

# **State of Arizona**

## **The Master List of State Government Programs**

**and**

## **State Agencies' Five Year Strategic Plans**



Janice K. Brewer  
GOVERNOR

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## About the Master List

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The *Five-Year Plans* of State agencies and the *Master List of Programs* is information provided by State agencies in September of each year and is published without changes to the funding or performance measure data provided by agencies. Other text is edited by OSPB only to the extent necessary for clarity. Funding amounts for current and future years includes all monies the agency is requesting or plans to request and is not related to recommendations made in the *Executive Budget*.

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# Program Budgeting

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## The Strategic and Operational Plans of State Government Agencies are Critical Components of Program Budgeting and Transparency

**P**ROGRAM BUDGETING AS MANDATED IN ARIZONA provides transparency and understanding of the mandated functions of state agencies. Planning and budgeting is enacted and implemented in a way that allows citizens and policy makers to track the revenues and expenditures of each mandated function of state government as well as its operational goals and performance measures.

To that end, the Governor's Office of Strategic Planning and Budgeting (OSPB) annually publishes the *Five-Year Strategic Plans of State Agencies* and the *Master List of State Government Programs*, which include each agency's three-year operational plans.

*Five-Year Strategic Plans* focus on an agency's strategic issues, strategies for dealing with strategic issues, and resource assumptions for the five-year period. This year's plans provide an outlook through FY 2019. *Five-Year Strategic Plans* are presented here as submitted by each agency.

The *Master List of State Government Programs* includes a detailed look at each mandated function of state government, organized by programs and subprograms. Each program and subprogram contains a mission, description, the most important goals of the program, results-oriented performance measures, total funding, and staffing for the program. Also included are goals, performance measures, and funding.

Agencies provided information for the *Master List of State Government Programs* and the *Five-Year Strategic Plans* on September 1, 2014, before knowing what would be in the Governor's Executive Budget.

On the pages that follow for each agency, the Five-Year Plan is displayed first, followed by other agency-level information, and finally the detailed information for each of the agency's programs and subprograms.

Originally, attempts were made to isolate each mandated function of state government as much as possible within a unique program or subprogram. When first compiled in 1994, the Master List contained 1,267 programs. Shortly thereafter, the number of programs was consolidated to 528. Any single program may now contain several related mandated functions.

The *Master List of State Government Programs* is currently the most complete list of State government programs available.

The publication of the *Master List of State Government Programs* by OSPB is required by A.R.S. § 35-122.

The publication of the *Five-Year Strategic Plans* by OSPB is required by A.R.S. § 35-122 and by implementation instructions for Laws 2012, Chapter 296.



## Agency Summary

### BOARD OF ACCOUNTANCY

Monica L. Petersen, Executive Director  
Phone: (602) 364-0804  
A.R.S. §§ 32-701

**Mission:**

*To protect the public from unlawful, incompetent, unqualified, or unprofessional certified public accountants through certification, regulation, and rehabilitation.*

**Description:**

The Arizona State Board of Accountancy consists of five Certified Public Accountants (CPAs) and two public members, all of whom are residents of the state and are appointed by the Governor. The Board also has six advisory committees consisting of 46 members appointed by the Board whose work directly supports the Board's mission. The advisory committees are Accounting and Auditing, Tax Practice, Peer Review, Certification, Continuing Professional Education, and Law Review. The Board and its committees qualify candidates for the Uniform CPA Examination, certify individuals to practice as CPAs, register accounting firms owned by CPAs, and biennially renew certificates for CPAs and registered accounting firms. The Board and its committees also receive and investigate complaints, take enforcement action against licensees for violation of statutes and regulations, monitor compliance with continuing education requirements, and review the work product of CPAs to ensure adherence to professional standards through the Board's peer review program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,522.8	1,936.8	1,936.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,522.8</b>	<b>1,936.8</b>	<b>1,936.8</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

**Issue 1** Office Modernization

**Description** The Board of Accountancy currently operates a database called the Accountancy Information Management System (AIMS) which is archaic and of limited value. The Board's existing database is not well organized in terms of its use, the data fields are static and do not collect history, it collects a limited and basic amount of information, and is restricted in its ability to query information for decision and policy making or performance measurement reporting due to its lack of content and static fields which are ever changing making it impossible to reproduce the result of a query from a former point in time.

A new database that we will call the Arizona Regulatory Management System (ARMS) must be designed which will serve as a back office system. In contrast, AIMS is like four separate databases since information related to exam, certification, firms, and compliance must all be searched separately. This makes connecting the dots with individual registrants who might also be registered as a firm and who also might have a disciplinary history difficult and inefficient to ascertain. ARMS will be designed such that each individual receives a unique customer ID so with a search of a single name the Board can see all Board transactions related to the customer. Unlike AIMS, ARMS will build a relationship with our contacts. Contacts will link to our various business functions. ARMS will easily trace an individual from being an exam candidate, to being a certification candidate, to becoming a CPA, to belonging to a firm(s), as well as to having any possible compliance files.

The key initiative and corresponding strategies during calendar year 2015 will be to replace the current licensing module. This project will not replace the exam, firm, or compliance modules of AIMS or address the CPE audit and certification application processes which will be done in subsequent projects and years.

**Solutions:**

1. Business Requirements/Analysis

- 1.1. Analyze the AIMS licensing fields – what they truly represent and possible values
- 1.2. Identify the AIMS predefined queries and reports used for licensing
- 1.3. Identify the AIMS data used by various Word Perfect templates and where they're customized
- 1.4. Define system users and a security model with licensing access rules
- 1.5. Identify new critical licensing data fields that are needed

2. Data Development

- 2.1. Check licensing data entered in AIMS for accuracy
- 2.2. Design a new custom database structure for contacts, registration, and non-registration
- 2.3. Expand the database design to be able to automatically store history as data changes
- 2.4. Expand the database design to connect to the portal database
- 2.5. Define the required data fields and data validation rules
- 2.6. Map and translate data from AIMS where possible to the new database structure
- 2.7. Apply the security model to the database objects

3. Application Development

- 3.1. Create lookup/add/edit screens for individual contact information (e.g.: CPAs)
- 3.2. Create add/edit screens that captures current employment(s)/business(s)
- 3.3. Create add/edit screens for current certificate information
- 3.4. Create add/edit screens for non-registration information/money (ex: exam, compliance)
- 3.5. Create add/edit screens for a CPA's various registrations
- 3.6. Create historical lookup screens that correspond to the screens above (used for current data)
- 3.7. Create reports which include the new contact ID that replace the reports and queries in AIMS
- 3.8. Create Word templates with direct data feeds that replace the Word Perfect ones

4. Batch Job Development

- 4.1. Rewrite the job that creates registration records in the portal database
- 4.2. Rewrite the job that adds new accounts to the portal

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- 4.3.Rewrite the job that creates blank online renewal applications
  - 4.4.Rewrite the job that updates unopened blank online renewal applications
  - 4.5.Rewrite the job that marks the online renewal application as submitted if paid in ARMS
  - 4.6.Rewrite the job that updates mailing info in the portal login letters
  - 4.7.Rewrite the jobs that disables/enables the online renewals based on license status
  - 4.8.Rewrite the job that updates the license status in the portal
  - 4.9.Rewrite the job that posts credit card payments to AIMS to now post to ARMS
  - 4.10.Rewrite the job that identifies newly qualified CPAs eligible to start online renewals

## 5. Testing

- 5.1.Requisite for testing is staff completed training on the new Microsoft Office (used in ARMS)
- 5.2.Setup a test environment for testing the batch jobs and online apps including payments
- 5.3.Write a comprehensive user guide for ARMS and update it as needed going forward
- 5.4.Confirm AIMS data was extracted and translated to ARMS correctly
- 5.5.Enter data in new fields that couldn't be converted from AIMS
- 5.6.Test adds, edits, deletes, and lookup of registration information using the screens
- 5.7.Confirm that required fields are enforced and data validation rules are followed
- 5.8.Test reports/queries and the ability to print hardcopies
- 5.9.Test output to Word templates and ability to customize
- 5.10.Test screens for non-registration data
- 5.11.Confirm the historical screens (read-only) properly reflect data content changes
- 5.12.Confirm the system's security model is enforced on staff's ability to use ARMS
- 5.13.Test ARMS' ability to continually copy its data to AIMS
- 5.14.Confirm AIMS licensing data is read-only
- 5.15.Test ARMS' ability to recognize updates to firm data in AIMS
- 5.16.Test each of the batch jobs that update the portal database
- 5.17.Test the portal's posted payment report and the actual posting of payments to ARMS
- 5.18.Confirm no impact to the CPA Directory job or to the ALD Upload job
- 5.19.Confirm the exporting to Excel works

## 6. System Deployment

- 6.1.Document the new system for IT maintenance
- 6.2.Migrate the AIMS license data from AIMS to ARMS Registration
- 6.3.Lockdown the AIMS license data so it's read-only
- 6.4.Migrate the online renewal data
- 6.5.IT Systems benchmarks and monitors performance
- 6.6.Train staff to use the system and understand the new & translated data
- 6.7.Stop changes and evaluate the live system for a period of time

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**Issue 2** Discipline Transparency

**Description** Since the inception of the Arizona State Board of Accountancy, access to a registrant's disciplinary history has been challenging and can only be obtained by contacting board staff. Initially, there was a requirement to submit a public records request and payment of a monetary cost in order for someone to receive a copy of a registrant's discipline. In 2004, board compliance staff started and has maintained PDFs of any registrant who was disciplined by this board on or after January 1, 2001. Therefore, the Board can currently offer, free of charge, an electronic copy of a registrant's discipline.

The Board's CPA Directory on its website should have the most comprehensive set of data available, however, the changes in business practices over the decades make this ideal goal unachievable. For instance, record retention schedules have been modified through the years. In July 2011, the records retention schedule was amended so that disciplinary orders are considered permanent records. However, prior to this change, there were different retention schedules for consent order vs. hearing files which were maintained for 20 and 15 years respectively. The only thing that the Board has maintained onsite, which is easier to access, is suspension orders for non-registration and all aforementioned disciplinary orders since January 1, 2001.

**Solutions:**

1.Board to make a decision regarding the number of years of historical discipline will be posted on the Board's website and what type of discipline should be posted.

2.Archive records management to ensure preservation of permanent records.

3.Create a cloud storage account with proper security.

4.Document Management

4.1.Make sure all scanned documents dating back to January 1, 2001 are in the appropriate PDF format

4.2.Move over 550 scanned PDF files to the cloud storage account that the board's website will access

5.Application Development

5.1.IT Systems will create a table and pre-populate existing filenames;

5.2.IT Systems will create an application with a security model;

5.3.Create screens to add and edit entries for new discipline;

5.4.Create a search function by certificate number, firm registration number and/or compliance file number;

5.5.Develop a discipline report(s);

5.6.IT Systems recodes the CPA Directory to display a link called 'Discipline' next to the name of the registrant who has discipline.

The link will bring the user to a separate web page that lists each file we have on record for that name. Within the listing itself, they are links to the PDF documents. When a user selects a specific order the PDF will display. The web page will show any disclaimer(s), a back navigation button and our contact information if users have questions.

6.Compliance will add the certificate number(s) and/or firm registration number(s) to the filenames in the table to relate discipline to registrants.

7. Training

7.1.Compliance staff will be trained regarding the maintenance of the table, adding new file names/numbers and deleting records; and

7.2.Compliance manager to train the rest of the board staff on the new discipline history.

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**Issue 3** Retention and Business Continuity

**Description** The Board has 13 FTE positions of which 12 are filled. Ten of the 12 staff members have been with the Board for five years or longer, adding stability to the Board's office and operation.

In late 2012, the State of Arizona launched a new personnel assessment plan known as Managing Accountability and Performance (MAP). Part of MAP included what was described as a state-of-the-art system that provided managers with a tool for reviewing and communicating reviews, achievements and goals for State employees. While MAP's stated goal was to make it easier to recruit, reward, and retain State employees, it has proved to actually hinder base salary increases for tenured, loyal and dedicated staff who meet expectations.

The majority of uncovered staff members have not received an adjustment in pay between the 3% general salary and 0.25% performance pay adjustment provided for by the State for all state employees in 2008 until the State provided that the temporary retention pay the uncovered employees received in September 2012 be made permanent to base salary in June 2013. The covered staff members were not eligible for the retention pay which later became permanent because they opted not to go uncovered after the passage of personnel reform so they've been without a pay increase for seven years.

In a review of retention, the following should be considered.

- An unplanned departure carries more risk to a business' operation than a planned departure.
- Maslow's Hierarchy of Needs identifies that companies should first take care of their staff's basic needs (job security, salary and health benefits) and then advance to bigger aspirations, like the staff member's long-term place in the company.
- John Abram's Equity Theory states that if the staff member feels they are receiving what they consider to be fair compensation for the job they are doing, they are more inclined to remain with that organization.
- Do not discount the hidden costs of unplanned turnover. You cannot measure a blow to morale and increased job stress to remaining employees, how staff feels when an admired and valued staff member leaves to work elsewhere, damage to an organization's reputation when customer service falters due to unplanned staffing turnover, and customer loyalty to go.

**Solutions:****1.Retention Strategies**

1.1.Educate the Board about personnel reform and the associated administration related to state employee compensation

**1.2.Develop Agency Tool Box Variable Incentives**

1.2.1.Schedule management team meeting to discuss which incentives to include in plan (e.g., spot incentive, goal-based incentive, merit-based incentive, meritorious service leave, conditional retention pay) and determine how the plan will be administered.

1.2.2.Write plan for Arizona Department of Administrative Human Resource (ADOA HR) review and approval

1.2.3.Develop and submit to ADOA HR the required annual report detailing how the agency used their compensation strategies to support the organization's goals or strategic direction during the year and detail which employees received which incentives and the organizational impact experienced as a result of the implementation of the strategies including retention of high performing employees, employee satisfaction, employee engagement, turnover, etc.

**1.3.Develop Agency Tool Box Individual Actions**

1.3.1.Update Position Descriptions and Qualifications (PDQ) for every staff position and provide to ADOA HR for review and approval

1.3.2.Upon ADOA HR approval, determine which positions qualify for an in-grade adjustment based on change in duties, professional development, or retention.

**1.4.Professional Development**

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1.4.1. Develop budget specific for professional development and training of employees

1.4.2. Encourage and support employee interest in involvement in professional development education including seminars, books, tuition assistance, or conferences.

## 2. Business Continuity Strategies

2.1. Develop and/or update existing infrastructure to minimize the risk and cost of lost explicit knowledge which can be preserved and transferred to other employees through the creation or updating of procedural guides, desk manuals, or libraries of related documents.

2.2. Schedule “exchange shadow” days between staff members to share tacit knowledge and allow staff to learn how other members contribute to the Board’s operation. Tacit knowledge is knowledge that people carry in their minds and is, therefore, difficult to access. It provides context for people, places, ideas, and experiences. Effective transfer of tacit knowledge generally requires extensive personal contact and trust.

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**Issue 4** Microsoft Office 365

**Description** Currently, the agency is using WordPerfect 2000 and Microsoft Office Suite 2003 as the main desktop applications. Support and patches for Office 2003 expired in April 2014 (same time as Windows XP). The recommended course of action by the Board's network vendor Enterprise Technology Services (ETS) and the Arizona Strategic Enterprise Technology (ASET) office is to migrate to Office 365 Enterprise Plan E3 for Government, which will provide the users with the current Office 2013 ProPlus Subscription that can be loaded on up to 5 systems per license. This will save money because, for instance, the Board will no longer need to maintain and eventually replace an email server or pay the associated network support costs and the Board's laptops do not have to be separately licensed and employees can benefit from using it at home at no expense to them. Home use of this license is permitted and in fact encouraged as the users can work on the same version at home and the office and as a result be more efficient and effective users at the office. If an employee were to leave the organization, the Board through its network vendor ETS would simply go to the portal and remove the license for that user and it will disable their usage on the home computer thus not exposing the Board to illegal software license proliferation.

The Board can keep its older versions of Office 2003 side by side on our PCs to mitigate any potential file or add-in compatibility risk. Additionally, users will get updates delivered without interruption. Updates are cached in the background and the next time a user closes and re-opens the Office application, it is up to date. There is no need to pay for version upgrades as the updates are included in the subscription. New features are rolled out to Office 365 customers in an IT-configurable experience. There is also advanced email for archiving, unlimited storage, and instant messaging.

All these aforementioned tools, plus many more, will improve productivity and efficiency and help ensure that employee skills are up-to-date and position the Board to recruit applicants whose skills are most likely already beyond the Board's antiquated software infrastructure.

**Solutions:****1. Email Management**

- 1.1. Invite a representative from Library and Archives to reorient and emphasize what constitutes a "public record" to facilitate the effective management of public records.
- 1.2. Require that staff clean up and organize their email inbox to facilitate an effective and efficient process of responding to public records requests.

**2. Document Management**

- 2.1. Require that staff convert any existing correspondence, not related to AIMS, from WordPerfect to Word.
- 2.2. Require that management confirm that all existing templates in WordPerfect have been deleted from the file server's G drive as well as respective Z drives.

**3. SharePoint and OneDrive Application**

- 3.1. Invite a representative from the Arizona Strategic Enterprise Office or have IT systems staff discuss with staff the benefits of SharePoint and OneDrive. Sharepoint is a content management system developed by Microsoft that allows users to share the data (like word documents and stuff) in a web-based collaborative environment. OneDrive allows easy storage that can be accessed anywhere and on any device.
- 3.2. Discuss with staff what benefits or opportunities SharePoint or OneDrive could provide to business operations outside of moving the file server to the cloud.

**4. Training**

- 4.1. Determine the number of staff that require training based on their job responsibilities in particular areas of Office 2013 (e.g., Word, Excel, Access, PowerPoint, Exchange, etc.).
- 4.2. Research whether training in Office 2013 programs is available through Fred Pryor Training Rewards.
- 4.3. If training is not available in Fred Pryor Training Rewards, find out if there are any vendors on state procurement and if not, recommend what other training venues are available and their associated costs.
- 4.4. Schedule and deploy training in a staggered fashion to ensure business continuity.

## 5. Technology Conversion

- 5.1. Have the Board's network vendor, Enterprise Technology Services (ETS), archive email accounts from former employees for record retention.
- 5.2. Have ETS, migrate data from Exchange 2003 (e.g., email, contacts, tasks, etc.) to 365 Exchange and retire or repurpose email server.
- 5.3. Have ETS uninstall Exchange 2003.
- 5.4. Have ETS install Microsoft Office 365, and SharePoint and OneDrive if deemed useful, on individual workstations and laptops.
- 5.5. Have ETS provide instructions to staff on how to install Office 365 at home.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	13.0	13.0	13.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,936.8	1,936.8	1,936.8
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To assist candidates in applying for the Uniform CPA examination so that the candidate can successfully complete the exam.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of successful candidates	277	275	253	265	265
Number of exam candidates approved by Board to sit for the Uniform CPA exam	445	475	451	448	448

- ◆ **Goal 2** To certify and register persons who meet the statutory requirements as certified public accountants and to register firms that meet the statutory requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of certificates issued	374	394	432	403	403
Biennial renewal of certificates	5,596	5,515	5,493	5,545	5,545
Number of firms registered	104	104	120	112	112
Number of firms renewed (excluding sole practitioners)	835	791	840	838	838
Percent of applicants reporting very good or excellent service	88	90	94	91	91

- ◆ **Goal 3** To process complaints and provide enforcement of statutes and rules to protect the public from incompetent, unethical and/or unprofessional conduct by registrants.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of revocations and relinquishments	6	8	9	8	8
Number of compliance files established	110	126	97	104	104
Number of compliance files that resulted in discipline	71	53	30	51	51
Number of compliance files that resulted in administrative letters of concern	40	39	32	36	36



## Agency Summary

### ACUPUNCTURE BOARD OF EXAMINERS

Pete Gonzalez, Executive Director  
Phone: (602) 364-0145  
A.R.S. § 32-3901

#### Mission:

*To protect the health, safety, and welfare of the public by regulating and maintaining standards of practice in the field of acupuncture.*

#### Description:

The Board licenses and regulates acupuncturists and certifies auricular (ear) acupuncturists for detoxification or substance abuse programs. The Board also oversees the licensing and certification of acupuncture training and preceptorship training programs, continuing education programs, and visiting professors. The Board evaluates professional competency, investigates complaints, and enforces the standards of practice for the acupuncture profession. The Board regulates the educational, clinical, and clean needle technique programs approved to teach the practice of acupuncture in the State.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	143.1	154.7	170.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>143.1</b>	<b>154.7</b>	<b>170.2</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## 5 Year Plan

**Issue 1** Technology and operational upgrades.

**Description** Description: As the Board plans for the future, the need to explore technology advances that will assist the Board in fulfilling its obligations is becoming critically important. The general public and licensed professionals are requesting the Board to update its information delivery systems.

**Solutions:**

Strategy: The Board will be assessing and determining the most cost-effective upgrades of the office infrastructure to ensure information and services are delivered in a timely fashion.

**Issue 2** Health and Safety Challenges.

**Description** Description: As part of the Board’s role in protecting the safety and welfare of the general public, the Board continues to review its statutes and rules to ensure the profession is regulated in concert with the changes taking place at the state and national level.

**Solutions:**

Strategy: The Board will be adopting rules to require all applicants and licensees to submit fingerprints to the Board for the purpose of obtaining a state and federal criminal records check and authorize the Department of Public Safety to exchange data with the Federal Bureau of Investigations.

In addition, the Board will require an applicant for licensure to disclose all other active and past professional health care licenses and certificates issued to the applicant in the United States.

**Issue 3** Health care profession and provider changes.

**Description** Description: In recent years, healthcare costs have risen dramatically and individuals are looking to integrative health services. As a result, professions (complementary and integrative) are beginning to expand their respective scopes of practice through rule or policy instead of utilizing the “sunrise process” created by the legislature. This activity requires the Arizona Acupuncture Board of Examiners to become more involved in changes of the profession and healthcare in general.

