

## Arizona Department of Administration

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	550.1	551.1	551.1
Personal Services	25,836,300	28,807,900	28,807,900 <sup>1/</sup>
Employee Related Expenditures	9,060,900	10,478,700	10,478,700
Professional and Outside Services	6,047,000	5,493,400	5,493,400
Travel - In State	211,600	213,800	213,800
Travel - Out of State	3,300	6,400	6,400
Other Operating Expenditures	37,781,200	50,025,800	50,025,800
Equipment	3,657,500	3,512,600	3,512,600
<b>OPERATING SUBTOTAL</b>	<b>82,597,800</b>	<b>98,538,600</b>	<b>98,538,600 <sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
<b>Facilities Management</b>			
Utilities	4,580,400	7,649,900	7,649,900
<b>Financial Services</b>			
Arizona Financial Information System	8,585,400	9,549,100	9,549,100
Named Claimants	40,900	0	0
<b>Information Technology Services</b>			
Information Technology Project Management and Oversight	1,417,000	1,562,600	1,562,600
Statewide Information Security and Privacy Operations and Controls	5,516,300	6,423,600	6,423,600
<b>Risk Management</b>			
Federal Transfer Payment	3,933,100	0	0 <sup>3/</sup>
Risk Management Administrative Expenses	7,866,700	8,747,200	8,747,200
Risk Management Losses and Premiums	44,933,300	46,178,400	46,178,400
Workers' Compensation Losses and Premiums	23,310,800	31,830,300	31,830,300
<b>Support Services</b>			
Government Transformation Office	1,530,700	2,076,800	2,076,800
State Surplus Property Sales Agency Proceeds	1,540,000	1,810,000	1,810,000 <sup>4/</sup>
<b>Other</b>			
Public Safety Regional Communications	271,000	0	0
Southwest Defense Contracts	25,000	25,000	25,000 <sup>5/</sup>
<b>AGENCY TOTAL</b>	<b>186,148,400</b>	<b>214,391,500</b>	<b>214,391,500 <sup>6/</sup></b>
<b>FUND SOURCES</b>			
General Fund	7,322,900	8,209,900	8,209,900
<u>Other Appropriated Funds</u>			
Air Quality Fund	454,000	927,300	927,300 <sup>7/</sup>
Arizona Financial Information System Collections Fund	8,585,400	9,549,100	9,549,100
Automation Operations Fund	26,189,000	31,275,400	31,275,400 <sup>8/</sup>
Capital Outlay Stabilization Fund	15,155,000	18,749,800	18,749,800
Corrections Fund	573,700	593,000	593,000
Federal Surplus Materials Revolving Fund	30,100	467,400	467,400
Information Technology Fund	7,036,200	8,566,400	8,566,400
Motor Vehicle Pool Revolving Fund	7,041,000	10,199,700	10,199,700 <sup>9/</sup>
Personnel Division Fund	11,509,500	13,056,800	13,056,800
Risk Management Revolving Fund	86,681,900	94,772,900	94,772,900
Special Employee Health Insurance Trust Fund	4,917,000	5,449,100	5,449,100
Special Services Revolving Fund	662,500	1,172,800	1,172,800
State Surplus Materials Revolving Fund	2,542,300	3,003,200	3,003,200

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 BASELINE
State Web Portal Fund	6,079,600	6,705,100	6,705,100
Telecommunications Fund	1,368,300	1,693,600	1,693,600
SUBTOTAL - Other Appropriated Funds	178,825,500	206,181,600	206,181,600
<b>SUBTOTAL - Appropriated Funds</b>	<b>186,148,400</b>	<b>214,391,500</b>	<b>214,391,500</b>
Other Non-Appropriated Funds	1,137,901,900	1,103,771,900	1,136,906,700
Federal Funds	1,101,500	2,458,700	2,458,700
<b>TOTAL - ALL SOURCES</b>	<b>1,325,151,800</b>	<b>1,320,622,100</b>	<b>1,353,756,900</b>

**AGENCY DESCRIPTION** — The Arizona Department of Administration (ADOA) 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.

