Intervention
 - Transportation Grants
- Reduces funding for the following programs:
 - Domestic Violence

- Coordinated Hunger
- Coordinated Homeless
- Vocational Rehabilitation Services
- Independent Living Rehabilitation Services

Department of Health Services

- Eliminates tobacco tax medically needy account support for all previously funded programs, but adds general fund support for the following programs:
 - Community Health Centers at 50%
 - Mental Health (Non-Title XIX) at 50%
 - HIV/AIDS Drug Assistance at 50%
 - SMI Non-Title XIX Psychotropic Medications at 100%
 - Statewide Immunizations at 100%
 - Disease Management (Renal and Non-Renal) at 50%
 - Telemedicine at 100%
 - County Public Health grant at 100%
- Reduces State general fund support for the following programs in the amounts listed to reflect an elimination of grants to Maricopa County:
 - Tuberculosis Provider Care and Control \$355,800
 - High Risk Perinatal Program \$275,000
 - County Prenatal Services \$272,000
- Eliminates funding for the following programs as listed:
 - Non-Title XIX Substance Abuse – \$12.1 million from the State general fund and \$3.4 million from the substance abuse services fund.
 - Non-Title XIX Services to Title XIX Eligible Children – \$1.5 million from the State general fund.
 - Suicide Prevention – \$120,400 from the State general fund.
- Adds \$800,000 for abstinence education. Of this amount, \$330,000 is from the State lottery fund and the remainder is from a lump sum reduction to DHS.

EDUCATION

Arizona Department of Education (ADE)

- Funds the 2% inflation factor required by Proposition 301 at \$73.3 million.
- Reduces State general fund support for basic State aid by \$41.8 million to reflect reductions in payments to school districts that had FY 2000-2001 per pupil administrative costs exceeding ten percent below the Statewide average for districts of similar size and type.
- Eliminates State general fund support for the following programs:
 - Rapid Decline
 - Early Childhood Block Grant
 - Family Literacy

- Chemical Abuse
 - Vocational Education Extended Year
 - AIMS Intervention/Dropout Prevention
 - Arizona Principal's Academy; Arizona Humanities Council; and Arizona School Services Through Educational Technology (ASSET)
- Reduces State general fund support for adult education by 25%.
 - Eliminates funding for charter school administration consolidating this into the State Board for Charter Schools.
 - The State Board for Charter Schools is required to report to JLBC on options for self-funding as well as for alternatives for chartering entities.

School Facilities Board

- Increases State general fund support by approximately \$21.3 million to fund the first year debt service on the FY 2002-2003 lease-purchase agreement for new school construction.

Community Colleges

- Formula allocations are frozen at the FY 2003 level. (This is a cost avoidance of approximately \$10.6 million.)
- Reduces State general fund support for each community college district in an amount equivalent to 50% of the district's dual enrollment (\$2,027,400).
- Eliminates State general fund support for the State Board of Directors for Community Colleges (\$223,100).
- Prohibits a community college from expending any monies as part of a course of study on obscene items (Also applies to the University budgets).

Universities

Imposes a two percent State general fund reduction.

CRIMINAL JUSTICE

Arizona Department of Corrections (ADC)

- Increases State general fund support by approximately \$17.9 million from the State general fund and \$278,800 from other funds for the employer share of projected increases in health insurance premiums and retirement contributions.
- Increases State general fund support by approximately \$7.4 million and corrections fund support by \$618,800 to annualize the funding added in FY 2002-2003 to contract for 1,295 new private beds on a partial year basis.

- Increases State general fund support by approximately \$6.9 million to house approximately 1,000 new prisoners.
- Reduces corrections fund support by approximately \$1.8 million and State general fund support by \$239,600 for savings associated with privatizing 1,350 State operated beds.

JUDICIARY

- Reduces State general fund support for probation in the following amounts for the reasons stated:
 - \$24.5 million for transferring adult probation costs incurred in Maricopa County to the county.
 - \$6.4 million for higher officer caseload ratios.

Department of Public Safety (DPS)

- Increases highway user revenue fund (HURF) support for the following programs in the amounts listed:
 - Vehicle Replacement – \$6.8 million.
 - Health Insurance Premiums and Retirement Rate Increases – \$1.6 million.
- Eliminates funding for:
 - Firearms Clearance Center
 - Liquor Enforcement (Consolidates in Department of Liquor Licenses and Enforcement)
- Prohibits monies allocated to the Governor’s Office of Highway Safety from being used to fund positions with an annual salary greater than \$65,000.

Attorney General (AG)

- Shifts funding from the State general fund for the following programs as listed:
 - \$2.2 million for legal services to various other funds on a pro rata basis. Of this amount, half will be charged to appropriated funds and the other half will come from non-appropriated funds.
 - \$250,000 for consumer fraud expenditures to the consumer fraud revolving fund.

Board of Executive Clemency

- Decreases State general fund support by approximately 50 percent, funding the board at \$400,000.

NATURAL RESOURCES

Department of Agriculture

- Makes a \$566,700 State general fund lump sum reduction.

Arizona Department of Environmental Quality (ADEQ)

- Caps administrative expenses for the water quality assurance revolving fund (WQARF) program at 15 percent. Requires the WQARF advisory board to recommend to the ADEQ Director methods to achieve this limitation. If ADEQ does not implement board recommendations, it must justify its reasons to JLBC by September 1, 2003.

State Land Department

- Makes a \$125,000 State general fund lump sum reduction and holds harmless from this reduction the county environmental grants special line item.

State Parks Board

- Shifts \$3.2 million heritage fund support for board operations to the State parks enhancement fund. (These monies are currently set aside for non-appropriated capital expenditures.)
- Shifts \$2.3 million in heritage fund support for board operations to the State general fund.
- Shifts \$700,000 in heritage fund support for board operations to the land conservation fund. (These monies are derived from growing smarter interest earnings.)

