

Appropriations Subcommittee on Public Safety, Infrastructure and Resources

Committee on Public Safety, Infrastructure & Resources consisted of the following membership:

- Chairman Leach
- Representative Livingston
- Representative Fernandez

Over the course of the 53rd legislature's 2nd Regular Session, the Appropriation Subcommittee on Public Safety, Infrastructure & Resources met on 5 occasions. The intent of the Committee was to review various state entity budgets with the inclusion of Executive recommendations contrasted to the JLBC Baseline. The agendas for each meeting is located in the Appendix as item A. The JLBC presentation for each state entity reviewed by the Subcommittee is hyperlinked below to the correlating title.

- ❖ January 18th
 - ADOA Capital System [JLBC ADOA STAFF PRESENTATION](#)
- ❖ January 25th
 - Judiciary [JLBC Staff Presentation](#)
 - Department of Juvenile Corrections [JLBC Staff Presentation](#)
 - Department of Public Safety [JLBC Staff Presentation](#)
 - Automobile Theft Authority [JLBC Staff Presentation](#)
- ❖ February 1st
 - Attorney General [JLBC Staff Presentation](#)
 - Criminal Justice Commission [JLBC Staff Presentations](#)
 - Tourism [JLBC Staff Presentation](#)
 - Department of Administration [JLBC Staff Presentations](#)
 - Department of Administration IT issues [JLBC Staff Presentation](#)
 - Department of Transportation [JLBC Staff Presentation](#)
- ❖ February 8th
 - Department of Water Resources [JLBC Staff Presentation](#)
 - Land Department [JLBC Staff Presentation](#)
 - Forestry and Fire Management [JLBC Staff Presentation](#)
- ❖ February 15th
 - [Agriculture](#)

Chairman's Recommendation

The Chairman and Vice-Chairman of the Appropriations Subcommittee on Public Safety, Infrastructure & Resource respectfully recommends the following:

Incorporate into the JLBC Baseline the following provisions from the Executive's Proposal:

- ❖ Arizona Department of Administration – (1275 W. Washington Building Demolition) \$1,000,000
 - Provide addition funds if necessary for demolition
- ❖ Arizona Department of Agriculture – (Livestock Inspector Salary Increase) \$200,000
- ❖ Department of Forestry and Fire Management:
 - Hazardous Vegetation Removal - \$650,000

Additional Recommendations:

- ❖ Auto Theft Authority – Continue the Auto Theft Authority and grant the Authority the ability to spend all funds it collects.
- ❖ Auditor General:
 - Additional funding for rental expenses \$324,900
 - Additional capacity for caseload \$200,000
- ❖ Arizona Department of Juvenile Corrections – (Reimburse County Cost Share) \$8,000,000

Minority Report:

1. The Minority Report. (Appendix B)

APPENDIX A

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON PUBLIC SAFETY,
INFRASTRUCTURE AND RESOURCES**

DATE Thursday, January 18, 2018

ROOM HHR 5

TIME 10:30 A.M. NOTE TIME
CHANGE

Members:

Mrs. Fernandez
Mr. Shooter, Ex-Officio

Mr. Livingston, Vice-Chairman

Mr. Leach, Chairman

-
1. Introduction of Staff
 2. ADOA Capital System
 3. Department of Administration
 4. Department of Administration IT Issues
 5. Department of Transportation

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1/11/18

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON PUBLIC SAFETY,
INFRASTRUCTURE AND RESOURCES**

DATE Thursday, January 25, 2018

ROOM HHR 5

TIME 9:00 A.M.

Members:

Mrs. Fernandez
Mr. Shooter, Ex-Officio

Mr. Livingston, Vice-Chairman

Mr. Leach, Chairman

-
1. Judiciary
 2. Department of Juvenile Corrections
 3. Department of Public Safety
 4. Automobile Theft Authority

1/18/18

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**REVISED - 01/25/18
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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON PUBLIC SAFETY,
INFRASTRUCTURE AND RESOURCES**

DATE Thursday, February 1, 2018

ROOM HHR 5

TIME 8:00 A.M. NOTE TIME
CHANGE

Members:

Mrs. Fernandez
Mr. Shooter, Ex-Officio

Mr. Livingston, Vice-Chairman

Mr. Leach, Chairman

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1. Attorney General
 2. Arizona Criminal Justice Commission
 3. Arizona Office of Tourism
 4. Arizona Department of Administration (operating budget issues)
 5. Arizona Department of Administration (IT issues)
 6. Arizona Department of Transportation

1/25/18

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON PUBLIC SAFETY,
INFRASTRUCTURE AND RESOURCES**

DATE Thursday, February 8, 2018

ROOM HHR 5

TIME 9:00 A.M.

