

Arizona Department of Administration

Summary

JLBC: Tyler Palmer
 OSPB: Matt Gottheiner

DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
PROGRAM BUDGET			
Financial Services	14,638,400	14,729,000	27,074,200
Facilities Management	17,896,400	19,494,000	19,482,800
Human Resources	18,846,900	22,578,400	22,235,300
Information Technology Services	23,871,000	28,231,100	27,629,100
Support Services	19,084,900	21,804,300	21,770,700
Risk Management	77,424,900	88,627,900	90,084,500
AGENCY TOTAL	171,762,500	195,464,700	208,276,600
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	860.7	860.7	863.7
Personal Services	29,954,000	36,950,700	37,108,200
Employee Related Expenditures	9,572,200	13,636,600	13,666,900
Professional and Outside Services	4,463,600	4,706,000	4,449,200
Travel - In State	344,500	396,500	396,500
Travel - Out of State	24,400	88,400	88,400
Other Operating Expenditures	24,527,800	23,084,600	23,116,100
Equipment	14,624,600	14,512,300	13,969,300
OPERATING SUBTOTAL	83,511,100	93,375,100	92,794,600
Special Line Items (SLI)	88,251,400	102,089,600	115,482,000
AGENCY TOTAL	171,762,500	195,464,700	208,276,600
FUND SOURCES			
General Fund	25,030,300	27,559,700	40,121,800
<u>Other Appropriated Funds</u>			
Air Quality Fund	574,100	575,100	575,100
Automation Operations Fund	21,754,900	24,289,400	23,729,200
Capital Outlay Stabilization Fund	10,544,000	11,302,500	11,297,000
Corrections Fund	619,600	717,000	716,700
Federal Surplus Materials Revolving Fund	63,000	429,000	429,600
Highway User Revenue Fund	0	0	150,000
Motor Vehicle Pool Revolving Fund	11,304,200	11,737,500	11,736,600
Personnel Division Fund	14,933,800	17,057,800	17,215,900
Risk Management Revolving Fund	77,424,900	88,627,900	89,934,500
Special Employee Health Insurance Trust Fund	3,998,500	5,101,200	5,100,000
State Surplus Materials Revolving Fund	2,599,100	4,223,900	4,222,100
Telecommunications Fund	2,116,100	3,047,700	3,048,100
Watercraft Licensing Fund	800,000	796,000	0
SUBTOTAL - Other Appropriated Funds	146,732,200	167,905,000	168,154,800
SUBTOTAL - Appropriated Funds	171,762,500	195,464,700	208,276,600
Other Non-Appropriated Funds	679,295,500	705,718,100	710,663,000
Federal Funds	256,900	237,900	237,900
TOTAL - ALL SOURCES	851,314,900	901,420,700	919,177,500

CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	12,562,100	45.6%
Other Appropriated Funds	249,800	0.1%
Total Appropriated Funds	12,811,900	6.6%
Non Appropriated Funds	4,944,900	0.7%
Total - All Sources	17,756,800	2.0%

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

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	JLBC
• % of Arizona Department of Administration (ADOA) services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	72	69	NA	75

Comments: The agency did not submit information for this measure in FY 2006 as required by the General Appropriation Act. The agency reports that it will resume administering the customer satisfaction survey in FY 2007.

CHANGES FROM FY 2007

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		FY 2008	FORMAT — Operating Lump Sum with Special Line Items by Fund
Standard Changes	GF	\$ (400)	
	OF	19,200	
One-Time AZNet Appropriation	GF	(19,300)	
3,000 Prison Beds	GF	11,193,000	
Zuni Settlement Decrease	OF	(796,000)	
ENSCO Lease Increase	GF	1,959,000	
Auditor Positions	OF	256,800	
Consultant Services Decrease	OF	(256,800)	
One-Time Employee Wellness	GF	(500,000)	
HRIS Lease Increase	OF	162,100	
One-Time IT Equipment Funding	OF	(552,000)	
AZNet Lease Decrease	GF	(42,200)	
Rebase Retirement Rates	GF	(28,000)	
Property and Liability Losses	OF	(596,200)	
Workers' Compensation Losses	OF	1,942,500	
External Legal Expenses	OF	(79,900)	
Non-Legal Related Expenses	OF	100	
Highway Hazards Assessments	OF	150,000	

