

STATE OF ARIZONA

**Joint Legislative Budget Committee**

STATE  
SENATE

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**MINUTES OF THE MEETING**

**JOINT LEGISLATIVE BUDGET COMMITTEE**

November 13, 2008

The Chairman called the meeting to order at 9:40 a.m., Thursday, November 13, 2008, in Senate Appropriations Room 109. The following were present:

Members:	Senator Burns, Chairman	Representative Pearce, Vice-Chairman
	Senator Garcia	Representative Adams
	Senator Harper	Representative Biggs
	Senator Verschoor	Representative Boone
	Senator Waring	Representative Yarbrough
Absent:	Senator Aboud	Representative Cajero Bedford
	Senator Aguirre	Representative Lopez
		Representative Rios

**APPROVAL OF MINUTES**

Hearing no objections from the members of the Committee to the minutes of October 2, 2008, Chairman Burns stated that the minutes would be approved.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) - Review of Proposed Acute Care and ALTCS Capitation Rate Changes.**

Ms. Amy Upston, JLBC Staff, stated this item is a review of the capitation rates for AHCCCS' Acute Care and Long Term Care programs. Using budgeted caseload growth, JLBC Staff expects that these 2 programs will cost the General Fund approximately \$27 million more than what was budgeted for the programs. The Committee has at least 2 options: 1) a favorable review since the proposed rates are a combination of actuarial inflation adjustments and legislatively authorized policy changes, or 2) an unfavorable review since the proposed rates are higher than the budgeted amount.

Mr. Tom Betlach, Deputy Director, AHCCCS, responded to member questions.

The Committee requested information on how much money is spent on transporting patients for non-emergencies. They would also like to know the federal requirements for transporting these patients.

*Representative Pearce moved that the Committee give a favorable review of the proposed changes of the Acute Care and Long Term Care programs as the proposed rates are a combination of actuarial inflation adjustments and legislatively authorized policy changes. These policy changes may need to be reconsidered in the future. The motion carried.*

(Continued)

**JLBC STAFF - Consider Approval of Index for School Facilities Board Construction Costs.**

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is an approval of the cost index for the School Facilities Board (SFB) new school construction and building renewal formula amounts. Statute requires the Committee to at least annually adopt an inflation adjustment for these 2 formula amounts.

Mr. Dean Gray, Deputy Director, Facilities, School Facilities Board, responded to member questions.

*Representative Pearce moved that the Committee approve a 1.98% increase in the cost-per-square-foot factors excluding the implementation of FDK capital costs. The motion carried.*

**ARIZONA BOARD OF REGENTS - Review of FY 2009 Tuition Revenues.**

Ms. Leah Kritzer, JLBC Staff, stated that this item is Arizona Board of Regents (ABOR) report on tuition revenues for FY 2009. Every year the universities are required by statute to estimate tuition collections for the next year using the current year's tuition rate. The FY 2009 appropriated tuition collections were estimated using FY 2008 tuition rates; therefore, the FY 2009 systemwide tuition increases were not reflected in the original appropriated amount. The Committee has at least the following 2 options: 1) a favorable review, or 2) an unfavorable review, as additional tuition revenues may be needed to offset any university reductions to reduce the FY 2009 budget shortfall.

Ms. Sandra Woodley, Chief Financial Officer, ABOR, responded to member questions.

*Representative Pearce moved that the Committee give an unfavorable review to ABOR's expenditure plan for tuition revenue amounts greater than the amounts appropriated by the Legislature and all retained tuition and fee revenue expenditure for the current fiscal year. The motion carried.*

**STATE COMPENSATION FUND - Consider Approval of Calendar Year 2009 and 2010 Budgets.**

Ms. Caitlin Acker, JLBC Staff, stated that the State Compensation Fund (SCF) budget is \$142.1 million for Calendar Year (CY) 2009 and \$146.4 million for CY 2010. Currently, statute requires Committee approval of this budget. The Committee has at least 2 options: 1) approve the submitted budget, or 2) take no action.

Mr. Brent Nelson, Chief Financial Officer, State Compensation Fund responded to member questions.

Mr. Rick DeGraw, Senior Vice President, State Compensation Fund, responded to member questions.

*Representative Pearce moved that the Committee take no action on SCF's CY 2009 and CY 2010 Budgets. The motion carried.*

Without objection, the meeting adjourned at 10:52 a.m.

Respectfully submitted:

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Sandy Schumacher, Secretary

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Richard Stavneak, Director

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Senator Bob Burns, 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>.