Members:

Mrs. Fernandez

Mr. Livingston, Vice-Chairman

Mr. Leach, Chairman

-
1. Department of Water Resources
 2. Land Department
 3. Forestry and Fire Management

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2/1/18

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**REVISED - 02/08/18
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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-third Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON PUBLIC SAFETY,
INFRASTRUCTURE AND RESOURCES**

DATE Thursday, February 15, 2018

ROOM HHR 5

TIME 9:00 A.M.

Members:

Mrs. Fernandez

Mr. Livingston, Ex-Officio

Mr. Leach, Chairman

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- Department of Agriculture
 - Discussion of any Outstanding Issues
 - Adopt Budget Recommendations

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2/8/18

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

APPENDIX B

Arizona House of Representatives
Appropriations Sub Committee on Public Safety, Infrastructure and Resources
FY 2019 Budget Priorities – Minority Budget Report – State Representative Fernandez,
Ranking Member
February 15, 2018

Arizona is a fast-growing, culturally and geographically diverse land of opportunity. But families in our communities are still falling behind. Our vast potential as a state will remain unmet until we make the investments in education, health and infrastructure that a 21st century economy demands. House Democrats are committed to investing in policies that will improve our quality of life now, while promoting a stronger, more sustainable future. This philosophy shapes our budget priorities.

Decades of cuts have eroded Arizona's tax base and compromised Arizona's ability to do the business of the people. The phase-in of prior tax cuts is estimated to reduce general fund revenues by \$75 million alone in FY 2019. This comes at the expense of state revenues which could otherwise fund key infrastructure projects and public safety initiatives.

The budget recommendations below comment on various policies proposed in the Governor's FY 2019 budget, provide alternative methods for financing Arizona's future, and advocate for additional public safety and infrastructure initiatives to serve the public. The funding priorities recommended for fiscal year 2019 are above and beyond the JLBC Baseline budget.

Ranking Member Comments – Governor's Proposed FY 2019 Budget and Agency Presentations

With respect to the initiatives proposed in the Governor's FY 2019 budget, comments are provided below in terms of support, opposition or other observations. The comments cover the agency presentations that were provided during the House Sub Appropriations Public Safety, Infrastructure and Resources hearings during January and February. In addition, they also cover presentations on the Department of Child Safety and Department of Corrections during the full Appropriations Committee hearings on 1/24/18 and 2/14/18 since these agencies cover public safety issues.

Arizona Department of Administration Capital System (1/18/18)

- Ranking member is seeking further clarification on the details regarding the Executive's proposal for a new Capitol Mall Consolidation Fund, and proposed rent increases for state agencies.
- Ranking member is generally supportive of the appropriations (\$8.5 million non-general fund) provided for the maintenance, repairs and development of Arizona State Parks.
- Ranking member is supportive of the proposed JLBC capital outlay footnote to require ADOA to request JCCR review prior to taking any action related to the demolition of 1275 W. Washington.

Department of Child Safety (1/24/18)

- Ranking member is generally supportive of Executive's proposal to fund adoption caseload growth (\$8.8 million general fund) and the replacement of the Department's IT System; however, ranking member will be seeking more information on these proposals.

- Ranking member remains concerned about the total children in out-of-home care and the fact that DCS is still not meeting its hiring target caseworkers and will be seeking additional information.

Judiciary (1/25/18)

- Ranking member is supportive of the Judiciary's request for additional probation staff, which when annualized, would be approximately \$1.1 million ongoing from the general fund to cover 10 new FTE positions for adult probation caseload growth, and 10 new adult probation FTE positions for a provider reentry program.
- Ranking member is supportive of the Judiciary's request for \$3.15 million in one-time funding to procure a new Appellate Case Management System.
- Ranking member is also supportive of the Judiciary's proposal to increase the spending authority for the Court Appointed Special Advocate (CASA) by \$250,000.
- Ranking member will oppose further efforts to transfer funds from the Judiciary's budget to support general fund or other programmatic spending.

Department of Juvenile Corrections (1/25/18)

- Ranking member is concerned that the Executive proposal seeks to add more youth corrections officers (32 total), despite the long-term trend of a decreasing population at the Department of Juvenile Corrections.
- Ranking member would be supportive of a broad stakeholder engagement process to determine the best scenario for the Department of Juvenile Corrections, the individuals housed there, and the counties that continue to pay the costs for state-level incarceration

Department of Public Safety (1/25/18)

- Ranking member is generally supportive of the Executive's proposal to fund more highway patrol officers to ensure proper night coverage in both Maricopa County and Southern Arizona. Ranking member will be seeking more information on how these officers will be deployed.
- Ranking member will be seeking more information on the proposed \$5.2 million fund shift from the State Highway Fund. It is unclear how this proposal produces savings for the general fund and it appears to reduce funding available for statewide highway construction.
- Ranking member is generally supportive of the Executive's proposal to fund additional remote housing units for DPS highway patrol officers, but will be seeking further information on the cost structure of the capital plan. The proposal to construct or refurbish six additional remote housing units appears high at roughly \$333,000 per unit.
- Ranking member will be seeking more information on a variety of other proposals for the Agency recommended in the Executive's budget.

