Members Present:
Senator Robert Blendu, Chairman          Representative John Nelson, Vice-Chairman
Senator Carolyn Allen                           Representative Jack Brown
Senator Pamela Gorman                           Representative Pete Rios
Senator Richard Miranda                         Representative Steve Yarbrough
Senator Rebecca Rios

Members Absent:
President Tim Bee, Ex-Officio                      Speaker Jim Weiers, Ex-Officio
                                                   Representative Tom Boone

Staff:
Bill Boyd, Senate Government Committee Analyst
Michelle Hindman, House Assistant Research Analyst

Chairman Blendu called the meeting to order at 3:07 p.m. and the attendance was noted.

Approval of Minutes

Representative Nelson moved the minutes of October 5, 2006, be approved as distributed. The motion CARRIED by voice vote.

Assignment of Sunrise Reports to Committees of Reference

Kim Hildebrand, Manager, Performance Audit Division, Office of the Auditor General, provided background information regarding the assignment of sunrise reports to Committees of Reference (Attachment A, Tab 1).

Ms. Hildebrand stated sunrise reports have been received from the Behavioral Health Coalition of Southern Arizona, Arizona Dental Association, Arizona Alliance of Non-Physician Surgical Assistants, and Radiology Practitioner Assistants/Registered Radiology Assistants and per Arizona Revised Statute (A.R.S.) §32-3104, the Joint Legislative Audit Committee (JLAC) needs to assign each sunrise report to a Committee of Reference (COR).
Representative Nelson moved the following sunrise reports be assigned to the Senate and House of Representatives Health Committees of Reference:

1. Behavioral Health Coalition of Southern Arizona – Expand licensure of behavioral health professionals or licensed psychologists to include board certified behavioral analysts.
2. Arizona Dental Association – Expand scope of practice by creating a new position titled Community Dental Health Coordinator who would be able to perform new duties and specified procedures that currently only a licensed dentist can perform.
3. Arizona Alliance of Non-Physician Surgical Assistants – Propose regulating the profession.
4. Radiology Practitioner Assistants/Registered Radiology Assistants – Propose regulating the profession.

The motion CARRIED by a voice vote.

Assignment of Board of Psychologist Examiners Sunset Review

Kim Hildebrand, Manager, Performance Audit Division, Office of the Auditor General, presented background information regarding the assignment of the Board of Psychologist Examiners Sunset Review (Attachment A, Tab 2).

Ms. Hildebrand stated the Office of the Auditor General proposed the Board of Psychologist Examiners be assigned to a COR for review because her office does not have the resources to incorporate this audit into the 2009 workload. Ms. Hildebrand added JLAC is required to determine whether this agency will be audited by the Auditor General’s Office or by a COR.

Representative Nelson moved the Sunset of the Board of Psychologist Examiners be assigned to a Committee of Reference. The motion CARRIED by a voice vote.

Consideration and Approval of Committee of Reference Assignments for the 2008 Sunset Cycle and the 2008 Non-Sunset Audits

Kim Hildebrand, Manager, Performance Audit Division, Office of the Auditor General, explained the background information regarding the consideration and approval of Committee of Reference Assignments for the 2008 Sunset Cycle and the 2008 Non-Sunset Audits (Attachment A, Tab 3).

Senator Gorman stated the State Board of Investment is currently assigned to Senate Finance, which previously handled those types of issues, but under the new organization all of the retirement and pension orientated issues are going to the Financial Institutions, Insurance and Retirement Committee (FIIR).
Senator Gorman added she believes the members on FIIR Committee are better suited to handle this agency.

Ms. Hildebrand stated the State Board of Investment assignment is under the 2009 cycle and not the 2008 cycle.

Representative Nelson moved the Committee of Reference assignments for the 2008 Sunset Cycle and the 2008 Non-Sunset Audits be adopted as printed. The motion CARRIED by a voice vote.

Consideration and Approval of Committee of Reference Assignments for the 2009 Sunset Cycle and the 2009 Non-Sunset Audits

Kim Hildebrand, Manager, Performance Audit Division, Office of the Auditor General, provided background information regarding the consideration and approval of Committee of Reference Assignments for the 2009 Sunset Cycle and the 2009 Non-Sunset Audits (Attachment A, Tab 4).

Representative Rios asked if staff was involved in making the recommendations to the Speaker or the President.

