

# JLBC Fiscal Note

**BILL #** SB 1665

**TITLE:** state agencies; hiring practices; appeals

**SPONSOR:** Bolick

**PREPARED BY:** Ethan Scheider

**STATUS:** Senate Engrossed

## Description

The Senate Engrossed version of SB 1665 would require each state agency to adopt a standardized hiring process for all employee positions. The bill would require an agency to send a written notice to each candidate who is not hired, identifying the reason that the candidate did not meet the job requirements. The bill would also establish the right for a candidate to appeal a hiring decision to the State Personnel Board. The State Personnel Board would be required to review the appealed hiring decisions and may require an agency to take action to ensure that a hiring decision complies with the hiring procedures outlined in the bill.

## Estimated Impact

We estimate that the bill would have two main costs: 1) a cost to each state agency to implement a standardized hiring process in compliance with the bill; and 2) a cost to the State Personnel Board and the hiring agency to respond to and adjudicate any appeals. As these costs will largely depend on the number of applicants that appeal a hiring decision, we are unable to quantify this in advance.

The Arizona Department of Administration (ADOA) estimates that the bill would cost state agencies \$3.2 million per year. The State Personnel Board estimates their costs would increase by \$300,000 per year.

## Analysis

Our estimate assumes the following:

- 1) According to ADOA, the state receives over 330,000 applications per year for state jobs.
- 2) ADOA estimates the bill would have statewide costs of \$3.2 million annually.
  - Administrative costs for state agencies would increase by \$2.0 million annually, primarily to hire an additional 23 Full Time Equivalent (FTE) positions statewide. ADOA estimates that these additional staff are necessary to notify applicants who are eliminated from hiring consideration.
  - ADOA assumes that 1% of applications for state jobs file an appeal and each appeal would require 8 hours of staff time to adjudicate.
  - ADOA expects that there will be additional administrative costs for developing processes and training staff regarding the required hiring procedures.
  - ADOA estimates that the bill would cost state agencies an additional \$1.2 million in staff costs annually to comply with the appeals processes pursued by the State Personnel Board.
- 3) The State Personnel Board estimates that full implementation of the bill would cost the board \$300,000 annually. This cost estimate includes \$168,000 for 2 additional FTE positions, and \$132,000 for increased administrative and operations costs.
- 4) The State Personnel Board anticipates that the bill would not result in any additional costs to other state agencies.

3/18/26