**FOOTNOTES**

- 1/ Includes 57 OF FTE Positions funded from Special Line Items in FY 2022.
- 2/ The department may charge state agencies not more than \$10.42 per user per month for the statewide email and calendar service. (General Appropriation Act footnote)
- 3/ The legislature intends that the department of administration not enter into any agreements to pay for any federal reimbursements related to excess balances in the special employee health insurance trust fund established by section 38-654, Arizona Revised Statutes, unless the proposed agreements have been reviewed by the joint legislative budget committee. (General Appropriation Act footnote)
- 4/ All state surplus materials revolving fund monies received by the department of administration in excess of \$3,003,200 in fiscal year 2021-2022 are appropriated to the department. Before spending state surplus materials revolving fund monies in excess of \$3,003,200 in fiscal year 2021-2022, the department shall report the intended use of the monies to the joint legislative budget committee. (General Appropriation Act footnote)
- 5/ The amount appropriated for southwest defense contracts shall be distributed to a nonprofit organization that advocates for preserving and enhancing critical defense missions and assets in the southwestern United States. (General Appropriation Act footnote)
- 6/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 7/ On or before September 1, 2022, the department shall submit a report for review by the joint legislative budget committee on the results of pilot projects implemented in fiscal year 2021-2022 for the state employee public transportation service reimbursements pursuant to section 41-710.01, Arizona Revised Statutes, in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons. (General Appropriation Act footnote)
- 8/ The appropriation from the automation operations fund established by section 41-711, Arizona Revised Statutes, is an estimate representing all monies, including balance forward, revenues and transfers during fiscal year 2021-2022. These monies are appropriated to the department of administration for the purposes established in section 41-711, Arizona Revised Statutes. The appropriation is adjusted as necessary to reflect monies credited to the automation operations fund for automation operation center projects. Before spending any automation operations fund monies in excess of \$31,275,400 in fiscal year 2021-2022, the department shall report the intended use of the monies to the joint legislative budget committee. (General Appropriation Act footnote)
- D/ ~~The legislature intends that the department not replace vehicles until they have an average of 80,000 miles or more. On or before August 1, 2020, the department shall submit a report to the joint legislative budget committee on the maintenance savings achieved by replacing vehicles that have an average of 80,000 miles or more. (General Appropriation Act footnote)~~

**Operating Budget**

The Baseline includes \$98,538,600 and 494.1 FTE Positions in FY 2022 for the operating budget. These amounts consist of:

	<b>FY 2022</b>
General Fund	\$8,184,900
Air Quality Fund	927,300
Automation Operations Fund	29,712,800
Capital Outlay Stabilization Fund (COSF)	11,099,900
Corrections Fund	593,000
Federal Surplus Materials Revolving Fund	467,400

Information Technology Fund	2,142,800
Motor Vehicle Pool Revolving Fund	10,199,700
Personnel Division Fund	13,056,800
Risk Management Revolving Fund	8,017,000
Special Employee Health Insurance Trust Fund	5,449,100
Special Services Revolving Fund	1,172,800
State Surplus Materials Revolving Fund	1,193,200
State Web Portal Fund	4,628,300
Telecommunications Fund	1,693,600

These amounts are unchanged from FY 2021.

The Baseline transfers the operations state motor vehicle fleet operations to the Arizona Department of Transportation (ADOT) in FY 2022. No changes are made to ADOA's operating budget because ADOA will continue collecting agency motor pool fees. The Baseline adds a new motor vehicle fleet operations line item in ADOT's operating budget from which ADOT will expend the fees. In addition, the Baseline deletes a footnote requiring ADOA to replace vehicles after an average of 80,000 miles and to annually report on vehicle replacements. The Baseline includes a new footnote in ADOT for vehicle replacement. *(Please see the Arizona Department of Transportation section for more information.)*

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**Facilities Management**

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**Utilities**

The Baseline includes \$7,649,900 from the Capital Outlay Stabilization Fund in FY 2022 for Utilities. This amount is unchanged from FY 2021.

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

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**Financial Services**

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**Arizona Financial Information System**

The Baseline includes \$9,549,100 and 28 FTE Positions from the Arizona Financial Information System Collections Fund in FY 2022 for the Arizona Financial Information System (AFIS). These amounts are unchanged from FY 2021.

This line item funds the operation of AFIS including staffing and support, software licensing and maintenance, hosted production and disaster recovery.

**Named Claimants**

The Baseline includes no funding in FY 2022 for Named Claimants. This amount is unchanged from FY 2021.

The state must annually settle unpaid claims against received goods and services. 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.

Monies in this line item are not included in the General Appropriation Act. A separate legislative act usually makes this appropriation. Laws 2020, Chapter 20 appropriated \$40,908.06 in FY 2020 for prior year unpaid claims.

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**Information Technology Services**

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**Information Technology Project Management and Oversight**

The Baseline includes \$1,562,600 and 15 FTE Positions from the Automation Operations Fund in FY 2022 for IT Project Management and Oversight. These amounts are unchanged from FY 2021.

