

**Arizona Department of Administration**  
**Financial Services**

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DESCRIPTION	FY 2007 ACTUAL	FY 2008 ESTIMATE	FY 2009 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	105.5	105.5	105.5
Personal Services	3,855,500	4,251,400	4,297,600
Employee Related Expenditures	1,463,600	1,604,600	1,589,700
Professional and Outside Services	5,500	5,500	4,000
Travel - In State	6,500	6,500	4,500
Travel - Out of State	6,200	6,200	5,000
Other Operating Expenditures	2,211,000	2,368,000	2,406,300
Equipment	10,000	10,000	18,000
<b>OPERATING SUBTOTAL</b>	<b>7,558,300</b>	<b>8,252,200</b>	<b>8,325,100</b>
<b>SPECIAL LINE ITEMS</b>			
Named Claimants	472,200	0	0
Zuni Water Rights Settlement	796,000	0	0
Uniform Allowance Audit Agreement	1,937,000	0	0
County Attorney Immigration Enforcement	0	2,430,000	2,430,000
ENSCO	5,329,400	7,289,400	2,867,300
Arizona Financial Information System	1,031,200	1,115,200	1,115,200
<b>AGENCY TOTAL</b>	<b>17,124,100</b>	<b>19,086,800</b>	<b>14,737,600</b>
<b>FUND SOURCES</b>			
General Fund	14,123,400	18,796,000	14,446,800
<u>Other Appropriated Funds</u>			
Capital Outlay Stabilization Fund	104,200	102,000	102,000
Corrections Fund	93,300	105,200	105,200
Payroll Clearing Fund	1,937,000	1,937,000	0
Special Employee Health Insurance Trust Fund	70,200	83,600	83,600
Watercraft Licensing Fund	796,000	0	0
SUBTOTAL - Other Appropriated Funds	3,000,700	290,800	290,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>17,124,100</b>	<b>19,086,800</b>	<b>14,737,600</b>
Other Non-Appropriated Funds	48,499,300	49,995,900	49,504,200
<b>TOTAL - ALL SOURCES</b>	<b>65,623,400</b>	<b>69,082,700</b>	<b>64,241,800</b>

**CHANGE IN FUNDING SUMMARY**

	FY 2008 to FY 2009 JLBC	
	\$ Change	% Change
General Fund	(4,349,200)	(23.1%)
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	(4,349,200)	(22.8%)
Non Appropriated Funds	(491,700)	(1.0%)
Total - All Sources	(4,840,900)	(7.0%)

**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 State Procurement Office (SPO), which provides purchasing services and oversees procurement for state agencies.

<b>PERFORMANCE MEASURES</b>	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2009 JLBC
• % of procurement plan award dates met for the RFP process	87.0	75.5	76.0	77.0
• Customer satisfaction with establishing contracts (Scale 1-8)	5.2	NA	6.9	6.9
• Customer satisfaction with administering contracts (Scale 1-8)	4.8	NA	6.6	6.7
• Customer satisfaction rating for the operation of Arizona Financial Information System (AFIS) (Scale 1-8)	6.2	7.4	6.7	7.5

### **Operating Budget**

The JLBC includes \$8,325,100 and 94.4 FTE Positions for the operating budget in FY 2009. These amounts consist of:

General Fund	\$8,034,300
Capital Outlay Stabilization Fund	102,000
Corrections Fund	105,200
Special Employee Health Insurance Trust Fund	83,600

FY 2009 adjustments would be as follows:

#### **Facilities Management Fund Shift GF 72,900**

This adjustment would be an increase of \$72,900 from the General Fund in FY 2009 to shift funding from ADOA Facilities Management to align agency appropriation with actual expenditures. This transfer does not change the agency's total General Fund appropriation.

### **Named Claimants**

The JLBC cannot yet offer an amount 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. Monies in this line item are not included in the General Appropriation Act. A separate legislative act usually makes this appropriation. Laws 2007, Chapter 285 provided \$472,245 from the General Fund in FY 2007 for Named Claimants.

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.

### **Zuni Water Rights Settlement**

The JLBC includes no funding from the Watercraft Licensing Fund for the Zuni Indian Tribe Water Rights Settlement in FY 2009. This amount is unchanged from FY 2008.

Laws 2005, Chapter 332 appropriated \$800,000 in FY 2006 and \$796,000 in FY 2007 from the Watercraft Licensing Fund. The settlement allowed the Zuni Tribe to purchase water rights and restore wetlands on its reservation in eastern Arizona. In return, the Zuni Tribe waived any further water or damages claims against the state.

The Federal Zuni Indian Tribe Water Rights Settlement Act of 2003 (P.L. 108-34) codified this agreement. Under the arrangement, federal and private organizations contributed approximately \$25,000,000.

The settlement required the state to fund \$2,000,000. The Department of Water Resources contributed approximately \$400,000 from the non-appropriated Arizona Water Protection Fund.

On December 19, 2006, the United States Department of the Interior formally recorded the state's compliance with the terms of the settlement.

### **Uniform Allowance Audit Agreement**

The JLBC includes no funding for the Uniform Allowance Audit Agreement SLI in FY 2009. This amount is unchanged from FY 2008.

Laws 2007, Chapter 256 (the FY 2007 Supplemental Bill) appropriated \$1,937,000 as one-time from the Payroll Clearing Fund in FY 2007 for a payment to the Internal Revenue Service (IRS). An IRS audit revealed that the state had been improperly reporting uniform allowances for state employees.

**County Attorney Immigration Enforcement**

The JLBC includes \$2,430,000 from the General Fund for the Fair and Legal Employment Act Special Line Item in FY 2009. This amount is unchanged from FY 2008.

The appropriation is for distribution to county attorneys for the purpose of enforcement of the provisions in A.R.S. § 23-212 that prohibit an employer from knowingly employing unauthorized immigrants, and general enforcement of immigration related matters. A new footnote specifies the allocation of these funds.

**ENSCO**

The JLBC includes \$2,867,300 from the General Fund for ENSCO in FY 2009. FY 2009 adjustments would be as follows:

**Debt Service Decrease                      GF      (4,422,100)**

The JLBC includes a decrease of \$(4,442,100) from the General Fund in FY 2009 for decreased lease-purchase costs.

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 continue through FY 2011.

**Arizona Financial Information System**

The budget provides \$1,115,200 and 11.1 FTE Positions from the General Fund for the Arizona Financial Information System (AFIS) in FY 2009. These amounts are unchanged from FY 2008.

Monies in this line item pay the General Fund cost of operating the statewide accounting system. A footnote allows the department to collect up to \$1,762,600 in FY 2009 from other funding sources, excluding the General Fund and Federal Funds, to supplement the cost of operating AFIS.

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

**FOOTNOTES**

*Standard Footnotes*

The department may collect an amount 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 line item shall revert to the state General Fund.

*New Footnotes*

The \$2,430,000 appropriated to the County Attorney Immigration Enforcement Special Line Item shall be distributed as follows: \$1,430,000 to each county attorney of a county in this state having a population of 1,500,000 or more persons and \$500,000 to each county attorney of a county in this state having a population of 800,000 or more persons but less than 1,500,000 persons. The remainder of the monies are to be distributed as equally as possible to each county attorney of counties in this state having a population of less than 500,000 persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing A.R.S. § 23-212. These appropriations are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. *This allocation continues the distribution established in Laws 2007, Chapter 279.*