ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON APPROPRIATIONS

Report of Regular Meeting
Wednesday, January 28, 2015
House Hearing Room 1 -- 2:00 p.m.

Convened 2:10 p.m.
Recessed
Reconvened
Adjourned 4:02 p.m.

Members Present
Mr. Allen J
Mr. Bowers
Mr. Clark
Mr. Gray
Ms. Mach
Mr. Meyer
Mr. Peterson
Mr. Rivero
Mr. Sherwood
Mr. Stevens
Mrs. Ugenti
Mr. Leach, Vice-Chairman
Mr. Olson, Chairman

Members Absent
Mr. Cardenas (Excused)

Presentations

Name	Organization	Attachments (Handouts)
Adoption of Committee Rules		1
Department of Child Safety	Joint Legislative Budget Committee	2
Department of Economic Security	Joint Legislative Budget Committee	3

Committee Action

Bill	Action	Vote	Attachments (Summaries, Amendments, Roll Call)
None			

Riley Weber, Chairman Assistant
January 28, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

COMMITTEE ON APPROPRIATIONS
Committee Rules – 52nd Legislature
Adopted 01/28/2015

RULE 1. A majority of the members of the committee shall constitute a quorum. No official action may be taken unless a quorum is present in person at the time of taking such action.

RULE 2. The chairman sets the agenda and determines the order of measures.

RULE 3. The following motions are customary and in order relating to actions on measures:

1. Do pass
2. Do pass as amended
3. Return for consideration of the House
4. Hold for further study
5. Do not pass
6. Be assigned to subcommittee for...

RULE 4. The affirmative vote of a majority of those voting is required to take any action.

RULE 5. On a roll call vote the names of committee members shall be called alphabetically by surname; except that the vice chairman and the chairman shall be called upon last. Each member present shall be allowed to pass on one call of the role, and shall vote "yes" or "no" (aye, nay) or respond "present." Members may change their votes before the announcement of the results and members may explain their vote on any measure.

RULE 6. Whenever a measure is reported from the committee on a divided vote, any member may request a minority report.

In accordance with Rule 9 of the House Rules, the following House Rules are also incorporated into the Committee Rules:

RULE 9 (C) Each Standing Committee shall adopt and file with the Chief Clerk's Office rules of procedure consistent with the Rules of the House and shall include the following:

1. With the exception of executive sessions ordered by a majority of the committee constituting a quorum, all committee meetings shall be open to the other members of the Legislature, the press and public so long as proper decorum is maintained.

2. All committees shall meet at regularly scheduled times and places unless canceled with the permission of the Speaker. In the absence of the chairman, the vice chairman shall preside. In the absence of both the chairman and vice chairman, some other committee member designated by the Speaker shall preside.

Attachment 1

3. The committee chairman (presiding officer) other than the chairman of the Committee on Rules shall prepare an agenda and distribute copies to committee members, the Information Desk and the Chief Clerk's Office by 4:00 p.m. each Wednesday for all standing committees meeting on Monday of the following week and by 4:00 p.m. each Thursday for all standing committees meeting on any day except Monday of the following week. Except by unanimous consent of the committee, the committee chairman may add a legislative measure to a distributed agenda by distributing a revised agenda to committee members, the Information Desk and the Chief Clerk's Office no later than 4:00 p.m. on the second previous working day, excluding Saturdays, Sundays and holidays, before the committee meeting.

4. A bill not on the committee agenda shall be scheduled for discussion at the next subsequent committee meeting by a presentation of a petition containing the signatures of two-thirds or more of the committee members.

5. A roll call vote shall be taken in each standing committee when final action on any bill is voted.

6. Written committee minutes shall be filed with the Chief Clerk's Office within a reasonable time but no later than two weeks from time of completion of meetings. An audio recording of the meeting shall be open to public inspection in the Chief Clerk's Office three working days after the meeting. Attendance records of all committee meetings shall be filed with the Chief Clerk's Office within 24 hours from time of completion of meetings.

7. Special meetings may be called by the chairman but require permission of the Speaker and notice to members and the general public at the Information Desk by 4:00 p.m. on the previous day, except that the notice of a special meeting of the Committee on Rules may be given in open session prior to the meeting and does not require the Speaker's permission.

RULE 9 (E) No committee other than the Committee on Rules shall meet while the House is meeting in session without special permission of the Speaker.

