

Arizona Department of Administration
Financial Services

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	100.5	100.5	100.5
Personal Services	2,710,400	3,049,700	3,049,700
Employee Related Expenditures	854,600	960,500	945,600
Professional and Outside Services	88,900	1,500	1,500
Travel - In State	500	3,500	3,500
Travel - Out of State	200	1,700	1,700
Other Operating Expenditures	2,691,000	2,388,900	2,382,600
Equipment	38,500	22,000	22,000
OPERATING SUBTOTAL	6,384,100	6,427,800	6,406,600
SPECIAL LINE ITEMS			
Named Claimants	202,600	0	0
ENSCO	5,420,100	5,310,300	5,310,300
Arizona Financial Information System	656,300	939,800	939,800
PROGRAM TOTAL	12,663,100	12,677,900	12,656,700
FUND SOURCES			
General Fund	12,394,100	12,605,500	12,584,500
<u>Other Appropriated Funds</u>			
Certificate of Participation Fund	203,100	0	0
Special Employee Health Insurance Trust Fund	65,900	72,400	72,200
SUBTOTAL - Other Appropriated Funds	269,000	72,400	72,200
SUBTOTAL - Appropriated Funds	12,663,100	12,677,900	12,656,700
Other Non-Appropriated Funds	31,861,300	35,483,900	35,483,900
TOTAL - ALL SOURCES	44,524,400	48,161,800	48,140,600

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	(21,000)	(0.2%)
Other Appropriated Funds	(200)	(0.3%)
Total Appropriated Funds	(21,200)	(0.2%)
Non Appropriated Funds	0	0.0%
Total - All Sources	(21,200)	0.0%

COST CENTER DESCRIPTION — The Financial Services Division includes the General Accounting Office (GAO), which maintains the state's financial records, provides accounting services to agencies, processes payroll, and oversees state compliance with financial requirements and appropriation authority; and the State Procurement Office (SPO), which provides purchasing services and oversees procurement for agencies.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• Average cycle time for requests for proposal (RFP) (in days)	65.7	40.7	55.0	40.0
• Customer satisfaction rating for the operation of Arizona Financial Information System (AFIS) (Scale 1-8)	5.8	6.5	6.2	6.5
• Customer satisfaction with establishing and administering contracts (Scale 1-8) (NEW)	--	5.9	6.0	6.1
• Customer satisfaction with establishing contracts (Scale 1-8)	5.7	5.9	6.0	--
• Customer satisfaction with administering contracts (Scale 1-8)	5.5	5.9	6.0	--
• Customer satisfaction rating for the administration of the payroll process (Scale 1-8)	6.3	6.3	6.6	--
• Customer satisfaction with purchasing goods and services – internal (Scale 1-8)	6.2	6.4	6.5	--

Comments: RFP turnaround time declined substantially from FY 2003 to FY 2004 as SPO filled vacant positions and transitioned to the use of SPIRIT, an automated online procurement system. The AFIS satisfaction rating derives from a survey of all state employees who use any department service. The JLBC recommends consolidating the establishment and administration of contracts into one measure to provide a more accurate reflection of overall performance.

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$6,406,600 for the operating budget in FY 2006. This amount consists of \$6,334,400 from the General Fund and \$72,200 from the Special Employee Health Insurance Trust Fund. These amounts would fund the following adjustments:

Standard Changes	GF	<u>FY 2006</u>
	OF	<u>\$(21,000)</u>
		(200)

The JLBC recommends a decrease of \$(21,200) in FY 2006 for standard changes. This amount consists of \$(21,000) from the General Fund and \$(200) from the Special Employee Health Insurance Trust Fund.

Special Line Items

Named Claimants

The JLBC cannot yet offer a recommendation for Named Claimants, as the related dollar amount is not available at this time. The state must annually settle legitimate unpaid claims against received goods and services, as submitted by the various state agencies. The GAO deadline for submitting such claims for the FY 2005 Named Claimants bill was December 31, 2004.

Monies in this line item are not included in the General Appropriation Act. A separate legislative act usually makes this appropriation. Laws 2005, Chapter 40 paid \$202,600 from the General Fund in FY 2004. The department will provide an estimate of the FY 2005 Named Claimants amount by the end of January 2005.

Vendors providing goods and services to the state can make claims against the receiving agencies if invoices are not paid in full. Up to 1 year following receipt, state agencies have the financial authority to pay such claims through administrative adjustments. However, the Legislature must grant special appropriation authority to pay claims older than 1 year.

ENSCO

The JLBC recommends \$5,310,300 from the General Fund for ENSCO in FY 2006. This amount is unchanged from FY 2005.

Monies in this line item are used to pay the lease-purchase requirements for acquisition of the ENSCO site. The state secured lease-purchase financing of \$55,825,000 in October 1991 to settle with ENSCO and acquire its partially-constructed hazardous waste treatment site in Mobile, Arizona. Payments will be required through 2011.

Arizona Financial Information System

The JLBC recommends \$939,800 and 11.3 FTE Positions from the General Fund for the Arizona Financial Information System (AFIS) in FY 2006. This amount is unchanged from FY 2005.

Monies in this line item pay the General Fund cost of operating the statewide accounting system. The budget continues to allow the department to collect up to \$1,762,600 in FY 2006 from other funding sources, excluding the General Fund and Federal Funds, to supplement the cost of operating AFIS. (See Standard Footnotes for more information.)

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JLBC RECOMMENDED FORMAT — Operating
Lump Sum with Special Line Items by Fund

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The department may collect an amount of not to exceed \$1,762,600 from other funding sources, excluding Federal Funds, to recover pro rata costs of operating AFIS II. Any amounts left unspent from the Arizona Financial Information System Special Line Item shall revert to the State General Fund.

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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