This line item funds staffing costs for statewide project management and oversight at the ADOA Arizona Strategic Enterprise Technology Office. A.R.S § 18-104 requires ADOA to approve all IT projects over \$25,000.

**Statewide Information Security and Privacy Operations and Controls**

The Baseline includes \$6,423,600 and 14 FTE Positions from the Information Technology (IT) Fund in FY 2022 for Statewide Information Security and Privacy Operations and Controls. These amounts are unchanged from FY 2021.

As part of the Arizona Strategic Enterprise Technology (ASET) Office, the office performs strategic planning, policy development, and risk assessment to protect the state's information resources. The IT Fund receives revenue from a 0.43% pro-rata charge on agency payroll.

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**Risk Management**

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**Federal Transfer Payment**

The Baseline includes no funding in FY 2022 for one-time payments to the federal government. This amount is unchanged from FY 2021.

The FY 2021 General Appropriation Act included an FY 2020 supplemental appropriation of \$3,933,100 from the Risk Management Revolving Fund for one-time payments to the federal government for disallowed costs and for fund transfers in FY 2019. In addition, the FY 2021 General Appropriation Act also specifies that it is the intent of the Legislature that ADOA shall not enter into any agreements to pay for any federal reimbursements related to excess retained earnings in HITF, unless the proposed agreements are reviewed by the JLBC.

In order to receive Federal Funds, the state enters into a contractual obligation with the federal government, which restricts the use of these Federal Funds. If the state then uses these funds in restricted ways, the federal government requires that the state pay back a proportional share of these funds. *(Please see the [Federal Financial Participation Repayment](#) section in Other Issues for more information.)*

**Risk Management Administrative Expenses**

The Baseline includes \$8,747,200 from the Risk Management Revolving Fund in FY 2022 for Risk Management Administrative Expenses. This amount is unchanged from FY 2021.

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 Baseline includes \$46,178,400 from the Risk Management Revolving Fund in FY 2022 for Risk Management Losses and Premiums. This amount is unchanged from FY 2021.

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 Baseline includes \$31,830,300 from the Risk Management Revolving Fund in FY 2022 for Workers' Compensation Losses and Premiums. This amount is unchanged from FY 2021.

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.

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**Support Services**

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**Government Transformation Office**

The Baseline includes \$2,076,800 from the State Web Portal Fund in FY 2022 for the Government Transformation Office (GTO). This amount is unchanged from FY 2021.

The GTO assists state agencies in designing and implementing process improvements.

**State Surplus Property Sales Agency Proceeds**

The Baseline includes \$1,810,000 from the State Surplus Materials Revolving Fund in FY 2022 for State Surplus Property Sales Agency Proceeds. This amount is unchanged from FY 2021.

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.

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**Other**

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**Southwest Defense Contracts**

The Baseline includes \$25,000 from the General Fund in FY 2022 for Southwest Defense Contracts. This amount is unchanged from FY 2021.

This line item is for the distribution to a nonprofit organization that advocates for the preservation and enhancement of critical defense missions and assets in the southwestern United States.

## Other Issues

This section includes information on the following topics:

- FY 2021 Supplemental
- Health Insurance Trust Fund
- Risk Management Revolving Fund
- Federal Financial Participation Repayment
- COVID-Related Spending

### **FY 2021 Supplemental**

The Baseline includes an FY 2021 supplemental appropriation of \$2,801,500 from the Risk Management Revolving Fund for one-time payments to the federal government for disallowed costs and fund transfers in FY 2020. (Please see the Other Issues - [Federal Financial Participation](#) section for additional information.)

### **Health Insurance Trust Fund**

The Health Insurance Trust Fund (HITF) is used to administer state employee health insurance benefit plans. Funding consists of employer and employee medical and dental insurance contributions.

HITF has experienced financial issues for several years. As a result, the FY 2021 budget included \$22,000,000 one-time from the General Fund and \$72,994,400 in total funds for the one-time employer premium increase (see Table 1).

At the April 2020 JLBC meeting, ADOA proposed changes to the plan structure effective January 2021 including increased premiums and deductibles which would shift approximately \$14,200,000 in costs to employees in FY 2021. This amount consists of \$4,700,000 in increased employee premiums and \$9,500,000 in increased employee deductible costs. The Committee gave a favorable review of the proposal.

For FY 2021, the fund is projected to have an ongoing shortfall of approximately \$(85,700,000) but a cash balance of \$69,600,000. With the one-time employer premium contribution increase and the ongoing impact of ADOA's changes to employee costs, HITF has a projected ongoing shortfall of about \$(106,400,000) in FY 2022 and an ending cash shortfall of \$(36,800,000).

