Arizona Department of Administration

	FY 2010 ACTUAL	FY 2011 ESTIMATE	FY 2012 APPROVED
OPERATING BUDGET			
Full Time Equivalent Positions	730.7	724.7	689.7 [1/]
Personal Services	24,254,900	26,859,100	26,738,700
Employee Related Expenditures	9,803,000	11,369,000	10,670,100
Professional and Outside Services	3,694,800	4,661,900	5,050,400
Travel - In State	253,500	311,200	315,500
Travel - Out of State	15,100	20,200	26,800
Other Operating Expenditures	26,607,000	29,975,500	29,844,200
Equipment	2,392,000	5,982,500	5,831,500
OPERATING SUBTOTAL	**67,020,300**	**79,179,400**	**78,477,200** [2/]
SPECIAL LINE ITEMS			
Facilities Management			
Relocation	53,600	0	0
Utilities	7,311,700	7,975,600	7,975,600
Financial Services			
Arizona Financial Information System	1,113,700	0	0
Ch. 120 Appropriations for Named Claimants	101,600	68,700	0
County Attorney Immigration Enforcement	715,000	1,213,200	1,213,200 [3/]
ENSCO	2,867,300	2,862,800	1,436,400
Federal Legal Services Payback	1,700,000	0	0
Human Resources			
Employee Wellness Program	218,500	0	0
Human Resources Information Solution COP	4,318,400	4,749,700	5,550,600
Information Technology Services			
Public Safety Communications	0	0	527,200
Statewide Information Security and Privacy Office	0	0	853,100
Telecommunications Lease Payment	851,700	425,900	0
Risk Management			
External Legal Services	2,681,100	0	0
Non-Legal Related Expenditures	2,124,100	0	0
Risk Management Administrative Expenses	0	8,746,100	8,746,100
Risk Management Losses and Premiums	30,061,800	45,371,300	43,480,200
Workers' Compensation Losses and Premiums	22,323,000	30,112,300	30,620,200
Support Services			
State Surplus Property Sales Proceeds	587,300	1,260,000	1,260,000 [4/]
Other			
Ch. 34 One-Time COSF	0	0	500,000
AGENCY TOTAL	**144,049,100**	**181,965,000**	**180,639,800** [5/6/]
FUND SOURCES			
General Fund	18,799,900	17,756,900	14,858,600
Other Appropriated Funds			
Air Quality Fund	696,600	714,100	714,100 [7/]
Automation Operations Fund	18,200,700	18,904,200	18,672,400 [8/]
Capital Outlay Stabilization Fund	14,988,600	17,336,600	17,790,500
Corrections Fund	428,700	562,800	552,500
Federal Surplus Materials Revolving Fund	99,800	458,700	451,400
Information Technology Fund	0	0	3,120,500
Motor Vehicle Pool Revolving Fund	7,434,400	10,512,000	10,038,900 [9/]
Personnel Division Fund	12,551,300	13,948,600	14,564,800
Risk Management Revolving Fund	64,113,500	92,362,800	90,321,800
Special Employee Health Insurance Trust Fund	3,706,500	5,172,600	5,108,300
State Surplus Materials Revolving Fund	1,568,800	2,395,400	2,378,800

	FY 2010 ACTUAL	FY 2011 ESTIMATE	FY 2012 APPROVED
State Web Portal Fund	0	0	250,000
Telecommunications Fund	1,460,300	1,840,300	1,817,200
SUBTOTAL - Other Appropriated Funds	125,249,200	164,208,100	165,781,200
SUBTOTAL - Appropriated Funds	**144,049,100**	**181,965,000**	**180,639,800**
Other Non-Appropriated Funds	897,873,600	923,106,300	990,566,800
Federal Funds	2,172,500	6,752,300	6,493,500
TOTAL - ALL SOURCES	1,044,095,200	1,111,823,600	1,177,700,100

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

Operating Budget

The budget includes $78,477,200 and 682.7 FTE Positions in FY 2012 for the operating budget. These amounts consist of:

	FY 2012
General Fund	$11,056,100
Air Quality Fund	714,100
Automation Operations Fund	18,672,400
Capital Outlay Stabilization Fund	9,940,600
Corrections Fund	552,500
Federal Surplus Materials Revolving Fund	451,400
Information Technology Fund	2,267,400
Motor Vehicle Pool Revolving Fund	10,038,900
Personnel Division Fund	9,014,200
Risk Management Revolving Fund	7,475,300
Special Employee Health Insurance Trust Fund	5,108,300
State Surplus Materials Revolving Fund	1,118,800
State Web Portal Fund	250,000
Telecommunications Fund	1,817,200

These amounts fund the following adjustments:

GITA Consolidation

The budget includes an increase of $2,560,800 and 16 FTE Positions in FY 2012 to transfer the functions of the Government Information Technology Agency (GITA) to the Arizona Department of Administration (ADOA) as required by the Consolidation Budget Reconciliation Bill (BRB) (Laws 2011, Chapter 27). These amounts consist of:

1/ Includes 4 GF and 3 OF FTE Positions funded from Special Line Items in FY 2012.

