



STATE OF ARIZONA

## Joint Legislative Budget Committee

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SENATE

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SEAN BOWIE  
RICK GRAY  
VINCE LEACH  
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HOUSE OF  
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BEN TOMA

### MINUTES OF THE MEETING

#### JOINT LEGISLATIVE BUDGET COMMITTEE

April 29, 2020

The Chairman called the meeting to order at 1:40 p.m., Wednesday, April 29, 2020, via video conference. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Alston	Representative Espinoza
	Senator Bowie	Representative Fernandez
	Senator Gray	Representative Friese
	Senator Leach	Representative Kavanagh
	Senator Livingston	Representative Petersen
	Senator Otondo	Representative Roberts
		Representative Toma
Absent:	Senator Mesnard	

#### APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of December 11, 2019. The motion carried.

#### CONSENT AGENDA

The following items were considered.

#### **ATTORNEY GENERAL (AG) - Review of Report on Murdered and Missing Indigenous Women and Girls Study Committee Expenditure Plan.**

At its December 2019 meeting, the Committee favorably reviewed the expenditure of \$125,000 to support expenses of the Missing and Murdered Indigenous Women and Girls (MMIWG) Study Committee but required that the AG provide an expenditure report by April 1, 2020, and stated that up to \$95,000 would be considered for further Committee guidance at a future meeting. The AG provided an updated report. The JLBC Staff provided options and a potential provision:

(Continued)

- A. *The Attorney General and the MMIWG Study Committee shall report on their progress to JLBC by June 5, 2020, for purposes of further Committee guidance at the June JLBC meeting.*

**ATTORNEY GENERAL (AG) - Review of Peace Officers Memorial Fund Transfer and Expenditure Plan.**

An FY 2020 General Appropriation Act footnote requires the AG to submit for Committee review its expenditure plan for the \$1.0 million appropriation to the Arizona Peace Officer Memorial. The AG provided its plan. The JLBC Staff provided options and a potential provision:

- A. *The Attorney General will return to the Committee for further review if any monies are expended on a purpose other than the Peace Officers Memorial.*

**DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2020 Quarterly Benchmarks.**

An FY 2020 General Appropriation Act footnote requires DCS to submit for Committee review a quarterly report on benchmarks for assessing progress made in increasing the department's number of FTE Positions, meeting caseload standards for caseworkers, reducing the number of backlog cases and open reports, and reducing the number of children in out-of-home care. DCS submitted its first and second quarter benchmark reports for review. The JLBC Staff provided options.

**DEPARTMENT OF CHILD SAFETY (DCS) - Review of FY 2020 Line Item Transfers.**

Pursuant to a footnote in the FY 2020 General Appropriation Act, DCS requested Committee review the following transfers of Child Safety Expenditure Authority in FY 2020:

- \$7,050,000 into the Congregate Group Care line item.
- \$5,000,000 into the Foster Home Recruitment, Study and Supervision (HRSS) line item.
- \$(5,050,000) out of the Caseworkers line item.
- \$(3,000,000) out of the Out-of-Home Support Services line item.
- \$(2,000,000) out of the Training Resources line item.
- \$(2,000,000) out of the Overtime line item.

The JLBC Staff provided options and a potential provision:

- A. *The Department of Child Safety shall report to JLBC on or before June 30, 2020 on the department's efforts to obtain reimbursement from the Coronavirus Relief Fund for the temporary group home rate increase implemented in March 2020 in response to statewide school closures associated with the COVID-19 pandemic.*

**ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2020 Third Quarter Correctional Officer Staffing Report.**

An FY 2020 General Appropriation Act footnote requires ADC to submit for Committee review a quarterly report detailing correctional officers staffing levels. ADC provided its third quarter report. The JLBC Staff provided options.

**ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2020 Proposed Bed Capacity Changes.**

An FY 2020 General Appropriation Act footnote requires ADC to submit for Committee review a report detailing proposed bed capacity changes in FY 2020. The Committee had previously reviewed ADC's reports at its September and December meetings. ADC requested the Committee review further revised FY 2020 changes. The JLBC Staff provided options.

**DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Developmental Disabilities Line Item Transfers.**

Pursuant to an FY 2020 General Appropriation Act footnote, before transferring any funds into or out of certain Division of Developmental Disabilities (DDD) line items, DES must submit a report for review by the Committee. DES requested Committee review an FY 2020 transfer of \$5,100,000 of Long Term Care System monies out of the DDD Administration line item to the DDD Premium Tax line item. The JLBC Staff provided options.

**DEPARTMENT OF EDUCATION (ADE) - Review of AIMS Science Contract Renewal.**

Pursuant to A.R.S. § 15-741.03, ADE requested Committee review of its contract renewal for the statewide assessment in science. The JLBC Staff provided options.

**DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Motor Vehicle Modernization (MvM) Project Annual Progress Report.**

An FY 2020 General Appropriation Act footnote requires ADOT to submit for Committee review its annual progress report on the Motor Vehicle Modernization (MvM) Project. ADOT submitted its most recent annual report. The JLBC Staff provided options and a potential provision:

- A. *On or before July 31, 2020, ADOT shall submit to the Joint Legislative Budget Committee a report detailing revenue estimates for FY 2019, FY 2020, and FY 2021 for the ServiceArizona vendor's fee retention. This report shall categorize the revenue as ServiceArizona retention, AZ MVD Now retention or any other retention and detail the revenue according to where it is deposited, including the ADOT Technology Reserve Fund, ADOT Portal Enhancement Fund, or any other ServiceArizona vendor accounts. The same report shall be submitted on July 31, 2021 for FY 2020 - FY 2022 revenue estimates.*

*Representative Friese moved that agenda items 3A and 3B relating to the Department of Corrections staffing report and proposed bed capacity changes be removed from the consent agenda. Furthermore, I move that in adopting a favorable or unfavorable review on these items, that the Committee consider an additional option to schedule a special JLBC hearing for next Wednesday, May 6 at 1:30 p.m., in order to discuss in detail the specific actions the agency is taking to address the COVID-19 pandemic for Arizona's prison population and correctional officers.*

*Senator Livingston made a substitute motion that the Committee provide a favorable review to the consent agenda as scheduled with the JLBC Staff provisions. The substitute motion passed by a roll call vote of 9-6-0-1. (Attachment 1)*

## EXECUTIVE SESSION

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

At 2:12 p.m. the Joint Legislative Budget Committee went into Executive Session.

Representative Cobb moved that the Committee reconvene into open session. The motion carried.

At 4:00 p.m. the Committee reconvened into open session.

### **Arizona Department of Administration (ADOA) - Review for Committee the Planned Contribution Strategy for State Employee and Retiree Medical and Dental Plans Under A.R.S. § 38-658A.**

Representative Cobb moved that the Committee give a favorable review to the planned contribution strategy for state employee and retiree medical plans with the following provisions:

- A. ADOA shall report to the JLBC within 10 days of signing the health plan contracts on the networks selected and the number of providers in each tier by county.
- B. ADOA shall report within 10 days of signing the Pharmacy Benefits Manager contract on any changes to the prescription drug formulary and the anticipated costs or savings to the Health Insurance Trust Fund.

The motion carried.

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

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

- *Miller v. State of Arizona, et al.*
- *DeGroote v. State of Arizona, et al.*
- *Claim of Chrystal Angotti*

The motion carried.

Without objection, the meeting adjourned at 4:04 p.m.

Respectfully submitted:



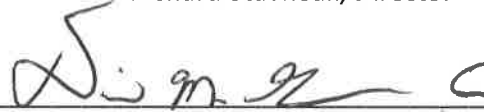
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Kristy Paddack, Secretary



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Richard Stavneak, Director



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Senator David Gowan, 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>

# JOINT LEGISLATIVE BUDGET COMMITTEE

Meeting Date: 4/29/20

ITEM# Substitute motion on 3A & 3b

ITEM#     

	<u>PRESENT</u>	<u>ABSENT</u>	<u>PASS</u>	<u>AYE</u>	<u>NAY</u>	<u>PRESENT</u>	<u>ABSENT</u>
SEN. ALSTON	/	—			/		
SEN. BOWIE	/	—			/		
REP. ESPINOZA	/	—			/		
REP. FERNANDEZ	/	—			/		
REP. FRIESE	/	—			/		
SEN. GRAY	/	—		/			
REP. KAVANAGH	/	—		/			
SEN. LEACH	/	—		/			
SEN. LIVINGSTON	/	—		/			
SEN. MESNARD	—	/					/
SEN. OTONDO	/	—			/		
REP. PETERSEN	/	—		/			
REP. ROBERTS	/	—		/			
REP. TOMA	/	—		/			
REP. COBB	/	—		/			
SEN. GOWAN	/	—		/			
<b>TOTALS</b>	<u>15</u>	<u>1</u>	<u>0</u>	<u>9</u>	<u>6</u>	<u>0</u>	<u>1</u>

	<u>PASS</u>	<u>AYE</u>	<u>NAY</u>	<u>PRESENT</u>	<u>ABSENT</u>
SEN. ALSTON					
SEN. BOWIE					
REP. ESPINOZA					
REP. FERNANDEZ					
REP. FRIESE					
SEN. GRAY					
REP. KAVANAGH					
SEN. LEACH					
SEN. LIVINGSTON					
SEN. MESNARD					
SEN. OTONDO					
REP. PETERSEN					
REP. ROBERTS					
REP. TOMA					
REP. COBB					
REP. GOWAN					
<b>TOTALS</b>	—	—	—	—	—