As a self-insured fund, the state assumes the direct risk for payment of claims and should therefore retain a sufficient balance to ensure claims can be paid in the event of fluctuations in cash flow or catastrophic expenses. The recommended reserve is between

\$50,000,000 to \$100,000,000, equal to approximately 1 month's claim expenses.

Table 1

### Health Insurance Trust Fund

#### Balance Sheet

(\$ in millions)

	Actual FY 2020	Estimated FY 2021	Estimated FY 2022
Beginning Balance	117.0	82.3	69.6
Base Receipts	825.0	815.2	827.8
Employer One-Time Premium Increase	34.4	73.0	0.0
1/21 Ongoing Employee Premium Increase	<u>0.0</u>	<u>4.7</u>	<u>4.7</u>
Net Revenues	976.4	975.2	902.1
Base Expenses	888.8	909.8	946.7
1/21 Plan Revisions	0.0	(9.5)	(13.1)
Administration	<u>5.3</u>	<u>5.3</u>	<u>5.3</u>
Net Expenses	894.1	905.6	938.9
<b>Ongoing Balance <u>1/</u></b>	<b>(69.1)</b>	<b>(85.7)</b>	<b>(106.4)</b>
<b>Ending Cash Balance</b>	<b>82.3</b>	<b>69.6</b>	<b>(36.8)</b>

1/ Reflects ongoing revenues vs. ongoing expenses

### **Risk Management Revolving Fund**

ADOA's Risk Management Division annually levies a charge on all state agencies to provide funding to pay the state's property and liability losses and workers' compensation losses, and to purchase insurance coverage for losses not covered under our self-insured limits. The revenue generated from the charges to agencies is deposited in the Risk Management Revolving Fund.

Property and liability losses, along with workers' compensation losses, comprise the majority of Risk Management Revolving Fund expenditures.

In recent years, Risk Management expenditures have been significantly lower than fund revenue. Even with transfers of Risk Management monies to other agencies and transfers to the General Fund to help balance the budget, the fund has consistently had an ending balance over \$50,000,000.

Table 2 depicts actual balance, revenue, and expenditure information for FY 2020 as well as the estimated amounts for FY 2021 and FY 2022.

<b>Table 2</b>			
<b>Risk Management Revolving Fund</b>			
(\$ in thousands)			
	<b>Actual</b>	<b>Estimated</b>	<b>Estimated</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Beginning Balance</b>	80,560.8	78,254.8	76,751.4
<b>Revenues</b>	<u>109,124.8</u>	<u>108,751.1</u>	<u>106,948.4</u>
<i>Total Funds Available</i>	<i>189,685.6</i>	<i>187,005.9</i>	<i>183,699.8</i>
<b>Expenditures</b>			
ADOA	82,722.6	94,772.9	96,879.0
Federal Repayment	<u>3,933.1</u>	<u>0.0</u>	<u>0.0</u>
<i>ADOA Subtotal</i>	<i>86,655.7</i>	<i>94,772.9</i>	<i>96,879.0</i>
<i>Other Agencies</i>			
DPS	1,349.5	1,408.6	1,408.6
DCS	2,772.9	2,602.0	0.0
Attorney General	<u>9,582.1</u>	<u>9,927.3</u>	<u>9,927.3</u>
<i>Other Agencies Subtotal</i>	<i>13,704.5</i>	<i>13,937.9</i>	<i>11,335.9</i>
Admin Adjustment	<u>11,070.6</u>	<u>1,543.7</u>	<u>0.0</u>
<i>Total Expenditures</i>	<i>111,430.8</i>	<i>110,254.5</i>	<i>108,214.9</i>
<b>Ending Balance</b>	<b>78,254.8</b>	<b>76,751.4</b>	<b>75,484.9</b>

As a result of the large balance in the Risk Management Revolving Fund, monies from the fund have been used to support other agencies in recent years. The use of the funding has typically been in circumstances where the lack of funding would result in potential liability to the state.

In addition to funding other agencies, the balance was used to refund a portion of certain fund balances to the federal government of \$3,933,100 in FY 2020. (Please see the [Federal Transfer Payment](#) section above, and the [Federal Financial Participation Repayment](#) section below, for more information.)

#### **Federal Financial Participation Repayment**

In order to receive Federal Funds, the state enters into a contractual obligation with the federal government, which restricts some uses of these Federal Funds. If the state then uses these funds in restricted ways, the federal government requires that the state pay back a proportional share of these funds.

