

JLBC MEETING

At its September 19th meeting, the Joint Legislative Budget Committee considered the following issues:

AHCCCS – The JLBC favorably reviewed an average 4% increase in capitation rates in payments to health plans with a cost of approximately \$15 million to the General Fund. These “capitation” rate increases are lower than the budgeted amounts and will result in General Fund savings of approximately \$4.3 million. These savings, however, will be offset by \$10 million to \$20 million in higher than expected enrollment growth. The Committee discussed deferring or reducing the 4% increase, before finally deciding to favorably review the AHCCCS proposal.

Department of Corrections – The JLBC favorably reviewed the Request for Proposal (RFP) issued by the department for 1,400 privately-operated beds for driving-under-the-influence convictions. Of the 1,400 beds, 400 are to be operational by March 2003 and the remaining 1,000 to be operational by November 2003. The department was appropriated \$2.5 million from the Corrections Fund for partial year funding of the 400 private beds to be operational by March 2003. Contract costs for the 1,000 beds to be opened in November 2003 will not be incurred until FY 2004.

Board of Technical Registration – The JLBC approved the transfer of \$35,400 from the Board’s Employee Related Expenses (ERE) allocation into Personal Services.

Other Reports – The Committee received written reports this month on 1) Office of Administrative Hearings Interagency Service Agreements, 2) Attorney General’s Model Court, 3) Attorney General’s Legal Expenses for Alternative Fuels, 4) Department of Corrections Inmate Utility Fees, 5) Department of Economic Security Procurement Rules for the Division of Developmental Disabilities, 6) Department of Emergency and Military Affairs Camp Navajo Fund, 7) Department of Environmental Quality Water Quality Assurance Revolving Fund, 8) Department of Juvenile Corrections Restitution Fund, 9) Department of Revenue Ladewig Expenditure Plan, 10) Arizona Department of Transportation Highway Maintenance Levels of Service, and 11) Arizona Department of Transportation Tree Clearing Program.