

STATE OF ARIZONA

## Joint Legislative Budget Committee

STATE  
SENATE

RUSSELL K. PEARCE  
CHAIRMAN 2010  
PAULA ABOUD  
AMANDA AGUIRRE  
DAVID BRASWELL  
CHUCK GRAY  
JACK HARPER  
STEVE PIERCE  
REBECCA RIOS

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

<http://www.azleg.gov/jlbc.htm>

HOUSE OF  
REPRESENTATIVES

JOHN KAVANAGH  
CHAIRMAN 2009  
ANDY BIGGS  
OLIVIA CAJERO BEDFORD  
CLOVES C. CAMPBELL, JR.  
MATT HEINZ  
JOHN MCCOMISH  
RICK MURPHY  
VIC WILLIAMS

### MINUTES OF THE MEETING

#### JOINT LEGISLATIVE BUDGET COMMITTEE

October 6, 2010

---

The Chairman called the meeting to order at 9:45 a.m., Wednesday, October 6, 2010, in Senate Appropriations Room 109. The following were present:

Members:	Senator Pearce, Chairman Senator Braswell Senator Gray Senator Harper	Representative Kavanagh, Vice-Chairman Representative Cajero Bedford Representative Campbell Representative Heinz Representative McComish Representative Murphy
Absent:	Senator Aboud Senator Aguirre Senator Pierce Senator Rios	Representative Biggs Representative Williams

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of August 11, 2010, Chairman Russell Pearce stated that the minutes would stand approved.

#### AHCCCS/DEPARTMENT OF HEALTH SERVICES - Review of Proposed Capitation Rate Changes.

This item was held.

#### ARIZONA BOARD OF REGENTS - Review of FY 2011 Tuition Revenues.

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is a review of the Arizona Board of Regents FY 2011 tuition collections, which is required by a footnote in the FY 2011 General Appropriation Act. The JLBC Staff presented options to the Committee.

Ms. Christy Farley, Vice President, Government Affairs, Northern Arizona University, responded to member questions.

(Continued)

*Representative McComish moved that the Committee give an unfavorable review to the Arizona Board of Regents FY 2011 tuition revenues. The motion carried.*

**ATTORNEY GENERAL - Review of Allocation of Settlement Monies.**

Ms. Marge Zylla, JLBC Staff, stated that this item is a review of the allocation of settlement monies for a total of \$809,500 from 2 settlements: 1) a \$300,000 allocation resulting from mediation as part of ongoing Average Wholesale Price (AWP) litigation with pharmaceutical companies, of which \$273,000 will be deposited into the Consumer Protection-Consumer Fraud Revolving Fund; and 2) a \$509,500 settlement with several vitamin manufacturers, \$50,900 of which will be deposited into the Antitrust Enforcement Revolving Fund and \$458,500 that will be distributed to the Arizona Association of Food Banks (AAFB). The JLBC Staff recommended a favorable review.

*Representative McComish moved that the Committee give a favorable review to the Attorney General's allocation plans of settlement monies totaling \$809,500. The motion carried.*

**GOVERNMENT INFORMATION TECHNOLOGY AGENCY - Review of Arizona Public Safety Communication Advisory Commission.**

Mr. Ted Nelson, JLBC Staff, stated that this item is a review of the Government Information Technology Agency's (GITA's) fourth quarter report of expenditures and progress for the statewide interoperability design project. GITA's Public Safety Interoperable Communications Office also submitted its plan for the use of \$2.2 million in FY 2007-2008 anti-racketeering funds. The JLBC Staff presented options to the Committee.

Mr. Greg Wilkerson, City Administrator for the City of Yuma, responded to member questions.

*Representative McComish moved that the Committee give a favorable review to GITA's FY 2010 fourth quarter report as well as their plan for use of the \$2.2 million in anti-racketeering funds. The Committee would like GITA's next project review after the fourth quarter of FY 2011. The fourth quarter report will focus on GITA's accomplishments throughout FY 2011. The motion carried.*

**ARIZONA DEPARTMENT OF ADMINISTRATION - Review of Risk Management Deductible.**

Mr. Juan Beltran, JLBC Staff, stated that this item is a review of the Arizona Department of Administration's (ADOA) continuation of the current \$10,000 risk management deductible.

*Representative McComish moved that the Committee give a favorable review to ADOA continuing the risk management deductible at its current \$10,000 statutory cap, and recommended that the Legislature consider raising the cap. The motion carried.*

**EXECUTIVE SESSION**

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

At 11:04 am. the Joint Legislative Budget Committee went into Executive Session.

*Representative Kavanagh moved that the Committee reconvene into open session. The motion carried.*  
At 11:28 a.m. the Committee reconvened into open session.

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

*Representative Kavanagh moved that the Committee approve the recommended settlement proposal by the Attorney General's Office in the case of Corbett v. State of Arizona. The motion carried.*

**B. Arizona Department of Administration - Risk Management Annual Report.**

This item was for information only and no Committee action was required.

Without objection, the meeting adjourned at 11:30 a.m.

Respectfully submitted:

---

Sandy Schumacher, Secretary

---

Richard Stavneak, Director

---

Senator Russell Pearce, Chairman