**Solutions:**

Strategy: The Board will participate and contribute to discussions that may result in statutory changes to other healthcare professions that are interested in providing acupuncture treatments. This would include the establishment of appropriate statutory educational and training protocols for those professions seeking to expand their scope of practice.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	1.0	1.0	1.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	170.2	170.2	170.2
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To handle consumer complaints in an efficient manner.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of complaints received.	5	10	28	15	20
Unlicensed individuals or institutions identified.	1	2	26	5	5
Total complaints.	5	10	28	10	15
Average time from receipt of complaint until resolution	113	120	77	100	100
Number of complaints resolved from prior year.	0	4	4	2	2

◆ **Goal 2** To ensure that investigations are handled in an efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigations conducted	5	10	27	10	10
Licensees with greater than one investigation.	1	0	0	0	0
Percent of unlicensed practitioners brought into compliance.	100	100	100	100	100
Percent of investigations resulting in disciplinary enforcement	0	0	3.6	0	0

◆ **Goal 3** To ensure that all applications are handled in an efficient manner. Beginning FY 2012, continuing education applications were included.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of applications received	68	100	75	85	90
<b>Explanation:</b> FY12: 60 acupuncture license applications, 7 auricular acupuncture certificate applications and 33 continuing education applications.					
Number of renewals issued	535	540	528	550	560
Auricular Acupuncture Certificates Issued	7	10	6	10	15
Total number of licensees	548	560	565	585	605
Total number of auricular acupuncture certificate holders	39	45	31	35	40

## Agency Summary

### DEPARTMENT OF ADMINISTRATION

Kathy Peckardt, Interim Director  
 Phone: (602) 542-1500  
 A.R.S. §§ 41-701,41-1051,41-2501

**Mission:**

*To provide effective and efficient support services to enable government agencies, state employees, and the public to achieve their goals.*

**Description:**

The Department of Administration (DOA) provides leadership, direction, and management information and support; financial and procurement support services; facility planning, design, development, construction, operations, and maintenance; employee and retiree health and benefits programs; timely, customer-driven human resources services; business-enhancing information services for the Department, state agencies, and Arizona citizens; customer service for small licensing agencies in general accounting and centralized office support; distribution of surplus state and federal property through a system that maximizes the dollar return on property sold; clean, safe, and environmentally friendly vehicles; an orderly environment where visitors, employees, and other persons conducting business with the state will be safe and secure; and services to agency customers and the public for the state's property and liability exposures and for state employee customers who have work-related injuries. The Agency has three goals: (1) To maintain the continuity of state government operations to ensure the safe and efficient delivery of government services, (2) To attract and retain a high-performance team of employees, and (3) To aggressively pursue innovative solutions and opportunities.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	6,232.5	6,435.8	6,435.8
➤ GENERAL ACCOUNTING	336,507.7	261,385.0	270,919.4
➤ STATE PROCUREMENT	4,201.7	5,896.7	5,896.7
➤ BENEFITS SERVICES DIVISION	785,541.1	827,235.3	866,790.2
➤ HUMAN RESOURCES DIVISION	13,711.4	14,376.1	14,376.1
➤ ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE	83,409.6	149,048.5	78,677.2
➤ RISK MANAGEMENT	75,918.7	95,777.8	96,574.7
➤ GENERAL SERVICES DIVISION	45,431.7	47,530.3	46,595.1
<b>Agency Total:</b>	<b>1,350,954.3</b>	<b>1,407,685.5</b>	<b>1,386,265.2</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	166,098.9	127,467.2	110,035.0
Other Appropriated Funds	178,481.2	241,276.9	200,502.9
Other Non Appropriated Funds	1,006,374.3	1,038,941.4	1,075,727.3
<b>Total Funding</b>	<b>1,350,954.3</b>	<b>1,407,685.5</b>	<b>1,386,265.2</b>
<b>FTE Positions</b>	<b>620.6</b>	<b>676.7</b>	<b>676.7</b>

**Issue 1** Attract a Highly Engaged and Highly Motivated Workforce

**Description** The Arizona State Personnel System has over 34,000 state employees. This workforce is comprised of very broad and diverse career fields including, but not limited to, information technology, healthcare, law enforcement, social services, legal services, administration, engineering, and finance. Like many employers, Arizona is facing leaner staffing levels and tighter budgets, and the need to have the right expertise is more critical today than ever.

Demographic shifts and competition for talent are expected to be the biggest influence on our workforce over the next five years, as increasing numbers of experienced employees may retire or choose to pursue other career opportunities, and the State will be forced to compete with other employers for talent.

Moving forward, we will continue to focus on implementing strategies to mitigate anticipated departures of our valuable employees, implementing recruitment measures to attract top talent, and ensuring our compensation system includes salary ranges consistent with market pricing of jobs.

**Solutions:**

**Objective(s):**

- By June 30, 2015, increase the average length of service of high-performing employees by 5 percent
- By June 30, 2015, increase turnover of low-performing employees by 5 percent

**Strategies:**

- Provide a sound classification structure and compensation system consistent with the market
- Provide recruitment strategies to attract high-performing employees
- Implement the Arizona Management Intern Program and increase participation in the Arizona Interns-in-Action Program
- Develop employees in their current roles and prepare them for future positions within state government with an emphasis on developing leaders
- Deploy an HRIS top performers behavioral assessment (Talent Science) for use in recruiting, promotion, employee development and succession planning

**Performance Measures:**

- Increase the average length of service of high-performing employees
- Increase promotional rate for high-performing employees
- Increase participation in ADOA developed intern programs
- Increase employee engagement (annual statewide survey)

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**Issue 2** Leverage HRIS

**Description** The Human Resources Information Solution (HRIS) is an integrated enterprise system that processes human resources, payroll, and benefits transactions. Every state agency, with the exception of the universities, relies on HRIS to accurately pay state employees. Every state agency (including the universities) utilizes HRIS to manage health insurance coverage. Currently, HRIS processes information for over 60,000 employees and calculates the State's annual payroll of \$2.5 billion dollars.

Over the past seven years, ADOA has leveraged HRIS to generate millions of dollars in efficiencies and productivity savings through the deployment of functionality that has streamlined business processes across state government. This functionality includes Employee Self Service, Manager Self Service, Training Administration, Hiring Administration, Employee Time Entry (ETE), Managing Accountability & Performance (MAP), Leave Administration and On-Line Benefits Enrollment.

The ADOA Human Resources Division will continue to leverage the base HRIS human resources, benefits, and payroll applications by continuing to make enhancements to the system in order to expand all functionalities to all agencies, boards and commissions

**Solutions:****Objective(s):**

-Generate \$61.7 million of cumulative productivity savings and efficiencies over the FY15 – FY19 Strategic Plan period

**Strategies:**

- Upgrade HRIS to S10
- Deploy OnBoarding, Performance Management, and FMLA to all agencies
- Deploy ETE to Arizona Department of Corrections and Arizona Department of Transportation
- Deploy Goal Management to all agencies
- Deploy an HRIS top performer's behavioral assessment (Talent Science) for use in recruiting, promotion, employee development and succession planning
- Deploy Succession Management to all agencies
- Deploy an integrated Learning Management System

**Performance Measures:**

- Number of agencies deployed by application
- Productivity and efficiency savings by application

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**Issue 3** Provide, Enhance and Support a Transparent, Effective eProcurement System

**Description** Integration of the state's eProcurement system with the new ERP financial system has required the State Procurement Office to review its operational processes. To ensure functionality, availability and integration of the ProcureAZ eProcurement system for the benefit of the end users and the public this review will require SPO to revise and implement new policies to support the new configuration.

**Solutions:**

Objective(s):

- By June 30, 2015 establish all change control policies and procedures for ProcureAZ modifications contemplated after ERP implementation
- By December 30, 2016 establish reporting functionality, training material, and archival policies in ProcureAZ
- By December 30, 2017 implement a multi-platform program for training to include remote, in person, and web based training delivery to be available for use by end users in calendar year 2018

Strategies:

- Establish a change control process for ProcureAZ modifications
- Develop standardized reporting documents and storage procedures for ease of use
- Use data analytics to identify trends
- Conduct ProcureAZ training via multiple methods to increase understanding of system use

Performance Measures:

- Feedback and surveys of ProcureAZ users
- Number of classes and number of attendees conducted by each training platform
- Processing times for competitive solicitations

**Issue 4** Enhance Capitol Mall/Tucson Office Complex Physical Security

**Description** ADOA's current electronic command and control security system, which controls facility badge access and monitors alarms of a variety of types, is over 25 years old, obsolete, in chronic repair-mode, unsupported by current technology, and does not meet ADOA's current needs. Replacing the existing access control system, selecting a new access control card; and integrating the new system with HRIS, including design and engineering fees and any new door hardware (e.g. locks, strikes, handles, etc.) will facilitate future expansion of the system and integration of additional building components as funding becomes available.

**Solutions:**

Objective(s):

- By September 30, 2015, successfully and completely implement the new security access system for State-owned buildings

Strategies:

- Successfully identify pertinent information within existing system and migrate the information into the new database. Develop and implement new badging policies and procedures relating to new system and system interface with HRIS
- Provide "roadshows" or informing demonstrations to ADOA customer agencies to explain changes in system and procedures
- Work towards a seamless transition between systems, while ensuring minimal impact to ADOA customer agencies

Performance Measures:

- By March 1, 2015, complete migration of pertinent data from existing database to new system
- By August 30, 2015, achieve substantial completion of construction and installation of new access system in 100% of ADOA-owned and managed buildings
- By September 30, 2015, completely implement new access system throughout ADOA-owned and managed buildings
- By June 30, 2016, attain a score of 6.50 on the ADOA External Customer Satisfaction Survey

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**Issue 5** To Improve Consistency in the Delivery of Procurement Services, Using Standardized Formats and Procedures

**Description** Prior to procurement reform, inconsistencies in procurement processes and formats were highlighted. Through procurement reform the approach for improving these issues was initiated. To continue the improvement in the delivery of effective procurement support, advice, and direction, it is necessary to create consistent practices through policies, standards, rules, and legislation. The State Procurement Office must develop and maintain an organizational structure conducive to efficient and inclusive practices.

**Solutions:**

Objective(s):

- Establish a structured Vendor Performance program tool with policies and procedures to be used by agencies by December 2015
- By December 2015 develop and publish a state procurement manual
- By June 30, 2016 create 3 standardized templates for IT contracts for hardware and software available for use by agencies and cooperative members
- By June 30, 2016 complete a review and revision, as necessary, of the procurement operating manual based on scheduled technical bulletins, standard procedures, and legislation
- By July 1, 2016, establish the baseline for contract administration actions taken based on the vendor performance program

Strategies:

- Create standardized templates and forms
- Establish the vendor performance program
- Review and revise technical bulletins and standard procedures
- Support our stakeholders by promoting best practices and document standardizations

Performance Measures:

- Number of standardized templates developed
- Data and feedback on the use of the vendor performance tool
- Use of standardized policies, procedures and templates



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**Issue 6** Control & Contain Benefit Costs

**Description** The Human Resources Division - Benefit Services administers the group benefit programs for state employees and their dependents. These programs currently include self-funded medical and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, home-owners and auto insurance plans; flexible spending accounts; and computer purchase and employee discount programs. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents. This section also manages the statewide wellness program.

ADOA effectively controls the rise in health care costs through quality benefit design, administrative oversight, strategic planning, auditing, and effective contract management.

**Solutions:****Objective(s):**

- Each fiscal year continue to provide a competitive, comprehensive and cost effective benefits program
- Each fiscal year contribute toward improving the health and lifestyle of state employees, retirees, and their families

**Strategies:**

- Administer a comprehensive Wellness Program in partnership with the State's health care vendors
- Administer a comprehensive Audit Program to ensure vendor compliance with contract performance standard
- Evaluate annually and adjust as necessary the design of the benefit offering
- Implement an Employer Group Waiver Plan for Medicare eligible retirees to maximize federal dollars available for reimbursement to plans providing retiree coverage

**Performance Measures:**

- Percentage of customers satisfied with health plan provider-Annual Member Satisfaction
- Percentage of AZ providers/facilities available in networks
- Percentage of performance guarantees met
- Percentage of medical plan loss ratio
- Percentage of administrative costs of medical plan
- Medical claims processing accuracy percentage
- Percent of reserves funded
- Average annual medical cost per covered life
- Percentage of health care costs compared to national trend

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**Issue 7** Development of Knowledgeable and Skilled Public Procurement Professionals

**Description** The state is experiencing a challenge in promoting qualified procurement staff. This issue can be related to a lack of a consistent baseline training program for all state procurement employees to have as a knowledge base. ADOA's State Procurement Office shall provide a professional development program for State of Arizona employees to promote an understanding of the body of knowledge surrounding public procurement, ensure professional competence, and foster consistency in practice.

**Solutions:**

## Objective(s):

- By June 30, 2015 conduct a training needs assessment with all delegated agencies to identify gaps in knowledge, skills and abilities of procurement staff
- By December 30, 2015 establish a professional development plan encompassing the baseline procurement training requirements for state procurement professionals
- By June 30, 2016 identify 3 additional relevant training classes recommended for procurement staff available outside of the procurement training program and have 50% of chief procurement officers completing these classes
- By December 31, 2016 50% of state procurement employees will have successfully completed the training program
- By December 31, 2017 develop 2 additional training classes to augment current procurement training program

## Strategies:

- Create and implement a training plan for professional development
- Establish CBT and classroom training for the new procurement certification program
- Through evaluation and assessment, ensure our program is effective

## Performance Measures:

- Completion of the training by a percentage of state public procurement professionals
- Completion of the development of the baseline procurement training requirements
- Feedback received from procurement training attendees

**Issue 8** Building Renewal

**Description** As a result of nearly thirty-years of funding shortfalls carried forward year after year, the Building System has amassed \$459.5 million (adjusted for inflation) of deferred capital maintenance. The real significance of the Building System's deferred maintenance is not its estimated value; it is its potential liability. Major equipment breakdowns, system failures, physical plant shutdowns, and building finishes and contents damage are increasingly more common. The difficulty in predicting and preventing a major equipment or system failure in the ADOA Building System's aging facilities without proper funding is surpassed only by the difficulty in dealing with these occurrences both physically and financially once they have occurred. Failure to address these issues with appropriate funding creates scenarios for undesirable environmental exposures, causes losses of productivity and inventory, increases expenditures in labor and mobilization fees, and further broadens the spectrum of accountability.

**Solutions:**

## Objective(s):

- By October 15th, submit the annual ADOA Capital Improvement Plan (CIP) to the Governor's Office
- To encumber all Building Renewal monies prior to reversion of funds
- By September 30, 2015, Building and Planning Services achieve a score of 6.5 on the ADOA Partner Survey

## Strategies:

- Arizona Revised Statutes mandate that priority funding consideration should be given to projects affecting fire and life safety. The Department of Administration, for the preparation of each year's ADOA Building System building renewal allocation plans will engage and educate ADOA Building System agencies and budget offices to appropriately identify and justify priorities and validate scope and budget of proposed projects
- Engage and educate ADOA Building System agencies and the legislature to better identify priorities and validate scope and budget of proposed projects

## Performance Measures:

- Each fiscal year, maintain the safety and operational capabilities of State-owned buildings with minimum interruptions despite the aging building infrastructure and improve the quality of analysis of capital budgeting issues

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**Issue 9** Develop Certificate of Insurance Tracking System

**Description** Contractors and Lessees are required to provide proof of insurance coverage as part of contracts and lease agreements entered into with State Agencies. This proof is received via a Certificate of Insurance (COI). The COI must be reviewed and compared to the insurance requirements in the contract/lease. The COI's have various expiration dates for the insurance policies represented and must be tracked in order to obtain updated COIs.

Currently this is a manual process that can be automated and web based to meet the specific needs of the State.

**Solutions:**

Objective(s):

- By June 2018 implement a Certificate of Insurance Tracking System

Strategies:

- Utilize ASET resources to develop COI application. Interface with existing documents in Procure AZ or other document management systems(s).

Performance Measures:

- Reduce the time necessary to process, review, update and maintain COIs
- Improve document access
- Improve contractor compliance
- Implement at two large agencies
- Make system available statewide to all state agencies

**Issue 10** Improve the Delivery of Medical Care for Injured State Employees and Contain Costs to the State

**Description** The Risk Management Workers' Compensation Section performs many cost containment tasks necessary to process medical claims. Many of these tasks are retained in-house while many tasks are subcontracted. These tasks include; nurse triage, independent medical exams, nurse case management, utilization review services, and payment processing. The workers' compensation industry is moving towards achieving economies by bundling these tasks and outsourcing to one administrator. In addition to receiving economies, bundling of services moves medical decision making from claims adjusters to medical personnel and will shift focus to adjusting based on evidence based medical guidelines.

**Solutions:**

Objective(s):

- By June 30, 2016 consolidate worker's compensation medical cost containment systems.

Strategies:

- Engage a consultant to contact Worker's Compensation Third Party Administrators and determine scope and design of a comprehensive program
- Engage an actuary to perform an independent cost/benefit analysis
- Issue an RFP
- Perform agency outreach and training

Performance Measures:

- Improve injured employees return to work timing
- Reduce medical utilization
- Reduce costs (TBD by 12/18/2014) to the State

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**Issue 11** Expand Enterprise Capabilities

**Description** In order to keep up with the demands of Arizona citizens and businesses, the state must leverage modern platform technologies to increase the quality and speed at which it provides services. ADOA has recently launched the Arizona Enterprise Services Platform (AESP) which will provide state agencies with enterprise capabilities on which they can build their line-of-business applications.

Having an enterprise platform will provide agencies with the ability to deploy applications more rapidly due to the fact that specific capabilities will be provided as a shared service. Instead of building applications from scratch, agencies will be able to leverage functionality that already exists on the platform. Leveraging these shared service capabilities will provide the State with more viable, sustainable, scalable and cost-effective options. Ultimately, this will enable greater flexibility in delivering services while reducing overhead costs statewide.

ADOA will continue building additional enterprise capabilities including identity management, payment processing, workflow management and digital signature as part of the shared platform. In addition, the platform will include an Application Programming Interface (API) store so agencies can easily and securely share their data, either privately with other agencies or with the public.

ADOA has also built new, mobile-capable website templates and has begun migrating agencies to this new platform. As a result, the new public websites provide Arizona citizens increased ability to access state services anywhere, any time. Leveraging the same technologies, ADOA will build a private portal for citizens, business and employees called MyAZ. As an aggregator of information, MyAZ will be a secure website for citizens, businesses and employees to interact with the state, get the status of service requests, and receive alerts as requests are processed.

**Solutions:****Objective(s):**

- Five agency applications built on the AESP by the end of FY2016
- 20 APIs in the API store by the end of FY2016

**Strategies:**

- Provide agencies with enterprise capabilities on which they can build their line-of-business applications more rapidly. Instead of building applications from scratch, agencies will be able to leverage functionality that already exists on the platform
- Continue to work with agency leadership to identify data sources that could be shared as part of the API store.

**Performance Measures:**

- Improve the quality, capacity and velocity of statewide business services by maintaining a shared enterprise services platform
- Increase secure, statewide data sharing by maintaining an API store

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**Issue 12** Implement and Continuously Develop the Statewide Enterprise Resource Planning Solution

**Description** The ERP Project involves the replacement of the State's accounting system and includes the addition of other new modules/systems. These new systems will be integrated with other financial sub-systems in the State to provide a comprehensive expanded view of State financial operations. The implementation of the ERP does not stop on the go-live date of July 1, 2015. Some functionality will be implemented after go-live. Additionally, use of infoAdvantage, the data warehouse, will increase as we become more mature users of the system. The Project concludes with the completion of a scheduled upgrade in FY 2019.

**Solutions:**

Objective(s):

- Implement planned functionality at the July 1, 2015 go-live
- Complete Project within budget and consistent with scope by June 30, 2019

Strategies:

- Manage scope and budget parameters
- Standardize business processes
- Continue to partner with State agencies to ensure a successful implementation
- Continue to leverage the expertise of our integrator (CGI) and oversight (ISG) consultants
- Leverage technology and best practices
- Enhance reporting capabilities

Performance Measures:

Increase financial and accounting efficiency and effectiveness by:

- Facilitating standardization of processes
- Streamlining and enhancing financial reporting and access to data
- Mitigate the risk to ongoing financial operations given the potential failure of the current accounting system
- Leveraging new functionality to drive productivity
- Improving data consistency

**Issue 13** Proactively Manage Enterprise Risk

**Description** Over the course of the past year, ADOA has strengthened cybersecurity and privacy operations to reduce enterprise risk. Employees participated in statewide training sessions and exercises to increase the awareness of cybersecurity threats, as well as to share best practices in preventing security or privacy incidents. ADOA leadership also established and strengthened cyber-relationships with critical infrastructure partners for collaboration regarding the state of cybersecurity at all levels of government.

In addition to education and outreach, the ADOA will continue to invest in multiple layers of security to detect potential vulnerabilities in state technology systems and implement solutions to prevent intrusions. With cybersecurity activity increasing at an alarming pace, ADOA will expand even further its capabilities to identify and mitigate malicious activities. Finally, through the adoption of security policies and standards, such as those outlined by the National Institute of Standards and Technology (NIST), ADOA will strive for the highest level of recommended technology security and privacy controls across all systems.

