

JLBC MEETING

At its November 25th meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Economic Security – The JLBC heard testimony to determine adjustments on the General Assistance (GA) program due to a projected insufficiency of funds in the program for FY 2003. The GA program provides financial assistance to persons who are unemployable because of a physical or mental disability. The options include running the program until it has exhausted all funding, implementing a waiting list, reducing benefits to some clients more than others, and keeping full benefits for the first few months but then phasing out benefits. The JLBC did not take action on this item.

Arizona Learning Systems/Community Colleges – The JLBC heard testimony on the options to direct the disbursement of the state-funded Arizona Learning Systems (ALS) equipment. ALS was a consortium of Arizona's 10 community college districts to promote distance learning across district boundaries using Internet, interactive video-conferencing (ITV), and other technologies. Pursuant to a General Appropriations Act footnote, ALS terminated at the end of August 2002. The state-funded assets include 10 sets of video and telecommunications equipment and hub equipment. The options include allowing the community college districts to retain the equipment, transferring the equipment to the University of Arizona Health Sciences Center for collaborative use by the Arizona University System, and selling the equipment. The JLBC deferred action on this item.

Department of Revenue – The JLBC approved the estimated expenditure plan of \$27.6 million for the 5-year administrative expenses for the Ladewig litigation involving income tax refunds for out-of-state corporate dividends. The Committee also approved \$7.5 million for administrative costs in FY 2003. This fully funds the estimated administrative costs of \$13.5 million in FY 2003 when added to the \$6 million which the Committee approved at October's meeting. A new statutory allocation for administrative and settlement costs will be needed for each ensuing fiscal year beginning with FY 2004. In addition, the Committee will give final approval of DOR's administrative costs related to the Ladewig litigation on an annual basis. Due to pending litigation, the details of the case were discussed in Executive Session.

Other Reports – The JLBC received written reports this month on 1) Arizona Department of

Administration's use of alternative fuels and clean burning fuels, 2) State Board of Directors for Community Colleges tuition and fees charged by community college districts, 3) Department of Economic Security Developmental Disabilities Title XIX reimbursement rates, 4) Department of Economic Security cost of care collections in Developmental Disabilities Program 5) Department of Economic Security annual child care expenditures, 6) Arizona Department of Education/JLBC Staff Technology Assisted Project-Based Instruction Program, 7) Department of Health Services Assurance and Licensure backlogs, 8) Department of Health Services Behavioral Health Title XIX reimbursement rates, 9) Arizona Historical Society expenditures of non-appropriated funds, and 10) Department of Racing Boxing events and revenue.