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Administration - AFIS II Collections Fund (ADA4203/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Financial transaction processing fees.		
Purpose of Fund: To operate the Arizona Financial Information System II.		
Funds Expended	1,643,400	1,738,600
Year-End Fund Balance	617,400	520,600
Air Quality Fund (ADA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: Annual air quality and emissions fees assessed on motor vehicle registrations, as well as legislative appropriations.		
Purpose of Fund: To administer a travel reduction program, as defined by A.R.S. § 49-588, including bus ride subsidies for state employees.		
Funds Expended	574,100	575,100
Year-End Fund Balance	0	0
Arizona Office for Americans with Disabilities Act Fund (ADA2001/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal grants passed through the Department of Economic Security.		
Purpose of Fund: To implement and enforce the Federal Americans with Disabilities Act (ADA), providing resources and information to the private sector and serving as ADA coordinator for state and local government entities.		
Funds Expended	201,100	206,400
Year-End Fund Balance	66,900	33,500

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Automation Operations Fund (ADA4230/A.R.S. § 41-711)		Appropriated
Source of Revenue: Charges to agencies and other political entities for information technology products and services. The fund has continuously appropriated sub-accounts for agreements made with other states and the Arizona Health Care Cost Containment System. Additionally in FY 2006, a transfer of \$12,046,200 from the Technology and Telecommunications Fund, as stipulated by Laws 2005, Chapter 330.		
Purpose of Fund: To provide agencies and other political entities data processing and information technology consulting services and to maintain the integrity and security of state information.		
Funds Expended	21,754,900	24,289,400
Year-End Fund Balance	8,024,800	5,740,200
Capital Outlay Stabilization Fund (ADA1600/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Rental and tenant improvement charges to agencies occupying Arizona Department of Administration (ADOA) owned buildings.		
Purpose of Fund: To pay maintenance, utilities, construction, and administrative costs for state-owned buildings.		
Funds Expended	10,544,000	11,302,500
Year-End Fund Balance	7,307,100	4,806,000
Certificate of Participation Fund (ADA5005/A.R.S. § 41-791.02)		Non-Appropriated
Source of Revenue: Rental and tenant improvement charges to agencies occupying buildings under Certificate of Participation (COP) lease-purchase agreements.		
Purpose of Fund: To make COP lease-purchase payments on buildings under such agreements.		
Funds Expended	32,720,000	33,573,800
Year-End Fund Balance	5,703,700	4,457,500
Co-Op State Purchasing Agreement Fund (ADA4213/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Annual subscription fees paid by local governments for state purchasing records, fees paid by individuals for copies of public records, and fees paid by vendors participating in the State Contract Show.		
Purpose of Fund: To provide microfiche of state purchasing information to local governments, as well as to reproduce public records for local governments and the public.		
Funds Expended	206,000	278,300
Year-End Fund Balance	339,500	355,000
Construction Insurance Fund (ADA4219/A.R.S. § 41-622)		Non-Appropriated
Source of Revenue: Risk management charges to agencies for state construction projects. The construction and design insurance rate is set by ADOA and reviewed by the Joint Committee on Capital Review.		