#### Fund Transfers

As part of its budget balancing, the state transferred monies from several ADOA funds to the General Fund in the past. The federal government contributed to several of those funds. For example, the state's Risk Management Revolving Fund is funded from charges to state agencies. These agencies may use Federal Funds to pay their charge. If part of the fund balance is transferred to the General Fund, the federal government bills the state to have a proportionate share of the transfer paid back to the federal government.

#### Disallowed Costs

The federal government does not allow the use of Federal Funds to pay state agency charges in certain circumstances. For example, the state's oversight of Information Technology (IT) projects was previously funded by an assessment charged to each agency as a percentage of payroll expenses. The federal government disallowed the use of Federal Funds to be spent on this type of oversight, because the costs to administer the program are charged proportionately to all agencies, and are not based on a fee-for-service model. As a result, the federal government billed the state a proportionate share if state agencies use Federal Funds to pay for these disallowed costs. Project oversight is now funded through the Automation Operations Fund which generates revenue through fees to agencies for services. A portion of each fee is cost allocated to ASET administration including oversight. The federal government has not yet audited the cost allocation to determine if any costs are still disallowed.

#### Excess Retained Earnings

Certain enterprise funds carry a balance beyond the annual needs of the fund in order to provide some stability of cash flow. The federal government, however, charges the state for their proportionate share of excess fund balances above any amount that would fund more than 1/6th of the fiscal years' expenditures, or 60 days of working capital. In the past, the state has successfully negotiated not to be charged for excess fund balances in HITF.

#### FY 2021

Based on prior year experience of federal repayment and estimates provided by ADOA, the federal government is likely to charge the state approximately, \$2,801,500 for restricted uses. This amount consists of:

- \$578,800 related to fund transfers from the Risk Management Revolving Fund FY 2020.
- \$327,000 related to disallowed costs from the Risk Management Revolving Fund for unallowable FY 2019 uses.

- \$1,131,200 related to excess retained earnings in the IT Fund and the Records Services Fund.
- \$475,100 related to payments made from the Risk Management Revolving Fund which has federal financial participation.
- \$289,400 related to interest on fund transfers, disallowed costs, and payments.

Amounts owed for FY 2021 will be paid in FY 2022 through a supplemental appropriation. The final appropriated amount will be determined once ADOA reaches agreement with the federal government. (Please see the [Federal Transfer Payment](#) line item above for information.)

### COVID-Related Spending

As part of the state response to COVID-19, the Executive has allocated monies for state agency-related programs. As of October 2020, the Executive's spending plan included \$5,000,000 from the Coronavirus Relief Fund for support of the 2020 Census.

(Please see the COVID-Related Spending Summary at the front of this book for more information).

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>Air Quality Fund (ADA2226/A.R.S. § 49-551)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Annual air quality and emissions fees assessed on motor vehicle registrations, as well as legislative appropriations.		
<b>Purpose of Fund:</b> To pay the cost of air quality research, experiments, education, and programs conducted by or for the department.		
<b>Funds Expended</b>	454,000	927,300
<b>Year-End Fund Balance</b>	1,395,200	1,385,200
<b>Arizona Financial Information System Collections Fund (ADA1234/A.R.S. § 41-740.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Revenues are collected from state agencies to recover pro rata costs of operating AFIS. Pro rata charges are determined by ADOA and allocated to each agency based on AFIS usage.		
<b>Purpose of Fund:</b> Supplements the cost of operating AFIS.		
<b>Funds Expended</b>	8,585,400	9,549,100
<b>Year-End Fund Balance</b>	1,161,200	1,161,200
<b>Automation Operations Fund (ADA4230/A.R.S. § 41-711)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To provide agencies and other political entities data processing and information technology consulting services and to maintain the integrity and security of state information. Balances reflect transfers into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
<b>Funds Expended</b>	26,189,000	31,275,400
<b>Year-End Fund Balance</b>	9,786,200	7,943,100
<b>Capital Outlay Stabilization Fund (ADA1600/A.R.S. § 41-792.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Rental and tenant improvement charges to agencies occupying ADOA owned buildings.		
<b>Purpose of Fund:</b> To pay maintenance, utilities, construction, and administrative costs for state-owned buildings.		
<b>Funds Expended</b>	15,155,000	18,749,800
<b>Year-End Fund Balance</b>	22,593,700	8,286,800
<b>Capitol Mall Consolidation Fund (ADA3211/A.R.S. § 41-792.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies appropriated by the Legislature. The FY 2019 Budget Procedures Budget Reconciliation Bill directs the sale proceeds from the properties at 2910 N 44th Street in Phoenix, 2163 Vickey Street in Flagstaff, and the northeast corner of South Horne Street and East Baseline Road in Mesa into the fund.		
<b>Purpose of Fund:</b> For repair and renovations of state-owned buildings. Monies in the fund are for capital expenses and are not displayed in the ADOA operating budget.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	8,320,500	2,574,200