2/ 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. (General Appropriation Act footnote)

3/ Of the $1,213,200 appropriated to the County Attorney Immigration Enforcement line item, $200,000 shall be distributed to the county attorney of a county in this state having a population of 2,000,000 or more persons for the purpose of enforcing Title 23, Chapter 2, Article 2, Arizona Revised Statutes, and $500,000 shall be distributed to the county sheriff of a county in this state having a population of 2,000,000 or more persons for the purpose of enforcing Title 23, Chapter 2, Article 2, Arizona Revised Statutes. Subject to the prior approval of the Joint Legislative Budget Committee, the remaining monies may be distributed to county attorneys and county sheriffs of counties with populations of less than 2,000,000 persons for the purpose of enforcing Title 23, Chapter 2, Article 2, Arizona Revised Statutes. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. The appropriated monies may be spent in the sole discretion of the county attorney or county sheriff to whom the monies are distributed for the purpose of enforcing Title 23, Chapter 2, Article 2, Arizona Revised Statutes, without any further approval or other action by the county board of supervisors of the county. (General Appropriation Act footnote)

4/ All State Surplus Materials Revolving Fund revenues received by the Department of Administration in excess of the $1,260,000 appropriated to the State Surplus Property Sales Proceeds line item in FY 2012 are appropriated to the department. Before the expenditure of State Surplus Materials Revolving Fund receipts in excess of $1,260,000 in FY 2012, the Department of Administration shall report the intended use of monies to the Joint Legislative Budget Committee. (General Appropriation Act footnote)

5/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

6/ In addition to these amounts, a total of $265,700 GF and $1,068,600 OF is appropriated in FY 2012 for costs associated with an additional pay period. *(Please see the Agency Detail and Allocations section.)*

7/ The amounts appropriated for the State Employee Transportation Service Subsidy shall be used for up to a 50% subsidy of charges payable for transportation service expenses as provided in A.R.S. § 41-786, of nonuniversity state employees in a vehicle emissions control area as defined in A.R.S. § 49-541, of a county with a population of more than 400,000 persons. (General Appropriation Act footnote)

8/ The appropriation for the Automation Operations Fund is an estimate representing all monies, including balance forward, revenue and transfers during FY 2012. These monies are appropriated to the Department of Administration for the purposes established in A.R.S. § 41-711. The appropriation shall be adjusted as necessary to reflect receipts credited to the Automation Operations Fund for Automation Operation Center projects. Before the expenditure of any Automation Operations Fund revenues in excess of $18,672,400 in FY 2012, the Department of Administration shall report the intended use of monies to the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for statewide allocations)

9/ It is the intent of the Legislature that the department not replace vehicles until an average of 120,000 miles or more. (General Appropriation Act footnote)

Information Technology Fund	2,310,800
State Web Portal Fund	250,000

Office of Employment and Population Statistics Consolidation

The budget includes an increase of $233,100 from the General Fund in FY 2012 to transfer the Office of Employment and Population Statistics from the Department of Commerce to ADOA as required by the General Government BRB (Laws 2011, Chapter 34).

Transfer Capitol Police to DPS

The budget includes a decrease of $(2,410,800) and (58) FTE Positions in FY 2012 to transfer the Capitol Police from ADOA to the Department of Public Safety as required by the Consolidation BRB (Laws 2011, Chapter 27). These amounts consist of:

General Fund	(1,889,200)
Risk Management Fund	(521,600)

Statewide Adjustments

The budget includes a decrease of $(1,085,300) in FY 2012 for statewide adjustments. This amount consists of:

General Fund	151,600
Automation Operations Fund	(231,800)
Capital Outlay Stabilization Fund	(46,100)
Corrections Fund	(10,300)
Federal Surplus Materials Revolving Fund	(7,300)
Information Technology Fund	(43,400)
Motor Vehicle Pool Revolving Fund	(473,100)
Personnel Division Fund	(184,700)
Risk Management Revolving Fund	(136,200)
Special Employee Health Insurance Trust Fund	(64,300)
State Surplus Materials Revolving Fund	(16,600)
Telecommunications Fund	(23,100)

Of these amounts $2,031,200 is for ADOA to make the final lease-purchase payment in FY 2012 from the General Fund for the Arizona State Schools for the Deaf and the Blind high school/auditorium.

(Please see the Agency Detail and Allocations section.)

Facilities Management

Relocation

The budget includes no funding in FY 2012 for Relocation. These monies were transferred into the operating budget in FY 2011. Monies in this Special Line Item (SLI) provided funding for unanticipated agency relocations.