General Government

Arizona Arts Commission

- Replaces \$2.1 million in State general fund support for agency operations with \$1.8 million from the heritage fund.

Department of Emergency and Military Affairs

- Reduces State general fund support for the following programs as listed:
 - Project Challenge – \$450,700.
 - Tuition Reimbursement – \$226,800.

Secretary of State

- Increases State general fund support by \$800,000 for the State-matching portion for the federal Help America Vote Act (HAVA).
- Increases State general fund support by \$75,000 for legal service expenditures transferred from the Attorney General's office. Attorney General expenditures are reduced by \$178,400 to offset this cost.
- Eliminates funding for the presidential primary.

Department of Revenue

- Increases State general fund support by \$6.55 million and 153 full-time employee (FTEs) for the Governor's revenue generating program. Requires DOR to report quarterly to JLBC on the effectiveness of the program.

Department of Tourism and Economic Development (DTED)

- Establishes funding for a new DTED with \$8.7 million from the general fund and \$3.4 million from other funds.

State Treasurer

- Increases State general fund support by \$300,000 for technology expenditures.

State Lottery Commission

- Reduces State lottery fund support for compulsive gambling prevention by \$200,000.

Arizona Commission on Indian Affairs

- Eliminates State general fund support for the Arizona Commission on Indian Affairs (\$200,300).

The Governor's Offices

- Eliminates State general fund support for the Governor's Office of Equal Opportunity (\$213,700) and the Governor's Office for Excellence in Government (\$1.35 million).
- Transfers \$58.5 million on or before June 30, 2004 from various funds (see attached table) to the State general fund for adequate support and maintenance of State agencies.

#	Transferred from:	Transferred to:	Amount
1	Technology and telecommunications fund	GF	\$4,000,000
2	Motor vehicle pool revolving fund	GF	\$1,000,000
3	Emergency telecommunications services revolving fund	GF	\$3,000,000
4	Arizona arts endowment expendable trust fund	GF	\$7,000,000
5	Arizona job training fund	GF	\$5,000,000
6	Arizona correctional industries revolving fund	GF	\$1,000,000
7	Telecommunication fund for the deaf	GF	\$1,000,000
8	Water quality assurance revolving fund	GF	\$5,000,000
9	Arizona exposition and State fair fund	GF	\$1,000,000
10	Game and fish commission heritage fund	GF	\$5,000,000
11	Watercraft licensing fund	GF	\$1,000,000
12	Industrial commission administrative fund	GF	\$2,000,000
13	Defensive driving fund	GF	\$1,000,000
14	State lottery fund	GF	\$2,500,000
15	Off-highway vehicle recreation fund	GF	\$4,000,000
16	State parks board heritage fund	GF	\$5,000,000

17	State lake improvement fund	GF	\$10,000,000
		Total:	\$58,500,000

- Requires all State general funded agencies except for ADC and DPS to absorb increases in employer health insurance premiums and retirement rate contributions. Other funds are appropriated at \$9.7 million and \$12.2 million for these program respectively.

Senator Waring moved SB 1361 be returned with a DO PASS recommendation.

Senator Anderson commented that the current abstinence program is funded for \$4 million and has been in operation for five to six years. He noted that \$2 million of its funding comes from the Tobacco Tax Settlement while the remainder of funding is a combination of general fund and federal monies. The cut that Ms. Johnston referred to is cutting the program by 50%.

Senator Waring moved the 4-line Burns amendment dated 5/14/03, 2:14 p.m. be ADOPTED (Attachment A).

Ms. Johnston explained the 4-line Burns amendment dated 5/14/03, 2:14 p.m. exempts the Arizona Department of Transportation and the Arizona Department of Administration risk management fund from the AG pro rata charge.

The motion CARRIED by voice vote.

Senator Rios moved the 19-line Rios amendment dated 5/13/03, 6:32 p.m. be ADOPTED (Attachment B).

Senator Rios explained that the amendment restores the Homeless Youth Intervention Program, restores funding to coordinated hunger programs, restores \$350,000 in Summer Youth Employment, restores General Assistance, and restores Intensive Family Services.

Senator Rios stated that there are approximately 161 young people that are currently being served by the Homeless Youth Intervention Program, who are homeless or run-away youths. The services that are being offered include crisis intervention, temporary shelter and follow up services. He remarked that these youths are vulnerable, have made poor decisions and are facing difficult challenges on the streets. This program is a way to assist and protect these young people.

Another portion of the amendment addresses the Coordinated Hunger Program, administered and operated by DES to ensure that people get a well-balanced meal at least once a day. Senator Rios noted that this program provides approximately 50,000 meals on an annual basis. He stated that the Summer Youth Employment Program that provides services to "at-risk" children between the ages of 11 to 18, from families below 150% of the federal poverty guideline (FPG) and who are at risk of dropping out of school or who have been referred to the program by law enforcement. He noted that this is a service that the State provides to kids who are in trouble and facing challenges and this program pays for itself time and time again. He stated that if the State does not assist youths at risk, they usually get in trouble and in some cases, end up in the juvenile justice system, the foster care system, or costly residential treatment centers.

The General Assistance program provides \$4.3 million to people who are awaiting disability payments from Social Security, with a grant of approximately \$130/month. He remarked that this meager amount of money could very well be enough to help keep people from becoming

homeless. He remarked that some of this funding is paid back as well. He commented that these people are some of the neediest of the needy. He remarked that it is a sad commentary that as one of the states in one of the wealthiest countries in the world, this Legislature would cut funding to these needy people.

