



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

HOUSE OF
REPRESENTATIVES

DON SHOOTER
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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

February 25, 2016

The Chairman called the meeting to order at 8:10 a.m., Thursday, February 25, 2016, in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Vice-Chairman	Representative Olson, Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Farley	Representative Bowers
	Senator Griffin	Representative Leach
	Senator Hobbs	Representative Mitchell
	Senator Kavanagh	
	Senator Lesko	
	Senator Yarbrough	

Absent:	Representative Mach
	Representative Montenegro
	Representative Ugenti-Rita

EXECUTIVE SESSION

Representative Olson moved that the Committee go into Executive Session. The motion carried.

At 8:14 a.m. the Joint Legislative Budget Committee went into Executive Session.

Senator Kavanagh moved that the Committee reconvene into open session. The motion carried.

At 8:49 a.m. the Committee reconvened into open session.

(Continued)

Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.

Senator Kavanagh moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the cases of:

- *Coy v. State of Arizona*
- *Laffoon v. State of Arizona*

The motion carried.

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of December 15, 2015, Chairman Don Shooter stated that the minutes would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF CHILD SAFETY (DCS) - Review of CHILDS Automation Project (Transition Fund).

Mr. Ben Beutler, JLBC Staff, stated that the Committee is required to review an expenditure plan prior to any monies being expended from the Arizona Department of Administration's (ADOA) \$19.5 million appropriation for DCS transition expenses. The JLBC Staff presented options to the Committee.

Ms. Linda Jewell, Chief Information Officer, DCS, responded to member questions.

Senator Yarbrough moved that the Committee give a favorable review of the \$4.4 million expenditure plan from the transition appropriation for Children's Information Library and Data Source (CHILDS) technology infrastructure to migrate DCS data to a private vendor with the following provisions:

- A. Contingent upon receiving approval by the Information Technology Authorization Committee (ITAC), when the ITAC review of the project is complete, DCS is to submit to the JLBC the results of the ITAC review, including any conditions placed on the project. The JLBC Chairman will determine whether those conditions are significant enough to require placing the CHILDS technology infrastructure project on a future agenda for further review.*
- B. DCS shall provide reports by the last day of each quarter to the JLBC from the contracted independent third-party consultant. The quarterly reports shall be submitted throughout the CHILDS replacement project and continue to evaluate and assess the project's feasibility, estimated expenditures, technology approach and scope.*

The motion carried.

DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Division of Developmental Disabilities Operating and Case Management Appropriation Transfers.

Mr. Tom Ritland, JLBC Staff, stated that pursuant to a footnote in the FY 2016 General Appropriation Act

(Continued)

(Laws 2015, Chapter 8) the Joint Legislative Budget Committee is required to review transfers of funds in or out of Case Management - Medicaid, and Division of Developmental Disabilities (DDD) operating lump sum line items submitted by the Department of Economic Security. The JLBC Staff presented options to the Committee.


Senator Yarbrough moved that the Committee give a favorable review of a portion of the requested transfers, shown in Table 1 below.

The Committee reviewed transfers sufficient to align appropriations with FY 2015 expenditures, to cover FY 2016 premium tax increases in the DDD Operating Budget line, and to fund FY 2016 case manager pay adjustments. Because the proposed pay adjustments would increase FY 2017 costs beyond the current budget, ongoing funding for this adjustment will have to be confirmed by the entire Legislature as part of the FY 2017 budget process.

DDD Medicaid Appropriation Transfers		
	<u>Requested</u>	<u>JLBC Reviewed</u>
DDD Operating Budget		
- Base Modification to Reflect FY 2015 Spending	5,500,000	5,500,000
- Premium Tax Increases	1,800,000	1,800,000
- Contingency	500,000	
- Unspecified	<u>2,700,000</u>	<u> </u>
Subtotal	10,500,000	7,300,000
Medicaid Case Management		
- Align Appropriation Adjustment with FY 2015 Spending	2,100,000	2,100,000
- Case Manager Pay Adjustments	<u>3,400,000</u>	<u>2,100,000</u>
Subtotal	5,500,000	4,200,000
Total	<u>\$16,000,000</u>	<u>\$11,500,000</u>

Without objection, the meeting adjourned at 9:17 a.m.

Respectfully submitted:



Kristy Paddack, Secretary



Richard Stavneak, Director



Senator Don Shooter, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>