Utilities

The budget includes $7,975,600 in FY 2012 for Utilities. This amount consists of:

General Fund	625,700
Capital Outlay Stabilization Fund	7,349,900

These amounts are unchanged from FY 2011.

This line item funds utility charges, including electric, water, gas, and garbage disposal, for state-owned buildings.

Financial Services

Arizona Financial Information System

The budget includes no funding in FY 2012 for Arizona Financial Information Systems. These monies were transferred into the operating budget in FY 2011. Monies in this SLI provided funding for the General Fund cost of operating the statewide accounting system.

Ch. 120 Appropriations for Named Claimants

Laws 2011, Chapter 120 appropriates $68,687.30 from the General Fund in FY 2011 for Named Claimants. The state must annually settle legitimate unpaid claims against received goods and services, as submitted by the various state agencies. Monies in this SLI are not included in the General Appropriation Act. A separate legislative act usually makes this appropriation. Laws 2010, Chapter 246 included $101,633.97 in FY 2010 for prior year unpaid claims. All $101,633.97 was expended on claims.

The General Fund is used to pay the Named Claimants bills, but is reimbursed if the claim would have otherwise been paid by another fund source. Of the $68,687.30, the General Fund will receive $3,904 from the Risk Management Fund and $17,504.44 from the Nursing Fund. The total of $21,408.44 will be deposited in the General Fund as revenue.

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.

County Attorney Immigration Enforcement

The budget includes $1,213,200 from the General Fund in FY 2012 for County Attorney Immigration Enforcement. This amount is unchanged from FY 2011.

The FY 2012 appropriation is for distribution to county attorneys and county sheriffs for the purpose of enforcement of Title 23, Chapter 2, Article 2, Arizona Revised Statutes that prohibit an employer from knowingly employing unauthorized immigrants and general enforcement of immigration related matters. A footnote specifies the allocation of these funds.

ENSCO

The budget includes $1,436,400 from the General Fund in FY 2012 for ENSCO. This amount funds the following adjustments:

Statewide Adjustments
The budget includes a decrease of $(1,426,400) from the General Fund in FY 2012 for statewide adjustments.

Monies in this line item are used to pay the lease-purchase requirements for acquisition of the ENSCO site. Laws 1991, Chapter 282 authorized the simultaneous sale and lease-purchase of state properties to fund this appropriation. In October 1991, ADOA issued a 20-year, $54,514,200 Certification of Participation (COP) in which portions of the adult prison complex at Florence were used as collateral. The COP will be paid off in August of 2011, which is FY 2012. *(Please see the FY 2011 Appropriations Report for more details.)*

Federal Legal Services Payback

The budget includes no funding in FY 2012 for Federal Legal Services Payback. Monies in this SLI provided one-time funding for the repayment to the federal government for Attorney General Legal Services Cost Allocation Fund pro rata charges in FY 2010.

Human Resources

Employee Wellness Program

The budget includes no funding in FY 2012 for the Employee Wellness Program. These monies were transferred into the operating budget in FY 2011. Monies in this SLI provided funding for a vendor contract to conduct employee wellness screenings and provide wellness feedback to participants.

Human Resources Information Solution COP

The budget includes $5,550,600 from the Personnel Division Fund in FY 2012 for the Human Resources Information Solution (HRIS) COP. This amount funds the following adjustments:

Lease Payment Increase
The budget includes an increase of $800,900 from the Personnel Division Fund in FY 2012 for an increased HRIS lease-purchase payment.

This line item funds semi-annual payments made on the $35,000,000 12-year COP issued to fund HRIS.

Information Technology Services

Public Safety Communications

The budget includes $527,200 and 4 FTE Positions from the General Fund in FY 2012 for Public Safety Communications. These amounts fund the following adjustments:

GITA Consolidation
The budget includes an increase of $542,000 and 4 FTE Positions from the General Fund in FY 2012 to transfer the functions of GITA to ADOA as required by the Consolidation BRB (Laws 2011, Chapter 27).

Statewide Adjustments
The budget includes a decrease of $(14,800) from the General Fund in FY 2012 for statewide adjustments.

The Public Safety Communications Program designs and implements a standard based system that provides interoperability between statewide public safety agencies.

Radio interoperability allows public safety personnel from one agency to communicate with personnel from other agencies.

Statewide Information Security and Privacy Office

The budget includes $853,100 and 3 FTE Positions from the Information Technology Fund in FY 2012 for the Statewide Information Security and Privacy Office. These amounts fund the following adjustments:

GITA Consolidation
The budget includes an increase of $861,500 and 3 FTE Positions from the Information Technology Fund in FY 2012 to transfer the functions of GITA to ADOA as required by the Consolidation BRB (Laws 2011, Chapter 27).