Senator Rios stated the other portion of the amendment addresses Intensive Family Services. He explained that this is a program that costs \$2 million annually and serves 600 families within the State. These are families that are referred to the State through child protective services because they are in crisis. The idea of the program is to serve these families in their homes and in cases where it is possible, maintain or re-unify the family unit. He stated that this is a preventative program that will save the State money in the long run. He opined that cutting these types of programs is being “penny-wise and pound foolish.” He urged the Committee to support the amendment.

Senator Burns commented that he would have to speak in opposition to the amendment. The proposal that is before the Committee is over \$340 million in deficit and this amendment would drive that deficit much higher. He noted that he did not see any resources within the amendment to support the higher spending.

Senator Rios remarked that there have been many references in the Legislature to “the deficit” and how the Governor’s proposal increases the deficit. He stated that in the Governor’s proposal, based on projected economy and revenue growth in FY 2004, there is \$120 million that is included for future expenditure. He stated that in both the JLBC and the Governor’s proposal there is \$60 million that is being stored in a savings account for expenses from the Ladewig case, that could be used in FY 2004 to fund some of these programs. Additionally, he noted that within the Governor’s proposal, the last payment to K-12 basic State aid is deferred for one month, which would generate \$95 million. He stated that the JLBC proposal has a cash balance of \$114 million, which could also be used to fund programs. There is another \$25 million in the Governor’s proposal, under the Arizona Department of Revenue (DOR) tax amnesty program and \$50 million for the judicial collection proposal that is available.

Senator Waring commented that all of the members appreciate the importance of many of the programs. He stated that the members should also remember that it was reliance on revenue projections, and “counting chickens before they were hatched” that got freshmen like himself and Senators Harper and Verschoor, the opportunity to inherit the current fiscal mess. He reminded the Committee members that relying on money that the State does not actually have does not have a proven record of success.

The motion to ADOPT the 19-line Rios amendment dated 5/13/03, 6:32 p.m. FAILED by voice vote. Division was called by Senator Rios. By a show of hands, the motion FAILED by five ayes and seven nays.

Senator Soltero moved the 2-page Soltero amendment dated 5/13/03, 2:01 p.m. be ADOPTED (Attachment C).

Senator Soltero explained his 2-page amendment dated 5/13/03, 2:01 p.m. restores Commerce and Tourism at the Governor’s Office of Strategic Planning Budget (OSP) recommended levels. He opined that these agencies would assist the State out of its depressed economic condition. He noted that tourism is the State’s second largest economic sector and has generated approximately

450,000 jobs and tourists spend approximately \$16 billion annually. He remarked that for every \$1 million spent on tourism advertising, \$86 million returns to the State.

Senator Soltero noted that the Department of Commerce has attracted many businesses to the State and has created a special program that becomes effective this year to assist Arizona companies with other interstate companies, thereby keeping money within the State. Additionally, the Department has many programs that benefit rural areas and promote women and minority businesses. He remarked that the expression "penny wise and pound foolish" would probably be said more than once today with regard to the proposed cuts to departments that generate revenue. He asked the Committee to support the amendment.

Senator Burns remarked that he was in opposition to the amendment and noted that another phrase that may be heard quite a bit is that it is not a wise fiscal policy to spend money that the State does not have.

The motion to ADOPT the 2-page Soltero amendment dated 5/13/03, 2:01 p.m. FAILED by voice vote. Division was called by Senator Rios. By a show of hands, the motion FAILED by five ayes and seven nays.

Senator Soltero moved the 9-line Soltero amendment dated 5/13/03, 3:33 p.m. be ADOPTED (Attachment D).

Senator Soltero explained his 9-line amendment dated 5/13/03, 3:33 p.m. restores the previous level of funding for Independent Living Rehabilitation Services and Adult Services. He remarked that these programs provide home and community based services that are designed to allow elderly individuals to remain in their homes. Currently the programs are provided to 2,240 people. He opined that without funding for these programs, senior citizens are placed in nursing home prematurely. Additionally, the independent living rehabilitation services promote independent living needs and goals of individuals with significant disabilities and provides eye exams and glasses for those people in need. He stated that if this program is eliminated, the State would lose approximately \$765,000 in federal funds and would not be able to serve 12,350 individuals.

Senator Burns remarked that he was in opposition to the amendment. He stated that one of the proposals that has been brought forward to support some of this additional spending would in effect significantly increase the property tax on the elderly community as well.

Senator Rios, commenting in support of the amendment, stated that the Legislature in November 2002 made additional corrections to the budget, specifically ordering DES, via footnote, not to make any of the agency's cuts in this particular area. He stated the reason that this bipartisan effort took place was because legislators recognized that the services that were being proposed to be cut were services being afforded to the blind and physically disabled in their homes. He stated that it amazes him that in a matter of a few short months, with the new make up of the current Legislature, the State no longer cares about the elderly, the blind and the physically disabled. He stated that this is an area in which the State should go out of its way to ensure that the needy are protected.

Senator Burns remarked that if the bi-partisan Legislature had demonstrated a little more fiscal responsibility, the current situation might not have to be so difficult.

The motion to ADOPT the 9-line Soltero amendment dated 5/13/03, 3:33 p.m. FAILED by voice vote.

Senator Soltero moved the 7-line Soltero amendment dated 5/13/03, 3:36 p.m. p.m. be ADOPTED (Attachment E).

Senator Soltero explained his 7-line amendment dated 5/13/03, 3:36 p.m. restores 100% funding for Adult Education. He stated that he has been fortunate to speak with many individuals that have taken this program. He remarked that the cost of this program is 1/5th of one percent of Arizona's K-12 budget, nevertheless, 25% of all high school graduates get their general education development (GED) diplomas through this program. He remarked that there are 46,000 individuals enrolled in adult education, in addition to an approximate 2,250 people on a waiting list. He stated that if the 13,255 high school age students from 2002 in adult education had attended public school, it would have cost the State \$66 million, versus the \$4 million budgeted for the program. He stated that the success stories are real and cost effective.

