

JLBC MEETING

At its February 28th meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Health Services – The Committee gave a favorable review to the implementation of the capitation rate change for the behavioral health developmentally disabled (DD) population retroactive to October 1, 2001. The previous per member per month rate for this population of \$27.10 will increase to \$57.46. Actuaries based adjustments in the capitation rate on the cost of actual encounters of the DD population, inflation, and increases in administration. The new capitation rate is estimated to increase General Fund expenditures by \$1.2 million when compared to the current rate for the DD population with the same number of eligible people.

Attorney General – The Committee favorably reviewed the Attorney General's FY 2001 report on uncollectible debts. The majority of the \$4.6 million in debts were owed to four agencies, the Arizona Department of Revenue, the Registrar of Contractors, the Department of Building and Fire Safety, and the Industrial Commission.

The Attorney General's Collection Enforcement Unit functions as a collection service for past due debts owed to state agencies, boards, and commissions. Laws 1999, Chapter 300 created a procedure for uncollectible debts to be removed from the state accounting system after receiving annual notice of uncollectible debt from the Attorney General and review by the JLBC. Included as uncollectible are those monies that will not be recovered due to debtor bankruptcy, settlement, insufficient funds of the debtor, or the inability to locate the debtor. The state removed \$7.6 million in uncollectible debt from the accounting system last year.

Commission for the Deaf and Hard of Hearing – The Committee gave a favorable review to the telecommunication relay services (TRS) contract. The Committee previously gave an unfavorable review to the contract at its October 25, 2001 meeting. At the time, the Committee was interested in more information on a vendor bid protest and the possibility of a multivendor contract. The Commission indicated that it does not recommend a multivendor contract at this time. Senator Solomon requested that the new vendor report on how they are handling start-up issues and complaints.

Other Reports – The Committee received an update on joint student enrollment reported by the superintendent of each joint technological education district (JTED) operating in the state during FY 2001. The East Valley Institute of Technology (EVIT) and the Northern Arizona Vocational Institute of Technology (NAVIT) were the only 2 JTEDs at the time. Joint student enrollment refers to enrollment in JTED courses for which a pupil can earn both high school and community college credit. Approximately 377 EVIT students and 104 NAVIT students received community college credit for taking

JTED courses. Based on an analysis of the number of community college credit hours granted for those courses, it is estimated that community colleges statewide received or will receive about \$130,888 in state funding for those JTED courses.

The Committee also received written summaries this month on 1) the Department of Administration's semi-annual report on health insurance, 2) AHCCCS' distribution of Graduate Medical Education funds, 3) Attorney General's Model Court, 4) Auditor General and DES reports on the Arizona Works Program, 5) State Board of Directors for Community Colleges/Arizona Board of Regents Transfer Articulation and Statewide Postsecondary Education Needs, 6) Department of Economic Security Transitional Independent Living Program, 7) Department of Economic Security Children Services Program, 8) Department of Emergency and Military Affairs declared emergencies, 9) Game and Fish Department fund transfers from the Watercraft Licensing Fund to the Game and Fish Fund, 10) Department of Health Services Health Crisis Fund expenditures, 11) State Land Department Fire Suppression Revolving Fund, 12) Department of Revenue program to accept credit card payments for taxes, 13) Supreme Court barriers for placing juveniles in out-of-state residential programs, 14) Department of Transportation Local Transportation Assistance Fund II (Mass Transit), and 15) Department of Transportation MVD wait times.