

Arizona Department of Administration

Agency Summary

JLBC: Paul Shannon

OSP: Theresa Garcia

Subcommittee: Assets

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004	
			OSP	JLBC
PROGRAM BUDGET				
Financial Services	12,884,300	13,116,200	13,870,500	13,040,000
Facilities Management	17,243,900	18,948,000	18,825,200	18,988,200
Human Resources	14,362,400	19,208,500	18,387,600	19,486,100
Information Technology Services	29,763,800	36,453,100	38,370,500	35,308,300
Support Services	14,527,200	22,879,000	18,756,400	21,345,000
Risk Management	76,387,300	84,147,500	94,982,000	95,085,800
6th SS Lump Sum Reduction SLI	0	(2,028,600)	(2,028,600)	(2,028,600)
AGENCY TOTAL	165,168,900	192,723,700	201,163,600	201,224,800

OPERATING BUDGET

	988.0	928.0	939.0	830.0
<i>Full Time Equivalent Positions</i>				
Personal Services	31,049,100	35,761,100	34,155,700	36,644,400
Employee Related Expenditures	7,113,200	8,534,200	8,704,400	8,482,700
Professional and Outside Services	2,909,300	6,116,400	6,336,800	6,640,700
Travel - In State	413,300	408,800	427,700	306,700
Travel - Out of State	39,900	111,500	114,000	109,500
Other Operating Expenditures	25,754,600	29,475,400	28,483,000	28,996,200
Equipment	12,278,900	18,543,600	17,260,100	19,680,200
OPERATING SUBTOTAL	79,558,300	98,951,000	95,481,700	100,860,400
Special Line Items (SLI)	85,610,600	93,772,700	105,681,900	100,364,400
AGENCY TOTAL	165,168,900	192,723,700	201,163,600	201,224,800

FUND SOURCES

General Fund	24,789,800	23,319,300	24,321,000	20,960,500
<u>Other Appropriated Funds</u>				
Air Quality Fund	396,300	475,400	475,400	475,400
Capital Outlay Stabilization Fund	8,742,600	10,894,300	11,032,700	11,040,500
Certificates of Participation Fund	0	300,000	0	282,600
Corrections Fund	561,700	604,700	637,900	612,300
Emergency Medical Services Operating Fund	0	50,000	0	0
Federal Surplus Materials Revolving Fund	80,900	312,700	100,000	339,300
Lease-Purchase Building Operating and Maintenance Fund	1,268,100	0	0	0
Motor Vehicle Pool Revolving Fund	6,162,400	12,646,500	10,388,100	13,327,500
Personnel Division Fund	11,475,800	14,417,900	13,197,300	14,641,500
Risk Management Fund	76,387,300	84,175,000	94,982,000	95,113,300
Special Employee Health Insurance Trust Fund	2,944,300	4,902,400	5,258,700	4,957,300
State Surplus Materials Revolving Fund	2,595,900	4,037,300	2,400,000	4,030,900
Technology and Telecommunications Fund	29,763,800	36,588,200	38,370,500	35,443,700
SUBTOTAL - Other Appropriated Funds	140,379,100	169,404,400	176,842,600	180,264,300
SUBTOTAL - Appropriated Funds	165,168,900	192,723,700	201,163,600	201,224,800
Other Non-Appropriated Funds	436,666,600	545,714,000	NA	544,952,500
Federal Funds	241,200	212,600	NA	215,300
TOTAL - ALL SOURCES	602,076,700	738,650,300	NA	746,392,600

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(2,358,800)	(10.1%)
Other Appropriated Funds	10,859,900	6.4%
Total Appropriated Funds	8,501,100	4.4%

AGENCY DESCRIPTION — *The department provides centralized general support services to state agencies, including accounting, financial, personnel, building and grounds maintenance, purchasing, risk management, information technology, and Capitol Police services.*