Senator Burns stated that he was in opposition to the amendment.

The motion to ADOPT the 7-line Soltero amendment dated 5/13/03, 3:36 p.m. FAILED by voice vote. Division was called by Senator Rios. By a show of hands, the motion FAILED by five ayes and seven nays.

Senator Arzberger moved the 9-line Arzberger amendment dated 5/13/03, 11:13 p.m. be ADOPTED (Attachment F).

Senator Arzberger explained her 9-line amendment dated 5/13/03, 11:13 p.m. appropriates collection enforcement revolving fund excess receipts in the Attorney General's (AG) Office. She stated the intent of the amendment is to increase revenue for the State. She stated that the bankruptcy and collection enforcement division of the AG's Office collects debts owed to agencies of the State after the agencies have given up on collecting. In 2002, the bankruptcy and collection enforcement division collected \$12.5 million. Current statute allows 35% of the collected money to go to the AG's office, yet in 2002, only 15.9% was appropriated to reimburse expenses for collection. She stated that the amendment requests that the additional monies collected by the AG's office be given to the enforcement division to hire more collectors who have the opportunity to bring in more revenue.

Senator Burns remarked that he was in opposition to the amendment at this time. He noted however, that a closer look at this situation is warranted.

The motion FAILED by voice vote.

Senator Arzberger moved the 5-page Arzberger amendment dated 5/13/03, 6:39 p.m. be ADOPTED (Attachment G).

Senator Arzberger explained her 5-page amendment dated 5/13/03, 6:39 p.m. fully funds enrollment growth for community colleges and universities, restores the hold harmless provision, restores full funding for dual enrollment, and eliminates the 2% administrative cut. She stated that Arizona is one of the fastest growing states. She remarked that the State needs working, productive citizens making good wages and helping pay for State maintenance. The number one reason a company chooses a location is the availability of high quality, higher education. She

stated that this is not the time to not fund growth in the State's universities and community colleges.

Senator Burns remarked that he was in opposition to the amendment.

The motion to ADOPT the 5-page Arzberger amendment dated 5/13/03, 6:39 p.m. FAILED by voice vote. Division was called by Senator Arzberger. By a show of hands, the motion FAILED by five ayes and five nays.

Senator Arzberger moved the 6-line Arzberger amendment dated 5/13/03, 2:58 p.m. be ADOPTED (Attachment H).

Senator Arzberger explained the 6-line Arzberger amendment dated 5/13/03, 2:58 p.m. implements a hiring bonus for correctional services officers. She noted that the Lewis Prison is in a rural area of the State and it is having difficulty hiring officers without offering a bonus.

Senator Burns commented that he was in opposition to the amendment.

The motion FAILED by voice vote.

Senator Arzberger moved the 9-line Arzberger amendment dated 5/15/03, 11:30 a.m. be ADOPTED (Attachment I).

Senator Arzberger explained the 9-line Arzberger amendment dated 5/15/03, 11:30 a.m. restores the funding for breast and cervical cancer screening and treatment. She commented the federal government provided funding for the cancer screening program, and then under Medicaid, added funding for treatment. She noted that this is a 3 to 1 dollar match and urged the Committee to support the amendment.

Senator Cannell commented in support of the amendment and opined that it is a terrible thing to diagnose a patient with a condition that cannot be treated. He stated that although this program was slow in getting started, the number of patients being treated by this program has increased steadily. He remarked that in his district, it has been especially difficult to get adequate treatment for women diagnosed with these types of cancer and opined that it is unconscionable to continue a program to screen for breast and cervical cancer without treating all women diagnosed, not just those who are on AHCCCS or private insurance.

Senator Burns commented that he was in opposition to the amendment.

The motion to ADOPT the 9-line Arzberger amendment dated 5/13/03, 11:30 a.m. FAILED by voice vote.

Senator Rios requested a roll call vote on the amendment. The motion to ADOPT the amendment FAILED with a roll call vote of 5-6-2 (Attachment 1).

Senator Cannell moved the 19-line Cannell amendment dated 5/13/03, 5:13 p.m. be ADOPTED (Attachment J).

Senator Cannell explained the 19-line Cannell amendment dated 5/13/03, 5:13 p.m. restores the Healthy Families Program, Health Start Program, and fully funds community health centers and

funds growth for vaccines. He commented that there appears to be a difference in philosophy. He stated that his constituents tell him that they want their State government to be effective and take care of problems that need to be taken care of. He stated that all of the programs listed in the amendment the State pays for in one way or another. He noted that all that remains to be decided is whether the Legislature wants to handle them in a humane, organized fashion or do it through medical health disasters and battered children. He stated that even if it means raising revenues and taxes, his constituents are in favor of State government being an effective government.

Senator Cannell explained that the Healthy Families and Health Start Programs are two programs that were put in jeopardy largely because the Legislature could not deal with the fact that there was money from the tobacco settlement that should have been used for health care. Instead, the situation went through the initiative process and unfortunately, these programs were placed into what became Proposition 204, to be funded last, after health care. Because the tobacco settlement money was not adequate to pay for Proposition 204, these programs, as well as the State general fund were placed in jeopardy. He stated that Healthy Families deals with families that have been identified "at risk" for child abuse. Often single parent families or families with previous problems with child abuse are helped. Health Start gets pregnant women into prenatal care. He noted that preventing premature births is cost saving for the State.

Senator Cannell remarked that community health centers are one of the main ways the State can save money, as they use sliding scale pay so the working poor can receive healthcare and avoid the emergency room. He stated that it is thought by many that the community health centers are federally funded, which is simply not true. Out of the 35 clinics within the State, none receive federal monies. He remarked that discontinuing the current funding for immunizations is courting disaster, as all children have to be fully immunized prior to attending school. He stated that immunizations are an extremely cost effective way to prevent disease and huge health expense in the future.