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>Certificate of Participation Fund (ADA5005/A.R.S. § 41-791.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Rental and tenant improvement charges to agencies occupying buildings under Certificate of Participation (COP) lease-purchase agreements.		
<b>Purpose of Fund:</b> To make COP lease-purchase payments on buildings under such agreements.		
<b>Funds Expended</b>	127,534,500	105,421,300
<b>Year-End Fund Balance</b>	9,401,800	5,018,500
<b>Construction Insurance Fund (ADA4219/A.R.S. § 41-622)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To self-insure state construction projects against tort losses from design and construction defects.		
<b>Funds Expended</b>	3,375,800	9,475,600
<b>Year-End Fund Balance</b>	23,699,200	17,223,600
<b>Co-Op State Purchasing Agreement Fund (ADA4213/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To operate the cooperative purchasing program and support its membership list.		
<b>Funds Expended</b>	3,168,700	4,216,400
<b>Year-End Fund Balance</b>	4,071,400	3,829,200
<b>Corrections Fund (ADA2088/A.R.S. § 41-1641)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Luxury taxes on alcohol and tobacco products.		
<b>Purpose of Fund:</b> To pay for construction, major maintenance, lease, purchase, renovation, or conversion of Arizona Department of Corrections (ADC) and Department of Juvenile Corrections (DJC) facilities. ADOA uses these monies to oversee construction projects benefiting ADC or DJC.		
<b>Funds Expended</b>	573,700	593,000
<b>Year-End Fund Balance</b>	(608,100)	(1,201,100)
<b>Crisis Contingency and Safety Net Fund (ADA3240/A.R.S. § 41-110)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, public or private gifts, grants and donations. Expenditures are not displayed to avoid double counting the General Fund.		
<b>Purpose of Fund:</b> Monies in the fund may only be distributed by the Governor for the following forms of economic assistance during a state of emergency: 1) housing assistance; 2) services for homeless persons; 3) economic assistance to small businesses with less than 50 employees, non-profit organizations, and health care providers; and 4) monies for food bank operations.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Emergency Telecommunication Services Revolving Fund (ADA2176/A.R.S. § 41-704)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The telecommunication services excise tax, currently 20¢ per wire or wireless account, levied on monthly telephone bills and remitted by telephone companies, as authorized by A.R.S. § 42-5252. In addition, a tax equal to 0.8% of the gross income derived from the retail sale of prepaid wireless telecommunication services, as authorized by A.R.S. § 42-5402.		
<b>Purpose of Fund:</b> 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 5% of revenue); to pay monthly recurring costs for capital, maintenance, and operations; and to reimburse wireless carriers for the costs of compliance.		
<b>Funds Expended</b>	11,959,800	20,185,200
<b>Year-End Fund Balance</b>	17,065,500	15,548,700



SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>Employee Related Expenditures/Benefits Administration Fund (ITA3035/A.R.S. § 38-651.05)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> State employer and state employee premium contributions for vision, flexible spending, disability, life, and accident insurance.		
<b>Purpose of Fund:</b> To administer state employee benefit plans and pay non-health insurance premiums.		
<b>Funds Expended</b>	34,534,400	35,209,700
<b>Year-End Fund Balance</b>	1,451,000	997,000
<b>Federal Grants (ADA2000/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants, including pass through grants from several agencies.		
<b>Purpose of Fund:</b> To pay for security related equipment and programs, as well as to administer monies as sub-grantee for federal projects.		
<b>Funds Expended</b>	1,101,500	2,458,700
<b>Year-End Fund Balance</b>	1,800	0
<b>Federal Surplus Materials Revolving Fund (ADA4215/A.R.S. § 41-2606)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Federal surplus property service and handling fees.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	30,100	467,400
<b>Year-End Fund Balance</b>	8,800	(457,300)
<b>IGA and ISA Fund (ADA2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Various intergovernmental and interagency service agreements.		
<b>Purpose of Fund:</b> To execute various intergovernmental and interagency service agreements.		
<b>Funds Expended</b>	17,028,200	11,991,300
<b>Year-End Fund Balance</b>	7,027,900	3,636,700
<b>Information Technology Fund (ADA2152/A.R.S. § 18-401)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> A pro rata share of 0.43% of total payroll, charged to all budget units subject to oversight of information technology projects by ADOA's Arizona Strategic Enterprise Technology (ASET) Office or by the Information Technology Authorization Committee (ITAC).		
<b>Purpose of Fund:</b> Provides personnel funding for statewide information technology planning, coordinating, oversight, and consulting. The Statewide Strategic Information Technology Plan is prepared annually by Information Technology (IT) Fund personnel with input from state agency Chief Information Officers. Additionally, monies from the IT Fund also support the operation of the Statewide Information Security and Privacy Office (SISPO). Balances reflect transfers into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
<b>Funds Expended</b>	7,036,200	8,566,400
<b>Year-End Fund Balance</b>	5,337,800	4,638,500
<b>Legislative, Executive, and Judicial Public Buildings Land Fund (ADA3127/A.R.S. § 37-525)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> State trust land lease revenues.		
<b>Purpose of Fund:</b> To support state Legislative, Executive, and Judicial buildings. Monies appropriated for capital expenses are not displayed in the ADOA operating budget.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	5,031,400	2,382,300

