

JLBC MEETING

At its July August 24th meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Administration – Review of Risk Management Deductible – The Committee gave a favorable review to the Department of Administration’s (DOA) continuation of the current \$10,000 deductible charged to agencies for property, liability or worker’s compensation losses.

Department of Transportation – Review of Third Party Quality Assurance Report – The Committee gave a favorable review to the Department of Transportation’s Third Party Quality Assurance Report, and requested ADOT to include the status of the 118 third parties that had previously been listed on the waiting list. The Third Parties Program includes 2 types of entities, both of which are commonly called third parties. First are entities who fall under the third party statutes and serve as contract agents in doing MVD work, such as title and registration transactions, driver license applications, driver license examiners, vehicle inspections, and 1 internet and telephone interactive voice response system provider (ServiceArizona). The second type of third parties are entities for whom MVD provides oversight of work that is not MVD work, such as driver training schools and traffic survival schools.

Department of Economic Security – Review of Proposed Implementation of Developmental Disabilities Provider Rate Increase – The Committee gave a favorable review to the Department of Economic Security’s plan for distributing a developmental disabilities provider rate increase totaling about \$8.2 million General Fund and \$21.8 million in Total Funds. According to the plan, all rates meet the requirements of the General Appropriation Act and will be at least 100% of the DES revised benchmark rates. The Committee further requested that DES 1) notify the Committee of all future statewide provider rate adjustments in advance of their implementation, along with information on the budgetary impact; and 2) report to the Committee by October 31, 2006 on its recommendations for an inflationary index to be used when adjusting the benchmarks.

Department of Economic Security – Review of Long Term Care Capitation Rate Changes – The Committee gave a favorable review to the Department of Economic Security’s capitation rate adjustments in the federal Title XIX Long Term Care (LTC) Program with the provision that the favorable review does not constitute an endorsement of a

supplemental request. The proposed rates are 5.8% above FY 2006 rates and could potentially cost the General Fund between \$3 million to \$4 million in FY 2007. Caseloads for this population are below appropriated levels, and further reductions could offset this potential cost.

Department of Public Safety– Quarterly Review of the Arizona Public Safety Communications Advisory Commission – The Committee gave a favorable review to the Department of Public Safety’s (DPS) FY 2006 fourth quarter expenditures and progress report for the statewide interoperability design project. Fourth quarter expenditures totaled approximately \$200,000. Of the amounts expended, approximately \$170,000 was on personal services and employee related expenditures.