

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-first Legislature – Second Regular Session

COMMITTEE ON APPROPRIATIONS

Minutes of Meeting
Wednesday, January 29, 2014
House Hearing Room 1 -- 2:00 p.m.

Chairman Kavanagh called the meeting to order at 2:16 p.m. and attendance was noted by the secretary.

Members Present

Ms. Alston	Mr. Kwasman	Mrs. Ugenti
Mr. Boyer	Ms. Mach	Mr. Olson, Vice-Chairman
Mr. Campbell	Mr. Sherwood	Mr. Kavanagh, Chairman
Mr. Gray		

Members Absent

Mr. Forese

Committee Action

HB2366 – DP (7-3-0-1)	HB2496 – DP (9-0-0-2)
HB2492 – DP (8-1-0-2)	HB2504 – DP (9-0-0-2)

CONSIDERATION OF BILLS

HB2366 – supplemental appropriation; legislators; subpoenas; representation. – DO PASS

Vice-Chairman Olson moved that HB2366 do pass.

Mike Huckins, Majority Research Analyst, explained that HB2366 appropriates \$50,000 from the state General Fund (GF) in the current fiscal year (FY) to each the House and Senate to provide legal representation for current and former Members who are subject to a subpoena or other request in a civil action for the production of documents related to the Member's status as a legislator (Attachment 1). The bill also stipulates that the funds may not be used to provide legal representation for the production of campaign documents and exempts the appropriation from lapsing.

Chairman Kavanagh commented that representation from the Attorney General's Office is not allowed under current statute; however, a bill is going through the system to allow it in the future. There has been a challenge to SB1070 – safe neighborhoods; immigration; law enforcement (Laws 2010, Chapter 113), by the Arizona Civil Liberties Union (ACLU).

Speaker Andy Tobin, sponsor, explained that the work legislators do is specific to their public role. Subpoenas were recently issued to past and present Members, placing them in a stressful situation by having to hire counsel or be without counsel if they cannot afford it, which is inappropriate. If these Members were named as parties in a lawsuit, the Attorney General's Office would be able to defend them, so HB2282 – attorney general representation; nonparty subpoena, sponsored by Representative Debbie Lesko, allows the Attorney General's Office to defend Members who receive subpoenas. The intent of HB2366 is to provide counsel to defend lawmakers so their personal resources and families are not placed at risk for doing their job.

Chairman Kavanagh opined that this subpoena is extremely dangerous for the Legislature as an institution, not to mention individual Members. It encompasses any and all documents that mention certain words, some of which are very specific such as *illegal alien* or *day laborer*; however, even words like *English* are included. This is extremely time-consuming and not even limited to subjects related to SB1070. It is a phenomenal distraction from Members' work at their busiest time and an invasion of privacy because any communication, legislative or private, that contains the specific words must be given to the ACLU. Constituents may not want to communicate with their legislator knowing that if a common word is used, the information could end up in a court case. Additionally, a body of court cases states that in Arizona, there is privileged communication between Members and staff, especially attorneys, while in the process of developing policy. All Members, past and present, should know that if they are sued or named in a subpoena, the institution will protect them and their privacy.

Vice-Chairman Olson announced the names of those who signed up in opposition to HB2366 but did not speak:

Steve Muratore, representing self

Question was called on the motion that HB2366 do pass. The motion carried by a roll call vote of 7-3-0-1 (Attachment 2).

HB2496 – supplemental appropriations; child safety positions – DO PASS

Vice-Chairman Olson moved that HB2496 do pass.

Mike Huckins, Majority Research Analyst, explained that HB2496 appropriates approximately \$5.7 million from the state General Fund (GF) and \$1.1 million in federal expenditure authority in the current fiscal year (FY) to the Department of Economic Security (DES) for 192 child safety and family services full-time equivalent (FTE) positions (Attachment 3). The bill also contains monthly reporting requirements on the hiring of those staff members.

Ms. Mach asked the amount of drawdown of federal funds. Mr. Huckins replied that he will check with Joint Legislative Budget Committee (JLBC) staff and agreed to inform all Members of the Committee.

Speaker Andy Tobin, sponsor, said this appropriation is specific to 192 new caseworkers. He indicated that he is not sure what the federal drawdown is, but it may not be received until after July 1, 2014 anyway; it is important to get this money into the system so hiring can begin. This bill is the first step in getting FTEs out in the field to make sure children are protected.