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>Motor Vehicle Pool Revolving Fund (ADA4204/A.R.S. § 41-804)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Charges to agencies for the use of motor pool vehicles.		
<b>Purpose of Fund:</b> To operate the motor vehicle pool.		
<b>Funds Expended</b>	7,041,000	10,199,700
<b>Year-End Fund Balance</b>	19,680,700	(711,000)
<b>Payroll Administration Fund (ADA9200/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Collects and pays out all monies associated with the statewide payroll functions. Fund 9200 incorporates several payroll funds (ADA9220, ADA9230, NAU9202, UAA9203, and ASU9221). Fund 9230 collects a one-time \$50 charge for setting up a garnishment, which is granted by the court, a \$5 employee fee for each non-exempt statement that is generated per payday, and a \$1 administrative fee for child and spousal support orders.		
<b>Purpose of Fund:</b> Generally, revenues and expenditures are not used for normal payroll activities. The only balance that accumulates in this fund is for Unemployment Tax. For Fund 9230, monies are used for administrative costs related to garnishments and child support.		
<b>Funds Expended</b>	29,000	152,300
<b>Year-End Fund Balance</b>	131,100	62,800
<b>Personnel Division Fund (ADA1107/A.R.S. § 41-750)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> A 0.83% (permanent law) charge on the total payroll of each agency within the ADOA personnel system.		
<b>Purpose of Fund:</b> To operate the ADOA Human Resources Division.		
<b>Funds Expended</b>	11,509,500	13,056,800
<b>Year-End Fund Balance</b>	3,669,300	7,902,300
<b>Retiree Accumulated Sick Leave Fund (ADA3200/A.R.S. § 38-616)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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 an individual shall not exceed \$30,000.		
<b>Funds Expended</b>	14,212,900	15,056,100
<b>Year-End Fund Balance</b>	5,412,300	5,556,200
<b>Risk Management Revolving Fund (ADA4216/A.R.S. § 41-622)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Actuarial charges assessed to state agencies, boards, and commissions insured under the state's risk management system, as well as recoveries by the state through litigation.		
<b>Purpose of Fund:</b> To pay claim costs, administrative program costs, and to purchase insurance for coverage for losses not covered under the self-insured limits. Balances reflect a transfer into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
<b>Funds Expended</b>	86,681,900	94,772,900
<b>Year-End Fund Balance</b>	85,507,000	79,766,600
<b>Special Employee Health Insurance Trust Fund (ADA3015/A.R.S. § 38-654)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Employer and employee medical and dental insurance contributions.		
<b>Purpose of Fund:</b> 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. Please see the Non-Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	4,917,000	5,449,100
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>Special Employee Health Insurance Trust Fund (ADA3015/A.R.S. § 38-654)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Employer and employee medical and dental insurance contributions.		
<b>Purpose of Fund:</b> To administer and pay premiums and claims for state employee health insurance plans, as well as to operate the Wellness and Communications program. The Non-Appropriated expenditures reflect the state's self-insured health care claims costs. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	888,933,900	900,184,500
<b>Year-End Fund Balance</b>	82,240,800	69,532,700
<b>Special Events Fund (ADA2503/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Set-up fees for special events on state property.		
<b>Purpose of Fund:</b> To set up special events on state property.		
<b>Funds Expended</b>	22,400	0
<b>Year-End Fund Balance</b>	200	200
<b>Special Services Revolving Fund (ADA4208/A.R.S. § 35-193.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Payments by agencies using administrative services offered by ADOA.		
<b>Purpose of Fund:</b> Appropriated monies are collected from 11 small regulatory boards residing in the State Boards' Office to provide centralized administrative services. Please see the Non-Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	662,500	1,172,800
<b>Year-End Fund Balance</b>	230,500	(405,800)
<b>Special Services Revolving Fund (ADA4208/A.R.S. § 35-193)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Payments by agencies using administrative services offered by ADOA.		
<b>Purpose of Fund:</b> Non-Appropriated expenditures reflect various centralized printing, copying, and repair services offered by ADOA. Please see the Appropriated portion of the fund for additional information.		
<b>Funds Expended</b>	952,800	977,500
<b>Year-End Fund Balance</b>	230,500	(405,800)
<b>State Employee Travel Reduction Fund (ADA2261/A.R.S. § 41-101.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Grants by the Maricopa Association of Governments, the State Travel Reduction Planning Office, and the Arizona Department of Environmental Quality.		
<b>Purpose of Fund:</b> To operate and administer a ride-sharing program for the transportation of state employees between home and work.		
<b>Funds Expended</b>	582,700	535,000
<b>Year-End Fund Balance</b>	612,000	392,000
<b>State Monument and Memorial Repair Fund (ADA2338/A.R.S. § 41-1365)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies derived from fundraising activities, monies that are collected by the proponents of a monument or memorial, grants, donations, and legislative appropriations.		
<b>Purpose of Fund:</b> For the maintenance, repair, reconditioning, or relocation of monuments or memorials and for supporting mechanical equipment in the Governmental Mall.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	237,500	237,500
<b>State Surplus Materials Revolving Fund (ADA4214/A.R.S. § 41-2606)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> State surplus property sales revenues.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	2,542,300	3,003,200
<b>Year-End Fund Balance</b>	1,590,100	1,473,500