**Solutions:**

Objective(s):

- 16 additional enterprise cybersecurity services operationally ready by end of FY2016
- 10 additional cybersecurity training offerings available by end of FY2015

Strategies:

- Provide agencies with centralized Security services
- Continue to monitor and leverage the NIST framework for technology controls

Performance Measures:

- Expand statewide Data Loss Prevention, Multi-Factor Authentication, and Web Content filtering solutions
- Identify and implement additional security protections and management services in the Cloud

**Issue 14** Increase the Office of Employment and Population Statistics Participation in the Workforce Investment Community

**Description** The Office of Employment and Population Statistics (EPS) provides support to the workforce investment community by assisting job seekers in finding employers and employers with finding employees. The EPS Economic Analysis staff is charged with providing the workforce development community with:

- Information and resources that enable job seekers, employers, staff in American Job Centers, policy makers, and the workforce investment system to make informed decisions about the services, training, and career paths
- Studies of topics of continuing interest such as labor or skill shortages, mismatches, and deficiencies; and reviews of studies provided by others.
- Information that better identifies and rigorously reports when participants receive workforce information services, to ensure that performance reports measure the value and impact of Labor Market Information (LMI).

While EPS delivers large amounts of LMI on a regular basis, there are further opportunities to expand its role by locating and disseminating actionable and rigorous support to job seekers, employers and staff of American Job Centers.

**Solutions:**

Objective(s):

- By December 31, 2015 establish consistent and robust relationships with the Workforce Investment community, including the staff at the American Job Centers, the Department of Economic Security and the Arizona Commerce Authority

Strategies:

- Create additional responsibilities in the office for specific regions of the state
- Create a curriculum for training job center staff in the use of real time LMI both for macro trend data and for individual job postings
- Secure the appropriate resources and hire a regional economist to better understand the local economies that we serve

Performance Measures:

- Increase LMI trainings and briefings to two per month, not including press release activities
- Provide three Real Time trainings per year

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	532.1	532.1	532.1
<b>General Fund</b>	110,035.0	110,035.0	110,035.0
<b>Other Appropriated Funds</b>	200,502.9	200,502.9	200,502.9
<b>Non-Appropriated Funds</b>	1,072,942.4	1,089,438.1	1,106,263.8
<b>Federal Funds</b>	2,784.9	2,784.9	2,784.9

## Program Summary

### ADMINISTRATION

Kathy Peckardt, Interim Director  
Phone: (602) 542-1500  
A.R.S. §§ 41-701, 41-1051, 41-2501

#### Mission:

*To provide leadership, direction, financial and management information, and support to enable the Arizona Department of Administration to achieve its mission and vision.*

#### Description:

In addition to providing strategic direction and operational guidance for the agency, the Director's Office also includes the legislative liaison/public information office, Budget office, Government Transformation Office, Grant's Office, State Employee Charitable Contribution office, the Office of the General Counsel, the Office of Employment and Population Statistics and the Governor's Regulatory Review Council.

Additionally, the Director's Office formulates and advocates agency policy, compliance with all statutory requirements and administers ADOA operations in a cost-effective and efficient manner that is responsive to our customer's needs. The Director's Office also oversees and implements all strategic planning efforts for the agency.

#### This Program Contains the following Subprograms:

- ▶ Administration
- ▶ Governor's Regulatory Review Council (GRRC)
- ▶ Employment and Population Statistics

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,378.5	3,433.5	3,433.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,854.0	3,002.3	3,002.3
<b>Total Funding</b>	<b>6,232.5</b>	<b>6,435.8</b>	<b>6,435.8</b>
<b>FTE Positions</b>	<b>41.5</b>	<b>46.5</b>	<b>46.5</b>

## Subprogram Summary

### ADMINISTRATION

Kathy Peckardt, Interim Director  
Phone: (602) 542-1500  
A.R.S. §§ 41-701, 41-1051, 41-2501

#### Mission:

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#### Description:

In addition to providing strategic direction and operational guidance for the agency, the Director's Office also includes the legislative liaison/public information office, security office, Budget office, Government Transformation Office, Arizona Office for Grants and Federal Resources, State Employee Charitable Contribution office, the Office of the General Counsel, the Office of Employment and Population Statistics, the Office of the Controller and the Governor's Regulatory Review Council.

Additionally, the Director's Office formulates and advocates agency policy, compliance with all statutory requirements and administers ADOA operations in a cost-effective and efficient manner that is responsive to our customer's needs. The Director's Office also oversees and implements all strategic planning efforts for the agency.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,548.7	2,498.0	2,498.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,090.7	1,154.3	1,154.3
<b>Total Funding</b>	<b>3,639.4</b>	<b>3,652.3</b>	<b>3,652.3</b>
<b>FTE Positions</b>	<b>14.7</b>	<b>21.7</b>	<b>21.7</b>

◆ **Goal 1** To provide leadership, direction and support by delivering world-class customer service

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percentage of ADOA's services with a minimum customer satisfaction rating of 6.0	72.0	90.0	75.5	90.0	90.0
Percentage response rate to public information and legislative constituent requests within ten business days	N/A	93.0	92.1	91.4	91.4

◆ **Goal 2** To improve efficient delivery of government services in the Office of the Controller.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Customer satisfaction with fixed assets accounting (internal)	N/A	6.6	7.33	6.6	7.0
Customer satisfaction with payroll adjustments and travel form processing (internal)	N/A	6.6	7.93	6.6	7.0
Customer satisfaction with financial and management reporting (internal)	N/A	6.6	8.0	6.6	7.0
Customer satisfaction with the payment of vendors (internal)	N/A	6.6	7.18	6.6	7.0
Number of days to process invoices (Accounts Payable)	15.61	15	14.05	15	15
Customer satisfaction with Central Services Bureau	6.90	7.5	7.1	7.5	7.5
Overall customer satisfaction with the State Boards Office	7.00	7.6	7.1	7.6	7.6



**Subprogram Summary**

GOVERNOR'S REGULATORY REVIEW COUNCIL (GRRC)

Bret H. Parke, ADOA General Counsel  
 Phone: (602) 542-2181  
 A.R.S. § 41-1001

**Mission:**  
*To efficiently, objectively and effectively assist state agencies to comply with the rulemaking provisions of the Arizona Administrative Procedure Act and advise the Council regarding an agency's compliance or non-compliance with the Act.*

**Description:**  
 The Council is composed of seven members and, while tasked with several responsibilities, has two primary functions. First, the Council is the final step in the rulemaking process for most state agencies. The Council staff reviews rules, unless exempted from Council review by statute, to ensure that the rules are necessary and to avoid duplication and adverse impact on the public. The Council assesses whether a rule is clear, concise, and understandable, legal, consistent with legislative intent and within the agency's statutory authority, and whether the benefits of a rule outweigh the cost. If a rule does not meet these criteria, the Council returns it to the agency for further consideration.

Secondly, the Council is responsible for reviewing five-year review reports. Arizona law requires an agency to review its rules every five years to determine whether the rules need to be amended or repealed. After doing this review, the agency is required to submit a report of its findings to the Council, which will approve the report or return it to the agency for additional work. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating.)

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	389.0	573.4	573.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>389.0</b>	<b>573.4</b>	<b>573.4</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>5.0</b>	<b>5.0</b>

◆ **Goal 1** To improve Governor's Regulatory Review Council subprogram operations to ensure the efficient delivery of GRRC staff services to the GRRC Council, and state agencies and their customers and stakeholders.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Agency satisfaction with staff services (Rulemakings and five-year reviews)	7.85	7.90	7.77	7.90	7.9
Council satisfaction with staff services	7.90	7.90	7.91	7.90	7.9
Agency satisfaction with staff services (Seminars)	7.63	7.60	7.75	7.70	7.8

◆ **Goal 2** To focus GRRC staff on customer satisfaction of agencies, boards and commissions and their employees by improving and revising seminars agency report reviews and GRRC staff services to benefit Arizona citizens and businesses utilizing state services.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Improve customer satisfaction to 7.0 or better on the annual customer satisfaction survey	6.21	7.0	6.43	7.0	7.0
Improve customer satisfaction to 7.5 or better on the "Voice of the Customer" survey cards	7.85	7.5	7.77	7.9	7.9
Increase participation percentage of attendees in GRRC Seminars	116.0	50.0	38.0	20.0	30.

**Subprogram Summary**

EMPLOYMENT AND POPULATION STATISTICS

Paul Shannon, Assistant Director, Budget & Resource Planning  
 Phone: (602) 542-1510  
 ARS §§ 41-1504, 41-1505

**Mission:**

*To prepare and provide employment, economic and demographic information, and federally required data and analyses that enable sound policy and decision-making by Arizona state government, communities, businesses, and residents of the state.*

**Description:**

The Office of Employment and Population Statistics (EPS) provides core services in demographic research and analysis, including constitutionally required population estimates; detailed employment and unemployment data (in partnership with the Bureau of Labor Statistics); and strategic economic research, including occupation and industry projections. Information is made available to the public. Leaders in business and all levels of government use these data to assist in making informed decisions. In addition, EPS provides population projections and maintains data partnerships with the Employment and Training Administration, the Bureau of Labor Statistics, and the Census Bureau.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	440.8	362.1	362.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,763.3	1,848.0	1,848.0
<b>Total Funding</b>	<b>2,204.1</b>	<b>2,210.1</b>	<b>2,210.1</b>
<b>FTE Positions</b>	<b>19.8</b>	<b>19.8</b>	<b>19.8</b>

◆ **Goal 1** To ensure information and resources provided are strategic, timely, useful and relevant to stakeholders.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of stakeholders who rated EPS information as very or extremely useful, timely and relevant	72	85	90	90	90
Number of demographic website hits	46,664	27,500	61,492	60,000	60,000
Number of Labor Market Information trainings	6	13	14	15	15
Number of Labor Market Information website hits	264,634	300,000	291,412	300,000	300,000

**Program Summary**

**GENERAL ACCOUNTING**

Clark Partridge, State Comptroller  
 Phone: (602) 542-5405  
 A.R.S. §§ 35-101 et. seq.

**Mission:**

*To provide state and federal agencies, the general public, and other interested public or private entities with accurate, timely financial services, management information, and technical assistance while assuring compliance with related statutes and rules; to maintain and improve the statewide automated financial systems; and to provide for the safeguarding of state assets.*

**Description:**

This subprogram provides financial information to state and federal government agencies, financial institutions, and other interested public or private entities. Key areas of responsibility include operating the Arizona Financial Information System (AFIS) and the statewide payroll portion of the Human Resources Information Solution (HRIS) to provide our customers with appropriate financial data as well as management financial information; providing adequate AFIS system security; providing flexibility for maintaining and monitoring budgetary control and related information; resolving systems-related problems in a timely, cost-effective manner; enhancing the systems to reduce cost, increase efficiency, and meet new needs and requirements of the State; providing statewide accounting policies and procedures; reconciling and distributing all state warrants; preparing cash basis and accrual basis financial reports designed to provide an accurate recording of the financial condition of the State; performing internal audits, reviews, and investigations; and providing various types of technical assistance on government accounting and financial matters. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	160,565.7	97,258.7	104,826.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	175,942.0	164,126.3	166,092.9
<b>Total Funding</b>	<b>336,507.7</b>	<b>261,385.0</b>	<b>270,919.4</b>
<b>FTE Positions</b>	<b>65.2</b>	<b>69.2</b>	<b>69.2</b>

- ◆ **Goal 1** To maintain the continuity of state government operations to ensure the effective and efficient delivery of government services in the General Accounting program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with accounting policies and procedures	6.48	6.0	6.33	6.0	6.0
Percentage of warrants available for distribution by 1:00 PM following the day of processing on Arizona Financial Information System (AFIS)	99.9	99.9	99.9	99.9	99.9
Percentage of security requests for financial applications processed within three business days	99.9	95	99.8	95	95
Customer satisfaction with the administration of AFIS	6.36	6.0	6.58	6.0	6.0
Customer satisfaction with administration of payroll process	6.77	6.0	7.73	6.0	6.0
Percentage of warrants distributed to correct agency	99.9	99.5	99.9	99.5	99.5

**Program Summary**

**STATE PROCUREMENT**

Barbara Corella, State Procurement Administrator  
 Phone: (602) 542-5511  
 A.R.S. §§ 41-2501 et. seq.

**Mission:**

*To provide procurement services and obtain high quality goods and services at reasonable costs through operational leadership, efficiency, quality, and consistency for demonstrated procurement value to our customers, vendors, and the State's procurement community*

**Description:**

The State Procurement Office (SPO) coordinates, oversees, and establishes policy for statewide procurement services. SPO conducts strategic sourcing for statewide use contracts; office equipment and supplies, temporary personnel, information technology and telecommunications, fleet vehicles and supplies, and construction projects; provides centralized procurement contracting services for limited delegated agencies and ADOA. SPO provides, manages, and supports ProcureAZ, a statewide eProcurement system for vendors, agencies, and political subdivisions; oversees agency procurement compliance and oversight of procurement authority of all state agencies; coordinates with the Office of the Attorney General to provide advice, guidance, and assistance to agencies on procurement laws, rules, court decisions, and technical bulletins; provides procurement technical assistance to vendors, customers, and procurement officers; and administers a cooperative purchasing program for over 550 Arizona governments.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,056.0	954.9	954.9
Other Appropriated Funds	114.8	288.8	288.8
Other Non Appropriated Funds	3,030.9	4,653.0	4,653.0
<b>Total Funding</b>	<b>4,201.7</b>	<b>5,896.7</b>	<b>5,896.7</b>
<b>FTE Positions</b>	<b>45.0</b>	<b>40.0</b>	<b>40.0</b>

◆ **Goal 1** To ensure the efficiency of state government procurement operations and services

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of solicitations complete by agreed timelines	62	73	59	75	75
Number of days to process purchase orders from contracts	.4	3	1.1	3	3
Number of days to process non-contract purchase orders	1.8	7	1.4	7	7

◆ **Goal 2** To ensure the delivery of high quality procurement practices for our agency customers and cooperative procurement members.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average age of contracts (years)	2.34	5	2.81	4	4
Percentage increase of cooperative use of contracts	25	2	-18	2	2
Percentage of total dollar spend from contracts	90	65	94	68	68

◆ **Goal 3** To deliver consistent procurement services based upon applicable statutes and rules.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of procurements without upheld appeals	100	99	100	99	99
Percentage of total non-competitive procurement spend	5	5	5	5	5
Percentage increase of vendor solicitation response rate	27	2	-22	2	2

**Program Summary**

**BENEFITS SERVICES DIVISION**

Marie Isaacson, Assistant Director  
 Phone: (602) 542-8378  
 A.R.S. §§ 41-702, 38-651 to 38-654

**Mission:**

*To provide a competitive, comprehensive, and cost effective benefits program and contribute toward improving the health and lifestyle of state employees, retirees, and their families.*

**Description:**

The Human Resources Division - Benefit Services administers the group benefit programs for state employees and their dependents. These programs currently include self-funded medical and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, home-owners and auto insurance plans; flexible spending accounts; and computer purchase and employee discount programs. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents. This section also manages the statewide wellness program.

**This Program Contains the following Subprograms:**

- ▶ Benefits Services Operations
- ▶ Benefits Vendor Payments

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,056.3	5,179.4	5,179.4
Other Non Appropriated Funds	781,484.7	822,055.9	861,610.8
<b>Total Funding</b>	<b>785,541.1</b>	<b>827,235.3</b>	<b>866,790.2</b>
<b>FTE Positions</b>	<b>35.5</b>	<b>35.0</b>	<b>35.0</b>

**Subprogram Summary**

**BENEFITS SERVICES OPERATIONS**

Marie Isaacson, Assistant Director  
 Phone: (602) 542-8378  
 A.R.S. §§ 41-702, 38-651 to 38-671

**Mission:**

*To provide a competitive, comprehensive, and cost effective benefits program and contribute toward improving the health and lifestyle of state employees, retirees, and their families.*

**Description:**

The Human Resources Division - Benefit Services administers the group benefit programs for state employees and their dependents. These programs currently include self-funded medical and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, home-owners and auto insurance plans; flexible spending accounts; and computer purchase and employee discount programs. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents. This section also manages the statewide wellness program. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,056.3	5,179.4	5,179.4
Other Non Appropriated Funds	159.6	259.0	259.0
<b>Total Funding</b>	<b>4,215.9</b>	<b>5,438.4</b>	<b>5,438.4</b>
<b>FTE Positions</b>	<b>35.5</b>	<b>35.0</b>	<b>35.0</b>

◆ **Goal 1** To attract and retain high performing state employees by providing competitive, customer service driven benefits program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with benefit plans	6.83	7.0	6.6	7.0	7.0
<b>Explanation:</b> add in words to title					
Number of state employees attending a Benefit Options Wellness Event	29,073	25,000	29,091	35,000	35,000
Percentage of benefits eligible employees enrolled	88	90	87	88	88
Percentage of customers satisfied with health plan provider-Annual Member Satisfaction	95	90	94.19	93	95
Percentage of AZ providers/facilities available in networks	96	95	91	95	95
Total lives covered under self-funded health plan	122,909	124,000	127,463	128,000	128,000
Number of calls/walk-ins assisted by member services	44,124	35,000	25,100	35,000	35,000
Percent of performance guarantees met	97	97	97	97	97

**Subprogram Summary**

**BENEFITS VENDOR PAYMENTS**

Marie Isaacson, Assistant Director  
 Phone: (602) 542-8378  
 A.R.S. §§ 41-702, 38-651 to 38-671

**Mission:**

*To provide a competitive, comprehensive, and cost effective benefits program and contribute toward improving the health and lifestyle of state employees, retirees, and their families.*

**Description:**

The Human Resources Division - Benefit Services administers the group benefit programs for state employees and their dependents. These programs currently include self-funded medical and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, home-owners and auto insurance plans; flexible spending accounts; and computer purchase and employee discount programs. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	781,325.2	821,796.9	861,351.8
<b>Total Funding</b>	<b>781,325.2</b>	<b>821,796.9</b>	<b>861,351.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To provide efficient and cost-effective benefit plan that respects state resources while strengthening state government's ability to recruit and maintain an effective workforce

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of medical plan loss ratio	91	90	92	92	92
Percentage of administrative costs of medical plan	4.3	4.5	4.5	4.5	4.5
Medical claims processing accuracy percentage	99	98	100	99	99
Percent of reserves funded	100	100	100	100	100
Average annual medical cost per covered life	5,061	5,350	5,152	5,695	5,696
Percentage of health care costs compared to national trend	93	95	97	97	97

**Program Summary**

**HUMAN RESOURCES DIVISION**

Marie Isaacson, Assistant Director  
Phone: (602) 542-5482  
A.R.S. § 41-702

**Mission:**

*To provide efficient, timely, customer-driven human resources services to meet our agency, employee and public customer needs.*

**Description:**

The Human Resources Division (HRD) is responsible for administering the State Personnel System which has nearly 34,000 employees in 95 state agencies, boards, and commissions, and provision of benefits to state employees, their dependents, and retirees. The division has four primary functions:

- Administer the group benefit programs for state employees and their dependents. These programs currently include a self-funded medical plan, self-funded dental plan, and fully insured plans for vision, basic life, supplemental life, dependent life, short-term disability, flexible spending accounts, and a statewide wellness program. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents.
- Maintaining the infrastructure for personnel administration including the State’s payroll/personnel system-Human Resources Information Solution (HRIS), the centralized job board (azstatejobs.gov), the hiring system (Hiring Gateway), the State’s centralized employee’s self-service website-Your Employee Services (YES), the classification and compensation system, and the Personnel Rules and policies that govern personnel within the ADOA Personnel System.
- Providing a number of services to state employees including a State Career Center, an internship program, a Travel Reduction Program, and training through the Arizona Learning Center.
- Supporting state agencies by providing human resources services in the areas of employee relations, staffing and recruitment, job classification, employee compensation, employee development, recognition, workforce planning and analysis, and operational support.

**This Program Contains the following Subprograms:**

- ▶ Human Resource Operations
- ▶ Travel Reduction

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	13,234.9	13,841.1	13,841.1
Other Non Appropriated Funds	476.5	535.0	535.0
<b>Total Funding</b>	<b>13,711.4</b>	<b>14,376.1</b>	<b>14,376.1</b>
<b>FTE Positions</b>	<b>85.3</b>	<b>85.0</b>	<b>85.0</b>



**Subprogram Summary**

**HUMAN RESOURCE OPERATIONS**

Marie Isaacson, Assistant Director  
 Phone: (602) 542-8378  
 A.R.S. § 41-702

**Mission:**

*To provide efficient, timely, customer-driven human resources services to meet our agency, employee and public customer needs.*

**Description:**

The Human Resources Program includes classification and compensation, employment, operations, planning and quality assurance, and the Human Resources Information Solution (HRIS). The program administers an automated recruiting and hiring system for use by hiring supervisors to fill positions; coordinate and hosts job fairs, community events and outreach programs to recruit new talent; administers an internship program in partnership with several universities and colleges, offers consulting services to provide human resources expertise in such areas as employment laws and Arizona state government rules, policies, and practices; administers and oversees annual surveys to evaluate market position of state jobs to ensure external competitiveness; analyzes and evaluates salary ranges and job classifications to ensure internal equity; provides guidance on employee relations issues; assists in administer reductions in force; investigates and prepares responses to complaints; and maintains HRIS-an integrated system used to administer payroll, personnel and employee benefits processing for all branches, departments, and agencies in State government.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,502.5	12,914.0	12,914.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>12,502.5</b>	<b>12,914.0</b>	<b>12,914.0</b>
<b>FTE Positions</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>

◆ **Goal 1** To provide high quality Human Resources services to agency management and employees

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of services earning a satisfaction rating of 6.5 or higher (based on annual survey of customer agencies)	55.0	60.0	60	60	80
Customer Satisfaction – Voice of Customer Survey	7.49	7.5	7.56	7.56	7.56

◆ **Goal 2** To provide human resources programs that are efficient

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
HR costs per employee (in dollars)	333	379	310.36	309.77	307.62
Productivity savings through the use of efficient use of automation-HRIS (cumulative savings in millions of dollars)	56.0	66.6	81.3	90	100
Percent of employees with performance evaluations	N/A	100.0	66	77	89

◆ **Goal 3** To Attract a Highly Engaged and Highly Motivated Workforce

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of the workforce that is uncovered (excluding CO, FAPO)	76.9	82.0	83	85	86
Percent of workforce eligible to retire	14.0	14.0	13.6	14.2	14.8
Employee absenteeism (avg number of days of sick leave used)	8.1	8.1	7.7	7.6	7.5
Employee engagement ratio (annual statewide survey)	1.6	1.8	2.05	2.0	2.1
Percentage difference in average salaries between state employees and labor market	14.0	15.0	18	14	12
Percentage of poor quality hires (employee leaves within first six months)	15.8	15.2	13.6	12	12.5
Number of supervisors trained	6,531	650	7,338	500	500
Overall satisfaction with supervisor training	6.96	7.0	7.4	7.0	7.0

**Subprogram Summary**

TRAVEL REDUCTION

Abigail Williams, Manager  
Phone: (602) 542-3638  
A.R.S. § 49-588

**Mission:**

*To reduce state employees' drive alone commute trips within Maricopa County to improve air quality.*

**Description:**

Through promotion, education and incentives, the Travel Reduction Program encourages non-university state employees in Maricopa County to carpool, vanpool, ride transit, bicycle or walk to work. Other forms of travel reduction such as telecommuting and virtual office are also pursued. A.R.S. § 49-588, which mandates this program, is a committed transportation control measure in several EPA-approved air quality plans. Failure to implement these legally binding commitments could lead to federal sanctions. Annual surveys are administered by this program to measure conformance. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating.)