Automobile Theft Authority (1/25/18)

- Ranking member will be seeking more information on the proposed consolidation of the Automobile Theft Authority (ATA) into the Department Public Safety (DPS). Ranking member will also be seeking analysis on the overall effectiveness of the ATA in reducing incidences of auto theft in Arizona. It is unclear whether incidences of auto theft have declined since inception of the ATA.

Attorney General (2/1/18)

- Ranking member is generally supportive of the Attorney General's request for additional funding to augment its staff for the Border Crimes and Consumer Protection units, but will be seeking more information on each proposal.
- Ranking members is encouraged that the Executive will finally be releasing a mitigation plan later this year regarding the Volkswagen Settlement. Ranking member will continue to advocate that the funds from the settlement be utilized to replace Arizona's aging K-12 school bus fleet.

Criminal Justice Commission (2/1/18)

- Ranking member is supportive of the Agency's request to restore funding to the State Aid to Indigent Defense Fund. Since FY 2012, revenue from this fund has been consistently and inappropriately transferred out to the Department of Public Safety. This funding is critical to providing state aid to county attorneys for legal services for the indigent.
- Ranking member is concerned about the removal of one-time funds (\$2.8 million) for felony pretrial intervention programs in both the JLBC Baseline and Executive's proposed FY 2019 budget. This funding is critical for diversion programs throughout the state that provide substance abuse treatment for non-dangerous, non-repeat offenders. The ranking member would be supportive of efforts to renew this appropriation and make it ongoing.

Tourism (2/1/18)

- Ranking member is supportive of the Agency's efforts to position Arizona as a world class destination.

Department of Administration (2/1/18)

- No comments at this time.

Department of Administration IT Issues (2/1/18)

- Prior to making a recommendation to appropriate additional funding for the Department's Information Technology (IT) projects, Ranking member will be seeking further information. Ranking member would like to see a comprehensive plan from the agency detailing current progress on all the various IT initiatives, and a timeline for project completion.

Department of Water Resources (2/8/18)

- Ranking member is concerned about the Executive's proposed fund shift to the Water Resources Fund of \$300,000 and corresponding general fund reduction.
- Ranking member opposes the fund transfers out of the IGA/ISA Fund and Indirect Cost Fund.
- Overall, these proposals will only reduce available financial resources to the Agency to carry out its mission of protecting and assuring Arizona's water supply.

Land Department (2/8/18)

- Ranking member will be seeking further information on the Executive's proposals for the agency.

Forestry and Fire Management (2/8/18)

- Ranking member will be seeking further information on the Executive's proposals for the agency.

Department of Corrections (2/14/18)

- Ranking member will be seeking further information on the Executive's proposals for agency. Arizona spends over a billion dollars a year on operating the Department of Corrections. This represents roughly 11% of the state general fund budget and further efforts are necessary to ensure cost savings are achieved, recidivism is reduced and public safety is upheld.

Agriculture (2/15/18)

- Ranking member is opposed to the \$2.1 million in proposed fund transfers by the Executive for the FY 2019 budget.
- The fund transfers come out of the Agriculture Commercial Feed Fund, the Pesticide Fund, the Seed Law Fund, the Fertilizer Materials Fund and the Pest Management Fund.
- The agricultural community advocated many years ago for these various funds to be labeled as Trust funds for the benefit of various agricultural regulations and interests.
- Shifting dollars out of these funds is inappropriate since they should be used for their intended purposes, rather than to support other programs or basic general fund spending.
- Ranking member is generally supportive of the \$200,000 appropriation in FY 2019 to provide a salary increase to livestock inspectors, but will be seeking further clarification on the cost and training differences between certified and noncertified livestock inspectors.
- Ranking member will also be seeking further information on the Executive's proposal to eliminate \$125,000 in unused contingency funds, the fund shift for ISA agreement with the Department of Health Services of \$766,000 and the need for the appropriated liaison position of \$50,000 for Salt River Horse Management.

Public Safety, Infrastructure and Resources – Democratic Funding Priorities and Alternatives

The table below provides alternative recommendations that could be adopted to further enhance public safety and infrastructure funding in Arizona. The top two policy initiatives would generate sufficient revenue (FY 2019 preliminary estimate - \$79.6 million) to fund six policy initiatives recommended in the table that have a limited general fund impact (a total of approximately \$8.0 million for FY 2019).