Statewide Adjustments
The budget includes a decrease of $(8,400) from the Information Technology Fund in FY 2012 for statewide adjustments.

The office performs strategic planning, policy development, and risk assessment to protect the state's information resources.

Telecommunications Lease Payment

The budget includes no funding in FY 2012 for the Telecommunications Lease Payment. This amount funds the following adjustments:

Lease Payment Decrease
The budget includes a decrease of $(425,900) from the General Fund in FY 2012 to eliminate the lease payment.

Risk Management

External Legal Services

The budget includes no funding in FY 2012 for External Legal Services. Monies in this SLI were transferred to the Risk Management Administrative Expenses SLI *(see below)* in FY 2011. Monies in this SLI provided funding for legal representation from outside the Office of the Attorney General in Risk Management or workers' compensation related lawsuits against the state.

Non-Legal Related Expenditures

The budget includes no funding in FY 2012 for Non-Legal Related Expenditures. Monies in this SLI were transferred to the Risk Management Administrative Expenses SLI *(see below)* in FY 2011. Monies in this SLI provided funding for financial and actuarial analyses, relevant investigations, and related travel.

Risk Management Administrative Expenses

The budget includes $8,746,100 from the Risk Management Fund in FY 2012 for Risk Management Administrative Expenses. This amount is unchanged from FY 2011.

This line item funds financial and actuarial analyses, relevant investigations, and related travel. This line item also funds legal representation from outside the Office of the Attorney General.

Risk Management Losses and Premiums

The budget includes $43,480,200 from the Risk Management Revolving Fund in FY 2012 for Risk Management Losses and Premiums. This amount funds the following adjustments:

Risk Management Losses
The budget includes a decrease of $(1,891,100) from the Risk Management Revolving Fund in FY 2012 for an estimated decrease in Risk Management Losses and Premiums. This decrease is a result of an independent actuarial review of the department's claim history and exposure.

This line item represents estimated payments for liability and property settlements, medical expenses, and supplemental insurance premiums. An actuarial study annually updates the projected loss exposures.

Workers' Compensation Losses and Premiums

The budget includes $30,620,200 from the Risk Management Revolving Fund in FY 2012 for Workers' Compensation Losses and Premiums. This amount funds the following adjustments:

Losses and Premiums Increase
The budget includes an increase of $507,900 from the Risk Management Revolving Fund in FY 2012 for an estimated increase in Workers' Compensation Losses and Premiums. This increase is a result of an independent actuarial review of the department's claim history and exposure.

This line item accounts for the state's liability in workplace injuries. The funding represents payments for workers' compensation beneficiaries, hospital and medical expenses, and supplemental insurance premiums. An actuarial study annually updates the projected loss exposures.

Support Services

State Surplus Property Sales Proceeds

The budget includes $1,260,000 from the State Surplus Materials Revolving Fund in FY 2012 for State Surplus Property Sales Proceeds. This amount is unchanged from FY 2011.

This line item separates surplus sales proceeds returned to agencies from the division's operating budget. The surplus property yard returns 90% of sales proceeds to the agency from which the property originated. The yard retains 10% of the proceeds to fund its operations.

Other

Ch. 34 One-Time COSF

Laws 2011, Chapter 34 appropriates $500,000 from the Capital Outlay Stabilization Fund (COSF) in FY 2012 for costs associated with building maintenance and building utilities.

This line item is a one-time appropriation of 50% of the balance of a completed capital project. ADOA intends to spend these funds on the operating and utility expenses for the Polly Rosenbaum Archives Building.

Fund Transfers

The budget includes transfers from this agency's funds to the General Fund. *(Please see the Fund Transfers section at the back of this report for more details.)*

Additional Legislation

Differentiated Health Insurance Premium
The Health BRB (Laws 2011, Chapter 31) continues to prohibit ADOA from implementing a differentiated health insurance premium in FY 2012 based on the integrated or non-integrated status of the provider.

Self-Insurance Pool
The Health BRB (Laws 2011, Chapter 31) eliminates the requirement that state agencies transfer all their state employee health insurance appropriations to the ADOA self-insurance pool at the beginning of the fiscal year. Agencies will instead pay their actual costs throughout the year.

Health Savings Account
The General Appropriation Act (Laws 2011, Chapter 24) states that it is the intent of the Legislature that ADOA offer an enhanced Health Savings Account (HSA) option to state employees. Chapter 24 requires ADOA to report to JLBC by January 31, 2012 on the employer contribution savings associated with the HSA option. These savings are to be transferred or reverted to the General Fund.

Health Insurance Trust Monies
The General Appropriation Act (Laws 2011, Chapter 24) authorizes ADOA, upon the review of JLBC, to pay the federal government for any obligations related to the transfer of Health Insurance Trust monies to the General Fund.