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Department of Child Safety

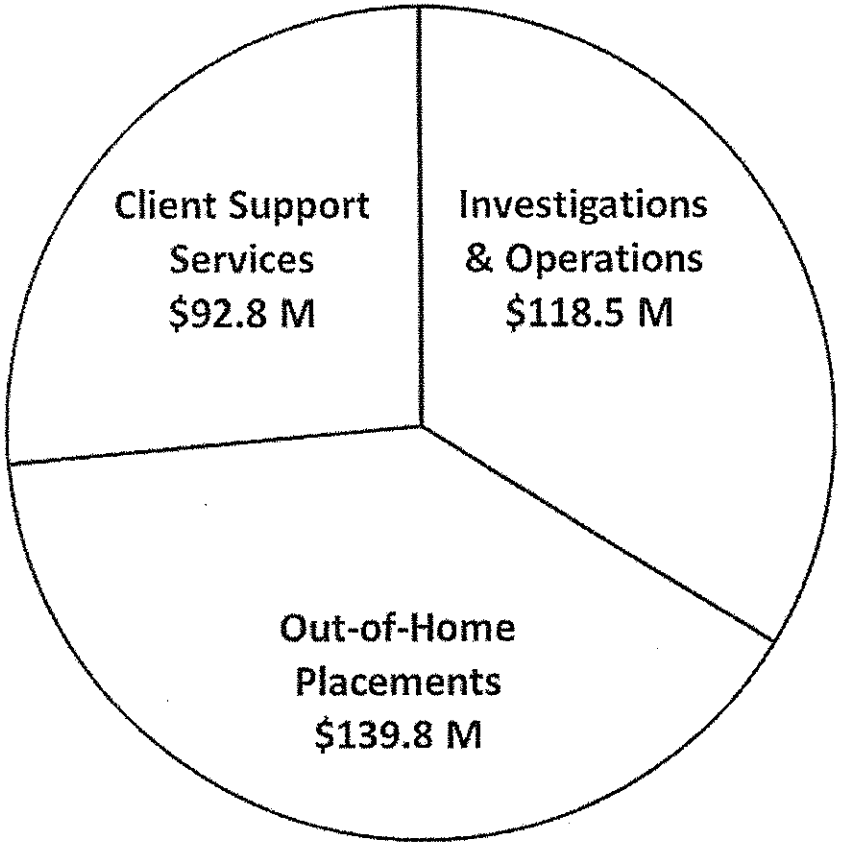
January 27-28, 2015

Appropriations Committee Hearings

JLBC

Attachment 2

Department of Child Safety
- General Fund by Function



- **Investigations and Operations**
  - Caseworkers and Support Staff
  - Office of Child Welfare Investigations (OCWI)
  - Attorney General
  - Inspections Bureau
  - Training and Administration
- **Out-of-Home Placements**
  - Emergency and Residential Placement
  - Foster Care
  - Grandparent Stipends
  - Permanent Guardianship
  - Adoption
  - Independent Living
- **Client Support Services**
  - Child Care
  - In-Home Preventive Support Services
  - Intensive Family Services
  - Out-of-Home Support Services

FY 2016 Baseline Total = $351.1 Million

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Department of Child Safety
- Total FY 2016 Baseline Funding

	$ in Millions
General Fund	$ 351.1
Federal Match/Non-Appropriated Funds	326.0
Federal TANF Block Grant	132.0
Federal Child Care Block Grant	27.0
Other Appropriated Funds	1.7
Total	$ 837.8

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DCS Baseline Spending Estimates

	GF in $ in M Above Prior Year		
	'16	'17	'18
One-Time Backlog	(11)	(12)	0
Preventive Services	4	4	0
Automation Replacement	(5)	5	0
Other	(4)	0	0
Total Additional Spending	**(16)**	**(3)**	**0**

- '16 & '17 estimates consistent with May Special Session plan
- Automation Replacement funding deferred to '17, consistent with procurement timetable
- Baseline also deletes $25 M in one-time transition funding to ADOA

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Department of Child Safety
- Major FY 16 Funding Changes

- The JLBC Baseline and the Executive include the following General Fund changes:

	(GF $ in Millions)	
May Special Session Plan	JLBC Baseline	Executive
Preventive Services	$ 4.0	$ 4.0
One-Time Transition	(25.0)	(25.0)
One-Time Backlog	(10.7)	(10.7)
Other	(4.4)	(4.1)
Other Changes		
Adoption	0.0	6.7
Foster Care	0.0	1.4
Child Care	0.0	3.3
Emergency and Residential Placement	0.0	2.2
Permanent Guardianship	0.0	1.4
Attorney General Backfill	0.0	0.5
CHILDS Replacement (Defer funding to FY 17 given procurement schedule)	(5.0)	(5.0)
FY 2016 Total	$(41.1)	$(25.3)

