

ARIZONA STATE SENATE

47TH LEGISLATURE SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: February 7, 2006 **TIME:** 1:30 p.m. **ROOM:** SHR 109

CHAIRMAN: Senator Burns **VICE CHAIRMAN:** Senator Huppenthal

ANALYST: Carolyn Atwater **COMMITTEE SECRETARY:** Bill Ritz

INTERN: Erica Solsten

ATTENDANCE

BILLS

| <u>Committee Members</u> | <u>Pr</u> | <u>Ab</u> | <u>Ex</u> | <u>Bill Number</u> | <u>Disposition</u> |
|-----------------------------------|-----------|-----------|-----------|--------------------|--------------------|
| Senator Aboud | X | | | SB 1032 | DP |
| Senator Arzberger | X | | | SB 1043 | DP |
| Senator Cannell | X | | | SB 1205 | DP |
| Senator Garcia | X | | | SB 1384 | DPA |
| Senator Gould | X | | | SB 1385 | DPA |
| Senator Harper | X | | | SB 1413 | DP |
| Senator Johnson | X | | | | |
| Senator Martin | X | | | | |
| Senator Waring | | | X | | |
| Senator Huppenthal, Vice Chairman | X | | | | |
| Senator Burns, Chairman | X | | | | |

PRESENTATIONS

Presentation of Agency Budgets:

Department of Education

Chairman Burns called the meeting to order at 1:42 p.m. and attendance was noted.

Senator Burns moved the minutes of January 24, 2006 be approved. Without objection, the minutes were approved as distributed.

CONSIDERATION OF BILLS

SB 1205 – schools; transportation RCL; limited increases – DO PASS AMENDED

Bill Boyd, Education Assistant Research Analyst, explained SB 1205.

Kevin McCarthy, President, Arizona Tax Research Association, testified in favor of SB 1205 and answered questions posed by the Committee members.

Jeff Gregorich, Superintendent, Hayden-Winkelman Unified School District, testified in opposition to SB 1205 and answered questions posed by the Committee members.

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

Senator Huppenthal moved SB 1205 be returned with a DO PASS recommendation.

The motion CARRIED with a roll call vote of 6-4-1 (Attachment 1).

In explanation of his vote, Senator Huppenthal stated the school district implemented a horrible strategy in attempting to drive economic development by drawing money down from the General Fund. Senator Huppenthal added this strategy instead caused the tax rates of small businesses to greatly increase which caused the district's assessed value to decrease and voted "Aye."

SB 1032 – national guard fund; family assistance – DO PASS

Nadine Sapien, Government Research Analyst, explained SB 1032 and answered questions posed by the Committee members.

Ed Flinn, Director of Joint Programs, Department of Emergency and Military Affairs, testified in favor of SB 1032.

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

Senator Huppenthal moved SB 1032 be returned with a DO PASS recommendation.

The motion CARRIED with a roll call vote of 9-0-2 (Attachment 2).

SB 1043 – appropriation; Tucson veterans' home – DO PASS

Nadine Sapien, Government Research Analyst, explained SB 1043.

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

Senator Huppenthal moved SB 1043 be returned with a DO PASS recommendation.

The motion CARRIED with a roll call vote of 9-0-2 (Attachment 3).

SB 1384 – teratogen program; excise tax; repeal – DO PASS AMENDED

Carolyn Atwater, Appropriations Research Analyst, explained SB 1384 and the 2-line Cannell amendment dated 02/03/06 at 3:10 p.m. (Attachment B).

Senator Cannell moved SB 1384 be returned with a DO PASS recommendation.

Senator Cannell moved the 2-line Cannell amendment dated 02/03/06 at 3:10 p.m. be adopted.

Senator Cannell further explained the 2-line amendment dated 02/03/06 at 3:10 p.m.

The motion to adopt the 2-line Cannell amendment dated 02/03/06 at 3:10 p.m. CARRIED by voice vote.

Senator Cannell moved SB 1384 be returned with an AS AMENDED, DO PASS, recommendation.

Dee Quinn, Director, Arizona Teratogen Information Program, representing self, testified in favor of SB 1384 and provided the Committee with a handout entitled “Pregnancy Riskline/Arizona Teratogen Information Program (ATIP)” (Attachment C).

The motion CARRIED with a roll call vote of 10-0-1 (Attachment 4).

SB 1385 – inactive state funds; elimination – DO PASS AMENDED

Erica Solsten, Appropriations Research Intern, explained SB 1385 and the 3-line Burns amendment dated 02/06/06 at 2:48 p.m. (Attachment D). Ms. Solsten also answered questions posed by the Committee members.

Senator Huppenthal moved SB 1385 be returned with a DO PASS recommendation.

Senator Huppenthal moved the 3-line Burns amendment dated 02/06/06 at 2:48 p.m. be adopted. The motion CARRIED by voice vote.