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	732.4	927.1	927.1
Other Non Appropriated Funds	476.5	535.0	535.0
<b>Total Funding</b>	<b>1,208.9</b>	<b>1,462.1</b>	<b>1,462.1</b>
<b>FTE Positions</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>

◆ **Goal 1** To demonstrate leadership and deliver exceptional customer service utilizing a customer centric approach when providing services to Travel Reduction subprogram clientele.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with all Travel Reduction services	6.13	6.5	6.72	6.5	6.5
Customer satisfaction of capitol rideshare customers (monthly)	7.66	7.0	7.67	7.0	7.0
Customer satisfaction of travel reduction coordinators (bi-annual)	7.57	7.0	7.7	7.0	7.0

- ◆ **Goal 2** To obtain and maintain effective partnerships with our customers, state agencies, and outside government entities thereby enhancing results and overall performance

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of commuter club members (carpoolers, transit riders, walkers, bicyclists)	4,414	4,458	4,461	4,503	4,549
Percentage increase in transit riders	-0.7	2.0	-6.80	2.0	2
Agency sites that achieved their travel reduction goals	27	33	27	33	39
Percentage of all state employee commute trips that are drive-alone	67.4	65.0	67.4	65	63
Percentage of ADOA employee commute trips that are drive-alone	66.6	60	66.6	60	60
Number of employees spoken to at agency meetings and information tables	2,089	1,750	3,679	1,850	1,950

### Program Summary

#### ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY OFFICE

Aaron Sandeen, ADOA Deputy Director  
 Phone: (602) 364-4770  
 A.R.S. §§ 41-711, 41-712, 41-713, 41-704

**Mission:**

*To provide business-enhancing information and telecommunication services to the Department of Administration, state agencies, and Arizona residents.*

**Description:**

The Arizona Strategic Enterprise Technology (ASET) Office is comprised of the State Data Center and Enterprise Capabilities and Delivery (both formerly ISD), Enterprise Infrastructure and Communications (formerly TPO) and Strategic Transformation and Innovation (formerly GITA). The Enterprise Infrastructure and Communications Office is responsible for overseeing AZNet, the statewide telecommunications network. AZNet provides state agencies a scalable, centralized, statewide converged voice, video and data solution to streamline state agency communications. The State Data Center and Enterprise Capabilities and Delivery Office is responsible for providing information technology services to state agencies. These services include transaction processing; application development and maintenance; system and technical support; and relevant security assessments, evaluation, provisioning, and consulting. Services are charged back to the customer through monthly billing processes. The State 9-1-1 Office is a subprogram of STI, responsible for oversight of the 9-1-1 program throughout the State. Revenue is generated through the Emergency Telecommunications Excise Tax and is used for capital upgrades and remedial costs associated with the service delivery of emergency 9-1-1 calls.

**This Program Contains the following Subprograms:**

- ▶ ASET Operations
- ▶ 911 Emergency Services
- ▶ Enterprise Infrastructure and Communications
- ▶ Strategic Transformation and Innovation

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	261.4	25,000.0	0.0
Other Appropriated Funds	58,090.4	98,498.5	56,507.6
Other Non Appropriated Funds	25,057.8	25,550.0	22,169.6
<b>Total Funding</b>	<b>83,409.6</b>	<b>149,048.5</b>	<b>78,677.2</b>
<b>FTE Positions</b>	<b>162.7</b>	<b>217.0</b>	<b>217.0</b>

**Subprogram Summary**

ASET OPERATIONS

Donald Hennington, Chief Operations Officer  
 Phone: (602) 542-1422  
 A.R.S. §§ 41-711, 41-712, 41-713, 41-704

**Mission:**

*To provide business-enhancing information services to the Department of Administration, state agencies, and Arizona residents.*

**Description:**

The State Data Center and Enterprise Capabilities and Delivery are responsible for providing information technology services to state agencies. These services include transaction processing; application development and maintenance; system and technical support; and relevant security assessments, evaluation, provisioning, and consulting. Services are charged back to the customer through monthly billing processes. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,456.4	19,120.7	25,610.8
Other Non Appropriated Funds	2,514.9	1,474.9	1,474.9
<b>Total Funding</b>	<b>19,971.3</b>	<b>20,595.6</b>	<b>27,085.7</b>
<b>FTE Positions</b>	<b>104.1</b>	<b>107.0</b>	<b>107.0</b>

◆ **Goal 1** To ensure the continuity of mission critical and essential systems.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with information and data security services	5.95	6.0	6.59	6.5	7.0
Customer satisfaction with mainframe processing	5.54	6.5	6.23	7.0	7.0
Percentage of enterprise application development work completed within negotiated timeframe	N/A	N/A	N/A	N/A	N/A
Customer satisfaction with co-location	N/A	6.5	5.83	7.0	7.0
Customer satisfaction with shared services	N/A	6.5	6.18	7.0	7.0
Customer satisfaction with application development	N/A	6.5	4.95	7.0	7.0
Customer satisfaction with end user support	5.92	6.0	6.14	6.5	6.75
Percentage of time mainframe batch systems are available	99.9	99.9	99.9	99.9	99.9
Percentage mainframe scheduled batch jobs completed on time	99.9	99.0	99.9	99.9	99.9

**Subprogram Summary**

911 EMERGENCY SERVICES

Barbara Jaeger, State 9-1-1 Administrator  
 Phone: (602) 542-0911  
 A.R.S § 41-704, 42-5251

**Mission:**

*To effectively manage the tax revenue received through the Emergency Telecommunications Service Excise Tax for the network, equipment and maintenance to ensure 9-1-1 services are available throughout Arizona for citizens in need of emergency assistance; and to work through the local community 9-1-1 coordinators to implement Enhanced 9-1-1 and Wireless Enhanced 9-1-1 to ensure that advanced technology and equipment is available.*

**Description:**

The 9-1-1 program is charged with providing guidance and direction, as well as acting as liaison to ensure that when a citizen dials 9-1-1, the call goes to the correct 9-1-1 center the first time. Funding oversight is done on a statewide basis. Monies in FY 2013 are necessary to meet the operational requirements of more than one hundred 9-1-1 centers statewide and to continue deployment of location-based technology through Wireless Phase II Enhanced 9-1-1.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,017.4	21,727.8	19,747.8
<b>Total Funding</b>	<b>15,017.4</b>	<b>21,727.8</b>	<b>19,747.8</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

- ◆ **Goal 1** To continue to deploy Wireless Phase II throughout Arizona and maintain continuity of services through equipment upgrades and network enhancements at statewide 9-1-1 centers (Public Safety Answering Points - PSAPs).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of State PSAPs converted to Wireless Phase II	78.09	84.42	89	99.98	99.98
Percentage of Phase II based on systems available	78.09	84.42	89	99.98	99.98
Number of PSAPs Upgraded	11	15	14	15	15
State and local funds spent for equipment, network, maintenance and administration (in millions).	16.4	17.4	16.25	18.4	19.4

## Subprogram Summary

### ENTERPRISE INFRASTRUCTURE AND COMMUNICATIONS

Gary Hensley, Chief Networking Officer  
 Phone: (602) 542-2250  
 A.R.S. §§ 41-712, 41-713

**Mission:**

*To assure that the State of Arizona has a cost effective and efficient consolidated, shared telecommunications infrastructure to meet the needs of government agencies, their employees and the public.*

**Description:**

The Enterprise Infrastructure and Communications oversees AZNet, the statewide telecommunications network providing voice and data communications services, including the installation and maintenance of telecommunication systems. Each office, department and agency of the State contracts with the primary contractor through the Enterprise Infrastructure and Communications and makes payment directly to the primary contractor for its telecommunications needs. The Enterprise Infrastructure and Communications is charged with ensuring that its contractor acts as the State's agent for all carrier services to the offices, departments and agencies within AZNet. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,806.7	1,855.0	1,855.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,806.7</b>	<b>1,855.0</b>	<b>1,855.0</b>
<b>FTE Positions</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

- ◆ **Goal 1** To maintain the continuity of state government operations to ensure the safe and efficient delivery of government services in the Enterprise Infrastructure and Communications subprogram.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Customer satisfaction with voice telecommunications services	5.58	6.7	6.18	6.7	6.7
Customer satisfaction with State's Level 1 Help Desk	5.98	6.5	6.28	6.5	6.5
Customer satisfaction with Statewide Telecommunications Contract services	N/A	6.0	6.32	6.0	6.0

**Explanation:** Change verbiage to say Customer satisfaction with Statewide Telecommunications Contract services (AZNET II)

Customer satisfaction with connectivity to the Wide Area Network (MAGNET)	6.15	6.25	6.49	6.25	6.25
Customer satisfaction with carrier services	N/A	6.0	6.28	6.0	6.0
Customer satisfaction with Telecommunications Expense Management services	N/A	6.5	5.74	6.5	6.5

- ◆ **Goal 2** To aggressively pursue innovative solutions and/or opportunities in the Enterprise Infrastructure and Communications subprogram.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percentage of time primary components of Network are available and accessible	99.9	99.0	99.9	99.0	99
Customer satisfaction with support for new or upgraded telecommunications	N/A	6.0	6.08	6.0	6.0

## Subprogram Summary

### STRATEGIC TRANSFORMATION AND INNOVATION

Phil Manfredi, Chief Strategy Officer

Phone: (602) 364-4793

A.R.S. §§ 41-711, 41-712, 41-713, 41-704

**Mission:**

*To transform Arizona into a nationwide leader of advanced IT strategies, methodologies, and business processes.*

**Description:**

Strategic Transformation Innovation (STI) sets the technology, security, privacy, and communication strategies, policies, and procedures for the state of Arizona. In addition, it is the body responsible for monitoring and overseeing high-risk technology projects across all state agencies. Lastly, it manages several large, state-wide programs and initiatives such as e-Government, the Health Information Exchange, and Broadband.

The Arizona Statewide Strategic Plan for fiscal year 2012 is built upon the Governor's four cornerstones and expands on them with the themes of reducing unnecessary expenditures through comprehensive IT reform, increasing transparency, and protecting the security and privacy information of our state's citizens. The plan outlines three major goals and their supporting objectives.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	261.4	0.0	0.0
Other Appropriated Funds	20,495.2	34,021.1	21,990.1
Other Non Appropriated Funds	3,810.5	2,347.3	946.9
<b>Total Funding</b>	<b>24,567.1</b>	<b>36,368.4</b>	<b>22,937.0</b>
<b>FTE Positions</b>	<b>36.6</b>	<b>80.0</b>	<b>80.0</b>

◆ **Goal 1** To identify, prioritize and deliver more enterprise business capabilities

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Total number of state entities engaged in Enterprise Architecture initiatives	15	25	29	25	20
Enterprise Architecture training sessions completed	3	4	6	4	5

◆ **Goal 2** To expand e-Government and mobility capabilities

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Total number of agencies using modern website technology platform	17	40	48	60	80
Increase visits to AZ.gov (% over prior year)	30.0	15.0	n/a	15.0	10

◆ **Goal 3** To implement Statewide Enterprise Resource Planning

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Issue ERP RFP	N/A	N/A	N/A	N/A	N/A

**Explanation:** This was completed in FY 2012

Select ERP Vendor	1	N/A	N/A	N/A	N/A
Percentage of FY ERP milestones implemented on schedule	100	95	91	95	100

**Program Summary**

**RISK MANAGEMENT**

Raymond DiCiccio, Risk Manager  
Phone: (602) 542-1791  
A.R.S. §§ 41-621 et. seq.

**Mission:**

*To provide comprehensive property, liability, and worker's compensation programs that minimize the impact of the States's human, physical and financial damages by identifying, evaluating, controlling, and mitigating exposures to loss; and by managing post-loss claims.*

**Description:**

Risk Management provides statewide (including the three universities) insurance administration and management services for the following subprograms:

- Indemnification, legal defense, investigation, negotiation, and mitigation services for liability claims and lawsuits filed against the State, its agencies, and employees acting within the course and scope of their employment;
- Property coverage for damage or theft of State-owned property,
- Environmental remediation of State property involving an immediate health and safety impact,
- Workers' compensation benefits for injured State employees,
- Agency monitoring, training, and assistance in the development of employee health and safety programs,
- Support in the development of indemnification and insurance provisions in State contracts, and
- Post-offer employment physicals for job classifications that have a high exposure to occupational injuries.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	74,500.2	91,995.4	93,212.3
Other Non Appropriated Funds	1,418.5	3,782.4	3,362.4
<b>Total Funding</b>	<b>75,918.7</b>	<b>95,777.8</b>	<b>96,574.7</b>
<b>FTE Positions</b>	<b>69.0</b>	<b>71.0</b>	<b>71.0</b>



- ◆ **Goal 1** To maintain the continuity of State government operations to ensure the safe and efficient delivery of government services in the Risk Management program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Determination of disability benefits and adjuster approval of compensable benefit payment within 19 days of receipt from the Industrial Commission of Arizona (based on 100% scale)	100	95	100	95	95
Workers' Compensation compensable disability payment processing time two business days after adjuster approval (based on 100% scale)	99	95	99	95	95
Investigative contact time for property and liability claims within four business days of claim notification (based on 100% scale)	94	95	95	95	95
Property and liability settlement payment processing time within four business days after adjuster approval (based on 100% scale)	100	95	99	95	95
Agency corrective action plan (not subject to an administrative process) responses for third party liability settlements and judgments in excess of \$150,000 completed within 60 days of payment (based on 100% scale)	100	95	100	95	95
Participant satisfaction survey with Loss Prevention training courses (based on a scale of 1-8 with 8 being the best rating)	7.3	7.0	7.3	7.0	7.0
Voice of the Customer satisfaction survey with Loss Prevention consultative services (based on a scale of 1-8 with 8 being the best rating)	7.6	7.0	7.6	7.0	7.0

- ◆ **Goal 2** To aggressively pursue innovative solutions and/or opportunities in the Risk Management program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Statewide incident rate per 100 Full Time Equivalent (FTE) positions (accepted Risk Management claims)	3.9	4.0	4.0	4.0	4.0

## Program Summary

### GENERAL SERVICES DIVISION

Bill Hernandez, Assistant Director

Phone: (602) 364-2872

A.R.S. §§ 31-253, 35-193, 41-701, 41-791, 41-803, 41-2606(B)

#### Mission:

*To provide effective and efficient facility related activities including facility planning, design, development, construction, operations and maintenance, as well as accounting services, fleet management, surplus management and other support services to enable government agencies, state employees and the public to achieve their goals.*

#### Description:

The General Services Division (GSD) is responsible for the ADOA Building System, which includes 3,464 state-owned structures. GSD provides facility operations and maintenance including custodial, maintenance, heating and air conditioning and landscaping services to 4 million square feet in Phoenix, Tucson and satellite offices. In addition, the division provides facilities programs including prison construction and building construction, while providing a focal point for the acquisition, leasing, planning, and construction of facilities in the ADOA Building System. Also, the Division provides fleet services, surplus property management and mail services to state agencies.

#### This Program Contains the following Subprograms:

- ▶ Building, Planning, and FOAM
- ▶ Construction Services
- ▶ Other Support Services
- ▶ Surplus Property
- ▶ Motor Pool

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	837.3	820.1	820.1
Other Appropriated Funds	28,484.5	31,473.7	31,473.7
Other Non Appropriated Funds	16,109.9	15,236.5	14,301.3
<b>Total Funding</b>	<b>45,431.7</b>	<b>47,530.3</b>	<b>46,595.1</b>
<b>FTE Positions</b>	<b>116.4</b>	<b>113.0</b>	<b>113.0</b>

**Subprogram Summary**

**BUILDING, PLANNING, AND FOAM**

Nola Barnes, General Manager  
 Phone: (602) 542-1954  
 A.R.S. § 41-701

**Mission:**  
*To provide facilities planning, construction, operation and maintenance services to preserve the State's facility assets to enable state agencies to effectively deliver services to the public.*

**Description:**  
 The Building, Planning, and Facilities Operations and Maintenance (FOAM) subprogram provides facility management services and physical security for state-owned buildings in the ADOA Building System including capital planning, major maintenance construction, inspections, land acquisition, space allocations, tenant improvements and statutory and building code compliance. This subprogram prepares the annual Capital Improvement and Building Renewal Plans, recommending state spending on ADOA Building System land acquisition, capital development and major maintenance. Additionally, the subprogram plans, develops and maintains appropriate allocation of office space for the efficient and effective use of state-owned and lease-purchased buildings. This subprogram also reviews, approves and maintains all agency office leases in the ADOA Building System; administers agency relocations for orderly transitions to maximize efficiency; and directs and regulates parking, employee ID card access and closed circuit television monitoring for ADOA office buildings. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	625.7	625.7	625.7
Other Appropriated Funds	15,931.6	17,614.7	17,614.7
Other Non Appropriated Funds	12,135.3	13,001.9	12,154.8
<b>Total Funding</b>	<b>28,692.6</b>	<b>31,242.3</b>	<b>30,395.2</b>
<b>FTE Positions</b>	<b>79.5</b>	<b>79.4</b>	<b>79.4</b>

◆ **Goal 1** To improve efficient delivery of government services in the Building, Planning, and FOAM subprogram.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with agency relocation process	7.71	6.6	5.8	6.6	6.6
Customer satisfaction with tenant improvement process	5.93	6.6	6.0	6.6	6.6
Customer satisfaction with review of office leases	6.0	6.6	5.8	6.6	6.6
Customer satisfaction with building maintenance	5.90	6.6	5.9	6.6	6.6
Customer satisfaction with heating and cooling maintenance	5.56	6.6	n/a	6.6	6.6
Customer satisfaction with custodial services	6.03	6.6	6.1	6.6	6.6
Customer satisfaction with landscaping/grounds maintenance	6.63	6.7	6.9	6.7	6.7

**Subprogram Summary**

**CONSTRUCTION SERVICES**

Roger Berna, General Manager  
 Phone: (602) 542-6051  
 A.R.S. §§ 41-791, 31-253

**Mission:**

*To provide and assist the State of Arizona with construction administration on large capital improvement (\$500,000 or larger), building renewal and Department of Corrections facilities projects.*

**Description:**

The Construction Services subprogram contracts and oversees design and construction of large Capital Improvement and Building Renewal Projects. This group also assists Building and Planning Services in the preparation of estimates and budgets for Capital Improvement and Building Renewal projects. This subprogram also assists the Department of Corrections and the Department of Juvenile Corrections in planning and budgeting new correctional facilities projects and then contracts and oversees their design and construction. The construction of facilities for the Department of Corrections uses inmate labor. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	832.6	839.0	839.0
Other Non Appropriated Funds	2,373.6	1,319.9	1,231.8
<b>Total Funding</b>	<b>3,206.1</b>	<b>2,158.9</b>	<b>2,070.8</b>
<b>FTE Positions</b>	<b>8.5</b>	<b>7.0</b>	<b>7.0</b>

◆ **Goal 1** To improve efficient delivery of government services in the Construction Services subprogram.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with general construction projects	6.50	6.6	6.3	6.6	6.6

◆ **Goal 2** To aggressively pursue innovative solutions and/or opportunities in the Construction Services subprogram.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of General Construction projects completed on schedule	97	96.5	96	96.5	96.5
Percentage of project contingency utilized for non-planned scope	1	5.0	5.0	5.0	5.0

**Subprogram Summary**

**OTHER SUPPORT SERVICES**

Bill Hernandez, Assistant Director  
Phone: (602) 364-2872  
A.R.S. §§ 41-101.03, 41-701

**Mission:**

*To provide effective and efficient support services to enable government agencies, state employees, and the Arizona Department of Administration to achieve their goals*

**Description:**

The Other Support Services subprogram is responsible for the ADOA Interagency Mail Room which provides mail service including interagency route service, U.S. mail processing, and parcel mail service. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	211.6	194.4	194.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	769.8	870.7	870.7
<b>Total Funding</b>	<b>981.4</b>	<b>1,065.1</b>	<b>1,065.1</b>
<b>FTE Positions</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>

**Subprogram Summary**

**SURPLUS PROPERTY**

Steve Perica, Administrator  
Phone: (602) 542-0796  
A.R.S. § 41-2606(B)

**Mission:**

*To reutilize surplus state and federal personal property through an effective and efficient distribution system in a customer-focused environment which ensures continuity of service to eligible governmental and non-profit organizations, and to maximize the dollar return to the State on the property sold to the general public.*

**Description:**

The Surplus Property Program is responsible for determining the fair market value of all excess and surplus property and for determining the method of disposal by approving trade-in, direct transfer or distribution, cannibalization, condemn by scrap, or disposal through the use of competitive sealed bids, auctions, established markets, and/or posted price sales. Other functions include advertising through printed and electronic media; determining and assessing proper service and handling fees for the acquisition, receipt, warehousing, rehabilitation, delivery, distribution or transfer of surplus materials; allocating proceeds from direct transfer or disposal through sale of surplus materials to authorized reimbursable funds; preparing and filing a State Plan of Operation with United States General Service Administration; acting on behalf of the State with any federal agencies or other surplus agencies regarding federal surplus materials; determining eligibility for the acquisition and distribution of state and federal surplus materials in accordance with federal laws; and ensuring that the federal and state surplus revolving funds are being maintained in accordance with the State Plan of Operation and applicable Arizona Administrative Codes. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,830.2	2,863.9	2,863.9
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,830.2</b>	<b>2,863.9</b>	<b>2,863.9</b>
<b>FTE Positions</b>	<b>13.8</b>	<b>10.5</b>	<b>10.5</b>

◆ **Goal 1** To improve efficient redistribution/sale of surplus property for the State of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with the effectiveness of on-site customer assistance	7.85	7.85	7.79	7.85	7.85
Customer satisfaction with the efficiency of in-field operations	7.87	7.8	7.92	7.85	7.85
Customer satisfaction with Surplus Property	6.55	7.2	6.5	6.5	6.5

◆ **Goal 2** To aggressively pursue innovative solutions and/or opportunities in the Surplus Property subprogram.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer requests picked up on date committed/agreed upon (1-8 scale).	7.91	7.8	7.93	7.85	7.85

**Subprogram Summary**

MOTOR POOL

David Fruehwirth, Administrator  
 Phone: (602) 542-0601  
 A.R.S. § 41-803

**Mission:**

*To continuously provide safe, clean and environmentally friendly vehicles in an efficient, customer-focused manner.*

**Description:**

The functions of the Fleet Management Program include providing dispatching for the taxi fleet; managing the procurement, assignment, and utilization of the entire fleet; managing the outsourcing of maintenance and repairs of the fleet; managing the record keeping for vehicles during their life in the fleet; providing a refueling site and car wash facilities; providing replacement vehicles for those meeting required criteria; and managing the disposition of replaced vehicles. (NOTE: Customer satisfaction measures, unless otherwise noted, are based on an annual survey using a scale of 1-8 with 8 being the best rating).