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JLBC Baseline: $1 million legal services shifted from Attorney General

Department of Child Safety
- $25 Million FY 15 Transition Appropriation

Administrative Expenses	$ in Millions
40 Administrative and Technology Staff (6 months)	$2.6
Field Equipment (1,700 laptops)	$2.5
Technology Services Licensing	$1.1
Website and IT Consulting	$0.3
Subtotal - Administrative Expenses	$6.5
Other Transition Expenses	
DES Data Center - Planning & Implementation	$3.0
Unallocated as of December 2014	$15.5
Subtotal - Other	$18.5
Total	**$25.0**

Executive proposes making the $25 million non-lapsing

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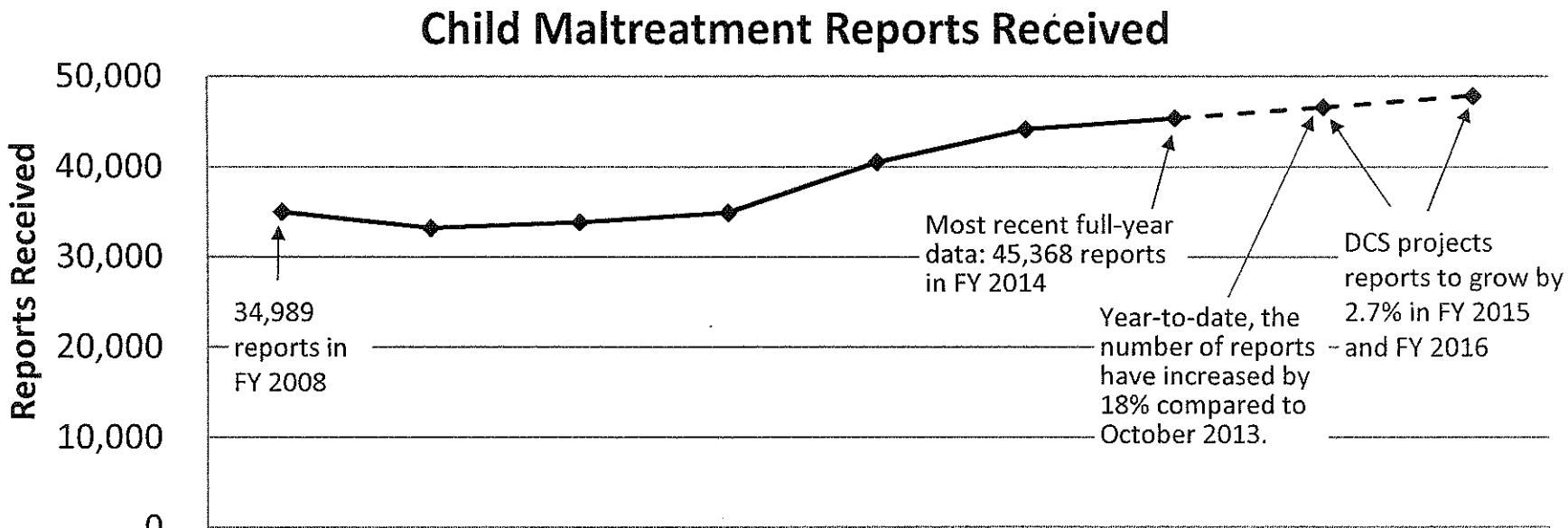
Department of Child Safety

- Number of Reports Continues to Grow



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Reports Received	34,989	33,186	33,839	34,904	40,517	44,119	45,368	46,593	47,851

- Percentage of reports categorized as neglect increased from 64% in FY 11 to 70% in FY 14
- DCS opened all 13,024 June 2, 2014 backlog cases, but 14,852 total cases remain inactive
- As of December 2014, DCS had filled 96% of its budgeted caseworker positions

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Department of Child Safety

- FY 2016 Executive Request above Baseline

	($ in Millions) General Fund
- Adoption	$6.7
• Adds 1,530 placements for 8.3% caseload growth equaling about 22,500 total placements	
- Foster Care (2 components)	
• Caseload growth: adds 570 new placements for 6.7% caseload growth equaling 6,911 total placements	3.4
• Caseload shift: increases monthly subsidy for 12-18-year-olds from $653 to $816 to move 210 children from congregate care to foster care	3.1