Purpose of Fund: To self-insure state construction projects with total costs under \$50 million and to purchase "wrap-up" or "owner-controlled insurance programs" (OCIP) for projects with total costs over \$50 million. An OCIP is an insurance program provided by the owner of a project to protect its own interests and those of all participating contractors. Typically, an OCIP includes a series of insurance policies combined with loss prevention and quality assurance programs.		
Funds Expended	2,447,300	1,571,200
Year-End Fund Balance	9,855,000	12,083,800
Consumer Loss Recovery Fund (ADA2469/A.R.S. § 41-622.02)		Non-Appropriated
Source of Revenue: Budget Stabilization Fund (A.R.S. § 35-144) transfers based on monthly actual expenditure requests as submitted by the Risk Management Division.		
Purpose of Fund: To pay claims, as well as adjusting, processing, legal defense, and administrative costs, associated with the alternative fuel credit.		
Funds Expended	80,400	101,300
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Corrections Fund (DCA2088/A.R.S. § 41-1641)		Appropriated
Source of Revenue: Luxury taxes on alcohol and tobacco products.		
Purpose of Fund: To pay for construction, major maintenance, lease, purchase, renovation, or conversion of Department of Corrections and Department of Juvenile Corrections facilities. ADOA uses these monies to oversee construction projects benefiting the Department of Corrections or the Department of Juvenile Corrections.		
Funds Expended	619,600	717,000
Year-End Fund Balance	1,506,500	(1,705,300)
Electronic Commerce (ADA2482/A.R.S. § 41-2673)		Non-Appropriated
Source of Revenue: Legislative appropriations, agency repayments, and 10% of any savings generated through the implementation of electronic commerce initiatives using fund monies.		
Purpose of Fund: To partially finance agency electronic commerce initiatives where other funding mechanisms do not exist.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Emergency Telecommunication Services Revolving Fund (ADA2176/A.R.S. § 41-704)		Non-Appropriated
Source of Revenue: The telecommunication services excise tax, currently \$0.28 per wire or wireless account, levied on monthly telephone bills and remitted by telephone companies, as authorized by A.R.S. § 42-5252.		
Purpose of Fund: To aid the political subdivisions of the state in implementing and operating emergency telecommunication services (911); to purchase necessary equipment and consulting services (up to 3% of revenue); to pay monthly recurring costs for capital, maintenance, and operations; and to reimburse wireless carriers for the costs of compliance.		
Funds Expended	21,231,100	28,136,900
Year-End Fund Balance	48,460,400	42,493,300
Employee Related Expenditures/Benefits Administration Fund (ITA3035/A.R.S. § 38-651.05)		Non-Appropriated
Source of Revenue: State employer and state employee premium contributions for dental, vision, flexible spending, disability, life, and accident insurance.		
Purpose of Fund: To administer state employee benefit plans and pay non-health insurance premiums.		
Funds Expended	32,389,300	33,100,000
Year-End Fund Balance	3,197,200	871,000
Federal Grant (ADA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal Grants, including grants from the Department of Justice.		
Purpose of Fund: To pay for security related equipment and other expenses.		
Funds Expended	55,800	31,500
Year-End Fund Balance	109,300	32,700
Federal Surplus Materials Revolving Fund (ADA4215/A.R.S. § 41-2606)		Appropriated
Source of Revenue: Federal surplus property service and handling fees.		
Purpose of Fund: To collect, store, and administer the sale of federal surplus property. Federal regulations concerning the disposition of federal surplus property cap the year-end balance of this fund at \$50,000. When the fund exceeds this cap, the department must discount its service and handling charges for federal surplus materials transferred to agencies in the following fiscal year.		
Funds Expended	63,000	429,000
Year-End Fund Balance	57,500	57,500