Senator Burns commented that he was in opposition to the amendment.

The motion FAILED by voice vote.

Senator Cannell moved the 13-line Cannell amendment dated 5/13/03, 4:49 p.m. be ADOPTED (Attachment K).

Senator Cannel explained the 13-line Cannell amendment dated 5/3/03, 4:49 p.m. restores substance abuse treatment monies to DES and DHS. He stated that it is estimated somewhere between 75% and 90% of the residents of the State jails and prisons suffer substance abuse problems. He commented that if the State does not treat substance abuse in this situation, the prisons and jails will be flooded with these patients, which is not a cost effective way of managing the problem. These programs also get mothers and fathers off of drugs, so they can properly raise their children and therefore keep the children out of foster homes.

Senator Burns commented that he was in opposition to the amendment.

The motion FAILED by voice vote.

Senator Cannell moved the 7-line Cannell amendment dated 5/13/03, 4:00 p.m. be ADOPTED (Attachment L).

Senator Cannell explained the 7-line Cannell amendment dated 5/13/03, 4:00 p.m. reinstates the Governor's Office for Equal Opportunity. He remarked that this office prevents hundreds of thousands of lawsuits that would come about by breaking the equal opportunity laws placed upon the State by the federal government. He stated that the office also helps preserve approximately \$4 billion in federal funds.

Senator Burns commented that he was in opposition to the amendment.

The motion to ADOPT the 7-line Cannell amendment dated 5/13/03, 4:00 p.m. FAILED by voice vote. Division was called by Senator Cannell. By a show of hands, the motion FAILED by three ayes and seven nays.

Senator Burns announced the individuals who registered their position on the bill (Attachment M).

Individuals registered via speaker slips in opposition to the bill: **Greg Fahey, University of Arizona; Blake Anderson; Michael Ward, Governor's Council on Development Disabilities; Joy Bauer, representing herself; Bruce Liggett, Arizona Child Care Association; James Emoh, representing himself; Mary Sue Watson, representing herself; Janet Regner, Arizona Community Action Association; Elizabeth Hodgins, Children's Action Alliance; Janet Regner, Maricopa County College Faculty Association; Allie Bones, Arizona Coalition to End Homelessness; Jack Lunsford, Maricopa Community College and Kristen Boilini, Arizona Association of Community Health Centers.**

Kristine Ward, Governor's Budget Office was present.

Senator Soltero moved to reconsider the action on the Soltero amendment dated 5/13/03, 3:33 p.m. and requested a roll call vote. The motion was seconded by Senator Mead. The motion CARRIED with a roll call vote of 6-5-2 (Attachment 2).

The motion to reconsider the Soltero amendment dated 5/13/03, 3:33 p.m. FAILED with a roll call vote of 5-6-2 (Attachment 3).

Senator Waring moved SB 1361 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-5-2 (Attachment 4).

SB 1360 – education; omnibus budget reconciliation; 2003-2004 – DO PASS AMENDED

Ms. Johnston explained SB 1360 makes numerous statutory and session law changes related to education for implementation of the budget. Highlights include:

Arizona Department of Education

- Eliminates family literacy, the early childhood education State block grant, adjustments for rapid decline, funding for extended year vocational education and the special education cost study.
- Phases out career ladders by capping the program and current participants and capping the funding they can receive at their FY 03 level.

- Requires ADE to reduce aid to districts with administrative expenses that are not at least 10% below the average for districts of similar size and type. (\$40 M general fund savings) If FY 2003 revenues come in at least \$21.3 million above forecast, the reduction is applied only to districts that exceed the average.
- Maintains the \$191 million rollover

School Facilities Board (SFB)

- Modifies the building renewal formula
- Requires the SFB to debt finance \$250 million in new school construction costs for FY 04 and to bond for \$247 M in deficiencies corrections

Community Colleges

- Suspends the State aid, equalization aid and capital outlay formulas for FY 04 and eliminates the hold-harmless component of the operating State aid formula
- Terminates the State Board of Directors for Community Colleges
- Eliminates the sales tax transfer for tribal community colleges capital expenses
- Other
 - Expands the Auditor General school district audits to include follow-up reviews, similar to those of performance audits. For the purpose of these audits. The bill allows the Auditor General to attend executive sessions of school districts.

Senator Waring moved SB 1360 be returned with a DO PASS recommendation.

Senator Waring moved the 3-page Burns amendment dated 5/15/03, 10:45 a.m. be ADOPTED (Attachment N).

Ms. Johnston explained the 3-page Burns amendment dated 5/15/03, 10:45 a.m. adds bond language suggested by bond counsel.

The motion CARRIED by voice vote.

Senator Waring moved the 6-line Burns amendment dated 5/14/03, 4:33 p.m. be ADOPTED (Attachment O).

Ms. Johnston explained the 6-line Burns amendment dated 5/14/03, 4:33 p.m. adds unorganized community college districts to "hold harmless" provisions.

The motion CARRIED by voice vote.

Senator Cannell moved the 22-line Cannell amendment dated 5/13/03, 1:33 p.m. be ADOPTED (Attachment P).

Senator Cannell explained the 22-line Cannell amendment dated 5/13/03, 1:33 p.m. eliminates administrative cuts, restores early childhood block grants, eliminates phase out of career ladders and restores funding for rapid decline. He stated the administrative cuts in particular hurt his rural

district. He stated that it is also hard to separate transportation costs from the administrative cuts and noted that in rural areas, transportation costs are usually high. He opined that this issue should be further studied before making across the board administrative cuts. He stated that early childhood block grants are an absolutely key part of what is done with “at risk” preschool children, in both charter and public schools. He stated that there is a lot of evidence that the earlier these kids are worked with, the better they will do in school. He commented that the idea of capping career ladder programs does not make sense to anyone that has worked on a school board or has seen how a school district works. He urged the Committee to support the amendment.