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Department of Child Safety
- FY 2016 Executive Request, continued

	($ in Millions) General Fund
- Child Care	3.3
• Adds 851 new placements for 3.4% caseload growth equaling about 9,100 total placements	
- Emergency and Residential Placement	2.2
• Adds 66 new placements for 3.2% caseload growth equaling about 2,000 total placements	
• Caseload shift: moves 210 children from congregate care to foster care	(5.1)

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Department of Child Safety

- FY 2016 Executive Request, continued

	($ in Millions) General Fund
- Permanent Guardianship	1.4
• Adds 310 new placements for 2.8% caseload growth equaling about 2,750 total placements	
- Attorney General Backfill	0.5
• Department of Economic Security previously paid for these costs with non-child safety funding	
Total	**$15.5**

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Department of Child Safety
- Website links

- JLBC Baseline -
  Department of Child Safety
- Executive Budget -
  Department of Child Safety

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Department of Economic Security

January 27-28, 2015

Appropriations Committee Hearings

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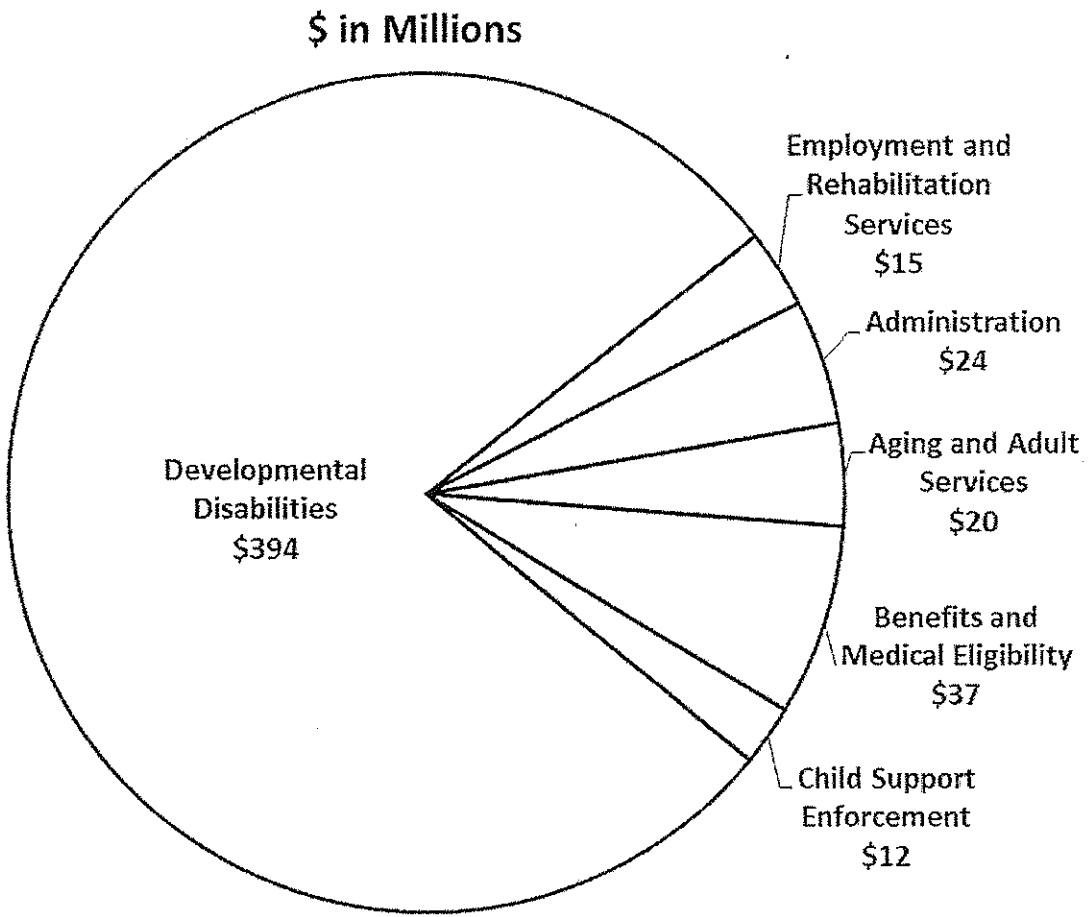
Attachment 3

