The Chairman called the meeting to order at 1:02 p.m., Tuesday, August 20, 2013, in House Hearing Room 4. The following were present:

Members: 
- Representative Kavanagh, Chairman
- Representative Gowan
- Representative Kwasman
- Representative Lesko
- Representative Olson
- Representative Ugenti

Absent: 
- Representative Alston
- Representative Mach

Senator Shooter, Vice-Chairman
Senator Cajero Bedford
Senator Griffin
Senator McComish
Senator Melvin
Senator Pancrazi
Senator Tovar

Senator Yarbrough

APPROVAL OF MINUTES
Hearing no objections from the members of the Committee to the minutes of June 11, 2013, Chairman John Kavanagh stated that the minutes would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Automation Projects Fund

A. ADOA - Review of ASET Projects.

Mr. Ben Henderson, JLBC Staff, stated that this item is for review of a $3.5 million expenditure plan from the Automation Projects Fund for information technology (IT) projects for the Arizona Strategic Enterprise Technology (ASET) Office in ADOA.

Mr. Aaron Sandeen, Deputy Director, Arizona Department of Administration addressed the Committee.

Senator Shooter moved that the Committee give a favorable review of the FY 2014 $3.5 million expenditure plan from the Automation Projects Fund for information technology (IT) projects for the Arizona Strategic Enterprise Technology (ASET) Office in ADOA. The $3.5 million includes:

(Continued)
The motion carried.

B. ADOA/Arizona Department of Corrections - Review of Adult Inmate Management System.

Mr. Ben Henderson, JLBC Staff, stated that this item is for review of an $8.0 million expenditure plan from the Automation Projects Fund for information technology (IT) projects to replace the Adult Inmate Management System at the Arizona Department of Corrections.

Mr. Aaron Sandeen, Deputy Director, Arizona Department of Administration responded to Committee questions.

Mr. Michael Kearns, Administrative Director, Department of Corrections, responded to Committee questions.

Mr. Jonathan Taylor, Vice President, Public Consulting Group, responded to Committee questions.

Senator Shooter moved that the Committee give a favorable review of the $8.0 million FY 2014 expenditures from the Automation Projects Fund for information technology (IT) projects to replace the Adult Inmate Management System at ADC with the following provisions:

1. The Request for Proposal (RFP) for the proposed system shall only be issued upon agreement between ADC and ASET regarding the technology requirements and evaluation process identified in the Statement of Work.

2. ADC may not award the solicitation until an updated Project Investment Justification (PIJ) reflecting the results of its evaluation, including the selected technology approach, scope of work, implementation schedule, and detailed itemization of the development and operational costs for the project, has been submitted for review to ASET and approved by the Information Technology Authorization Committee (ITAC), in Executive Session if applicable.

3. ADC shall retain the services of the vendor currently engaged as an Independent Advisory Consultant (IAC) to assist in the development of the RFP, for the duration of the solicitation process. Costs to retain the current vendor, or other qualified vendor, as an IAC for the duration of the project, must be reflected in the updated PIJ.

The motion carried.

C. ADOA/Arizona Department of Education (ADE) - Review of Arizona Education Learning and Accountability System.

Mr. Ben Henderson, JLBC Staff, stated that this item is for review of a $3.4 million expenditure plan from the Automation Projects Fund for 3 projects related to the Arizona Learning and Accountability System (AELAS) at the ADE.

Senator Shooter moved that the Committee give a favorable review of the $3.4 million FY 2014 expenditure plan from the Automation Projects Fund for 3 projects related to the development of AELAS at ADE. The 3 projects include:

(Continued)
AELAS - Education Data Fidelity (Ed-Fi) $1,600,000
Program Support Office $1,000,000
AELAS - School Finance Automation $800,000

In addition, the Committee added the following provisions as part of its review:

1. ADE may proceed with the assessment phase of the AELAS “Education Data Fidelity” project to determine the data collection requirements, business processes, technical approach, and legal requirements to implement a compliant student data store. Costs are not to exceed $630,000 for the assessment phase, and ADE may not proceed with additional development efforts, until a full PIJ reflecting the technology, scope of work, costs and implementation schedule for the proposed solution has been submitted to ASET and ITAC for review and approval.

2. ADE must present information to ITAC regarding an upcoming Organization Entity Management PIJ, as a component of the AELAS Education Data Fidelity initiative, prior to proceeding beyond an assessment phase which is not expected to exceed $90,000 in cost.

3. ADE shall return to the Committee for additional review of the “Education Data Fidelity” project if ASET raises serious concerns when reviewing its upcoming full PIJ for the $920,000 development cost.

4. ADE may proceed with the design, development and implementation of the proposed solution related to the AELAS School Finance automation project; however, should there be significant differences in the scope of work, costs, implementation schedule, or proposed technology, ADE must amend the PIJ for the project to reflect the changes and submit it to the ASET office for review and approval prior to further expenditure of funds.

5. ADE shall present results of the pending third party analysis of AELAS for review at the next Committee meeting.

The motion carried.


Ms. Micaela Larkin, JLBC Staff, stated that this is for a review of the Arizona Department of Corrections (ADC) FY 2013 bed capacity report. The JLBC Staff presented options to the Committee and answered questions from members.

Mr. Chuck Ryan, Director, ADC, responded to member questions.

Senator Shooter moved that the Committee give a favorable review of the FY 2013 bed capacity report. The motion carried.


Mr. Matt Gress, JLBC Staff, stated that the Attorney General’s (AG) office is requesting review of their uncollectible debts report. After a period of time the Attorney General determines that some debts that are owed to the state are uncollectible and upon the Committee’s review these can be removed from the state accounting system. The Attorney General identified $17.2 million of uncollectible debt in FY 2011 and $30.4 million in FY 2012.

The JLBC Staff presented options to the Committee.

(Continued)
Representative Gowen moved that the Committee give a favorable review of the FY 2011 and FY 2012 listings of uncollectible debts referred to the AG by state agencies for collection. The uncollectible debt listings total $17.2 million for FY 2011 and $30.4 million for FY 2012. The motion carried.

ARIZONA BOARD OF REGENTS - Review of FY 2014 Tuition Revenues.

Mr. Art Smith, JLBC Staff, stated that Arizona Board of Regents (ABOR) requests Committee review of its expenditure plan for tuition revenue amounts greater than the amounts appropriated by the Legislature, and all non-appropriated tuition and fee revenue expenditures for the current fiscal year.

The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review of ABOR’s expenditure plan. The motion carried.


Ms. Micaela Larkin, JLBC Staff, stated that the Department of Environmental Quality (DEQ) requests Committee review of proposed modifications or amendments to the Vehicle Emissions Inspection Contract with a private vendor.

Mr. Trevor Baggiore, Deputy Director, Air Quality Division, Department of Environmental Quality responded to member questions.

Senator Shooter moved that the Committee give a favorable review to the Vehicle Emissions Inspection contract modifications. The motion carried.

EXECUTIVE SESSION

Senator Shooter moved that the Committee go into Executive Session. The motion carried.

At 2:10 p.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 2:38 p.m. the Committee reconvened into open session.

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


The motion carried.

(Continued)
Without objection, the meeting adjourned at 2:40 p.m.

Respectfully submitted:

Tera Scherer, Secretary

Richard Stavneak, Director

Representative John Kavanagh, 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.