Initiative	Description	Bill # and Sponsor
1. Enhance DOR Audits and Collections	<ul style="list-style-type: none"> • Appropriates \$8.3 million from the general fund in FY 2019 to rehire audit and collections team at the Department of Revenue to ensure corporate tax compliance and the integrity of Arizona's tax system • Preliminary revenue impact is a net positive general fund increase of \$26.3 million in FY19 and \$60.9 million in FY20 	HB 2137 (Espinoza)
2. Eliminate selected transaction privilege tax (TPT) exemptions	<ul style="list-style-type: none"> • Eliminates selected TPT (sales) tax exemptions, most notably for out-of-state resident car purchases, chicken steroids, horse vitamins, railroad ties, 4" pipes and service contracts and warranties • Preliminary revenue impact is a positive general fund increase of approximately \$53.3 million annually 	HB 2571 (Friese)
3. Enhance the Joint Legislative Income Tax Credit Review Committee	<ul style="list-style-type: none"> • Requires new tax credits and exemptions created by the Legislature to have a sunset date of 8 years and requires the tax credit review committee to verify that the tax credits lead to quantifiable jobs and beneficial economic activity • Adding such requirements into the tax credit review committee schedule will give the Legislature the tools to evaluate whether a tax credit should continue to be authorized, or repealed when the revenue could instead be directed towards Arizona's core infrastructure needs 	HB 2015 (Cardenas)
<p>Total Estimated Revenue Enhancements = \$79.6 million (FY19), 114.2 million (FY20), \$114.2 million (FY21)</p>		
4. Don't shift the Indigent Defense Fund to DPS	<ul style="list-style-type: none"> • Ranking member is opposed to the yearly budget transfer of the State Aid Indigent Defense Fund, which provide state aid to counties for legal services for the indigent • The estimated budgetary impact is approximately \$700,000 	HB 2001 (Cardenas)
5. Youth Entrepreneurship Pilot Program	<ul style="list-style-type: none"> • Appropriates \$1 million in FY 2019 from the Arizona Competes Fund for purposes of establishing and operating a youth entrepreneurship program to serve disconnected and rural youth throughout the state • Provides business seed capital to youth completing the program and developing an award-winning business model 	HB 2629 (Blanc)

6. Hire additional veterans benefit counselors	<ul style="list-style-type: none"> • Appropriates \$707,890 and 10 FTEs from the general fund in FY 2019 to the Department of Veterans Services to hire additional veterans benefit counselors • This would represent an ongoing general fund cost 	HB 2420 (Andrade)
7. Census 2020 Outreach	<ul style="list-style-type: none"> • Appropriates \$2 million one-time from the general fund in FY 2019 to provide cities, counties and towns resources to conduct communication and outreach efforts to increase the accuracy of the 2020 U.S. Census • Proper outreach is critical to the accuracy of Arizona's Census Count and ensuring the state receives its share of federal resources 	HB 2233 (Espinoza)
8. Maintain Adult Protective Services staffing	<ul style="list-style-type: none"> • Appropriates \$3 million from the general fund in FY 2019 to the Department of Economic Security to maintain appropriate staffing levels for Adult Protective Services • Ranking member is concerned that the Executive's proposal to shift the funding of these FTEs to federal funds may not be sustainable 	HB 2566 (Alston)
9. Fund feminine hygiene products - DOC	<ul style="list-style-type: none"> • Appropriates \$80,000 from the general fund in FY 2019 to the Department of Corrections for purposes of purchasing feminine hygiene products for inmates, in order to provide a basic healthcare necessity 	HB 2222 (Salman)
10. Fund Hopi Route 60 Construction	<ul style="list-style-type: none"> • Appropriates \$1.5 million from the general fund in FY 2019 to the Department of Transportation for construction costs associated with the development of Hopi Route 60. • The FY 2015 Capital Outlay bill provided \$1.2 million for this purpose, and the FY 2016 Capital Outlay bill provided \$1.5 million; this suggests funding is needed on an ongoing basis 	HB 2495 (Benally)
11. Utilize the VW Settlement for new K-12 school buses	<ul style="list-style-type: none"> • Requires the approximate \$53 million in funds received from the Volkswagen Emissions Settlement to be used for the purposes of purchasing or repowering school buses in the K-12 education system • Directs the Departments of Administration, Education and Environmental Quality to work with the Attorney General to prepare a proposed plan for distributing the funds to school districts according to the transportation needs of the school districts 	HB 2453 (Fernandez)
<p style="text-align: center;">Total General Fund Spending Initiatives FY 2019 = \$8.0 million</p> <p style="text-align: center;">Total Ongoing (General Fund) = \$6.0 million</p> <p style="text-align: center;">Other Funds = \$53 million</p>		