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• % of Arizona Department of Administration (ADOA) services receiving a good (6) or better rating from customers, based on biennial survey (Scale 1-8)	85	48	85	85
• Customer satisfaction with ADOA's facilitation of the flow of information from the agency, the public, community organizations, & other governmental agencies (Scale 1-8)	6.3	5.9	6.3	6.3
• % of agency staff turnover	13.5	4.6	13.5	8.5
• Administration as a % of total cost	1.9	1.1	1.9	1.1

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	GF	\$1,545,800
	OF	1,535,200
Transfer Security Badges	GF	(32,200)
	OF	32,200
Human Resources Information Solution COP SLI	OF	0
One Time Equipment	OF	(50,000)
Privatize Custodial Services	GF	(389,000)
All Other Information	OF	(52,900)
Technology Services Equipment		
Capitol Police to DPS	GF	(2,408,400)
Reduce Remaining PIPP Funding	GF	(75,000)
ATS One Time Equipment	OF	(2,137,400)
Data Center Computer Upgrade	OF	1,410,000
AFIS II Operating Costs	GF	(1,000,000)
AFIS Programmers Transfer	OF	(676,800)
Risk Management Losses	OF	10,220,100
Workers' Compensation Losses	OF	1,089,800
RMIS Continuing Charges	OF	(537,900)
Technical Corrections	OF	(25,600)
Legal Services Cost Allocation	OF	53,200

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JLBC RECOMMENDED FORMAT — Detailed Line Item by Fund. *(In the FY 2003 budget, the department had a Lump Sum by Fund with Special Line Items format.)*

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends deleting that portion of Laws 1997, 1st Special Session, Chapter 1, Section 2 that allows unspent PIPP monies appropriated in the FY 1998 budget to be exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations.

The JLBC recommends statutory changes that transfer the responsibility for the Capitol Police to the Department of Public Safety.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Air Quality (ADA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: Monies received from a \$1.50 fee assessed on motor vehicle registrations; gifts, grants and donations, and legislative appropriations.		
Purpose of Fund: To fund a travel reduction program, as defined by A.R.S. § 49-588.		
Funds Expended	475,400	475,400
Year-End Fund Balance	588,700	588,700

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Administration - AFIS II Collections (ADA4203/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received for the processing of transactions within the AFIS II accounting system.		
Purpose of Fund: To fund the operation of the AFIS II accounting system.		
Funds Expended	647,800	762,200
Year-End Fund Balance	164,300	164,300
Arizona Office for Americans with Disabilities Act (ADA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal grants and private contributions. Revenues are dependent on the availability of Federal Funds through the Department of Economic Security.		
Purpose of Fund: To assist the State of Arizona in the implementation and enforcement of the federal Americans with Disabilities Act (ADA). This includes providing resources and information to the private sector, serving as ADA coordinator for state agencies, and assisting other government entities.		
Funds Expended	161,300	200,600
Year-End Fund Balance	11,700	11,700
Capital Outlay Stabilization (ADA1600/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Charges to agencies for occupancy of space within state-owned buildings and for tenant improvement projects.		
Purpose of Fund: To pay for maintenance, utilities, construction and administration associated with the operation of state-owned buildings.		
Funds Expended - Operating	8,742,600	10,542,900
Funds Expended - Capital	3,006,400	5,134,000
Year-End Fund Balance	2,779,100	451,100
Certificate of Participation (ADA5005/A.R.S. § 41-791.02)		Partially-Appropriated
Source of Revenue: Charges to agencies for occupancy of space within buildings financed with lease-purchase agreements.		
Purpose of Fund: To pay for lease-purchase agreements.		
Appropriated Funds Expended	0	300,000
Non-Appropriated Funds Expended	37,577,300	86,882,700
Year-End Fund Balance*	(97,200)	(65,879,800)
Construction Insurance (ADA4219/A.R.S. § 41-622)		Non-Appropriated
Source of Revenue: Charges to agencies for state construction projects. The rate is set by the department and reviewed by the Joint Committee on Capital Review.		
Purpose of Fund: To provide self-insurance and purchase “wrap-up” or “owner-controlled insurance programs” (OCIP’s) for state construction projects with a total cost over \$50,000,000. An OCIP is an insurance program provided by the owner of a project (the state) to protect its own interests and those of all participating contractors. Typically, it includes a series of insurance policies combined with loss prevention and quality assurance programs.		
Funds Expended	5,829,000	736,200
Year-End Fund Balance	1,532,500	1,204,300
Consumer Loss Recovery Fund (ADA2469/A.R.S. § 41-622.02)		Non-Appropriated
Source of Revenue: Monies appropriated from the General Fund and transferred from the Budget Stabilization Fund established by A.R.S. § 35-144.		
Purpose of Fund: To pay for claims, adjusting costs, processing costs, legal defense costs and administrative costs as provided by law.		
Non-Appropriated Funds Expended	4,469,000	1,120,100
Year-End Fund Balance	24,700	24,700