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	8,890.1	10,156.1	10,156.1
Other Non Appropriated Funds	831.3	44.0	44.0
<b>Total Funding</b>	<b>9,721.4</b>	<b>10,200.1</b>	<b>10,200.1</b>
<b>FTE Positions</b>	<b>10.5</b>	<b>12.0</b>	<b>12.0</b>

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◆ **Goal 1** To improve efficient delivery of service to Motor Pool subprogram customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction with short-term (day use) vehicle rental	6.88	7.2	7.9	7.9	7.9
Customer satisfaction with long-term vehicle use	6.42	7.2	7.9	7.9	7.9
Average percentage of taxi fleet utilization	56	85	57	85	75

## Agency Summary

### OFFICE OF ADMINISTRATIVE HEARINGS

Cliff J. Vanell, Director  
Phone: (602) 542-9853  
A.R.S. § 41-1092.01

#### Mission:

*To contribute to the quality of life in the State of Arizona by fairly and impartially hearing the contested matters of our fellow citizens arising out of state regulation.*

#### Description:

The Office is the main venue for administrative law hearings in Arizona, in which Administrative Law Judges preside over contested cases.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	862.2	862.5	1,052.5
Other Appropriated Funds	12.3	12.3	12.3
Other Non Appropriated Funds	1,063.4	873.4	873.4
<b>Total Funding</b>	<b>1,937.9</b>	<b>1,748.2</b>	<b>1,938.2</b>
<b>FTE Positions</b>	<b>16.0</b>	<b>14.0</b>	<b>14.0</b>



**Issue 1** Strategic Issue 1

Statement: It is challenging for the agency to stay up-to-date with technology and to replace equipment on regular rotations.

**Description** Discussion: The OAH is technically sophisticated, and its efficiencies depend on developing, maintaining, and expanding automated technology.

**Solutions:**

Strategies:

- a. OAH will regularly survey technological advances through relevant literature.
- b. OAH will consult with other central panel directors regarding technological approaches to the delivery of efficient administrative hearing services.
- c. OAH will replace aging equipment and update software.

Expected Outcome: OAH will ensure business continuity

**Issue 2** Strategic Issue 2

Statement: Not all agencies have converted to the electronic exchange of documents.

**Description** Discussion: The Arizona Healthcare Cost Containment System (AHCCCS) and the Registrar of Contractors (ROC) currently exchange all request for hearings, final agency actions, agency records, and ALJ decisions electronically. Other agencies have yet to implement electronic exchange of agency records or final agency actions.

**Solutions:**

Strategies:

- a. OAH will individually contact each agency to encourage movement to full electronic exchange of documents.
- b. OAH will foster relationships among client agencies with differing technological capabilities, including teaming agencies with AHCCCS and ROC to discuss successful strategies in order to facilitate eventual full electronic exchange of documents.

Expected Outcome: Both OAH and the target agencies will experience increased efficiency and lower costs.

**Issue 3** Strategic Issue 3

Statement: The agency does not routinely capture or utilize party email addresses in order to exchange documents electronically.

**Description** Discussion: Currently, motions are filed electronically through the OAH website. In non-confidential cases parties can use the OAH Portal to research cases, download orders, and review audio records.

**Solutions:**

Strategies:

- a. OAH will more actively solicit email addresses from the public and internally input and utilize those addresses as the preferred method of processing orders.
- b. OAH will revise its on-line forms to require email addresses.

Expected Outcome: OAH will increase its efficiency, and parties will receive orders and other communications more rapidly.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To conduct hearings in a timely fashion.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Average number of days from hearing request to hearing scheduling	.85	.85	.77	.77	.77
Average number of days from hearing scheduling to first scheduled hearing	57.94	57.94	54.41	54.41	54.41
Average number of days from the first scheduled hearing to the conclusion of the hearing	15.65	15.65	8.66	8.66	8.66
Average number of days from the conclusion of the hearing to transmission of the decision to the agency	9.16	9.16	9.41	9.41	9.41
Average length of delay (in days) from first hearing date to conclusion of the case due to continuances	73.68	73.68	51.79	51.79	51.79
Average length of a single continuance [measured by first continuances only] (in days)	68.02	68.02	44.62	44.62	44.62
Cases docketed	7,596	7,596	6,069	6,069	6,069
Number of hearings held	2,263	2,263	2,630	2,630	2,630
New cases docketed to cases concluded	1:101	1:101	1:104	1:104	1:104
Hearings conducted by contract administrative law judges	0	0	0	0	0
Average days from request for hearing to first date of hearing	58.89	58.89	55.16	55.16	55.16

◆ **Goal 2** To increase client satisfaction in the hearing process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of agency acceptance of findings of fact and conclusions of law (excluding recommended order) without modification	90.6	90.6	91.33	91.33	91.33
Percent of agency acceptance of findings of fact and conclusions of law (including recommended order) without modification	85.22	85.22	87.74	87.74	87.74
Percent of OAH decisions contrary to original agency position	7.3	7.3	6.76	6.76	6.76
Percent of agency acceptance of contrary Office of Administrative Hearings decision	93.2	93.2	85.82	85.82	85.82
Percent of agency rejection of OAH decisions	1.91	1.91	2.19	2.19	2.19
Percent of cases reheard	.87	.87	1.40	1.40	1.40
Percent of cases appealed to Superior Court	1.2	1.2	2.23	2.23	2.23
Percent of evaluations rating the administrative law judge excellent or good in	97.47	97.47	95.17	95.17	95.17
Percent of evaluations rating the administrative law judge excellent or good in explaining the hearing process	95.65	95.65	95.53	95.53	95.53
Percent of evaluations rating the administrative law judge excellent or good in the use of clear and neutral language	95.66	95.66	93.49	93.49	93.49
Percent of evaluations rating the administrative law judge excellent or good in	94.53	94.53	92.04	92.04	92.04
Percent of evaluations rating the administrative law judge excellent or good in dealing with the issues of the case	95.06	95.06	92.68	92.68	92.68
Percent of evaluations rating the office excellent or good in sufficient space	92.51	92.51	93.47	93.47	93.47
Percent of evaluations rating the office excellent or good in providing freedom from distractions	95.41	95.41	95.19	95.19	95.19
Percent of evaluations rating the staff excellent or good in responding promptly and completely to questions	93.82	93.82	94.68	94.68	94.68
Percent of evaluations rating the staff excellent or good in courteous treatment	96.49	96.49	95.14	95.14	95.14

◆ **Goal 3** To serve the parties by providing at will access to information.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of weekly requests to website	15,883	15,883	17,241	17,241	17,241
Average number of individual domains accessing the website per week	899	899	1,082	1,082	1,082
Advertisements of website capability per month	1,266	1,266	1,011	1,011	1,011
Publication of new informational articles on internet site	0	0	0	0	0
Average number of hits on articles on website per week	608	608	702	702	702
Average number of weekly hits on information page to enter agency portal	241	241	245	245	245
Average number of text searches of administrative law judge decisions per week	3.06	3.06	3.38	3.38	3.38

**Agency Summary**

**AFRICAN-AMERICAN AFFAIRS**

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Phone:

**Mission:**

*To address challenges facing the African-American community.*

**Description:**

The Commission of African-American Affairs advises state and federal agencies on policies, legislation and rules that affect the African-American Community. The Commission develops, reviews and recommends policies that affect the areas of health and human services, housing, education, employment, business formation and development, public accommodations and contracting and procedures to ensure that programs affecting African-Americans are effectively implemented with input from members of the African-American community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	125.0	125.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>125.0</b>	<b>125.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>

## Agency Summary

### ARIZONA DEPARTMENT OF AGRICULTURE

Jack Peterson, Interim Director  
 Phone: (602) 542-3575  
 A.R.S. §§ 3-101 et seq.

#### Mission:

*To regulate and support Arizona agriculture in a manner that encourages farming, ranching, and agribusiness while protecting consumers and natural resources.*

#### Description:

The Arizona Department of Agriculture, often in cooperation with Federal entities, regulates facets of the agriculture industry to promote the general welfare of the agricultural community, inform consumers, and protect public health and safety. The Department conducts food quality and safety inspections of meat, dairy, vegetable, citrus, fruit, and egg products; registers, licenses and samples feed, fertilizer, seed and pesticide companies or products; regulates agricultural pesticide use; trains and certifies pesticide applicators; protects native plant; guards against the risks associated with the entry, establishment and spread of plant pests, diseases and noxious weeds; licenses produce packers, dealers and shippers; provides education on pesticide safety and air quality; provides forensic, product quality, food safety and other agricultural laboratory analysis, identification, certification and training services; and provides administrative support for the citrus, lettuce and grain commodity councils and the Agricultural Employment Relations Board.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ FOOD SAFETY AND QUALITY ASSURANCE	6,897.7	6,964.1	6,964.1
➤ NON-FOOD PRODUCT QUALITY ASSURANCE	711.1	908.4	908.4
➤ ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION	2,894.7	3,009.5	3,126.3
➤ PEST EXCLUSION AND MANAGEMENT	4,128.0	3,791.3	4,024.5
➤ NATIVE PLANT AND CULTURAL RESOURCES PROTECTION	225.1	210.1	210.1
➤ PESTICIDE COMPLIANCE AND WORKER SAFETY	589.8	636.8	636.8
➤ ADMINISTRATIVE SERVICES	1,116.3	1,252.6	1,252.6
➤ STATE AGRICULTURAL LABORATORY	1,175.7	1,203.1	1,276.1
➤ AGRICULTURAL CONSULTATION AND TRAINING	2,634.8	2,930.8	2,930.8
➤ COMMODITY DEVELOPMENT AND PROMOTION	3,300.9	3,762.5	3,757.7
<b>Agency Total:</b>	<b>23,674.1</b>	<b>24,669.2</b>	<b>25,087.4</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	8,316.9	8,323.0	8,746.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,357.2	16,346.2	16,341.4
<b>Total Funding</b>	<b>23,674.1</b>	<b>24,669.2</b>	<b>25,087.4</b>
<b>FTE Positions</b>	<b>302.6</b>	<b>287.6</b>	<b>288.6</b>

**Issue 1** Protect the Food Supply, the Public and the Environment

**Description** Arizona agriculture is a \$12.4 billion industry that benefits major metropolitan areas of the State as well as significantly contributes to the economic well-being of rural communities. The Arizona Department of Agriculture serves to protect the food supply, the public and the environment. The Department is responsible for safeguarding citizens and the agricultural industry from pests and diseases and assuring the safety of production, processing and delivery of our food supply including milk, eggs, meat, vegetables, fruits and nuts. Increased execution of various trade agreements has resulted in a higher incidence of trade into and out of the United States and, subsequently, Arizona. Many pests common to foreign countries present a significant threat to Arizona's agricultural industry, public well-being and associated quality of life. As more commerce enters Arizona, and significant weather events continue, the risk of introducing plant pests or diseases from other states or foreign countries increases. Emerging animal diseases, some of which affect humans such as Avian Influenza, demand Department emergency preparedness and strengthened bio-security activities. The Department's regulation of the feed, fertilizer, pesticide, meat, dairy and egg industries ensures consumer safety. The Department's Divisions require a well-staffed and equipped laboratory to provide the scientific data necessary for meeting the Department's mission.

General Fund budget reductions since FY 2002 have challenged the Department to successfully reengineer itself. The Department's FY 2015 General Fund budget of \$8.3 million is 15% lower than the agency's first budget of \$9.8 million in FY 1991. The reengineering forced the Department to reduce or eliminate several programs. One such program was the agricultural inspections at the State border ports of entry, the elimination of which has resulted in increased infestations within the State's interior. The Department's first budget in FY 1991 relied on the General Fund for 59% of its funding; in contrast, the Department's current FY 2015 budget relies on the General Fund for only 34% of its funding. Service fees to the agricultural industry provide 48% and federal funds provide the remaining 18% of the Department's revenue. The Department's increasing dependency on federal funds leaves its ability to perform its duties in the hands of the federal government. Although there are programs that should be funded federally, the main responsibility for maintaining a healthy agricultural industry should be in the hands of the State.

The federal funds the Department receives are not unrestricted grants and must be used for the specific purposes for which they were awarded. The federal funds the Department receives are projected to decrease 13% in FY 2015. To maintain the same level of service, to maintain the same level of food security, to maintain the same support for an industry that generates billions of dollars to Arizona's economy and thousands of jobs, it will be necessary for the State to pick up any slack generated by the decreases in federal funding. And as Arizona grows, additional funds will be needed to meet the challenges of not only a growing population but also increased scrutiny of our food sources.

**Solutions:**

Recognize, involve and improve communications to constituencies, the public and employees.

Prioritize and focus on the products and services most critical to serving the public and agricultural constituencies.

Increase the efficiency of the Department's service delivery processes and systems.

Align the organizational structure to optimize effectiveness and reduce costs.

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**Issue 2** Employee Development

**Description** In response to budget reductions since FY 2002, the Arizona Department of Agriculture is operating with 29% leaner staffing levels. Consequently, the need to have employees with the right expertise is more critical today. Furthermore, 33% of the Department's employees will be eligible to retire over the next five years. Our continued focus moving forward will be the implementation of strategies to mitigate the impact of those anticipated departures of our valuable employees and to develop recruitment measures to attract top talent. This includes a review of Department salaries to ensure that they are competitive with other state agencies and public entities.

**Solutions:**

Revise rules and policies consistent with Personnel Reform.

Conduct a study of Department salaries compared to other state agencies and public entities.

Develop a strategy for achieving classification and compensation parity with other agencies and public entities.

Develop an ability to recruit talented, highly qualified employees.

Work with the Governor's Office to make state employee compensation competitive.

**Issue 3** State and Federal Cooperation Required

**Description** Federal agencies have reduced their presence in Arizona. For example, USDA Animal and Plant Health Inspection Service (APHIS) Veterinary Services closed its Arizona office and consolidated its Arizona functions with those of New Mexico at an office based in Albuquerque. Actions like this make it more difficult for our Department and Arizona constituents to receive required federal assistance in a timely manner and it deemphasizes Arizona's specific issues.

As federal staff and funding reductions continue, USDA and other federal agencies will increase their reliance on state agency partners. As the Department continues to search out federal funding, there is an increasing challenge to be able to provide the necessary matching funds required by an increasing number of agreements. Required state matching funds for agreements range from 15% to 50% of the grant award and, since the state matching funds must originate from non-federal funding sources, General Fund or industry fee funding must be utilized for the matching dollars.

**Solutions:**

Pursue opportunities for cooperative and collaborative agreements to leverage federal and state funds together to accomplish varied programmatic goals.

Work with the Governor's Office to minimize the impact of federal budget cuts on Arizona's agricultural engine.

Work with state and federal officials to help ensure as much federal funding as possible remains available to help the agency protect Arizona's citizens.



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**Issue 4** Maintain an Information Technology (IT) System that is Customer Centric

**Description** Every person within the Department is dependent on Information Technology (IT) to carry out legislative mandates, proactively communicate to the public, perform numerous job functions, and offer various services to licensees and stakeholders of the Agency. IT is a critical support structure for the Department's regulatory and customer service delivery efforts. In order to achieve its primary mission, the Department must have the ability to keep its IT systems in line with technology advancements that improve availability, security, privacy, employee productivity and stakeholder access. There also must be adequate salary structures, commensurate with the open market, to retain qualified and competent IT staff to maintain, develop and improve those advanced systems. Key to the Department's mission is the timely dissemination of accurate information through various electronic means to the regulated community, the public, and to our employees. The technology must support up to 287.6 Department employees including four outlying Department offices and twenty animal health and welfare field staff. Furthermore, the technology must provide web-based services to the thousands of stakeholders served by the Agency throughout the State. Regular equipment replacement schedules, ongoing maintenance and software licensing, and IT staff education and training are essential for the Department to be able to provide consistent, accurate, and timely information to mitigate technology disasters, deal with emergencies, and carry on daily operations in an efficient, secure environment.

**Solutions:**

Leverage IT resources to provide web-based services to the regulated community.

Develop the safest, most effective means of delivering electronic information to concerned parties.

Meet the increasing challenges of data and infrastructure security and privacy.

Identify and prioritize the modernization/replacement of the Department's IT systems.

Fund regular technology replacement schedules, ongoing maintenance and software licensing.

Work within ADOA/HR IT reclassification project to develop a strategy for ensuring commensurate salary funding for IT staff.

Ensure IT staff members receive necessary training.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	288.6	288.6	288.6
<b>General Fund</b>	8,323.0	8,323.0	8,323.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	11,904.5	11,904.5	11,904.5
<b>Federal Funds</b>	4,436.9	4,436.9	4,436.9

### Program Summary

#### FOOD SAFETY AND QUALITY ASSURANCE

Leatta McLaughlin, Associate Director  
Phone: (602) 542-7186  
A.R.S. §§ 3-101 et seq

**Mission:**

*To ensure that the public food supply meets established standards for quality and safety.*

**Description:**

This program provides inspections for the safety and/or quality of meat, poultry, milk, eggs, and fresh produce.

**This Program Contains the following Subprograms:**

- ▶ Animal Products Food Safety and Quality Inspection
- ▶ Fresh Produce Standardization and Inspection

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,313.3	1,327.3	1,327.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	5,584.4	5,636.8	5,636.8
<b>Total Funding</b>	<b>6,897.7</b>	<b>6,964.1</b>	<b>6,964.1</b>
<b>FTE Positions</b>	<b>83.8</b>	<b>84.8</b>	<b>84.8</b>

### Subprogram Summary

#### ANIMAL PRODUCTS FOOD SAFETY AND QUALITY INSPECTION

Leatta McLaughlin, Associate Director  
Phone: (602) 542-7186  
A.R.S. §§ 3-101 et seq.