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
<b>State Web Portal Fund (ADA2531/A.R.S. § 18-421)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Grants, donations, and web portal revenues, including any fees collected from the sale of certain types of motor vehicle records to commercial customers, less revenues deposited into the Highway User Revenue Fund, as stipulated in A.R.S. § 18-421.		
<b>Purpose of Fund:</b> To maintain and upgrade the state's common web portal, including enhancement of existing products and the development of new applications. Monies received from private grants or donations, as well as federal grants, are non-appropriated. Balances reflect transfers into the Automation Projects Fund. (See the Automation Projects Fund page for more details.)		
<b>Funds Expended</b>	6,079,600	6,705,100
<b>Year-End Fund Balance</b>	6,639,300	9,342,200
<b>Statewide Donations Fund (ADA2025/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Employee donations and other miscellaneous deposits.		
<b>Purpose of Fund:</b> Employee donations are used to recognize outstanding employees.		
<b>Funds Expended</b>	8,800	8,000
<b>Year-End Fund Balance</b>	5,600	2,100
<b>Telecommunications Fund (ADA4231/A.R.S. § 41-713)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Administrative surcharges on telecommunications services for agencies and other political entities.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	1,368,300	1,693,600
<b>Year-End Fund Balance</b>	1,203,700	1,200,300
<b>Text to 911 Services Fund (ADA2177/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies transferred from the Emergency Telecommunications Service Revolving Fund. In FY 2018, ADOA transferred \$1,362,700 from the fund.		
<b>Purpose of Fund:</b> To provide grants to political subdivisions of the state for text-to-911 services.		
<b>Funds Expended</b>	43,600	330,000
<b>Year-End Fund Balance</b>	1,339,700	1,015,800
<b>Traffic and Parking Control Fund (ADA2453/A.R.S. § 41-796)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Penalties and fees collected for traffic and parking violations on state property.		
<b>Purpose of Fund:</b> To post signs, markings, and notices for the regulation of vehicles on state property, as well as to maintain state parking lots and structures.		
<b>Funds Expended</b>	100	0
<b>Year-End Fund Balance</b>	4,100	4,100
<b>Transparency Website Fund (ADA2955/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Charges to local governments that utilize the state's transparency website, Arizona OpenBooks.		
<b>Purpose of Fund:</b> To maintain the transparency website for public use.		
<b>Funds Expended</b>	27,400	29,000
<b>Year-End Fund Balance</b>	37,900	37,900
<b>VW Diesel Emissions Environment Mitigation Trust Fund (ADA3917/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies deposited from the National Volkswagen Lawsuit Settlement. Arizona will receive approximately \$57.0 million over 10 years in settlement monies to support eligible air pollution mitigation activities.		
<b>Purpose of Fund:</b> To support eligible air pollution mitigation activities.		
<b>Funds Expended</b>	35,486,900	0
<b>Year-End Fund Balance</b>	3,239,100	0