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Co-Op State Purchasing Agreement (ADA4213/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Annual subscription fees collected from local governments for microfiche published by the State Purchasing Office and fees collected from individuals for copies of public records.		
Purpose of Fund: To provide microfiche of state purchasing information for local governments and to reproduce public records for local governments and the public.		
Funds Expended	181,600	667,600
Year-End Fund Balance	490,600	433,800
Corrections (DCA2088/A.R.S. § 41-1641)		Appropriated
Source of Revenue: Luxury taxes on alcohol and tobacco products.		
Purpose of Fund: To pay for construction of the Department of Corrections and Department of Juvenile Corrections facilities, including the associated administration and management costs of ADOA.		
Funds Expended - Operating	3,302,700	15,946,500
Funds Expended - Capital	2,811,500	6,749,700
Year-End Fund Balance	15,546,200	105,900
Electronic Commerce (ADA2482/A.R.S. § 41-2673)		Non-Appropriated
Source of Revenue: Monies appropriated by the Legislature and any gifts, grants or devises for the benefit of the fund, as well as 10% of the savings generated through the implementation of electronic commerce initiatives that were implemented using monies from the fund.		
Purpose of Fund: For electronic commerce initiatives by purchasing agencies.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Emergency Telecommunications Services Revolving (ADA2176/A.R.S. § 41-704)		Non-Appropriated
Source of Revenue: Receipts from the telecommunications services excise tax (up to 1.5% of gross sales) levied against monthly telephone bills and remitted by the telephone companies, as authorized by A.R.S. § 41-1472, and interest.		
Purpose of Fund: To implement and operate emergency telecommunication services (911) through political subdivisions of the state. The funds may be used for necessary equipment and services, consulting services (up to 3% of the revenue), and monthly recurring costs for capital, maintenance, and operations.		
Funds Expended	16,329,000	22,502,100
Year-End Fund Balance	19,580,300	21,941,700
Employee Related Expenditures/Benefits Administration (ITA3035/A.R.S. § 38-651.05)		Non-Appropriated
Source of Revenue: Charges to state agencies for employer contributions for life, accident, and dismemberment insurance and employee contributions for a "cafeteria" employee benefit plan. The cafeteria plan includes vision, short-term disability, long-term disability, and supplemental life insurance.		
Purpose of Fund: To pay claims for state employee benefit plans (other than health insurance).		
Funds Expended	25,186,600	29,458,900
Year-End Fund Balance	2,272,300	2,272,300
Federal Grants (ADA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Receipts from federal grants.		
Purpose of Fund: To purchase bullet proof vests for the Capitol Police.		
Funds Expended	79,900	12,000
Year-End Fund Balance	0	0
Federal Surplus Materials Revolving (ADA4215/A.R.S. § 41-2606)		Appropriated
Source of Revenue: Receipts from the sale of federal surplus property and interest.		
Purpose of Fund: To collect, store, and administer the sale of federal surplus property. Uncommitted monies in excess of \$50,000 at the close of the fiscal year shall be returned to eligible agencies in the following fiscal year through discounted service and handling charges.		
Funds Expended	81,300	312,700
Year-End Fund Balance *	42,000	(170,700)