Department of Economic Security
- Major Programs

- Aging and Adult Services (DAAS): Aging, Domestic Violence, Homelessness
- Benefits and Medical Eligibility (DBME): Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP or food stamp) benefits and determinations
- Child Support Enforcement (DCSE)
- Developmental Disabilities (DD): Federal Medicaid program and state-only services
- Employment and Rehabilitation Services (DERS): Child Care and job training, unemployment insurance
- Administration

Department of Economic Security
- General Fund by Agency Function



FY 2016 GF Baseline = $502 Million

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Department of Economic Security
- Total FY 2016 Baseline Funding

	$ in Millions
General Fund	$ 501.6
Medicaid Long-Term Care Federal Match	818.2
Federal TANF Block Grant	86.7
Federal Child Care Block Grant	103.8
Other Appropriated Funds	152.9
Federal Grants (non-appropriated)	494.4
Unemployment Insurance - non-appropriated	287.0
Other Non-Appropriated Funds	21.0
Total	$2,465.6

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Department of Economic Security
- Major FY 2016 Funding Changes

	(GF $ in Millions)		
	JLBC Baseline	Executive	
Developmental Disabilities Caseload/Inflation	$ 22.8	$ 23.1	
Removal of One-Time Homeless Capital Grant	(0.5)	(0.5)	1/
Eliminate New DD Programs	0.0	(0.6)	1/
Adult Protective Services Caseload Growth	0.0	1.2	
Reinstate ALTCS Preventive Dental for DD Adults	0.0	1.1	
Replace Child Care Subsidy with Federal Funds	0.0	(4.0)	1/
State-Only Long Term Care Services Shortfall	0.0	2.7	2/
FY 2016 Total	**$22.3**	**$23.0**	

1/ Executive also proposes to ex-appropriate these monies in FY 2015, however the Homeless Capital Grant has already been awarded for FY 2015. The Executive is seeking reductions elsewhere.

2/ JLBC has suggested option of funding via TANF surplus.

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Department of Economic Security
- Other Executive FY 2016 Changes

- $936,400 GF to the Department of Administration's Automation Projects Fund for a DES IT security upgrade

- Proposed fund transfer of $5.0 million from the Special Administration Fund

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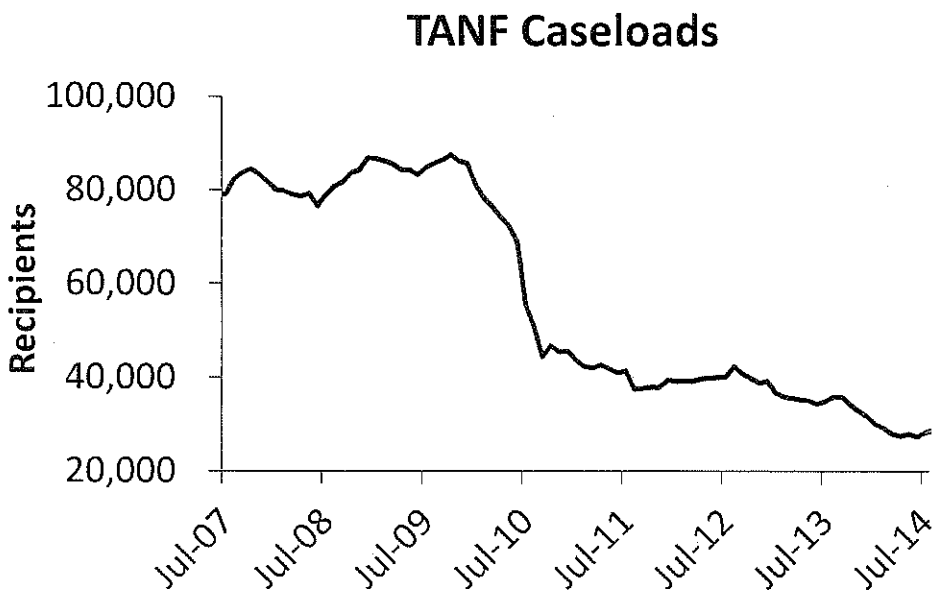
Department of Economic Security
- TANF Cash Benefits Surplus



- TANF Cash Benefits caseloads have been decreasing
- Baseline assumes caseloads will remain flat at 27,374 in FY 2015 and FY 2016
- Flat caseloads would produce a $7.7 million TANF Block Grant surplus in FY 2015 and FY 2016
- DES may use TANF surplus to address State-Funded Long Term Care shortfall

JLBC

Department of Economic Security
- Website links

- JLBC Baseline -
  Department of Economic Security
- Executive Budget -
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