

JLBC MEETING

At its June 18, 2019 meeting, the Joint Legislative Budget Committee considered the following issues:

Executive Session

Arizona Department of Administration – Risk Management Services - Consideration of Proposed Settlements – The Committee approved several settlements under Rule 14, which requires Committee approval of Risk Management settlements above \$250,000 pursuant to A.R.S. § 41-621(N).

Arizona Department of Administration – Review for Committee the Planned Contribution Strategy for State Employee and Retiree Medical and Dental Plans Under A.R.S. § 38-658A – The Committee received the report of the planned contribution strategy for the state employee and retiree medical and dental plans and took no further action.

Regular Agenda

Arizona Department of Corrections – Review of Inmate Health Care Per Diem Rate Change – The Committee gave a favorable review of the expenditure plan for inmate care contract services. The FY 2020 budget included a \$31 million increase in the FY 2020 budget to implement the new contract. The favorable review included a reporting provision on future contract changes.

Arizona Department of Corrections – Review of Adult Inmate Management System Expenditures – The Committee gave an unfavorable review of the expenditure plan for the Adult Inmate Management System (AIMS). ADC plans to expend \$6.9 million above the budgeted \$24.0 million cost of the project. The unfavorable review included provisions with reporting requirements.

Department of Public Safety – Review of Expenditure Plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount – The Committee gave a favorable review of the expenditure plan to distribute \$1.3 million of the \$2.4 million FY 2020 appropriation from the Subaccount to continue to fund 3 existing programs: Detention Liaison Officer Program, Border County Officers, and Border Crimes Unit. DPS plans to submit an allocation plan for the remaining amount at a later date. The favorable review included reporting requirements.

Secretary of State – Review of Expenditure Plan for Help America Vote Act (HAVA) Projects – The Committee gave a favorable review of a HAVA expenditure plan of up to \$4.7 million in FY 2020. The favorable review included provisions with reporting requirements.

Office of Tourism – Certification of Expenditures Related to ISM Raceway Renovations – The Committee certified the expenditure of at least \$100.0 million related to the ISM Raceway Renovation Project in Avondale. If \$100.0 million is expended on raceway repairs, statute annually appropriates \$1.5 million to the Office of Tourism. The funds are used to promote a sporting event at the host facility.

Consent Agenda

Arizona Department of Administration – Review of Arizona Financial Information System (AFIS) Transaction Fee – The Committee gave a favorable review of the proposed 34-cent transaction fee charged to state agencies for the operation of AFIS. The existing transaction fee is 32.9 cents.

Attorney General – Review of Uncollectible Debts – The Committee gave a favorable review of the AG's FY 2019 list of \$31.2 million in uncollectible debt.

Arizona Criminal Justice Commission – Review of Edward Byrne Memorial Justice Assistance Grant Application – The Committee gave a favorable review of the Edward Byrne Memorial Justice Assistance Grant federal application with the provision requiring ACJC to submit a preliminary proposal to the Committee by May 15, 2020 if the federal guidelines have not yet been received for 2020.

Department of Economic Security – Review of Developmental Disabilities Line Item Transfers – The Committee gave a favorable review the retroactive transfer of \$3.5 million of Long Term Care System Fund monies out of the FY 2018 Home and Community Based Services – Medicaid line item.

Arizona Department of Education – Review of AzMERIT Contract Renewal – The Committee gave a favorable review to extend the current AzMERIT contract for 2 more years through FY 2021.

Arizona Department of Education – Review of Career Technical Education District Annual Report – The Committee gave a favorable review of ADE's JTED quarterly report. The favorable review included changes to reporting requirements.

Department of Environmental Quality – Review of Amendment to the Vehicle Emissions Inspection Contract – The Committee gave a favorable review of the amendment to extend the Vehicle Emissions Inspection contract by 1 year through FY 2021.

Department of Transportation – Review of Motor Vehicle Modernization (MvM) Project Annual Progress Report – The Committee gave a favorable review of the update to the annual progress report, which included changes to the revenue sharing agreement with ADOT's MvM vendor. The favorable review included reporting requirements.