**Mission:**

*To protect against the distribution of unsafe, unwholesome, and improperly labeled meat, poultry, milk, and eggs.*

**Description:**

This subprogram is designed to help protect the public health and safety from microbiological, chemical, and physical food hazards or substandard quality resulting from the processing and packaging of meat, poultry, milk, and eggs. Slaughtering facilities and processors receive licensing and permitting services, on-site inspections, and testing of samples for microbiological, drug, and chemical residues. State and federal regulations are administered relating to the sale, packing, and movement of eggs and egg products. Inspection activities include egg products control, shell egg grading, dairy farm, dairy plant and milk tanker inspections. Poultry used in school lunch programs also is inspected for quality and safety.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,313.3	1,327.3	1,327.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,633.9	1,813.5	1,813.5
<b>Total Funding</b>	<b>2,947.2</b>	<b>3,140.8</b>	<b>3,140.8</b>
<b>FTE Positions</b>	<b>35.8</b>	<b>38.8</b>	<b>38.8</b>

◆ **Goal 1** To maintain an effective regulatory system of animal food product inspections.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of pounds of fluid milk removed from sale by inspectors due to non-compliance with regulations	1,831,272	900,000	1,765,894	600,000	600,000
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected dairy facilities	0	0	0	0	0
Total number of dairy-related inspections	795	850	898	900	900
Total number of wholesale and retail egg inspections	263	600	1,761	1,800	1,800
Total number of individual shell eggs inspected under State inspection	138,414	150,000	543,900	550,000	550,000
Number of egg dozens retained by inspectors for non-compliance with State standards	1,643	3,000	68,716	50,000	45,000
Number of documented food-borne bacteria outbreaks linked to eggs or egg products sold within Arizona	0	0	0	0	0
Number of documented food-borne bacteria outbreaks linked to Arizona state-inspected processing or slaughter plants	0	0	0	0	0
Number of state meat and poultry facilities	77	77	78	79	80
Percent of meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	100	100	99	100	100

**Subprogram Summary**

FRESH PRODUCE STANDARDIZATION AND INSPECTION

Ed Foster, Supervisor of Inspection  
 Phone: (602) 542-0947  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To inspect the quality of fresh produce in the marketing chain from farm to consumer through established standards of the Arizona or United States Department of Agriculture and applicable marketing orders.*

**Description:**

This subprogram inspects the quality of fresh produce in accordance with standards established by the United States Department of Agriculture (USDA) and provides food safety audits under the Arizona Leafy Green Products Shipper Marketing Agreement (AZ LGMA). Under a cooperative agreement, USDA inspections are given by federal/state inspectors and take place primarily at the shipping point (point of origin), port of entry (Arizona-Mexico border), or the terminal market (point of destination). Inspections encompass several areas, including quality, maturity, processing, labeling, storage, handling, and refrigeration of products. USDA grade inspections are fee-based and given at the request of industry desiring either to market their produce under USDA quality grade standards, or to fulfill requirements for United States imports, exports, marketing orders, or military shipments. Food Safety Audits consist of an official review conducted by an auditor to verify and document that the best practices are adhered to and includes a physical visit to the farm or facility subject to audit while it is in operation, where practicable. An audit represents a "snapshot in time" based on documentation review, persons interviewed, and operations observed and is intended to reflect past and ongoing activities. The Standardization Inspection Program has moved toward a food safety program versus a produce quality program. The Standardization Program statutes and rules, which include licensing and labeling requirements, will remain in place to ensure industry uniformity.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,950.5	3,823.3	3,823.3
<b>Total Funding</b>	<b>3,950.5</b>	<b>3,823.3</b>	<b>3,823.3</b>
<b>FTE Positions</b>	<b>48.0</b>	<b>46.0</b>	<b>46.0</b>

◆ **Goal 1** To maintain an effective system of fresh produce inspections and field monitoring activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of federal-state inspections	23,284	23,000	22,416	23,000	22,500
Number of cartons shipped by industry (in millions)	90.2	90	89.6	90	89.6
Number of federal-state and citrus, fruit, and vegetable produce inspections	23,284	23,000	22,416	23,000	22,500

**Program Summary**

**NON-FOOD PRODUCT QUALITY ASSURANCE**

Jack Peterson, Associate Director  
 Phone: (602) 542-3575  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To protect the public's interest by ensuring the quality of feeds, fertilizers, pesticides and seed.*

**Description:**

This program serves to assure public confidence in the quality of feed, fertilizer, pesticide and seed products. All of these products range from the envisioned agricultural products to those used in the urban setting for caring for your pets, tending a garden, cleaning a home, or controlling pests in and around the home. Regulation of the various industries is accomplished through two basic functions. First, regulatory processes are undertaken to register pesticides and fertilizers and to issue licenses to feed, fertilizer, and seed dealers and labelers. Secondly, enforcement activities are conducted by inspectors who confirm product registrations and company licensing, and who regularly sample feed, fertilizer, pesticide, and seed products to ensure that label statements, product guarantees, and applicable laws are adhered to. Inspectors also respond to individual consumer complaints regarding product quality concerns.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	711.1	908.4	908.4
<b>Total Funding</b>	<b>711.1</b>	<b>908.4</b>	<b>908.4</b>
<b>FTE Positions</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

◆ **Goal 1** To provide accurate and timely licensing and registration services to customers as the first step to gaining compliance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of all ESD applications received	21,800	18,500	23,491	23,000	23,000

◆ **Goal 2** To protect the interests of consumers by removing substandard non-food products from the market place.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of regulatory actions taken	49	50	95	75	75
Total number of inspections conducted	157	200	186	200	200
Number of feed, fertilizer, pesticide and seed labels inspected in the market place	3,306	3,500	5,104	4,500	4,500
Number of feed, fertilizer, pesticide and seed samples collected	333	450	446	450	450
Number of samples found deficient through laboratory analysis	12	15	12	15	15

**Program Summary**

**ANIMAL DISEASE, OWNERSHIP AND WELFARE PROTECTION**

Leatta McLaughlin, Associate Director

Phone: (602) 542-7186

A.R.S. §§ 3-101 et seq.

**Mission:**

*To protect livestock from disease, abuse or theft.*

**Description:**

This program regulates the importation of livestock, ratites, and live fish into Arizona to identify, diagnose, and prevent existing and emerging diseases that would threaten those industries and possibly compromise the supply of safe and wholesome animal products to the consuming public. It also monitors livestock ownership and movement, investigates cases of alleged livestock abuse and theft, and assists in containing livestock that endanger the public safety.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,076.0	2,084.6	2,201.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	818.7	924.9	924.9
<b>Total Funding</b>	<b>2,894.7</b>	<b>3,009.5</b>	<b>3,126.3</b>
<b>FTE Positions</b>	<b>46.2</b>	<b>46.2</b>	<b>46.2</b>

◆ **Goal 1** To maintain an effective system of livestock ownership oversight through timely inspections and investigations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of custom exempt and home processing inspections	912	925	1,367	1,350	1,350
Number of strays - animal at large investigations	953	1,000	858	900	900
Number of animal care investigations	1,214	1,250	1,094	1,100	1,100
Number of theft investigations	34	35	40	40	40
Number of livestock movement inspections (range cattle form 1)	5,232	5,250	5,140	5,250	5,250
Number of self-inspection certificates issued	27,960	28,000	25,385	26,000	26,000

◆ **Goal 2** To maintain an effective system of livestock and commercial fish disease surveillance and response.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of quarantine sites in Arizona for all potentially diseased livestock and fish	14	15	52	30	30
Number of cases of secondary spread from quarantine sites of diseased livestock and fish	0	0	0	0	0
Number of cases of equine infectious anemia	0	0	0	0	0
USDA disease status for Arizona for bovine brucellosis and tuberculosis, and swine pseudo rabies	Free	Free	Free	Free	Free

<b>Program Summary</b>	
<b>PEST EXCLUSION AND MANAGEMENT</b>	
G. John Caravetta, Associate Director Phone: (602) 542-0996 A.R.S. §§ 3-101 et seq.	

**Mission:**

*To ensure the provision of pest-free agricultural products and protect the public from agricultural pests through prevention, control, and eradication, thereby, maximizing domestic and international market access for Arizona produced commodities and maximizing product availability for the public.*

**Description:**

The Pest Exclusion and Management program has moved to incorporate new technology, advance inspector training, update quarantine requirements and employ intensive pest trapping methods to meet the challenges of rapid urban development, increased global and domestic trade and expanded export opportunities for Arizona's agricultural commodities and value added products. The mission is executed through the concerted efforts within the division that incorporates a comprehensive survey and detection program. Arizona's "pest free" status for federally regulated pests evidences the synergy of these efforts. Pest detection, management, and eradication are a large part of the division's regulatory function. Division staff perform regular and systematic surveys to prevent the introduction, establishment, and spread of pests which pose a threat to Arizona's residents and plant industries and regulate the movement of commodities and facilitate imposition of in-state quarantines where pest eradication is required, or restricted movement of a commodity is necessary.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,528.1	2,529.1	2,762.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,599.9	1,262.2	1,262.2
<b>Total Funding</b>	<b>4,128.0</b>	<b>3,791.3</b>	<b>4,024.5</b>
<b>FTE Positions</b>	<b>88.0</b>	<b>76.0</b>	<b>76.0</b>

◆ **Goal 1** To manage existing pests and prevent the reintroduction of eradicated pests in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of pest interceptions within the state interior	13,907	10,000	5,672	6,000	6,000
Number of interceptions resulting in enforcement actions within the state interior	472	500	451	500	500
Percent of inspections within the state interior resulting in pest interceptions	6.46	5	9	10	10

◆ **Goal 2** To exclude and prevent the establishment of hazardous pests in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of weed management areas established in cooperation with governmental and private entities	14	14	14	14	14
USDA rating on Federal pest status of the Fruit Fly in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of the Gypsy Moth in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of the Red Imported Fire Ant in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of Khapra beetle in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free
USDA rating on Federal pest status of Japanese beetle in Arizona	Pest-free	Pest-free	Pest-free	Pest-free	Pest-free

◆ **Goal 3** To serve our customers in an accurate and efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of federal phytosanitary certificates written	1,003	1,500	1,603	1,500	1,500

**Program Summary**

**NATIVE PLANT AND CULTURAL RESOURCES PROTECTION**

Jack Peterson, Associate Director  
 Phone: (602) 542-3575  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To protect and conserve Arizona's native plants, historical sites, and other natural resources for present and future generations to enjoy and appreciate.*

**Description:**

This program regulates the harvesting, transporting, and sale of native plants; assists in protecting archaeological and paleontological sites, caves and caverns; and investigates and prosecutes unlawful natural resource theft and destruction.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	225.1	210.1	210.1
<b>Total Funding</b>	<b>225.1</b>	<b>210.1</b>	<b>210.1</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

- ◆ **Goal 1** To serve the public and the agricultural community by protecting agricultural products, livestock and native plants by conducting investigations into illegal activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of criminal referrals received	29	35	36	35	35
Number of civil referrals received	8	10	13	20	20
Number of investigations opened	45	45	43	45	45
Percent of investigations completed	66	75	78	75	75
Number of native plant cases with successful compliance	24	20	27	20	20



**Program Summary**

**PESTICIDE COMPLIANCE AND WORKER SAFETY**

Jack Peterson, Associate Director  
 Phone: (602) 542-3575  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To protect public health, agricultural workers, and the environment by ensuring the proper use of crop protection products.*

**Description:**

This program seeks to ensure the proper use and application of crop protection products as well as the safety of field workers. Inspectors confirm compliance with the laws and rules by monitoring in the field ensuring proper pesticide use and appropriate precautions are being taken to protect workers. In addition, training and testing is provided to private and commercial pesticide applicators to ensure competency for certification.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	141.1	132.9	132.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	448.7	503.9	503.9
<b>Total Funding</b>	<b>589.8</b>	<b>636.8</b>	<b>636.8</b>
<b>FTE Positions</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>

◆ **Goal 1** To ensure safety of pesticide workers and handlers.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Number of worker safety issues addressed during inspections	6,216	4,500	7,560	5,000	5,000
Number of worker safety issues identified as being out of compliance	338	300	374	350	350

◆ **Goal 2** To protect the public from unlawful pesticide exposure.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Number of pesticide use inspections	87	60	120	60	90
Number of inspection issues identified as pesticide misuse	48	15	53	15	15

**Program Summary**

**ADMINISTRATIVE SERVICES**

Jack Peterson, Interim Director  
 Phone: (602) 542-0990  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To provide leadership and ensure timely and efficient support services to all Department of Agriculture programs.*

**Description:**

This program encompasses the Office of the Director and Administrative Services. The Office of the Director includes legislative services, rules, legal services, strategic planning, budgeting and public information. Administrative Services serves each departmental program with accounting, payroll, human resources, training, information technology, procurement, and facilities management services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,072.5	1,062.6	1,062.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	43.8	190.0	190.0
<b>Total Funding</b>	<b>1,116.3</b>	<b>1,252.6</b>	<b>1,252.6</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

◆ **Goal 1** To provide accurate and timely support services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of employee travel claims correctly processed within ten days	100	100	100	100	100
Percent of vendor invoices paid within 30 days	99.7	100	99.83	100	100
Administration as a percent of total cost	4.8	5.1	4.8	5.0	4.9
Percent of industry stakeholders rating the Department's quality of communications excellent or good	97.7	98	97.1	98	98

◆ **Goal 2** To improve information technology communications and customer service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
System uptime as a percentage of total monthly hours as measured by industry standard monitoring software	99.6	99.99	99.68	99.99	99.99
Percent of IT staff certified in their areas of emphasis, i.e. Microsoft MCSE, MCDBA,	50	50	50	50	50
Percent of total license renewals completed through the Department's website	0	35	12	20	20
Percent of issues reported by the Customer Service Tracking System closed within 8 working hours of submission	100	99	99.73	99	99

**Program Summary**

STATE AGRICULTURAL LABORATORY

Doug Marsh, Assistant Director  
 Phone: (602) 744-4924  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To support the Department of Agriculture and other regulatory agencies in protecting consumers and natural resources through the provision of quality laboratory services.*

**Description:**

This program provides scientific analyses of regulatory samples in areas such as meat and dairy products, fruits and vegetables, feeds, fertilizers, pesticides, insects, and plant diseases. Analyses determine if agricultural products meet labeling specifications and provide authoritative identification and detection of biological organisms and residue level contaminants that affect the public and the environment. The program also provides technical resource expertise and training to the Department of Agriculture and other agencies, including lab and sampling certification services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	941.5	941.8	1,014.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	234.2	261.3	261.3
<b>Total Funding</b>	<b>1,175.7</b>	<b>1,203.1</b>	<b>1,276.1</b>
<b>FTE Positions</b>	<b>16.5</b>	<b>16.5</b>	<b>17.5</b>

◆ **Goal 1** To minimize the effect of staff reduction and lack of equipment funding on the overall customer satisfaction rating.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of customer satisfaction rating regarding the lab's "timely delivery of service"	91	85	86	80	80
Percent of overall customer satisfaction rating for laboratory services	95	90	90	85	85

◆ **Goal 2** To provide quality purchasing services to all divisions of the Department utilizing the State's new purchasing software system, ProcureAZ.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of purchasing requisitions approved	NA	1,200	993	1,100	1,100
Average number of days taken to complete all levels of approvals for requisitions	NA	0.4	0.61	1	0.6
Percent of requisitions completing the entire approval process within 24 hours	NA	93	92	85	95

**Program Summary**

**AGRICULTURAL CONSULTATION AND TRAINING**

Brett Cameron, Assistant Director  
Phone: (602) 542-0984  
A.R.S. §§ 3-101 et seq.

**Mission:**  
*To guide the agricultural community in a non-enforcement posture on regulatory matters administered by the Arizona Department of Agriculture.*

**Description:**  
The Agricultural Consultation and Training Program is an innovative compliance assistance program that guides the agricultural community in a non-enforcement posture on regulatory matters, and administers the Livestock and Crop Conservation and Specialty Crop Block Grant Programs. Through requested on-site visits (OSV), program staff provides non-regulatory advice to the agricultural community on how to comply with State statutes, regulations, policies, and federal mandates that the Arizona Department of Agriculture is responsible for directly administering or indirectly administering through contractual agreements. No regulatory actions may be taken as a result of the OSV, except in cases of imminent danger. This program was first established in FY 1995.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	244.4	244.7	244.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,390.4	2,686.1	2,686.1
<b>Total Funding</b>	<b>2,634.8</b>	<b>2,930.8</b>	<b>2,930.8</b>
<b>FTE Positions</b>	<b>7.1</b>	<b>6.1</b>	<b>6.1</b>

◆ **Goal 1** To foster voluntary compliance with agricultural laws and regulations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of agricultural consultation and training compliance issues addressed	736	850	760	800	900
Number of compliance issues needing correction or clarification	66	65	73	60	63
Number of on-site visits or individual consultations	643	450	256	170	410
Number of pesticide resources, materials, or contacts provided upon request.	583	600	704	700	700
Number of agricultural operations that received training	68	70	144	100	100
Number of individuals who received pesticide safety training in English	158	200	456	350	350
Number of individuals who received pesticide safety training in Spanish	245	250	441	350	350
Number of outreach and education seminars and workshops (including Train-the-Trainer Workshops)	79	72	80	60	63
Number of outreach and education seminar and workshop participants (including Train-the-Trainer Workshops)	8,234	6,685	8,114	4,490	4,580
Number of new outreach and educational materials developed (includes new PPT presentations, training resources, curricula, articles and interviews)	74	73	98	70	71
Number of people reached through outreach and education materials (new and existing)	168,877	55,250	52,490	45,000	46,000
Number of operations receiving assistance	47	40	36	5	8
Number of follow-up on-site visits	15	18	34	5	8
Number of Farm Bill contract management acres	4,764	5,000	4,476	0	0

◆ **Goal 2** To fulfill the purpose of A.R.S. 41-511.23(G) - Livestock and Crop Conservation Grant Program and that of the USDA-Agricultural Marketing Service as authorized by the Specialty Crops Competitiveness Act of 2004.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of grant applications	60	37	36	32	22
Number of grants awarded	28	30	15	25	15
Amount of grant funds disbursed (in millions of dollars)	1.9	2.8	2.23	2.15	1.55
Amount of grant funds disbursed as Match to NRCS agreements (in millions of dollars)	0.05	0.8	.2	.2	.2

**Program Summary**

**COMMODITY DEVELOPMENT AND PROMOTION**

Brett Cameron, Assistant Director  
 Phone: (602) 542-0984  
 A.R.S. §§ 3-101 et seq.

**Mission:**

*To foster the domestic and international consumption of Arizona agricultural commodities and provide quality support services to contracted industry councils.*

**Description:**

The Commodity Development and Promotion Program funding primarily is that provided to the Arizona Cotton Research and Protection Council, Arizona Citrus Research Council, Arizona Grain Research and Promotion Council, and Arizona Iceberg Lettuce Research Council through self-assessed fees paid by growers/producers. As a result of budget reductions several years ago, the Department has a limited Commodity Development and Promotion Program funded entirely from non appropriated revenues. The Environmental Services Division oversees the issuance of certificates of free sale and the sale of merchandise with the Arizona Grown trademark. The Agricultural Consultation and Training Program oversees administrative support for the Arizona Citrus Research Council, Arizona Grain Research and Promotion Council, Arizona Iceberg Lettuce Research Council, Agricultural Employment Relations Board, and the Arizona Agricultural Protection Commission.

\*Note: All but 0.4 of the FTE positions shown in this program reflect employees of the Arizona Cotton Research and Protection Council.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,300.9	3,762.5	3,757.7
<b>Total Funding</b>	<b>3,300.9</b>	<b>3,762.5</b>	<b>3,757.7</b>
<b>FTE Positions</b>	<b>30.4</b>	<b>27.4</b>	<b>27.4</b>

◆ **Goal 1** To provide documentation authenticating that a commodity is generally and freely sold in domestic channels of trade.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of free sale certificates issued	82	75	203	135	135
Number of products under free sale	2,581	2,500	2,948	2,500	2,500

## Agency Summary

AHCCCS

Thomas J. Betlach, Director  
Phone: (602) 417-4711  
A.R.S. § 36-2901 et seq.

### **Mission:**

*To provide comprehensive, quality health care for those in need.*

### **Description:**

Arizona Health Care Cost Containment System (AHCCCS), the State's Medicaid Agency, uses federal, state and county funds to provide health care coverage to the State's acute and long term care Medicaid population and low income groups. Since 1982, when it became the first statewide Medicaid managed care system in the nation, AHCCCS has operated in accordance with a federal Research and Demonstration Waiver that allows for a total managed care model of service delivery.

Unlike programs in other states, that rely solely on fee-for-service reimbursement, AHCCCS makes prospective capitation payments to contracted health plans responsible for the delivery of care. The result is a managed care system that mainstreams recipients, allows them to select their providers, and encourages quality cost-effective care and preventive services.

The AHCCCS Administration is responsible for planning, developing, implementing, and administering the health care programs for low income Arizonans. Specifically, the AHCCCS Administration provides direction and oversight of operations related to eligibility, enrollment, quality of care, contracted health plans and providers, and procurement of contracted services.

AHCCCS oversees three main programs:

#### AHCCCS Acute Care

The majority of Acute Care Program recipients are children and pregnant women who qualify for the federal Medicaid Program (Title XIX). Although most are enrolled in AHCCCS contracted health plans, American Indians and Alaska Natives in the Acute Care Program may choose to receive services through either the contracted health plans or the American Indian Health Program. AHCCCS also administers an emergency services only program for individuals who, except for immigration status, would qualify for full AHCCCS benefits.

#### ALTCS

The Arizona Long Term Care System (ALTCS) provides acute care, behavioral health services, long-term care, and case management to individuals who are elderly, physically disabled, or developmentally disabled and meet the criteria for institutionalization. Whereas ALTCS members account for less than 4.0% of the AHCCCS population, they account for approximately 26.0% of the costs. The ALTCS program encourages delivery of care in alternative residential settings. As in the Acute Care Program, elderly physically disabled and developmentally disabled members of all ages receive care through contracted plans called program contractors.

#### KidsCare

The Children's Health Insurance Program (CHIP), referred to as KidsCare, offers affordable insurance coverage for low-income families. Children under age 19 may qualify for the program if their family's income exceeds the limit allowed for Medicaid eligibility, but is below 200% of the Federal Poverty Level (FPL). With the exception of American Indians, who are exempt in accordance with federal law, parents pay a monthly premium based on income. The KidsCare program results in a federal contribution that equates to a \$3.00 federal match for every \$1.00 spent by the State. As with the Medicaid Acute Care Program, American Indian and Alaska Native children may elect to receive care through an AHCCCS-contracted health plan or the American Indian Health Program. The majority of children enrolled in KidsCare, however, are enrolled in AHCCCS health plans and receive the same services available to children in the Medicaid Acute Care Program. Enrollment in the KidsCare Program was frozen as of January 1, 2010.

Major medical programs include acute care, long term care, and behavioral health services. The AHCCCS Administration determines eligibility for the Arizona Long Term Care System (ALTCS), Children's Health Insurance Program (KidsCare), Qualified Medicare Beneficiaries, and other Supplemental Security Income (SSI)-related Medical Assistance Only programs. Federal funding through Title XIX and Title XXI of the Social Security Act is provided to AHCCCS by the Centers for Medicare and Medicaid Services (CMS), a federal agency within the U.S. Department of Health and Human Services.