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Highway User Revenue Fund (DTA3113/A.R.S. § 28-6533)		Appropriated
Source of Revenue: Transportation-related licenses, taxes, fees, penalties and interest such as the motor vehicle fuel tax, vehicle license tax, vehicle registration, driver's license, interest earnings, and others.		
Purpose of Fund: In FY 2008, \$150,000 is included for ADOA to contract for a Highway Hazards Assessment. <i>See the Arizona Department of Transportation Summary of Funds section for other purposes of the fund.</i>		
Funds Expended	0	0
Year-End Fund Balance	0	0
IGA and ISA Fund (ADA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Various intergovernmental and interagency service agreements.		
Purpose of Fund: To execute various intergovernmental and interagency service agreements.		
Funds Expended	10,392,400	6,644,700
Year-End Fund Balance	3,642,400	2,144,300
Lease Purchase Building Operating and Maintenance Fund (ADA1025/A.R.S. § 41-792.01)		Appropriated
Source of Revenue: Operations and maintenance charges to agencies occupying non-COP lease-purchase state buildings.		
Purpose of Fund: To operate and maintain non-COP lease-purchase state buildings. All such buildings have been paid off or sold.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Legislative, Executive, and Judicial Public Buildings Land Fund (ADA3127/A.R.S. § 37-525)		Appropriated
Source of Revenue: State trust land lease revenues.		
Purpose of Fund: To support state Legislative, Executive, and Judicial buildings. In FY 2005, to construct a new Library and Archives Building.		
Funds Expended	0	0
Year-End Fund Balance	446,000	446,000
Management Services Division Plan Deposits Fund (ADA3196/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Deposits for blueprints, paid by construction vendors and bidders.		
Purpose of Fund: To reimburse blueprint deposits.		
Funds Expended	0	0
Year-End Fund Balance	44,400	44,400
Motor Vehicle Pool Revolving Fund (ADA4204/A.R.S. § 41-804)		Appropriated
Source of Revenue: Charges to agencies for the use of motor pool vehicles.		
Purpose of Fund: To operate the motor vehicle pool.		
Funds Expended	11,304,200	11,737,500
Year-End Fund Balance	11,725,600	11,981,900
Personnel Division Fund (ADA1107/A.R.S. § 41-764)		Partially-Appropriated
Source of Revenue: A 1.04% (permanent law) charge on the total payroll of each agency within the ADOA personnel system.		
Purpose of Fund: To operate the ADOA Human Resources Division.		
Appropriated Funds Expended	14,933,800	17,057,800
Non-Appropriated Funds Expended	328,500	0
Year-End Fund Balance	1,570,300	281,600

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Privatized Lease To Own Fund (ADA5010/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Charges to agencies occupying privatized lease to own (PLTO) buildings.		
Purpose of Fund: To operate, maintain, and make annual rent payments on PLTO buildings.		
Funds Expended	11,124,600	10,776,700
Year-End Fund Balance	634,700	634,700
Retiree Accumulated Sick Leave Fund (YYA3200/A.R.S. § 38-616)		Non-Appropriated
Source of Revenue: A 0.40% charge on the total benefit-eligible payroll of each agency within the ADOA personnel system. By statute, the rate may not exceed 0.55% and is set by ADOA with Joint Legislative Budget Committee review.		
Purpose of Fund: To compensate eligible retiring state employees for accumulated sick leave, to pay insurance premiums, and to administer the program. Payments are calculated as a percentage, tiered according to accrual level, of hourly salary. Payments to one individual shall not exceed \$30,000.		
Funds Expended	9,883,200	10,929,600
Year-End Fund Balance	8,131,900	9,776,600
Risk Management Revolving Fund (ADA4216/A.R.S. § 41-622)		Appropriated
Source of Revenue: Actuarial charges assessed to agencies insured under the state's risk management system, as well as recoveries by the state through litigation.		
Purpose of Fund: To pay damages relating to self-insured liability, property, and workers' compensation losses; to purchase additional risk management services including supplemental insurance, loss prevention, and private counsel; and to operate the Risk Management Division.		
Funds Expended	77,424,900	88,627,900
Year-End Fund Balance	38,049,300	34,802,200
Special Employee Health Insurance Trust Fund (ITA3015/A.R.S. § 38-654)		Partially-Appropriated
Source of Revenue: Employer and employee medical and dental insurance contributions.		
Purpose of Fund: To administer and pay premiums and claims for state employee health insurance plans, as well as to operate the Wellness and Communications program. Only administrative expenditures from this fund are subject to legislative appropriation.		
Appropriated Funds Expended	3,998,500	5,101,200
Non-Appropriated Funds Expended	553,896,800	575,472,300
Year-End Fund Balance	48,395,900	46,332,100
Special Events Fund (ADA2503/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Set-up fees for special events on state property.		
Purpose of Fund: To set up special events on state property.		
Funds Expended	200	26,400
Year-End Fund Balance	22,500	13,000
Special Services Revolving Fund (ADA4208/A.R.S. § 35-193)		Non-Appropriated
Source of Revenue: Payments by agencies using various centralized printing, copying, and repair services offered by ADOA.		
Purpose of Fund: To provide supplies, printing, copying, repair, and other office services for state agencies.		
Funds Expended	1,974,200	2,002,500
Year-End Fund Balance	284,000	216,500
State Employee Suggestion Program Award Fund (ADA3190/A.R.S. § 38-613)		Non-Appropriated
Source of Revenue: Legislative appropriations.		
Purpose of Fund: To award state employees 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 fund monies may be used to administer the program.		
Funds Expended	0	0
Year-End Fund Balance	63,100	63,100