Senator Mead stated that he was in support of the amendment and opined that if the administrative cuts remain in the legislation, it would probably be the first part of the budget that will be brought to court. He stated that in a letter he received from Superintendent Tom Horne, he says that these administrative cuts violate Proposition 301 for a number of reasons. He strongly urged the Committee to support the amendment.

The motion FAILED by voice vote. Division was called by Senator Cannell. By a show of hands, the motion FAILED by five ayes and six nays.

Senator Mead requested a roll call vote of the Division. The motion to ADOPT the amendment FAILED with a roll call vote of 5-6-2 (Attachment 5).

Senator Soltero moved the 5-line Soltero amendment dated 5/13/03, 1:37 p.m. be ADOPTED (Attachment Q).

Senator Soltero explained the 5-line Soltero amendment dated 5/13/03, 1:37 p.m. restores extended year vocational education funding and restores funding for family literacy. He noted that many students take advantage of the extended year vocational education program, which provides them with job skills and better prepares them for the real world. He remarked that the family literacy program has been effective with students and parents learning together and noted that the program receives federal dollars through a grant that will be lost with these cuts. He asked the Committee to support the amendment.

Senator Burns commented that he was in opposition to the amendment.

The motion FAILED by voice vote. Division was called by Senator Rios. By a show of hands, the motion FAILED by five ayes and six nays.

Senator Arzberger moved the 7-line Arzberger amendment dated 5/13/03, 1:38 p.m. be ADOPTED (Attachment R).

Senator Arzberger explained the 7-line Arzberger amendment dated 5/13/03, 1:38 p.m. re-authorizes the special education cost study. She stated that without this study the Legislature does not know how much it costs to educate a blind or autistic child and accountability is difficult to obtain.

Senator Burns commented that he was in opposition to the amendment.

The motion FAILED by voice vote. Division was called by Senator Mead. By a show of hands, the motion FAILED by five ayes and six nays.

Senator Waring moved SB 1360 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-5-2 (Attachment 6).

Senator Burns announced the individuals who registered their position on the bill (Attachment M).

Individuals registered via speaker slips in opposition to the bill: **Phil MacDonnell, Madison, Osborn, Phoenix Union, and Phoenix Elementary School Districts; Eddie L. Sissons. William E. Morris Institute for Justice; Elizabeth Hodgins, Children's Action Alliance; Michael Smith, Arizona School Administrators and Doug Kilgore, Arizona Education Association.**

Kristine Ward, Governor's Budget Office was present.

SB 1362 – budget reconciliation; health and welfare – DO PASS AMENDED

Ms. Johnston explained SB 1362 makes statutory and session law changes relating to health and welfare for implementation of the budget. Highlights include:

AHCCCS

- Eliminates the following programs:
 - young adult transitional insurance (YATI)
 - State emergency services (SES)
 - Premium Sharing
 - Ticket to Work
 - CHIP Parents
 - Adult Dental Services, except as part of transplant services
- Establishes cost sharing requirements for Acute Care, CHIP and the LTC program subject to Center for Medicaid Services (CMS) regulation
- Eliminates requirement that health care group (HCG) coverage include reinsurance for “clean claims” and expresses intent to phase down State support for HCG
- Converts the tobacco tax medically needy account to appropriated status and eliminates allocations
- Requires eligibility re-determinations every 6 months rather than annually
- Eliminates the statutory authority for school districts to provide outreach under CHIP

DES

- Permits DES to assess cost of services on the corpus of DD client's financial trust and not just the interest
- Requires DD clients to convert trusts to Medicaid qualifying trusts
- Requires DES to implement a 4% deductible for LTC services to children whose families have an adjusted gross income exceeding \$40,000

- Eliminates General Assistance; institutional support payments; tuberculosis control payments; the service component of Family Builders and distributions to municipalities of summer youth employment monies
- Reduces the eligibility trigger for the day care subsidy to 110% FPL and eliminates the second year of transitional childcare

DHS

- Eliminates the Suicide Prevention Program and the health crisis fund
- Requires Maricopa County to pay all restoration to competency costs and other counties to continue to pay 86%
- Transfers administrative support of the Arizona Disease Control Research Commission (DCRC) to DHS as well as the administration of the funds currently administered by the commission.
- Redirects medical services enhancement fund monies that are currently used for substance abuse treatment to the general fund.

Senator Waring moved SB 1362 be returned with a DO PASS recommendation.

Senator Waring moved the 3-page Burns amendment dated 5/15/03, 9:14 a.m. be ADOPTED (Attachment S).

Ms. Johnston explained the 3-page Burns amendment dated 5/15/03, 9:14 a.m. authorizes the release of medical information by health care providers to custodians of foster children and case managers of developmentally disabled persons. Without this statutory authorization, health care providers would not be able to release this information due to Health Insurance Profitability and Accountability Act (HIPPA) requirements. Federal law allows States to override the HIPPA standards, though – thus this language.

The motion CARRIED by voice vote.

Senator Waring moved the 4-line Burns amendment dated 5/13/03, 4:52 p.m. be ADOPTED (Attachment T).

Ms. Johnston explained the 4-line Burns amendment dated 5/13/03, 4:52 p.m. clarifies that the appropriation amounts are for reinsurance.

The motion CARRIED by voice vote.

Senator Waring moved the 11-line Burns amendment dated 5/15/03, 2:22 p.m. be ADOPTED (Attachment U).

Ms. Johnston explained the 11-line Burns amendment dated 5/15/03, 2:22 p.m. allows additional uses for the utility assistance fund.

The motion CARRIED by voice vote.

Senator Rios moved the 2-page Rios amendment dated 5/13/03, 4:27 p.m. be ADOPTED (Attachment V).