Charles Flanagan, Director, Arizona Department of Juvenile Corrections, related that in 2005, DES developed a caseload standard of 10, but there was no science used in determining the standard. The Change in Innovation Agency (CIA) conducted a time and motion study, questioning people in the field and supervisors, and came up with a defensible caseload standard of 13 that is now being proposed as part of the Governor's budget. There is a standard from an organization that represents people in this profession, but no two systems are alike, so it is not possible to compare "apples to oranges".

He reported that the new Division of Child Safety and Family Services (DCSFS) is approaching 60 percent of the uninvestigated cases being actively worked, which would not have been possible without partnerships with law enforcement agencies. Problems have surfaced year after year at the former Child Protective Services (CPS) and many reports were written proposing solutions, but very few were implemented. There is momentum going now with the Governor creating a separate division, which raises the profile of the agency and brings it out from under layers of administrative supervision. As Chairman of the Child Advocate Response Examination (CARE) Team, he is working on a report he hopes to provide to the Governor by Friday, January 31, 2014 outlining the work that was done on the 6,554 non-investigated cases. He plans to conduct a complete review of the entire agency's policies and procedures, conflicts within statute, as well as personnel and other functions. With the Governor's budget, it will be possible to begin the hiring process to create an opportunity for staff at the line level to do their jobs in a reasonable manner.

Mr. Campbell stated that there is a national standard that is lower and asked about the cost for the CIA to conduct the study. Mr. Flanagan responded that he was not at the agency at the time; however, he will provide that information. The Child Welfare League of America (CWLA) has a national standard but he is more confident about the proposed standard because the level of work and contact with employees that was done to produce the outcome has some science related to it. He added that he is currently working with the Government Transformation Office (GTO) at the Arizona Department of Administration (ADOA). It is an office of two people with the goal of reducing costs, creating efficiencies and helping organizations operate in a strategic manner. The work of those two people aligns with the CIA. GTO observed employees at the Call Center and realized employees would be more efficient with the right data system in place and recommended methods to improve the current system.

Ms. Mach asked about the strategic plan for the FTE positions, preventative work and training. Mr. Flanagan responded that 126 employees will be caseworkers, i.e., Specialists I, II and III. In addition, there are some supervisors, case aides and support staff. A certain amount of prevention occurs when responding to calls and conducting an investigation, i.e., if a problem is found in the home that can be mitigated and services can be provided, the child is able to remain in the home for family permanency. Almost 200 people are constantly in training, which is a long process that has to be factored in.

Mr. Campbell asked the rationale for the CIA study. Mr. Flanagan said he understands the agency wanted to find a standard that was defensible and supportable as a reasonable workload for employees to be able to accomplish their mission. If it is determined that the standard developed by the CIA is not workable or reasonable, he will address the matter.

Mr. Campbell expressed puzzlement at not accepting the CWLA standard, which he opined is defensible. He asked about the plan for support services, noting that the best way to save money is to prevent people from entering the system.

Chairman Kavanagh commented that he met with Mr. Flanagan and his staff concerning the various types of preventative services and interventions. An array of programs was funded at one time, but there is no money in the budget for those programs. He mentioned a ballot referral to direct 25 percent of every dollar from First Things First to children and families.

Mr. Flanagan said the agency should be working collaboratively with others, such as Child Help in Phoenix. It is essential to prioritize the work and address the most immediate needs, which is what this bill and the Governor's budget for the upcoming fiscal year will do.

Mr. Campbell said he is concerned that there is not enough focus for the long term; a full network is needed to make this work. Mr. Flanagan said there is no question prevention is much less expensive than intervention; however, if the original non-investigated cases were low-priority at the time they were originally called in, it may have been possible to preserve those families and provide the resources needed to resolve problems.

Ms. Alston requested more detailed information on the 192 positions, including how many are in training and how many the agency is losing. Mr. Flanagan said he intends to review the processes in place to resolve duplications and eliminate inefficiencies. The Governor's budget recognizes that something must be done about the database, which is antiquated and impossible to manage. The Governor made it clear to be transparent and release information that is possible without conflicting with the law so he will meet with the Attorney General's Office because Arizona is more restrictive and secretive than any other state. It is necessary to clarify what the employees do. The attrition rate is 25 to 30 percent, and many leave within five to six months after the agency spends five or six months' worth of money to hire them. The caseworkers are good people with heart who do work no one else wants to do and sometimes go into homes where police fear to tread to confront families about issues. A way needs to be found to do that more effectively and efficiently.

Vice-Chairman Olson announced the names of those who signed up in support of HB2496 but did not speak:

Bahney Dedolph, Lobbyist, representing self

Emily Jenkins, Lobbyist, Arizona Council of Human Services Providers

Dana Wolfe Naimark, Lobbyist, Children's Action Alliance

Question was called on the motion that HB2496 do pass. The motion carried by a roll call vote of 9-0-0-2 (Attachment 4).

