The Chairman called the meeting to order at 9:40 a.m., Tuesday, November 29, 2005, in House Hearing Room 4. The following were present:

Members: Representative Pearce, Chairman Senator Burns, Vice-Chairman
Representative Biggs Senator Cannell
Representative Boone Senator Garcia
Representative Burton Cahill Senator Harper
Representative Huffman Senator Martin
Representative Tully Senator Waring

Absent: Representative Gorman Senator Arzberger
Representative Lopez Senator Bee

APPROVAL OF MINUTES

Representative Pearce moved that the Committee approve the minutes of October 26, 2005. The motion carried.


Mr. Martin Lorenzo, JLBC Staff, said in the first quarter PSCC expenditures totaled $160,200 of nearly $4.3 million in available funding. Of the $4.3 million, $3 million is non-lapsing. Additionally, DPS hired 1 of 3 engineering positions bringing their total staff to 6 of 9 positions. A timeline developed by PSCC targets the establishment of a financing and development plan for the system by July 2008. With regard to their updated timeline, they have begun to draft operational policies and procedures as well as minimum equipment standards and guidelines for mobile radios. At the last JLBC meeting, the Committee requested further information regarding the Department of Emergency and Military Affairs (DEMA) short-term project and the extent of the PSCC’s involvement. As a result, the PSCC has indicated that they are providing technical oversight and direction to DEMA on the short-term interoperability solution, which is expansion of the current Arizona emergency radio system. Current plans include the repair and expansion of the system. The system will expand by 35 sites and the PSCC and DEMA estimate deploying a pilot project in Coconino County in late 2005.

Representative Pearce noted that DPS is working with Homeland Security to get approximately $1.6 million to upgrade DPS’ microwave communication system and towers and asked if that is a done deal.

Mr. Curt Knight, Department of Public Safety, said there was discussion of Homeland Security authorizing $1.6 million for DPS to use towards the beginning of the microwave replacement. He said that until recently they were not sure if they could use those monies to actually enter into a lease-purchase agreement. They thought they could use it
Representative Pearce expressed his concern as to how the Homeland Security money is expended. He wants to see it used for security and protection of dams, Palo Verde and facilities like that.

Senator Burns said that DEMA and DPS are working to achieve interoperability short-term and asked Mr. Knight to update them on how that is going.

Mr. Knight said that item was to revitalize or repair the original interagency radio system. It was deployed nearly 30 years ago as some of the early phases of addressing this problem, which was how do the Sheriff’s office and DPS communicate. That system was never fully deployed, only in about 17 remote communication sites and was not part of the plan that was regularly used. It was recognized as still a plausible solution in the short-term. The 17 sites that were deployed need to be revitalized as well as an additional 30 sites across the state. The Division of Emergency Management has issued purchase orders for equipment for 33 of the 47 total sites. With the early purchases, a pilot project is being deployed in the Coconino area. Some exercises are expected in mid December 2005 to prove the concept of the technology and to exercise some of the policies and procedures that are being worked on.

Senator Burns asked how the short-term items can be phased into the long-term items.

Mr. Knight said that they will be able to work the 2 together. That was one of the reasons they thought the PSCC should back this short-term effort that DEMA was going forward with. They see it as a bridge into the future. They are still going to need some bridge between legacy systems and whatever the new system is. All the jurisdictions that will participate will be in a different funding cycle. Some will take longer to decide to participate in the long-term solution.

Senator Burns noted that Graham and Greenlee Counties are working on a joint interoperability system. He asked if there are other local areas working on these same things.

Mr. Knight said there are and in addition, there are several models, nationwide, on how a state would deploy an interoperable solution. Some would be where the state starts it up and encourages local jurisdictions to participate. Another model would be for local jurisdictions, that for a number of reasons are advanced from the state as far as providing a solution, would deploy these individual solutions but with some common standards. In the long run, maybe the state’s job would be to fill in the blanks between those jurisdictions and provide the conductivity in what will be the microwave replacement solution. That would link these individual solutions together.

Representative Pearce asked if there is compensation for jurisdictions that get involved in the early stages and provide funding and then another jurisdiction comes in much later and is able to take advantage of what is in place and been paid for.

Mr. Knight said he did not have a good answer for that. They are aware of it and think that it is something where a government structure should be established.

Senator Burns said when they talk about local jurisdictions planning and putting together those systems, he thought the PSCC was put in place to develop a statewide program. Funding was in place for that effort based on a workload that covered the entire project. He asked if local jurisdictions are picking up some of that, does that mean that the funding will actually be less than was made available.

Mr. Knight said that the funding level that is in place is just essentially planning money and possibly a small pilot project. There have been several numbers quoted as far as what the total bill might be. The possibility exists that because some of the jurisdictions such as Yuma or Greenlee County have already deployed the system, the total cost might be lower. At this point, he does not believe they are overfunded.

Representative Huffman commented that he has worked with them over the past year in trying to figure this out. He said they are going to be introducing some legislation that deals with what he considers the state’s responsibility and that is the microwave backbone. No matter what the local communities are doing they are going to have to have that linkage so all the entities can work with each other. It would be hard to get voters to vote for a bond issue for
something that may extend outside their geographical boundaries. He feels the state should be involved and the legislation specifically instructs them to seek funding from Homeland Security and federal funding and then to return any monies that the state appropriates to offset what they get from the federal government. The Legislature needs to go forward on this and give them the authority for the lease-purchase agreement.

Senator Burns moved that the Committee give a favorable review as recommended by the JLBC Staff to approve the FY 2006 first quarter expenditures and progress for the statewide interoperability design project. The motion carried.

EXECUTIVE SESSION

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

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

At 10:00 a.m. the Joint Legislative Budget Committee went into Executive Session.

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

At 12:00 p.m. the Committee reconvened into open session.

Senator Burns moved that the Committee approve the recommended settlement proposal by the Attorney General’s Office in the case of Lyftogt v. State of Arizona. The motion failed by a roll call vote of 4-6-0-6 (Attachment A).

Senator Burns moved that the Committee approve the recommended settlement proposal by the Attorney General’s Office in the case of Alexander v. State of Arizona. The motion failed by a roll call vote of 4-6-0-6 (Attachment A).

B. Annual Performance Review and Consideration of JLBC Staff Director Salary under Rule 7 and A.R.S. § 38-431.03.

Senator Burns moved that the Committee approve the recommended salary adjustment of $7,800 for the JLBC Staff Director. The motion carried.

Chairman Pearce adjourned the meeting at 12:07 p.m.

Respectfully submitted:

________________________________________________
Cheryl Kestner, Secretary

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Richard Stavneak, Director

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Representative Russell Pearce, Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 West Adams.