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Health Administration and Benefit Insurance Trust (ITA3161/A.R.S. § 38-652)		Non-Appropriated
Source of Revenue: Monies received from insurance carriers and interest. Currently, this applies only to Northern Arizona University's Blue Cross policy.		
Purpose of Fund: To provide benefits for employees participating in health and accident insurance or to offset employee contributions.		
Funds Expended	438,200	0
Year-End Fund Balance	0	0
IGA and ISA Fund (ADA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received through intergovernmental and interagency agreements.		
Purpose of Fund: To execute intergovernmental and interagency service agreements.		
Funds Expended	2,096,700	3,401,000
Year-End Fund Balance	2,935,900	2,588,400
Lease Purchase Building Operating and Maintenance (ADA1025/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Charges to agencies for operations and maintenance costs associated with the occupancy of state Certificate of Participation (COP) buildings located away from the Capitol Mall.		
Purpose of Fund: To provide operations and maintenance service for state COP (lease-purchase) buildings.		
Funds Expended	1,268,100	0
Year-End Fund Balance	53,800	53,800
Motor Vehicle Pool Revolving (ADA4204/A.R.S. § 41-804)		Appropriated
Source of Revenue: Charges to agencies for use of motor pool vehicles.		
Purpose of Fund: To operate the motor vehicle pool.		
Funds Expended	7,712,200	12,646,500
Year-End Fund Balance	3,102,000	3,102,000
Personnel Division (ADA1107/A.R.S. § 41-764)		Partially-Appropriated
Source of Revenue: A 1.04% charge on the total payroll of each agency within the ADOA personnel system.		
Purpose of Fund: To provide for operating costs within ADOA's Human Resources division.		
Appropriated Funds Expended	11,905,000	14,918,000
Non-Appropriated Funds Expended	2,108,800	219,000
Year-End Fund Balance *	719,100	(1,001,600)
Privatized Lease to Own (ADA5010/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Charges to agencies for occupancy of space in privatized lease to own (PLTO) buildings.		
Purpose of Fund: To make annual payments for privatized lease to own agreements.		
Funds Expended	0	5,538,900
Year-End Fund Balance	0	0
Public Buildings Land Earnings (ADA3127/A.R.S. § 37-525)		Appropriated
Source of Revenue: Monies received from interest on the Legislative, Executive, and Judicial Public Buildings Land Fund, as established through Arizona's Enabling Act, Section 25, and monies derived from the lease of these lands.		
Purpose of Fund: To provide a continuous source of monies for Legislative, Executive, or Judicial Buildings erected in the state. These monies are subject to legislative appropriation.		
Funds Expended - Capital		
Year-End Fund Balance	469,900	469,900