HB2492 – independent redistricting commission; supplemental appropriation. – DO PASS

Vice-Chairman Olson moved that HB2492 do pass.

Casey Baird, Majority Assistant Research Analyst, explained that HB2492 provides a supplemental appropriation of approximately \$1.4 million from the state General Fund (GF) in

fiscal year (FY) 2014 to the Independent Redistricting Commission (IRC) for operating expenses and exempts the appropriation from lapsing (Attachment 5).

Representative David Gowan, sponsor, commented that the Arizona Constitution requires the Legislature to adequately fund the IRC in certain matters. The IRC has ongoing court cases relating to redistricting maps and requested supplemental funding to be able to defend those cases.

Vice-Chairman Olson announced the names of those who signed up in support of HB2492 but did not speak:

Ray Bladine, representing self

Steve Muratore, representing self

Question was called on the motion that HB2492 do pass. The motion carried by a roll call vote of 8-1-0-2 (Attachment 6).

HB2504 – supplemental appropriation; navigable stream commission. – DO PASS

Vice-Chairman Olson moved that HB2504 do pass.

Katie Scates, Majority Research Intern, explained that HB2504 appropriates \$150,000 from the state General Fund (GF) in fiscal year (FY) 2014 to the Arizona Navigable Stream Adjudication Commission (ANSAC) for legal expenses of the Commission and allows the supplemental appropriation to be used in FY 2015 (Attachment 7).

Mr. Gray, sponsor, stated that the ANSAC determines who has property rights over 39,000 rivers and streams in Arizona. This small appropriation will help the ANSAC complete that work.

Question was called on the motion that HB2504 do pass. The motion carried by a roll call vote of 9-0-0-2 (Attachment 8).

Chairman Olson announced the names of those who signed up in support of HB2504 but did not speak:

Robert Shuler, Lobbyist, Wellton-Mohawk Irrigation and Drainage District

Robert Lynch, Lobbyist, Irrigation and Electrical District Association

Chris Udall, Agri-Business Council of Arizona

David Martin, Arizona Chapter Associated General Contractors

BUDGET PRESENTATION BY THE JOINT LEGISLATIVE BUDGET COMMITTEE

Arizona Department of Education

Steve Schimpp, Joint Legislative Budget Committee (JLBC), gave an overview of Arizona Department of Education (ADE) total fiscal year (FY) 2015 baseline funding, changes assumed in the baseline for caseload-driven items and Executive initiatives (Attachment 9).

Stacey Morley, Policy Development and Government Relations, Arizona Department of Education, responded to questions concerning school district-sponsored charter school funding and rent.

Vice-Chairman Olson assumed the Chair.

In response to a question, Mr. Schimpp discussed the Executive proposal to eliminate small charter weights (Attachment 9, Page 12).

John Huppenthal, Superintendent of Public Instruction, Arizona Department of Education, expressed support for the elements of the Governor's budget, not only the investment but the reforms it contains. He said the current charter school funding formula penalizes success and rewards the creation of bureaucracy; the Governor's charter school reform eliminates this problem and ranks among the very best education reforms in the last two decades. The Governor's redesign success funding provides valuable funding for schools and is extremely creative at rewarding academic growth, supporting schools that successfully serve high-poverty neighborhoods. The software certification funding paves a direct road for high-paying jobs for students.

He noted that ADE works to improve outcomes by providing outstanding service to teachers, principals, schools and school districts and providing outstanding systems that support teachers, their support staff and leaders. These outstanding systems cannot be provided without the support and authorization of the Legislature. He discussed the need for the new proposed data system, partnering with schools and school districts to contract for systems that support teacher development and classroom instruction and the necessary components of the next measurement of academic achievement since the Arizona's Instrument to Measure Standards (AIMS) contract will be terminated shortly.

The following handouts were provided to the Members:

- *FY 2015 Budget Request – Additional Items* (Attachment 10)
- *ADE's Education Transformation: Implementing Arizona's education reforms* (Attachment 11)

Stacey Morley, Policy Development and Government Relations, Arizona Department of Education, responded to questions about the proposed broadband expansion included in the Governor's budget proposal.

Superintendent Huppenthal expressed the need to speak to technical experts from ADOA and ADE to clarify technical aspects of the proposal.

Chairman Kavanagh resumed the Chair.

Ms. Morley said ADE is working on a list of schools that currently have broadband and those that do not, by Legislative District, which will be provided to the Members.

Without objection, the meeting adjourned at 4:30 p.m.

Linda Taylor, Committee Secretary
February 6, 2014

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)