Senator Rios explained the 2-page Rios amendment dated 5/13/03, 4:27 p.m. reinstates KidsCare for Parents, eliminates qualification for AHCCCS every six months, reinstates State Emergency Services, fully funds Ticket to Work, eliminates the omnibus reconciliation bill (ORB) provision that prohibits KidsCare outreach in schools, restores health care to former foster care youth 18-21 years old and eliminates increases for co-pays and premiums. He noted that the KidsCare for Parents has already enrolled approximately 9,400 parents and has a 3 to 1 federal fund match. Last year, the federal fund match totaled \$27 million. He stated the Ticket to Work program has 150 disabled individuals enrolled and the amendment maintains their AHCCCS benefits, which encourages many to enter into the work force and consequently become taxpayers. He stated the amendment also restores health care to former foster care youth 18-21 years old to approximately 100 children who are too old for foster care, yet are in need of health care. He noted that the amendment also reinstates the one-year eligibility for AHCCCS.

Senator Rios requested a roll call vote on the amendment. The motion to ADOPT the amendment FAILED with a roll call vote of 5-6-2 (Attachment 7).

Senator Cannell moved the 7-line Cannell amendment dated 5/13/03, 6:56 p.m. be ADOPTED (Attachment W).

Senator Cannell explained the 7-line Cannell amendment dated 5/13/03, 6:56 p.m. restores the Disease Control Commission. He stated that the amendment removes the Disease Control Commission from DHS, to be an entity, which stands alone, as it does currently. He stated that this is an example of policy in the ORBs that has not been discussed on a committee level and not opened up for the public to "weigh in on."

The motion FAILED by voice vote.

Senator Soltero moved the 6-line Soltero amendment dated 5/13/03, 1:48 p.m. be ADOPTED (Attachment X).

Senator Soltero explained the 6-line Soltero amendment dated 5/13/03, 1:48 p.m. restores day care subsidies to their current eligibility levels.

Senator Soltero requested a roll call vote on the amendment. The motion to ADOPT the amendment FAILED with a roll call vote of 5-6-2 (Attachment 8).

Senator Waring moved SB 1362 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-5-2 (Attachment 9).

Senator Burns announced the individuals who registered their position on the bill (Attachment M).

Individuals registered via speaker slips in opposition to the bill: **Michael Ward, Governor's Council on Developmental Disabilities; Lisa Bricker, representing herself; Elizabeth Hodgins, Children's Action Alliance; Joy Bauer, representing herself; Bruce Liggett, Arizona Child Care Association; James Emoh, representing himself; Mary Sue Watson, representing herself; Kevin DeMenna, Arizona Childcare Association; Jack LaSota, Disease**

Control Research; Steve Weinberg, representing himself; Steve Carter, Northwest Organization for Voluntary Alternatives (NOVA) and Dr. Dawn Schroeder, Arizona Disease Control Research Commission.

Kristine Ward, Governor's Budget Office was present.

SB 1363 – budget reconciliation; public finances – DO PASS AMENDED

Ms. Johnston explained SB 1363 makes numerous statutory and session law changes related to the budget. Highlights include:

- Makes permissive the current requirement that counties with more than 30,000 persons add a new superior court judge for every additional 30,000 people
- Suspends the adult and juvenile probation ratios
- Requires Pima County to reimburse the State general fund \$1.4 M in each of FY 04 and FY 05 for probation costs
- Requires Maricopa County to take over all probation costs for FY 04 and FY 05 (\$24 M savings)
- Reduces general fund support of Justice of the Peace (JP) salaries from 40% to 38.5% (This was done last year)
- Establishes a pro rata charge on State agency payroll for support of the A.G.
- Permits the Secretary of State (SOS) and 90/10 boards to hire their own legal counsel
- Eliminates the Firearms Clearance Center and transfers background checks to the FBI
- Consolidates liquor enforcement in the Department of Liquor Licenses and Control
- Redirects "orphan" clean air fund receipts into the general fund
- Caps the WQARF transfer at \$10 million
- Redirects the first \$11.7 million of the in-lieu fee from the air quality fund to the general fund in FY 04 and 05 and up to \$1.7 million above this amount is to be used for diesel vehicle conversion grants
- Allows the Land Department to use up to \$80,000 from the federal reclamation trust fund for outside legal research on carbon dioxide mining
- Authorizes the Department of Mines and Mineral Resources to charge an entrance fee to the museum for adults
- Restricts the use of State lake improvement fund (SLIF) to projects on lakes where gas powered boats are allowed

- Removes the 50% capital set aside for State parks enhancement fund and subjects all of the fund to legislative appropriation
- Suspends the \$5 M general fund deposit into the water protection fund
- Redirects civil penalty deposits from various other funds to the State general fund (banking, Arizona Corporation Commission (ACC), aviation fund)
- Permits job training funds to be used for the DES JOBS program
- Merges the Office of Tourism and Commerce Department into the Department of Tourism and Economic Development; Requires the Tourism and Sports Authority (TSA) to transfer \$4.4 M to the general fund
- Expands the use of the Phoenix International Raceway (PIR) sales tax diversion” to include bonds for road construction and extends the diversion from 2010 to 2022.
- Continues the 50/50 split on flight property tax until the end of FY 04
- Directs the first \$5 million in unclaimed property to the general fund and redirects the first \$1.8 million that would have gone to the housing trust fund and \$675,000 that would have gone to the racing funds to the general fund
- Redirects the first \$128 M in vehicle license tax (VLT) from the State highway fund (SHF) to the general fund
- Removes the authority of the Arizona Department of Administration (ADOA) to self-insure
- Requires Government Information Technology Agency (GITA) in consultation with ADOA to issue an request for proposal (RFP) for privatization of State telecom services
- Suspends the sales tax deposit to the arts endowment fund and allows heritage fund monies to be used for the arts commission
- Eliminates the statutory reference to Office for Excellence in Government and the Governor’s Office of Equal Opportunity
- Prohibits the Governor from using more than 10 percent of any federal grant on administration
- Makes several statutory changes regulating Commission on Indian Affairs to reflect the elimination of general fund funding
- Permits lottery monies to be used on abstinence education programs and prioritizes this disbursement after lottery operations
- Eliminates the presidential preference primary