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Retiree Accumulated Sick Leave (YYA3200/A.R.S. § 38-616)		Non-Appropriated
Source of Revenue: A pro rata charge on the payroll of all state agencies. This charge, not to exceed .55% of the total benefit eligible payroll, is set by ADOA and subject to Joint Legislative Budget Committee review.		
Purpose of Fund: Payment of insurance premiums or cash payouts to eligible retiring state employees. Payments are made on a percentage basis (25%, 33%, or 50%) of hourly salary for 500 to 1,500 hours of accumulated sick leave upon retirement. Payments to an individual shall not exceed \$30,000.		
Funds Expended	7,547,800	8,264,000
Year-End Fund Balance	3,332,800	2,914,500
Risk Management Revolving (ADA4216/A.R.S. § 41-622)		Appropriated
Source of Revenue: Charges assessed on agencies insured under the state's risk management system and from all monies recovered by the state pursuant to litigation and other means. Funds are used to pay for damages relating to liability, property, and workers' compensation losses.		
Purpose of Fund: For the purchase of risk management services including insurance, loss prevention services, payment of self-insured losses, and administrative costs.		
Funds Expended	76,377,500	86,793,600
Year-End Fund Balance	10,624,700	10,624,700
Special Employee Health Insurance Trust (ITA3015/A.R.S. § 38-654)		Partially Appropriated
Source of Revenue: Employer and employee medical and dental insurance contributions.		
Purpose of Fund: To administer state employee benefit plans, pay claims for state employee health insurance plans, and operate the Wellness and Communications programs. Administrative expenditures from this fund are subject to legislative appropriation.		
Appropriated Funds Expended	3,489,900	5,291,500
Non-Appropriated Funds Expended	331,081,000	381,852,300
Year-End Fund Balance	45,325,600	16,522,600
Special Services Revolving (ADA4208/A.R.S. § 35-193)		Partially Appropriated
Source of Revenue: Charges or payments from agencies using various centralized services operated by ADOA. In addition, administrative funds for operation of the State Boards' Office flow through this fund. The State Boards' Office is under the Arizona Department of Administration, but is funded by transfers of appropriated monies from the participating boards. Expenditures from this fund for the State Boards' Office are subject to legislative appropriation.		
Purpose of Fund: To enable ADOA to provide office supplies, printing, office services, and other administrative management services for state agencies. Expenditures by the State Boards' Office are for centralized services and pooled resources of 11 small regulatory boards. Examples of shared items include office space and equipment, as well as accounting, clerical, administrative, and telephone services.		
Appropriated Funds Expended	0	0
Non-Appropriated Funds Expended	2,678,900	3,619,500
Year-End Fund Balance	796,000	733,300
State Employee Suggestion Program Awards (ADA3190/A.R.S. § 38-613)		Non-Appropriated
Source of Revenue: Legislative appropriations.		
Purpose of Fund: Awards to state employees of up to \$1,000 for a special act in the public interest or for an adopted idea resulting in state savings or improved operations. Up to \$50 per award may be used to purchase recognition materials and up to 6% of monies appropriated to the fund may be used in administering the state suggestion program.		
Funds Expended	0	10,000
Year-End Fund Balance	93,100	83,100
State Employee Travel Reduction (ADA2261/A.R.S. § 41-101.03)		Non-Appropriated
Source of Revenue: Legislative appropriations, grants, gifts, federal funds, and fees.		
Purpose of Fund: To establish, operate, and administer a ride-sharing program for the transportation of state employees between home and work.		
Funds Expended	483,100	656,700
Year-End Fund Balance	481,200	349,500

SUMMARY OF FUNDS**FY 2002
Actual****FY 2003
Estimate**

State Surplus Materials Revolving (ADA4214/A.R.S. § 41-2606)**Appropriated**

Source of Revenue: Receipts from the sale of state surplus property. A portion of the revenue is retained to cover operating costs; the balance is returned to donor agencies.

Purpose of Fund: To collect, store, and administer the sale of surplus property. All uncommitted monies in excess of \$100,000 at the close of the fiscal year revert to the General Fund.

Funds Expended	2,756,700	4,037,300
Year-End Fund Balance *	186,100	(1,451,200)

State Traffic and Parking Control (ADA2453/A.R.S. § 41-796)**Non-Appropriated**

Source of Revenue: Penalties and fees collected pursuant to A.R.S. § 41-796 for traffic and parking violations on state property.

Purpose of Fund: To post signs, markings and notices for the regulation of vehicles on state property, and to maintain state parking lots and structures.

Funds Expended	2,900	13,500
Year-End Fund Balance	26,300	37,800

Statewide Donations (ADA2025/A.R.S. § 35-142)**Non-Appropriated**

Source of Revenue: Monies donated by individuals.

Purpose of Fund: Employee recognition efforts as allowed by law.

Funds Expended	8,900	8,900
Year-End Fund Balance	7,600	11,700

Technology and Telecommunications (ADA4201/A.R.S. § 41-713)**Appropriated**

Source of Revenue: Charges to agencies and other political entities for information technology products and services. The fund also has separate non-appropriated accounts for statewide licensing agreements designated by the Government Information Technology Agency and for Hawaii AHCCCS.

Purpose of Fund: For paying costs incurred in operating the telecommunications voice, data, video or graphics images.

Funds Expended	29,763,800	36,588,200
Year-End Fund Balance	8,428,500	6,659,900

* As reported by the agency. Actual ending balance will not be negative.

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