Senator Huppenthal moved SB 1385 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 9-1-1 (Attachment 5).

SB 1413 – appropriation; revenue sharing equity – DO PASS

Carolyn Atwater, Appropriations Research Analyst, explained SB 1413 and answered questions posed by the Committee members.

Senator Bee further explained SB 1413.

Senator Huppenthal moved SB 1413 be returned with a DO PASS recommendation.

The motion CARRIED with a roll call vote of 7-2-2 (Attachment 6).

ADOPTION OF AGENCY BUDGETS (Attachment E)

ARIZONA COMMUNITY COLLEGES – ADOPTED

Senator Huppenthal moved the JLBC recommendation for the Arizona Community Colleges in Fiscal Year (FY) 2007, including footnotes, format, performance measures, and statutory changes if applicable, be included in the proposed budget legislation with the following changes:

- Add \$3 million from the General Fund in FY 2007 to Pinal Community College District's capital outlay state aid, and add the following footnote: "Of the \$6,262,900 Pinal Community College receives in Capital Outlay State Aid, \$2 million shall be used for construction of a regional officers training center, and \$1 million shall be used for a firefighters training facility at Central Arizona College."

The motion CARRIED by voice vote.

DEPARTMENT OF JUVENILE CORRECTIONS – ADOPTED

Senator Huppenthal moved the JLBC recommendation for the Department of Juvenile Corrections in Fiscal Year (FY) 2007, including footnotes, format, performance measures, and statutory changes if applicable, be included in the proposed budget legislation with the following changes:

- Reduce \$(493,000) and (13) Full Time Employee (FTE) Positions from the General Fund and add \$100,000 and 3 FTE Positions from the Criminal Justice Enhancement fund in FY 2007 to reduce the increase in funded beds. The appropriation shall permit the department to increase its bed capacity from 623 in FY 2006 to 655 in FY 2007, the level recommended by the Executive. The original JLBC Baseline would have funded 671 beds.
- It is the intent of the Committee that the department request a risk management loss control grant from the Arizona Department of Administration to bring a well at Adobe Mountain School into compliance with new federal arsenic regulations.
- It is the intent of the committee to reconsider the Department of Juvenile Corrections salary adjustments upon finalization of the Department of Corrections Salary adjustments.

The motion CARRIED by voice vote.

BOARD OF MEDICAL STUDENT LOANS – ADOPTED

Senator Huppenthal moved the JLBC recommendation for the Board of Medical Student Loans in Fiscal Year (FY) 2007, including footnotes, format, performance

measures, and statutory changes if applicable, be included in the proposed budget legislation with the following changes:

- Add \$296,600 from the Medical Student Loan Fund in FY 2007.

The motion CARRIED by voice vote.

RECONSIDERATION OF ARIZONA COMMUNITY COLLEGES - ADOPTED

Senator Huppenthal moved to reconsider the action taken by the Committee to adopt the Arizona Community Colleges' budget due to a mistake in the original motion.

The motion to reconsider CARRIED by voice vote.

Senator Huppenthal moved the JLBC recommendation for the Arizona Community Colleges in Fiscal Year (FY) 2007, including footnotes, format, performance measures, and statutory changes if applicable, be included in the proposed budget legislation with the following changes:

- Add \$3 million from the General Fund in FY 2007 to Pinal Community College District's capital outlay state aid, and add the following footnote: "Of the ~~\$6,262,900~~ \$3,789,800 Pinal Community College receives in Capital Outlay State Aid, \$2 million shall be used for construction of a regional officers training center, and \$1 million shall be used for a firefighters training facility at Central Arizona College."

The motion CARRIED by voice vote.

DEPARTMENT OF PUBLIC SAFETY – ADOPTED

Senator Huppenthal moved the JLBC recommendation for the Department of Public Safety (DPS) in Fiscal Year (FY) 2007, including footnotes, format, performance measures, and statutory changes if applicable, be included in the proposed budget legislation with the following changes:

- Add \$56,734,600 to the General Fund and reduce \$(56,180,600) from the Highway User Revenue Fund (HURF) in FY 2007 to fund DPS at its \$10 million HURF statutory cap. The Legislature may reconsider the General Fund and HURF funding mix in FY 2008.
- Add \$31,531,800 to the General Fund and reduce \$(31,531,800) from the State Highway Fund in FY 2007 to fund DPS at its \$10 million State Highway Fund statutory cap. The Legislature may reconsider the General Fund and State Highway Fund funding mix in FY 2008.
- Add \$10,000,000 to the General Fund in FY 2007 to expand the existing Gang Intelligence Team Enforcement Mission into a multi-jurisdiction task force known as the Gang and Immigration Intelligence Team Enforcement Mission (GITEM). Add the following footnotes:
 - The GITEM appropriation includes an additional \$10,000,000 which is to be used for all existing gang functions and new functions relating to immigration