Bill Boyd, Senate Government Committee Analyst, said it is his understanding the recommendations come from the President and the Speaker.

Wendy Baldo, Senate Senior Policy Advisor, stated research staff was not involved in making the recommendations but majority staff did go through the assignments with the President and the Speaker.

Senator Blendu asked, in regards to Senator Gorman’s previous point regarding the State Board of Investment, how the assignment of the Board would be handled.

Ms. Baldo stated she remembers discussing that recommendation with the President and since the Board of Investment is a Board within the Treasurer’s Office and is involved in state trust land dispositions, the Finance COR was recommended to the President. Ms. Baldo added the President will abide by the Committee’s recommendation.

Senator Gorman replied when she looked at this issue earlier it appeared the Board was related to pensions but since it has to do with state trust land and not with actual investments she believes it belongs in Finance.

Representative Yarbrough stated he was surprised to see the Arizona Department of Gaming was assigned to the House or Representatives Water and Agriculture COR.

Michelle Hindman, House Assistant Research Analyst, stated research staff was not involved with assigning the Committees.
Senator Blendu reiterated the recommendations were made by the President and Speaker.

Representative Nelson moved the Committee of Reference assignments for the 2009 Sunset Cycle and the 2009 Non-Sunset Audits be adopted as printed. The motion CARRIED by a voice vote.

**Consideration and Approval of Re-assignment of Board of Fingerprinting to a Committee of Reference**

Kim Hildebrand, Manager, Performance Audit Division, Office of the Auditor General, presented background information regarding the consideration and approval of the re-assignment of the Board of Fingerprinting to a COR (Attachment A, Tab 5).

Representative Nelson moved the Board of Fingerprinting be re-assigned to the Senate Public Safety and Human Services Committee of Reference and to the House of Representatives Natural Resources and Public Safety Committees of Reference. The motion CARRIED by a voice vote.

**Presentation and Status Update of School-wide Audit Team Schedule for 2008**

Sharron Walker, Director, Division of School Audits, Office of the Auditor General, explained the background for the 2008 school district audit schedule and provided a brief overview of the ELL-related audits and other school district audits and reports (Attachment A, Tab 6).

Ms. Walker added no committee action is required and the performance audit is presented for JLAC’s review and the other information is presented for committee information only.

Representative Rios asked Ms. Walker if all of the funds in the Compensatory Instruction Fund were utilized.

Ms. Walker stated for fiscal year 2007 ADE funded about $5.4 or $5.6 million and $4.4 million is available this year along with the $10 million that was appropriated.

**Presentation of Financial Audit Schedule and Consideration of Cost Reimbursement Audits**

Dennis Mattheisen, Director, Financial Audit, Office of the Auditor General, presented an overview of the financial audit schedule and the consideration of cost reimbursement audits (Attachment A, Tab 7).

Mr. Mattheisen stated the committee does need to authorize the Office of the Auditor General to bill the auditees for recovery of the federal grant audit costs.
but the audits listed in financial audit division schedule (Attachment A, Tab 7), which are required by statute, do not require committee attention.

Representative Nelson moved the Committee consideration and approval to perform federally mandated work on a cost reimbursement basis for certain political subdivision of the State, under the provisions of Arizona Revised Statutes §41-1279.03C. The motion CARRIED by a voice vote.

Consideration of Request regarding Arizona Sports and Tourism Authority Audit

Debbie Davenport, Auditor General, provided background information regarding the request to expedite the performance audit of the Arizona Sports and Tourism Authority (AZSTA) (Attachment A, Tab 8).

Senator Blendu stated he looked into this issue at length and talked to the parties concerned and he does not see any reason why this audit should be advanced. Senator Blendu added the reason for this request has more to do with political turmoil.

Senator Blendu asked Ms. Davenport to read A.R.S. §5-812, which gives the Office of the Auditor General the authority to audit the AZSTA, into the record.

Ms. Davenport read the statute into the record.

Senator Blendu stated audits are very serious and should not be political footballs.

Representative Rios said he agrees with Senator Blendu and he does not understand why the Committee became involved in this controversy in the first place.

There being no further business, the meeting was adjourned at 3:31 p.m.

Respectfully submitted,

Bill Ritz
Committee Secretary

(Audio recordings and attachments on file in the Secretary of Senate’s Office/Resource Center, Room 115).