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
State Employee Travel Reduction Fund (ADA2261/A.R.S. § 41-101.03)		Non-Appropriated
Source of Revenue: Grants by the Maricopa Association of Governments, the State Travel Reduction Planning Office, and the Arizona Department of Environmental Quality.		
Purpose of Fund: To operate and administer a ride-sharing program for the transportation of state employees between home and work.		
Funds Expended	616,000	653,400
Year-End Fund Balance	266,200	130,500
State Surplus Materials Revolving Fund (ADA4214/A.R.S. § 41-2606)		Appropriated
Source of Revenue: State surplus property sales revenues.		
Purpose of Fund: To collect, store, and administer the sale of state surplus property. The majority of revenues are returned to donor agencies. The department retains a service and handling fee.		
Funds Expended	2,599,100	4,223,900
Year-End Fund Balance	340,800	447,300
State Traffic and Parking Control Fund (ADA2453/A.R.S. § 41-796)		Non-Appropriated
Source of Revenue: Penalties and fees collected 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, as well as to maintain state parking lots and structures.		
Funds Expended	45,900	37,400
Year-End Fund Balance	17,400	10,000
Statewide Donations Fund (ADA2025/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Employee donations and other miscellaneous deposits. In FY 2005, a \$1,000,000 grant for wireless emergency telecommunications was deposited into the fund.		
Purpose of Fund: Employee donations are used to recognize outstanding employees. The \$1,000,000 grant received in FY 2005 is to be used for GIS and mapping support in the development of Wireless Phase II deployment in counties that have already deployed Wireless Phase I. Of the \$1,000,000 grant, \$767,800 remains to be expended in FY 2007 and FY 2008.		
Funds Expended	316,200	675,000
Year-End Fund Balance	787,100	194,100
Technology and Telecommunications Fund (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 had continuously appropriated sub-accounts for agreements made with other states and the Arizona Health Care Cost Containment System. The fund was repealed by Laws 2005, Chapter 330.		
Purpose of Fund: To operate and equip telecommunications voice, data, video, and graphics systems, allowing the collection, storage, interchange, retrieval, processing, transmission, and securing of information. Laws 2005, Chapter 330 transferred \$12,046,200 of the year end fund balance to the Automation Operations Fund and \$927,500 of the balance to the Telecommunications Fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Telecommunications Fund (ADA4231/A.R.S. § 41-713)		Appropriated
Source of Revenue: Administrative surcharges on telecommunications services for agencies and other political entities. Additionally in FY 2006, a transfer of \$927,500 from the Technology and Telecommunications Fund, as stipulated by Laws 2005, Chapter 330.		
Purpose of Fund: To operate the Telecommunications Program Office, which manages and oversees statewide contracts for telecommunications products and services. The state's contractors operate and equip telecommunications voice, data, video, and graphics systems, allowing the collection, storage, interchange, retrieval, and transmission of information.		
Funds Expended	2,116,100	3,047,700
Year-End Fund Balance	452,100	238,600

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Watercraft Licensing Fund (GFA2079/A.R.S. § 5-323)		Appropriated
Source of Revenue: Registration fees for the licensing and numbering of watercraft, license taxes, and penalty assessments.		
Purpose of Fund: Laws 2005, Chapter 332 appropriated \$800,000 in FY 2006 and \$796,000 in FY 2007 from the fund to comply with the state's share of the Zuni Indian water settlement.		
Funds Expended	800,000	796,000
Year-End Fund Balance	(800,000)	(800,000)