- enforcement, including border security and border personnel. This appropriation is for the purpose of expanding the existing Gang Intelligence Team Enforcement Mission and not to add a new unit or increased administration to the mission.
- Prior to expending the \$10,000,000, the department shall submit expenditure plan to the Joint Legislative Budget Committee for review. Within 30 days of the last day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures to the Joint Legislative Budget Committee.
 - The Department of Public Safety shall use the monies appropriated for GITEM for an agreement or contract with a city, town, county or other entity to provide services for the GITEM program, the city, town, county or other entity shall provide 15% for the cost of the services and the Department of Public Safety shall provide 85% of the cost for each agreement or contract.
 - **Add \$10,000,000 and 100 Full Time Employee (FTE) Positions from the General Fund in FY 2007 for additional Department of Public Safety sworn personnel for GITEM. Add the following footnotes:**
 - The GITEM appropriation includes an additional \$10,000,000 which is to be used for the Gang and Immigration Intelligence Team Enforcement Mission and is for additional Department of Public Safety sworn personnel for immigration and border security. This appropriation is for the purpose of expanding the existing gang intelligence team enforcement mission and not to add a new unit or increased administration to the mission.
 - Prior to expending the \$10,000,000, the department shall submit an expenditure plan to the Joint Legislative Budget Committee for review. Within 30 days of the last day of each calendar quarter, the department shall provide a summary of quarterly and year-to-date expenditures to the Joint Legislative Budget Committee.
 - **Add the following footnote:**
 - By October 1, 2006, the Department of Public Safety shall report to the Joint Legislative Budget Committee on take home vehicles, which are owned by the department and assigned on a 24-hour basis to employees or other individuals. The report shall identify all position classifications and their corresponding assignments and locations of all persons who qualify for a take home vehicle. The report shall indicate the current number of positions and vehicles being utilized as take home vehicles, the total number of vehicles the department owns by category, and the policy and guidelines relating to take home vehicles.
 - **Add \$429,900 and 5 FTE Positions from the General Fund in FY 2007 for DPS Support Staff.**
 - **Add \$161,700 and 4 FTE Positions from the General Fund in FY 2007 for 911 call takers.**
 - **Add a Motor Vehicle Fuel Special Line Item. Shift \$2,286,500 (\$718,400 from the General Fund, \$668,400 from the State Highway Fund, \$231,300 from the Highway Patrol Fund and \$668,400 from HURF) in the Department of Public Safety's budget to the Motor Vehicle Fuel Special Line Item.**
 - **Add \$1,522,300 from the General Fund to the Motor Vehicle Fuel Special Line Item. The additional monies would provide the department with a total appropriation of \$3,808,800 for motor vehicle fuel. This amount represents an**

- increase of 27.8% above actual FY 2005 expenditures.
- **Remove 1 FTE Position from the Highway User Revenue Fund for a technical adjustment.**
 - **Add statutory language which would limit the transportation of occupants in all Department of Public Safety fixed wing aircraft to only Department of Public Safety employees and employees of federal, state or local law enforcement agencies.**

Martin Lorenzo, Fiscal Analyst, Joint Legislative Budget Committee, answered questions posed by the Committee members.

Senator Garcia offered a substitute motion to Senator Huppenthal's original motion to remove the last bullet point which would limit the transportation of occupants in all Department of Public Safety fixed wing aircraft to only Department of Public Safety employees and employees of federal, state or local law enforcement agencies.

The substitute motion FAILED by voice vote.

Senator Garcia offered a second substitute motion to add \$72,749,700 from the General Fund in FY 2007 to fund the Border Security Initiative (Attachment F).

The second substitute motion FAILED by voice vote.

The original motion CARRIED by voice vote.

PRESENTATION OF AGENCY BUDGETS

DEPARTMENT OF EDUCATION

Steve Schimpp, Fiscal Analyst, Joint Legislative Budget Committee, presented JLBC's Fiscal Year 2007 budget recommendations, referring to the "Fiscal Year 2007 JLBC Book I, Individual Agency Detail" book (See Attachment A from Senate Committee on Appropriations and House of Representatives Committee on Appropriations Special Joint Meeting Minutes dated 01/12/06) and the budget recommendations handout entitled "Department of Education" (Attachment G) which included the JLBC Executive Comparison for the Department. Mr. Schimpp answered questions posed by the Committee members.

Tom Horne, Superintendent of Public Instruction, presented the Department of Education's budget requests for Fiscal Year 2007, referring to a handout entitled "Department of Education Fiscal Year 2007 Budget Recommendations" (Attachment H). Mr. Horne answered questions posed by the Committee members.

Donald Hood, Consultant, presented an overview of the Arizona Information Factory and answered questions posed by the Committee members.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Bill Ritz
Committee Secretary

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