- Establishes the county contribution fund and county transportation contribution fund consisting of monies received from the counties in FY 04 and 05 for State operations and State operations relating to highway and law enforcement. (\$8.3 M and \$9 M/\$18.4 M)
- Requires ADOA to transfer the Black Canyon office building to Maricopa County for \$1.8 M and the Parks Board to transfer State property rights to Spur Cross to Maricopa County for \$7.5 M. It must remain as a park and cannot be developed.
- Requires the Speaker and President to appoint a Defensive Driver Study Committee and Capitol Police Reorganization Study Committee.

Senator Waring moved SB 1363 be returned with a DO PASS recommendation.

Senator Bee explained the 5-page Bee amendment dated 5/13/03, 4:58 p.m. (Attachment Y) is for discussion only. He stated that this is an agreement reached between leadership, the State compensation fund and the business community. It requires ADOA to initiate collaboration with the State compensation fund to provide inventory review and submit a plan to produce at least \$250 M in cash revenue.

Senator Waring moved the 15-line Burns amendment dated 5/13/03, 5:20 p.m. be ADOPTED (Attachment Z).

Ms. Johnston explained the 15-line Burns amendment dated 5/13/03, 5:20 p.m. modifies the dates for extending the PIR sales tax diversion. The amendment allows the double up of diverted monies from FY 06- FY 10, but shortens the total diversion from 2022 to 2018 and requires the projects to produce at least \$900K/year in sales taxes. The amendment also clarifies the language requiring Maricopa County's maintenance of effort with respect to probation.

The motion CARRIED by voice vote.

Senator Waring moved the 4-line Burns amendment dated 5/14/03, 2:19 p.m. be ADOPTED (Attachment AA).

Ms. Johnston explained the 4-line Burns amendment dated 5/14/03, 2:19 p.m. exempts ADOT and ADOA risk management fund from AG pro rata charge.

The motion CARRIED by voice vote.

Senator Soltero moved the 4-line Soltero amendment dated 5/13/03, 1:47 p.m. be ADOPTED (Attachment BB).

Senator Soltero explained the 4-line Soltero amendment dated 5/13/03, 1:47 p.m. restores cuts to the housing trust fund, which is a vital financing source to meet the critical housing needs of low income Arizonans.

Senator Mead commented that in the beginning of the legislative session, the Chairman appointed Senator Rios and himself to a subcommittee. He stated that one of the recommendations that came from this subcommittee was continuing the housing trust fund. He stated that he was in support of the amendment.

The motion FAILED by voice vote.

Senator Rios moved the 3-line Rios amendment dated 5/13/03, 1:45 p.m. be ADOPTED (Attachment CC).

Senator Rios explained the 3-line Rios amendment dated 5/13/03, 1:45 p.m. restores previous probation caseload ratios. He opined that increasing the ratio between probation officer and cases poses a danger to public safety.

Senator Burns commented that the amendment is in conflict with the State's agreement with Maricopa County. He also noted that Arizona has one of the lowest ratios in the country.

The motion FAILED by voice vote.

Senator Mead moved the 3-line Mead amendment dated 5/14/03, 11:40 a.m. be ADOPTED (Attachment DD).

Senator Mead explained the 3-line Mead amendment dated 5/14/03, 11:40 a.m. strikes language that eliminates the Banking Department revolving fund, and redirects civil penalties and court awarded fees that result from a violation of the Department's statutes to the State general fund.

The motion FAILED by voice vote.

Senator Burns announced the individuals who registered their position on the bill (Attachment M).

Elizabeth Hodgins, Children's Action Alliance, registered via speaker slip in opposition to the bill.

Kristine Ward, Governor's Budget Office was present.

Senator Waring moved SB 1363 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-5-2 (Attachment 10).

SB 1364 – capital outlay appropriations; 2003-2004 – DO PASS

Carolyn Atwater, Appropriations Committee Analyst, explained SB 1364 makes statutory and session law changes for capital outlay necessary to implement the FY 2003-2004 budget. Highlights of these changes:

Arizona Department of Administration (ADOA)

Appropriates \$3.5 million from the capital outlay stabilization fund (COSF) This amount represents 17% funding of the building renewal formula. The bill also appropriates \$580,000 from COSF to ADOA to relocate DHS functions from private space to the new building on the Capitol Mall.

Arizona Department of Transportation

Appropriates \$1.6 million from the State highway fund (SHF) and \$32,000 from the State aviation fund for maintenance and repair of State buildings (50% of the building renewal formula). It also

appropriates \$83 million for planning and construction of State highways and \$14 million for construction and development of airports.

Game and Fish

Appropriates \$323,000 for building renewal (100% of formula) and \$1.8 million for the capital projects named in the fact sheet.

Miscellaneous

Funds 100% of the building renewal formula for the State Fairgrounds and the State Lottery Commission.

**Senator Waring moved SB 1364 be returned with a DO PASS recommendation.
The motion CARRIED with a roll call vote of 11-0-2 (Attachment 11).**

Senator Burns announced the individuals who registered their position on the bill (Attachment M).

Elizabeth Hodgins, Children's Action Alliance, registered via speaker slip in opposition to the bill.

Kristine Ward, Governor's Budget Office was present.

Without objection, the meeting adjourned at 3:45 p.m.

Respectfully submitted,

Tracey Moulton
Committee Secretary

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