

# Arizona Department of Administration

## Human Resources

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	161.5	174.0	174.0
Personal Services	5,455,400	8,810,500	8,810,500
Employee Related Expenditures	1,401,800	2,487,100	2,297,500
Professional and Outside Services	4,740,800	1,659,000	1,659,000
Travel - In State	13,700	10,700	10,700
Travel - Out of State	11,900	5,100	5,100
Other Operating Expenditures	3,368,600	3,503,400	3,655,600
Equipment	1,309,500	146,000	146,000
<b>OPERATING SUBTOTAL</b>	<b>16,301,700</b>	<b>16,621,800</b>	<b>16,584,400</b>
<b>SPECIAL LINE ITEMS</b>			
Human Resources Information Solution COP	1,504,700	2,294,700	2,838,600
<b>PROGRAM TOTAL</b>	<b>17,806,400</b>	<b>18,916,500</b>	<b>19,423,000</b>
<b>FUND SOURCES</b>			
<i>Other Appropriated Funds</i>			
Personnel Division Fund	13,178,700	14,152,900	14,665,100
Special Employee Health Insurance Trust Fund	4,627,700	4,763,600	4,757,900
SUBTOTAL - Other Appropriated Funds	17,806,400	18,916,500	19,423,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>17,806,400</b>	<b>18,916,500</b>	<b>19,423,000</b>
Other Non-Appropriated Funds	484,754,800	472,151,100	472,151,100
<b>TOTAL - ALL SOURCES</b>	<b>502,561,200</b>	<b>491,067,600</b>	<b>491,574,100</b>

### CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
Other Appropriated Funds	506,500	2.7%
Total Appropriated Funds	506,500	2.7%
Non Appropriated Funds	0	0.0%
Total - All Sources	506,500	0.1%

**COST CENTER DESCRIPTION** — The Human Resources Division is the state personnel office, providing employee benefits, among other services. Arizona Government University (AzGU) joined the division in December 2003. AzGU offers centralized training to state employees on a variety of topics. The Human Resources Division operating budget is funded through a permanent statutory charge to state agency payrolls of 1.04%.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• Customer satisfaction with benefit plans (Scale 1-8)	5.5	6.1	6.1	6.2
• Customer satisfaction with employee training (Scale 1-8) (NEW)	5.4	5.9	--	6.1
• Customer satisfaction with the open enrollment process (Scale 1-8)	7.1	7.3	7.2	--
• Average number of days to issue list of job applicants from Resumix to inquiring agency	3.5	4.3	2.0	--

**Comments:** On October 1, 2004, the department began self-administering health, dental, and vision insurance for all employees in the ADOA system, and expects customer satisfaction improvements as a result. By consolidating and standardizing training, AzGU anticipates improved course delivery efficiency.

**RECOMMENDED CHANGES FROM FY 2005**

***Operating Budget***

The JLBC recommends \$16,584,400 for the operating budget in FY 2006. This amount consists of \$11,826,500 from the Personnel Division Fund and \$4,757,900 from the Special Employee Health Insurance Trust Fund. These amounts would fund the following adjustments:

**Standard Changes** **OF** **FY 2006**  
**\$(37,400)**  
The JLBC recommends a decrease of \$(37,400) in FY 2006 for standard changes. This amount consists of \$(31,700) from the Personnel Division Fund and \$(5,700) from the Special Employee Health Insurance Trust Fund.

***Special Line Items***

***Human Resources Information Solution COP***  
The JLBC recommends \$2,838,600 from the Personnel Division Fund for the Human Resources Information Solution (HRIS) Certificate of Participation (COP) in FY 2006. This amount would fund the following adjustments:

**Increased Debt Service** **OF** **543,900**  
The JLBC recommends an increase of \$543,900 from the Personnel Division Fund in FY 2006 for increased debt service. In addition to its annual payments on interest, the department must begin payments to reduce COP principal this year.

This line item funds semi-annual payments made on the COP issued to fund the HRIS. HRIS replaced the Human Resources Management System in FY 2004. This line item does not include any FTE Positions. The HRIS portion of the COP involved a principal amount of approximately \$35 million. The first payment was made in FY 2002. Total interest costs for the COP are projected to be \$15.6 million over its 12-year term.

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

**JLBC RECOMMENDED FOOTNOTES**

***Deletion of Prior Year Footnotes***  
The JLBC recommends deleting the footnote concerning self-insurance. That footnote would have reverted a portion of the FY 2005 appropriation had the department not self-insured its state employee health insurance program during FY 2005. The state self-insurance program took effect on October 1, 2004.

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**SUMMARY OF FUNDS - SEE AGENCY SUMMARY**

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