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**Agency Summary:** (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ ADMINISTRATION	189,647.2	145,653.2	158,356.1
➤ AZ LONG TERM CARE SYSTEM (ALTCS)	2,210,512.8	2,421,034.3	2,603,547.9
➤ ACUTE CARE	4,684,004.7	5,100,576.5	5,586,235.6
➤ PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT	1,799,119.4	2,534,066.0	3,260,394.5
➤ HEALTHCARE GROUP	11,473.4	0.0	0.0
➤ CHILDREN'S HEALTH INSURANCE (CHIP)	55,599.1	6,233.0	4,599.4
➤ DIRECT SERVICE CLAIMING (DSC)	24,719.5	48,065.4	40,516.5
➤ CHILDREN'S REHABILITATIVE SERVICES	156,429.4	197,070.0	244,649.9
➤ ACA ADULT EXPANSION	45,032.5	301,175.6	338,017.5
<b>Agency Total:</b>	<b>9,176,538.0</b>	<b>10,753,874.0</b>	<b>12,236,317.4</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	49,771.7	53,918.7	75,183.1
<b>Total Funding</b>	<b>49,771.7</b>	<b>53,918.7</b>	<b>75,183.1</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



**Issue 1** AHCCCS must pursue and implement long-term strategies that bend the cost curve while improving member health outcomes.

**Description** One of the biggest challenges facing health care today is that incentives are not aligned for the providers. Even with significant managed care penetration, many providers still are reimbursed through fee-for-service mechanisms. In addition, hospital systems have large facility fixed costs and have business models built around having consumers hospitalized.

Payment modernization is a critical policy strategy for moving to a financially sustainable and value-based healthcare delivery system, which rewards high quality care provided at an affordable cost. There are many payment modernization approaches with varying degrees of breadth and depth within both the Medicaid and Medicare program. Reforms include outcome based care models, aligned provider incentives, and increased patient engagement that can lead to improved health and overall program savings. Many AHCCCS stakeholders have initiatives that embrace various features of these sorts of health system reforms.

AHCCCS remains committed to maximizing the efficiencies within its program as demonstrated by the payment modernization questions included in the last Acute Care procurement process. Health plans were required to identify how they could create greater efficiencies, alignment and integration of care at a lower cost within their own organizations.

Additionally, several payment modernization strategies have been explored and implemented at AHCCCS so members can achieve greater health outcomes while saving taxpayer dollars. Finally, AHCCCS will convene various groups of community stakeholders with expertise in payment modernization. These groups will include representation from providers, health plans and healthcare leaders who will engage in focused dialogue regarding payment reform opportunities to help guide and inform AHCCCS's efforts.

Shared Savings Requirements – Beginning October 1, 2013, health plans were required to enter into shared savings arrangements equal to 5% or more of their contracted medical spend to compete for capitation withhold incentives. Additionally, ALTCS plans were required to move forward with pilot shared savings arrangements.

Inpatient Hospital Reimbursement – AHCCCS currently reimburses hospitals for services using an antiquated per-diem system. AHCCCS will be transitioning to an All Patient Refined Diagnostic Related Grouper (APR-DRG) methodology designed to reimburse per diagnosis rather than per day. Although DRGs have been used by the Centers for Medicare and Medicaid Services to reimburse hospitals for Medicare beneficiaries, the APR-DRG model is an updated reimbursement model more appropriate for the Medicaid program. Implementation will begin on October 1, 2014.

**Solutions:**

**STRATEGY 1.1**

Increase the transparency of price and quality

**PERFORMANCE MEASURE 1.1.1**

Establish a health plan report card with additional information relating to provider costs and qualify by 1/1/15

**STRATEGY 1.2**

Implement and maintain shared savings requirements for all ALTCS and Acute Care Contractors excluding CRS, CMDP and the RBHA

**PERFORMANCE MEASURE 1.2.1**

Percent of medical spend in shared savings arrangement

**STRATEGY 1.3**

Modernize hospital payments to better align incentives, increase efficiency and improve the quality of care provided to members

**PERFORMANCE MEASURE 1.3.1**

Implement a DRG-based reimbursement system by 10/1/14

**PERFORMANCE MEASURE 1.3.2**

Deny payments for hospital acquired conditions and preventable surgical errors based on specific diagnosis codes beginning

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10/1/14

STRATEGY 1.4

Establish robust Payment Modernization stakeholder input opportunities

PERFORMANCE MEASURE 1.4.1

Number of new strategies developed from external meetings

STRATEGY 1.5

Achieve the Program Integrity Plan goals that improve Third Party Liability (TPL), Coordination of Benefits (COB), and Fraud and Abuse programs

PERFORMANCE MEASURE 1.5.1

Percent of Program Integrity goals met

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**Issue 2** AHCCCS must pursue continuous quality improvement

**Description** AHCCCS has built its quality structure over time by adhering to Federal requirements, continual review of applicable national standards and national and/or regional trends, collaboration with partners, and its own experiences. The Quality Strategy includes both the Medicaid and CHIP programs and encompasses AHCCCS Acute and Long-Term Care Contractors, ADHS/DBHS, and CRS. It also incorporates measures to improve the Agency's internal processes involving enrollee information, monitoring and evaluation.

AHCCCS regularly establishes key clinical and non-clinical areas on which to focus future quality improvement efforts. This is done through analyses of state and national trends and in consultation with other entities working to improve health care in Arizona, such as the Medicare Quality Improvement Organization (QIO), community leaders, other state agencies, and AHCCCS Contractors. In addition, AHCCCS utilizes the Consumer Assessment of Healthcare Providers and Systems (CAHPS). It is a survey tool created by the Agency for Healthcare Research and Quality (AHRQ) to support and promote the assessment of members' experiences with health care. The member data collected may be used to identify areas of program success and areas in need of targeted improvement.

AHCCCS also establishes performance measures based on the CMS Core Measure sets and the National Committee for Quality Assurance (NCQA) HEDIS measures, as well as measures unique to Arizona's Medicaid program. Over time, the number and content of CMS measure sets has grown significantly and shifted the focus to align more with outcomes and experiences of care. AHCCCS has adopted measures from these sets that are the most relevant for the AHCCCS population, when reliable data sources exist and where the results of measurement would yield actionable opportunities to improve outcomes and member satisfaction. To support the transition to and implementation of new measures, AHCCCS continues to expand its information technology and business analytics capabilities to support expanded data source opportunities such as registries, EHRs and HIT, as these sources are deemed reliable.

AHCCCS also establishes minimum performance standards and goals for each performance measure that are based on national standards, such as the NCQA National Medicaid means, whenever possible. Contractors are expected to achieve the minimum performance standard for performance measures. Performance measure reports may compare the Contractors' results with one another and with national Medicaid and commercial health plan averages. Contractors are expected to develop methods to continuously increase the well-being of their respective populations through the removal of barriers to care and ongoing process improvement. AHCCCS also participates in national efforts focused on developing Medicaid and CHIP Core Measures to allow comparability across States' programs.

Care coordination is an important element of ensuring quality of care and positive outcomes for AHCCCS members. Quality management and quality improvement initiatives focused on communication and coordination for follow-up after discharge, medication management, receipt of chronic disease recommended care and services and data sharing among the care team are anticipated to result in improved outcomes, member satisfaction and more appropriate utilization of health care services. AHCCCS monitors the effectiveness of these activities through the measurement of inpatient, emergency department and re-admission rates.

CMS and other regulatory bodies utilize multiple measure sets containing a series of performance measures for each set in an effort to improve program quality. This broad brush approach to quality often leads to tremendous resources being expended on measurement and reporting, rather than actual improved quality. AHCCCS utilizes a more focused strategy in an effort to move the entire system of care in Arizona down a path of continuous quality improvement. This approach includes focused intervention and activities that result in concentrated accountability as described below.

AHCCCS Contractors are expected to conduct Performance Improvement Projects (PIPs) in clinical care and non-clinical areas that are anticipated to have a favorable impact on health outcomes and member satisfaction. Utilizing financial, population, and disease-specific data and input from the Contractors, AHCCCS selects an indicator of performance improvement to be measured across Contractors. Focused PIPs may also be assigned to individual Contractors when needs are identified. For each mandated PIP, AHCCCS develops a methodology to measure performance in a standardized way across Contractors and manages data collection and analysis. In this way, AHCCCS ensures that the project is implemented by Contractors in a consistent manner and yields results that can be analyzed by individual Contractors, as well as by other stratifications and for the program overall. In addition, Contractors are required to review their data and quality measures to determine Contractor-specific PIPs

The health and safety of AHCCCS members receiving covered services remains a focus for the Agency. AHCCCS utilizes a multi-Agency and Contractor approach in implementing oversight health and safety requirements. Health and safety

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standards, which include monitoring and oversight requirements of placement settings utilized by AHCCCS Contractors, are reviewed regularly to ensure programmatic consistency and that a comprehensive approach is implemented throughout the system. Regular review and application of credentialing and organizational requirements across provider types utilized to provide care and services to AHCCCS members continues to expand opportunities to enhance the quality of care provided to AHCCCS members.

**Solutions:**

**STRATEGY 2.1**

Continue to promote and evaluate access to care

**PERFORMANCE MEASURE 2.1.1**

Percent of AHCCCS Contractors that meet the minimum contractual performance standards for Access to Care performance measures

**STRATEGY 2.2**

Continue to improve health outcomes for the integrated populations (CRS and SMI)

**PERFORMANCE MEASURE 2.2.1**

Percent of chronic care measures that achieve a statistically significant improvement for the integrated populations (CRS and SMI)

**STRATEGY 2.3**

Achieve statistically significant improvements on Contractor PIPs

**PERFORMANCE MEASURE 2.3.1**

Percent of AHCCCS Contractors that complete AHCCCS-mandated PIPs (improve and sustain performance) or demonstrate statistically significant improvement on re-measurements

**STRATEGY 2.4**

Achieve statistically significant improvements on quality performance measures

**PERFORMANCE MEASURE 2.4.1**

Percent of outcomes-focused quality performance measures (readmissions, inpatient days and emergency department utilization) that achieve a statistically significant state-wide improvement

**PERFORMANCE MEASURE 2.4.2**

Percent of quality performance measures for the Medicaid population that achieve a statistically significant state-wide improvement

**STRATEGY 2.5**

Leverage American Indian care management program to improve health outcomes

**PERFORMANCE MEASURE 2.5.1**

Percent of HIS and 638 facilities submitting patient data to AHCCCS

**PERFORMANCE MEASURE 2.5.2**

Percent of readmissions that are reduced

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**Issue 3** AHCCCS must reduce the systematic fragmentation that exists in healthcare delivery to develop an integrated system of healthcare

**Description** The definition of a system is an assemblage or combination of things or parts forming a complex or unitary whole. Unfortunately, health care delivery has become increasingly fragmented, leading to coordination and communication challenges for patients and clinicians. Ultimately, this fragmentation degrades the quality of health care due to disrupted relationships, poor coordination of care and communication within and across provider groups. In an effort to address this issue, the structure of the AHCCCS program is transforming. Integrated care delivery systems and the proper alignment of incentives efficiently improve health outcomes. Both are critical for reducing fragmentation.

Children’s Rehabilitative Services - Arizona’s Children’s Rehabilitative Services (CRS) was started in 1929 to serve children with complex health care needs who require specialized services. A list of specific conditions determines whether a child is eligible for CRS. Although CRS is part of the Arizona Medicaid program, prior to October 1, 2013, CRS services were not managed within the AHCCCS health plans. As a result, a child with complex health care needs was enrolled in a minimum of two separate systems of care. One system provided primary care and specialty services for non-CRS conditions. The second plan provided specialty care through CRS. Children with other conditions, including developmental disabilities or behavioral health needs, were enrolled in several systems of care. This can be confusing for both families and providers. Coordinating care for CRS children became a challenge for AHCCCS. This system was also burdensome for families.

On November 1, 2012, AHCCCS released the Notice of Request for Proposal soliciting managed care contracts beginning October 1, 2013, integrating the Acute Care, behavioral health and CRS programs. On January 28, 2013, AHCCCS received proposals from two offerors for the CRS program. AHCCCS awarded the contract on March 22, 2013 and it went into effect October 1, 2013.

CMS approved the Waiver amendment for the CRS Integration. The new Waiver authority allowed AHCCCS to:

- Transform care for children with special healthcare needs by operating a fully integrated healthcare system that will enroll CRS-eligible children into one MCO that manages their CRS, physical (non-CRS) and behavioral health care needs.
- Improve care coordination for children with special healthcare needs.
- Increase the ability of the integrated CRS MCO to collect and analyze data to better assess the health needs of their members with a CRS condition from a holistic approach.
- Streamline the current fragmented health care delivery system, which has caused inefficiencies and led to challenges with care coordination for the families of CRS-eligible children.

The CRS integrated contract was successfully implemented on October 1, 2013. AHCCCS spearheaded a series of activities over a six-month period from May 2013 to October 2013 in order to ensure that the awarded Contractor, UnitedHealthcare Community Plan, was fully equipped on October 1, 2013 to administer a fully integrated benefit for individuals eligible to receive services through the CRS program. Those activities included the initiation of a comprehensive readiness review process, weekly monitoring of the Contractor’s network development efforts, systems testing and oversight of the transition of member data from relinquishing Contractors to UnitedHealthcare Community Plan (UHC). In total, over 80 evaluation elements were reviewed to determine UHC’s readiness to administer members’ acute, behavioral health and CRS-related benefits.

The readiness activities administered by AHCCCS in preparation for implementation of the integrated service delivery model were essential to establishing UHC’s capacity to function as the CRS Contractor. AHCCCS continues to monitor UHC’s progress in serving the CRS membership through its standard oversight mechanism. In addition, throughout the next year, AHCCCS will continue to work with the Contractor to improve processes and coordination issues that have been identified throughout the transition to further perfect the delivery of services and enhance the outcomes and experience for members and their families.

**Behavioral Health Services –** National data indicates that individuals with serious mental illness die 25 years earlier than the general public. In Arizona, that number is even greater. Treatable medical conditions that result from modifiable risk factors such as smoking, obesity, substance abuse, and reluctance to access medical care are often the cause of the increased mortality. A holistic approach to care is essential for this population as the mind and body cannot be separated. This means physical and mental health are not mutually exclusive constructs - the health of one impacts the health of the other. A common treatment plan that integrates care for both physical and mental health needs will positively impact overall health outcomes.

AHCCCS worked with the Arizona Department of Health Services/ Division of Behavioral Health Services (ADHS/DBHS) to create a specialty Regional Behavioral Health Authority (RBHA) model with expanded responsibility for Medicaid

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members determined to have a Serious Mental Illness (SMI) in Maricopa County. The integrated RBHA model is fully responsible for the delivery and payment of coordinated and integrated behavioral and physical health care for members with SMI. In addition, the RBHA provides behavioral health services to children and adults with general mental health and substance abuse needs and is required to be a Medicare Advantage Special Needs Plan.

In January 2013, ADHS received proposals from five offerors for the Acute Care and Behavioral Health Care Integration Request for Proposal targeting the SMI population in Maricopa County. Also in January 2013, CMS approved the Waiver amendment for the Acute Care and Behavioral Health Care Integration. On April 1, 2014, the integrated RBHA contract with Mercy Maricopa Integrated Care (MMIC) was successfully implemented.

Given the unique approach for integrated care and the fact that DBHS had historically only provided oversight for behavioral health services and not physical health services, AHCCCS spearheaded a series of activities that took place over the course of one year from April, 2013 to April, 2014. These activities were conducted in order to ensure that the ADHS/DBHS was fully equipped to oversee its awarded subcontractor, Mercy Maricopa, to administer a fully integrated benefit for behavioral and physical services for individuals eligible to receive those services through the Integrated RBHA. Activities included the initiation of a comprehensive readiness review process, technical assistance meetings, weekly monitoring of the subcontractor's network development efforts, systems testing and oversight of the transition of member data from relinquishing Contractors to Mercy Maricopa. In total, over 149 evaluation elements were reviewed to determine the ADHS/DBHS's readiness to oversee and administer members' acute and behavioral health-related benefits through Mercy Maricopa.

The readiness activities administered by AHCCCS in preparation for implementation of the integrated service delivery model were essential to ensure a successful integration and transition of services for these members. AHCCCS continues to monitor ADHS/DBHS's progress in serving this membership through its standard oversight mechanisms.

The Greater Arizona (all counties except Maricopa) RBHA procurement is slated to begin with contract start dates of October 1, 2015. AHCCCS is working with DBHS to expand the SMI integration model.

Further Integration for Dual Eligible Members – AHCCCS has approximately 132,500 individuals who are eligible for both Medicaid and Medicare. When the Medicare Modernization Act was implemented, AHCCCS worked with its contracted managed care organizations to pursue the establishment of Special Needs Plans (SNPs) where the member is enrolled in the same managed care organization for both Medicare and Medicaid. About forty percent of the AHCCCS dual population enrolled in managed care are in an aligned plan structure.

Approximately 82% of Arizona's elderly and physically disabled population that is at risk of institutionalization is dually eligible. Avalere Health compared national data for duals enrolled in traditional Medicare fee-for-service to dual eligible members served by an AHCCCS health plan for both Medicare and Medicaid. The aligned AHCCCS duals exhibited:

- 31% lower rate of hospitalization;
- 43% lower rate of days spent in a hospital;
- 9% lower Emergency Department use; and
- 21% lower readmission rate.

AHCCCS has increased alignment by 20% in the past year and has a continued goal of increasing dual alignment from the current 60,000 to 75,000 beneficiaries, and is pursuing various strategies in conjunction with the National Association of Medicaid Directors to achieve this goal.

AHCCCS will also work with DBHS to identify a way to expand the Dual integration model to non-SMI Dual eligible individuals, including the general mental health and substance abuse services by October 1, 2015. Expanding the model to this population so they may also receive acute and behavioral health care from one plan improves quality of care and increases efficiencies within the overall system.

**Solutions:**  
**STRATEGY 3.1**

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Align and integrate the model for individuals with Serious Mental Illness (SMI), Children’s Rehabilitative Services (CRS) and Dual-eligible members

PERFORMANCE MEASURE 3.1.1

Percent of individuals with SMI aligned and integrated into the same plan for behavioral health and physical health services

PERFORMANCE MEASURE 3.1.2

Percent of CRS members aligned and integrated into the same plan for CRS conditions and acute care services

PERFORMANCE MEASURE 3.1.3

Percent of dual-eligible members aligned and integrated into the same plan for Medicare and Medicaid services

STRATEGY 3.2

Pursue Care Coordination opportunities in System

PERFORMANCE MEASURE 3.2.1

Percentage of service blind spots (due to system fragmentation and carve-outs) resolved with provision of encounter information to Contractors to improve care coordination activities.\*

\*42 CFR Part 2 regulations generally prohibit the disclosure of information obtained by a federally assisted drug or alcohol abuse program. Encounter information for these services are excluded from this performance measure.

STRATEGY 3.3

Leverage HIT investments to create more data flow in healthcare delivery system

PERFORMANCE MEASURE 3.3.1

Increase Eligible Professionals by an additional 500 providers by June 30, 2014

PERFORMANCE MEASURE 3.3.2

50% of Eligible Professionals that received an Adoption/Implementation/Upgrade payment will receive a Meaningful Use Stage 1 payment by June 30, 2014

PERFORMANCE MEASURE 3.3.3

Participate in an operational HIE by June 30, 2014

STRATEGY 3.4

Develop the organization’s capacity to conduct and translate research and apply analytics into actionable solutions to inform, advance and drive evidence-based decision making in policy and practice

PERFORMANCE MEASURE 3.4.1

Number of workshops conducted by external experts with AHCCCS staff regarding how to apply analytics into actionable solutions

PERFORMANCE MEASURE 3.4.2

Increase number of staff who receive COGNOS training from Office of Medical Policy, Analytics and Coding

STRATEGY 3.5

Build a web-based system (Health-e-Arizona Plus) in accordance with federal timelines and requirements that improve the accuracy and efficiency of the eligibility determination process for Medicaid and CHIP

PERFORMANCE MEASURE 3.5.1

Implement Phase II of Health-e-Arizona Plus including the integration of other systems such as ACE by mandated date of 12-31-15



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**Issue 4** AHCCCS must maintain core organizational capacity, infrastructure and workforce planning that effectively serves AHCCCS operations.

**Description** If the agency is going to be successful in pursuing the Six Areas of Focus then there are a number of other important infrastructure capabilities and initiatives that must be completed over the next several years.

#### Systems

AHCCCS continues its efforts to conform to ICD-10 requirements. ICD-10 is the largest single change to transactional code sets since HIPAA and it impacts the operation of the entire system in Arizona and across the country. Implementation of ICD-10 was initially scheduled for October 1, 2013. After initially delaying implementation until October 1, 2014, CMS has recently announced that implementation will take place on October 1, 2015. There is no overlap between code sets, so all payers and providers must have code sets updated by this date. The magnitude of this effort is best illustrated by the fact that the ICD-9 code set contains about 13,000 codes while the ICD-10 code set contains approximately 70,000 codes with a completely different numbering system.

System resources will continue to be a challenge and maintaining the appropriate infrastructure to manage and analyze the millions of records generated by the AHCCCS system requires appropriate investment.

#### Security

The AHCCCS Information Systems Division (ISD) must be ever vigilant regarding the security posture of our systems and information. As AHCCCS grows, developing and implementing new systems and updating technology, we are faced with new security vulnerabilities that have to be addressed. Proactive mitigation of these security risks strengthens our ability to safeguard and protect Personally Identifiable Information (PII) and Protected Health Information (PHI) data entrusted to the Agency by our more than 1.6 million members. Security policies must be developed and maintained that meet growing state and federal requirements, and ISD staff are required to make more effort than ever before just to stay at the same risk level. The AHCCCS ISD is responsible for providing technical support to the Hawaii Medicaid program, which means ISD staff must also maintain the security posture of Hawaii's information. In addition to the AHCCCS mainframe system (PMMIS), ISD will continue to keep non-mainframe systems and applications running consistently and efficiently. This includes server based applications, network infrastructure, the data warehouse, and digital communication. It is important to note that PMMIS is a very mature system. Although it is still functional, performance is slowly degrading over time and maintenance of the mainframe is becoming more challenging. AHCCCS will need to begin to explore options for replacing the mainframe application in the near future, as replacement is the long-term solution.

#### Federally Facilitated Marketplace (FFM) and Eligibility

On November 28, 2012, Governor Brewer informed the Obama administration that Arizona would not pursue the creation of a state-based Health Insurance Exchange. Arizona will participate in a FFM, as outlined in the guidelines of the Affordable Care Act. The Agency continues to work on the implementation of the IT infrastructure, Health-e-Arizona Plus (HEAplus), to support ACA related changes to Medicaid and Medicaid restoration and interface to the FFM.

The Health-e-Arizona Plus October 1, 2013 Phase I implementation includes: web-based eligibility system for applications, determinations, renewals, changes and health plan enrollment for all AHCCCS programs except ALTCS. The system also includes similar functionality for SNAP, TANF, and some local health programs. Phase I includes portals for consumers, community assisters and state workers, and provides support through a variety of help and educational tools. It includes account set up, identity proofing, notices, document management, on-line appeals requests, workload management tools, and premium billing. The system integrates with federal and state data systems, call center and interactive voice response (IVR), and the SNAP and TANF electronic benefit transfer (EBT) vendor.

Health-e-Arizona Plus Phase II (post October 1, 2014 through December 31, 2015) includes: incorporation of remaining back-end functions in the AHCCCS and DES legacy systems. Health-e-Arizona Plus will incorporate applications, determinations, renewals, changes and health plan enrollment for ALTCS.

#### Workforce

AHCCCS continues to operate with approximately one-third less staff than prior to the start of the Great Recession. Turnover rates remain, on the average, in the 16% range, while approximately 14% of the current AHCCCS workforce is eligible to retire during CY2014. Retirement projections predict that this number will increase each year thereafter in several key employee groups. As such, AHCCCS is faced with future prospects that will certainly test the resolve of the



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Division of Human Resource and Development (HRD) as well as the entire AHCCCS team as it works to acquire, develop and retain qualified staff.

AHCCCS is pursuing several strategies to address these challenges.

- ☑Increasing AHCCCS' presence in the employment marketplace for purposes of enhancing our ability to attract the most qualified applicants;
- ☑Identifying and implementing relevant compensation strategies;
- ☑Maintaining an environment conducive to staff engagement;
- ☑Expanding innovative, low-cost professional development opportunities for existing employees;
- ☑Retaining critical staff;
- ☑Workforce and succession planning in order to ensure continuity of services and avoid leaving a significant gap in the Agency's knowledge base; and
- ☑Continuing to provide flexibility.

Approximately 25% of the AHCCCS workforce is Virtual Office with an even higher percentage on some variation of a flexible work schedule. This type of flexibility has proven essential to retention and assisting employees with striking a work-life balance.

HRD is working with ADOA Classification and Compensation on the State's Classification Project. The objectives of the project include creating job titles that match industry standards and provide more visible career paths. The first phase of the project has been successfully launched with the Information Technology series being revised on a statewide level.

#### Leveraging Data Analytics

The availability of reliable and valid information and the capacity to make that information actionable is critical to the decision-making process. Data-driven decision-making is the best way for true reform to occur in the healthcare system. However, determining the most effective way to utilize data, and having the time and resources to effectively review or explore data can produce challenges. As a result, there is an increased value and emphasis being placed on data analytics. The Office of Business Intelligence (OBI) is responsible for the AHCCCS Data Warehouse, which provides the Agency with information that is easily accessible and reliable. The information allows the organization to gain greater insight into its operations. AHCCCS will work with internal and external data analytics experts to develop the organization's capacity as a whole to turn solid information into effective actions. Additionally, OBI staff will work to determine what information is most often required so a set of standard reports based on the organization's focused areas can be developed.

### **Solutions:**

#### STRATEGY 4.1

Pursue continued deployment of electronic solutions to reduce healthcare administrative burden

##### PERFORMANCE MEASURE 4.1.1

Percent of members submitting on-line applications

#### STRATEGY 4.2

Continue to manage workforce environment, promoting activities that support employee engagement and retention; and address potential gaps in the organization's knowledge base due to retirements and other staff departures.

##### PERFORMANCE MEASURE 4.2.1

Rate of employee turnover within the first year of employment

##### PERFORMANCE MEASURE 4.2.2

Percent of employees participating in learning and development opportunities.

##### PERFORMANCE MEASURE 4.2.3

Percent of positive responses from employees derived from the AHCCCS Employee Survey

##### PERFORMANCE MEASURE 4.2.4

Percent of employees with "meets or exceeds expectations" on performance evaluations

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STRATEGY 4.3

Strengthen system-wide security and compliance with privacy regulations related to all information/data by evaluating, analyzing and addressing potential security risks

PERFORMANCE MEASURE 4.3.1

Percent of documented findings that have been remediated

PERFORMANCE MEASURE 4.3.2

Percent of documented findings that have been remediated by MCOs

STRATEGY 4.4

Maintain IT network infrastructure, including server-based applications, ensuring business continuity

PERFORMANCE MEASURE 4.4.1

Network system availability

PERFORMANCE MEASURE 4.4.2

Compliance with ICD-10 requirements by mandated date

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	2,233.5	2,233.5	2,233.5
<b>General Fund</b>	1,327,474.1	1,393,452.4	1,462,760.3
<b>Other Appropriated Funds</b>	149,195.1	153,265.0	157,566.6
<b>Non-Appropriated Funds</b>	1,923,740.9	2,008,222.8	2,057,653.0
<b>Federal Funds</b>	9,404,332.4	9,845,868.0	10,348,479.2

## Program Summary

### ADMINISTRATION

Thomas J. Betlach, Director  
Phone: (602) 417-4711  
A.R.S. Title 36; Title XIX, SSA

#### Mission:

*To provide comprehensive, quality health care for those in need.*

#### Description:

The Administration contracts with health plans and program contractors that agree to accept a capitated monthly payment for the cost of providing medical care to enrolled members. Responsibilities of Administration that relate to health plans and program contractors include rate negotiations, financial and operational oversight of health plans and program contractors, and quality of care assessments. The Administration also manages a fee-for-service payment system that covers medical bills for IHS enrolled members and emergency services for qualified aliens.

Additional responsibilities of Administration include the development and maintenance of the management information system, coordination of provider or eligibility grievances, policy development and research, agency financing and accounting, agency development and monitoring, third party liability recovery, and eligibility determinations for the Arizona Long-Term Care System and KidsCare. Eligibility for the Acute Care program is conducted by the Department of Economic Security and the Social Security Administration.

#### This Program Contains the following Subprograms:

- ▶ Central Administration
- ▶ Pass-thru to Other State Agencies
- ▶ Division of Health Care Management
- ▶ Division of Fee-for-Service Management
- ▶ Division of Member Services

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	56,279.0	51,165.5	55,608.8
Other Appropriated Funds	1,934.2	1,800.1	1,881.3
Other Non Appropriated Funds	131,434.0	92,687.6	100,866.0
<b>Total Funding</b>	<b>189,647.2</b>	<b>145,653.2</b>	<b>158,356.1</b>
<b>FTE Positions</b>	<b>1,775.2</b>	<b>1,780.2</b>	<b>1,804.1</b>

**Subprogram Summary**

CENTRAL ADMINISTRATION

Thomas J. Betlach, Director  
 Phone: (602) 417-4711  
 A.R.S. § 36-2901

**Mission:**

*To provide strategic leadership, policy, technology, legal, and financial direction and coordination for AHCCCS.*

**Description:**

Central Administration consists of six operating offices or divisions that provide the following services:

- (1) The Office of the Director provides the overall policy direction for the agency, dedicating specific staff to public information, government relations, medical policy oversight, and strategic plan coordination;
- (2) The Information Services Division develops, acquires, and maintains automation for the agency;
- (3) The Division of Business and Finance oversees internal financial operations, third party liability, contracts, budget development and monitoring, purchasing, and facilities management;
- (4) Human Resources and Development addresses training, personnel assistance, guidance on organizational development, recruitment, retention, and equal opportunity;
- (5) The Office of Administrative Legal Services provides legal counsel for AHCCCS, manages contracted legal services, and offers members, contractors, and providers a fair, expeditious, and cost-effective process for informal grievance adjudication;
- (6) The Office of Inspector General is responsible for the prevention, detection, and investigation of fraud and abuse by providers, health plans, and members in the AHCCCS program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	11,599.0	11,325.2	12,364.4
Other Appropriated Funds	1,224.1	1,322.5	1,403.7
Other Non Appropriated Funds	34,724.9	30,514.8	31,659.5
<b>Total Funding</b>	<b>47,548.0</b>	<b>43,162.5</b>	<b>45,427.6</b>
<b>FTE Positions</b>	<b>290.5</b>	<b>292.1</b>	<b>306.0</b>

- ◆ **Goal 1** To oversee the development of AHCCCS core competencies with an emphasis on enhancing employee knowledge and teamwork, and improving customer relations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of employee turnover	15.0	16.0	16.3	16.0	16.6

- ◆ **Goal 2** To ensure and maintain the integrity of the AHCCCS program through timely audits and investigations of reports of fraud and abuse.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cost/benefit ratio (in dollars) of audits and investigations related to reports of fraud and abuse.	1/9.77	1/10.90	1/12.49	1/11.93	1/15.76

- ◆ **Goal 3** To develop and maintain accurate AHCCCS statutes to ensure compliance with federal and state legal requirements and changes in policy.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of timely submissions and approval of rule packages	100	100	100	100	100

- ◆ **Goal 4** To develop, maintain, and enhance computerized PMMIS application systems as dictated by cost efficiencies and agency needs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of time the PMMIS is available to our users	99.8	99.0	99.89	99.0	99.0

- ◆ **Goal 5** To administer a streamlined claims processing system, including the integration of an electronic format for provider claims submission, inquiry, payment, and remittance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of administrative invoices paid within 30 days	93.3	95.0	97.3	95	95

**Explanation:** Refers to administrative invoices

Percent of total programmatic payments completed electronically	98.1	95.0	99	98.0	98
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- ◆ **Goal 6** To administer an effective and efficient informal grievance process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of enrollees filing a grievance	.84	1.0	.73	.84	1

- ◆ **Goal 7** To facilitate communications, planning, and discussion regarding operations, financing, policy, and legislation relating to Indian health care among tribes, the state, and federal agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Advisory Council On Indian Health Care (ACOIHIC): Number of meetings annually	11	10	8	10	10

**Subprogram Summary**

**PASS-THRU TO OTHER STATE AGENCIES**

Thomas J. Betlach, Director  
Phone: (602) 417-4711  
A.R.S. Title 36, Title XIX, SSA

**Mission:**

*To partner with other state agencies for administrative services to reach across Arizona to provide comprehensive quality health care for those in need.*

**Description:**

The Department of Economic Security (DES), Department of Health Services (DHS), Office of Administrative Hearings (OAH) and the Department of Administration's Data Center (DOADC) coordinate with AHCCCS by providing administrative support for the program. DES performs eligibility determination for approximately three-fourths of the AHCCCS members, which include 1931(b) Eligibility (TANF), SOBRA pregnant women and children, Proposition 204, and other "medical assistance only" groups for families with minor children. AHCCCS passes through state and federal funds to DES to cover the costs of determining eligibility and automation of the eligibility systems. Preadmission screening and annual resident reviews are conducted by DES and DHS by conducting level II screenings for eligible patients in Title XIX certified nursing facilities. These residents have been identified through a level I screening process as potentially having a mental retardation or mental illness. The DES, Disability Determination Services, determines disability entitlement for the Arizona Long Term Care System's applicants, SSI/MAO, and SSI-related Federal Emergency Services applicants.

In addition, DHS, Nursing Facility Licensure, determines whether institutions and suppliers of service meet the requirements for participation in the Medicaid program as it applies to licensure, certification, or registration. DOA provides computer processing services, operating manuals, documentation services, and back-up support in case of equipment failure. And OAH provides legal hearings for providers and members, ensuring equitable treatment of all participants in the Arizona Health Care Cost Containment System. (Pass-Thru funding includes DES, DHS, OAH, DOADC and Trauma Center.)

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	31,566.9	27,216.0	30,155.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	69,637.1	33,872.9	40,383.2
<b>Total Funding</b>	<b>101,204.0</b>	<b>61,088.9</b>	<b>70,538.9</b>
<b>FTE Positions</b>	<b>885.0</b>	<b>885.0</b>	<b>885.0</b>

**Subprogram Summary**

DIVISION OF HEALTH CARE MANAGEMENT

Kari Price, Assistant Director  
 Phone: (602) 417-4625  
 A.R.S. Title 36; Title XIX, SSA

**Mission:**

*To enhance the capability of the AHCCCS program to ensure the provision of quality health care services to its members, while obtaining full economic value for monetary resources expended.*

**Description:**

The Division of Healthcare Management (DHCM) is the main contact with AHCCCS health plans and program contractors. It ensures that the health plans and program contractors continue to be viable economic entities while providing quality health care to members. In addition to regular on-site audits, health plans and program contractors have periodic reporting requirements to DHCM such as utilization of service, financial statements, network participants, and grievance and appeals. DHCM, with the assistance of actuaries, is responsible for developing and negotiating contracts with health plans and program contractors as well as rate setting and encounter reporting. DHCM also coordinates oversight of the delivery of behavioral health services through Arizona Long Term Care System (ALTCS) program contractors and through a contract with the Department of Health Services for acute care members. In addition, for purposes of monitoring performance and quality of care, there are sections for clinical research and data management, as well as clinical quality management.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,931.5	2,765.9	3,195.7
Other Appropriated Funds	58.1	55.6	55.6
Other Non Appropriated Funds	3,820.1	3,930.8	4,360.6
<b>Total Funding</b>	<b>6,809.7</b>	<b>6,752.3</b>	<b>7,611.9</b>
<b>FTE Positions</b>	<b>74.5</b>	<b>74.9</b>	<b>83.3</b>

- ◆ **Goal 1** To ensure Acute Care health plans and Arizona Long Term Care System (ALTCS) program contractors (collectively referred to as health plans) comply with AHCCCS contract provisions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of acute and ALTCS health plan operational and financial reviews completed on time	100	100	100	100	100
Percent of financial viability issues detected prior to an impact on contract.	100	100	100	100	100

- ◆ **Goal 2** To ensure the availability and accessibility of AHCCCS health plan providers throughout the state.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Rural counties with at least two competitive risk health plans available	100	100	100	100	100
<b>Explanation:</b> Revised measure as percent					
Member satisfaction: percent of choice exercised in moving from current health plan	.7	4.0	1.4	2.0	2.0

- ◆ **Goal 3** To improve the completeness and quality of encounter data collected from health plans, program contractors, and behavioral health.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
The number of encounters per member month	4.5	4.5	4.5	4.5	4.5
Omission error percent	10.0	11.9	10.0	10.0	10.0
Correctness error percent	25.0	16.0	11.0	16.0	16.0

**Subprogram Summary**

DIVISION OF FEE-FOR-SERVICE MANAGEMENT

Rebecca Fields, Assistant Director  
 Phone: (602) 417-4411  
 A.R.S. Title 36; Title XIX, SSA

**Mission:**

*To place a greater emphasis on the health care of our fee-for-service members through oversight of provider registration, prior authorization, and claims administration.*

**Description:**

The Division of Fee-for-Service Management (DFSM) consists of prior authorization and claims administration. The prior authorization unit ensures that proposed services are medically necessary, provided in the most appropriate setting, and within the scope of AHCCCS coverage for fee-for-service members. The accuracy of payment for services is carefully monitored.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,122.1	1,290.5	1,325.1
Other Appropriated Funds	25.1	26.1	26.1
Other Non Appropriated Funds	2,527.0	2,922.5	3,016.1
<b>Total Funding</b>	<b>3,674.2</b>	<b>4,239.1</b>	<b>4,367.3</b>
<b>FTE Positions</b>	<b>65.0</b>	<b>65.3</b>	<b>67.0</b>

- ◆ **Goal 1** To streamline claims processing

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Fee-For-Service claims adjudicated within 30 days	97.4	97.0	99.53	97.0	97.0



**Subprogram Summary**

DIVISION OF MEMBER SERVICES

Melanie Norton, Assistant Director  
 Phone: (602) 417-4511  
 A.R.S. Title 36; Title XIX, SSA

**Mission:**

*To assist AHCCCS-eligible members in accessing health care.*

**Description:**

The Division of Member Services (DMS) is responsible for the determination of eligibility for the Arizona Long Term Care System (ALTCS) and for other SSI-related Medical Assistance Only (MAO) programs; the state's Children's Health Insurance Title XXI Program (KidsCare) as well as Families with Children Medicaid programs for households that have both KidsCare and Medicaid-eligible members, Freedom to Work (FTW), Breast and Cervical Cancer (BCC), and for three Medicare cost-sharing programs.

In addition, DMS is responsible for enrolling eligible acute care and ALTCS members, and for providing member eligibility and enrollment information. DMS maintains day-to-day liaison with, and oversight of, the Department of Economic Security in performing AHCCCS eligibility determinations.

DMS also conducts quality control targeted and statistically valid sample management evaluation reviews for these specific programs, in addition to predetermination quality control reviews.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	9,059.5	8,567.9	8,567.9
Other Appropriated Funds	626.9	395.9	395.9
Other Non Appropriated Funds	20,724.9	21,446.6	21,446.6
<b>Total Funding</b>	<b>30,411.3</b>	<b>30,410.4</b>	<b>30,410.4</b>
<b>FTE Positions</b>	<b>460.2</b>	<b>462.9</b>	<b>462.9</b>

◆ **Goal 1** To administer eligibility processes in a timely manner for ALTCS, KidsCare, BCC, FTW, SSI-MAO, and three Medicare Cost Sharing programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of applications processed on time	60	97	47	97	97

**Explanation:** 2014 measures impacted by system changes to conform eligibility threshold calculations pursuant to modified adjusted gross income requirements

Percent of financial redeterminations processed on time	35	80	30	80	80
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◆ **Goal 2** To determine eligibility in an accurate manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of ALTCS eligibility accuracy as measured by quality control sample	96	97	96	97	97

◆ **Goal 3** To ensure that member information in the recipient data base is accurate and updated in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Member File Integrity System: percent of timely reconciliation of AHCCCS data with other governmental data bases	99	98	85	98	98

◆ **Goal 4** To provide accurate eligibility and enrollment information to providers and members in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent accuracy of Communications Center for eligibility and enrollment verifications as measured by internal quality assurance.	96	NA	NA	NA	NA

**Explanation:** NA for FY 2014 and 2015- Function being outsourced to XEROX 10/2013

◆ **Goal 5** To ensure compliance with federal Medicaid Eligibility Quality Control (MEQC) requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
ALTCS eligibility case error percent	2.0	3	3.0	3.0	3.0
Cost avoidance from Predetermination Quality Control Program (in millions)	18.60	19.50	22.22	20.50	24.50

<b>Program Summary</b>	
AZ LONG TERM CARE SYSTEM (ALTCS)	
Virginia Rountree, Administrator	
Phone: (602) 417-4122	
A.R.S. Title 36; Title XIX, SSA	

**Mission:**

To provide quality long-term care, acute care, behavioral health, and case management services to eligible Arizona Long Term Care System (ALTCS) members.

**Description:**

AHCCCS implemented the first phase of ALTCS for persons with developmental disabilities on December 19, 1988, and the second phase for the elderly and physically disabled persons on January 1, 1989. Eligibility is performed by AHCCCS. Available services include care in a nursing facility, Intermediate Care Facility for the Mentally Retarded, Residential Treatment Facility, alternative residential settings, and a wide range of home and community-based services. On October 1, 1992, behavioral health services were added for Early Periodic Screening, Diagnostic and Treatment (EPSDT) ALTCS children, under age 21. The remaining populations were phased in until October 1, 1995, when all Title XIX members became eligible for behavioral health services.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	162,331.0	167,887.2	173,506.2
Other Appropriated Funds	6,497.3	5,162.5	5,475.8
Other Non Appropriated Funds	2,041,684.5	2,247,984.6	2,424,565.9
<b>Total Funding</b>	<b>2,210,512.8</b>	<b>2,421,034.3</b>	<b>2,603,547.9</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To ensure the management and delivery of quality, cost-effective ALTCS services to AHCCCS members in the least restrictive setting.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
ALTCS monthly enrollment	53,672	55,304	53,004	56,830	58,286
Percent of members utilizing home and community based services	86.0	86.0	86.28	86.0	86.43

**Program Summary**

ACUTE CARE

Shelli Silver, Assistant Director  
 Phone: (602) 417-4647  
 A.R.S. Title 36; Title XIX, SSA

**Mission:**

*To provide quality health care to eligible populations through contracted health plans.*

**Description:**

Health plans receive a monthly capitation payment to cover the full range of approved services for AHCCCS enrollees. In addition to prospective capitation, health plans receive funding to pay for certain services provided to members prior to enrollment in a health plan. AHCCCS also maintains some populations in a fee-for-service environment, the largest segment being the Native American population served by or through Indian Health Services. AHCCCS also pays Medicare premiums for qualified low-income Medicare beneficiaries and special low-income Medicare beneficiaries, so that the federal Medicare program serves as a source of payment for some of AHCCCS' medical services. (Acute funding: county contributions are allocated to capitation programs proportionately, tobacco taxes are allocated between acute program lines proportionately, and third party liability is grouped into fee-for-service programs proportionately.)

**This Program Contains the following Subprograms:**

- ▶ Traditional Services
- ▶ Hospital Payments

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	797,608.8	971,672.7	923,881.6
Other Appropriated Funds	121,178.5	107,935.2	112,283.8
Other Non Appropriated Funds	3,765,217.4	4,020,968.6	4,550,070.2
<b>Total Funding</b>	<b>4,684,004.7</b>	<b>5,100,576.5</b>	<b>5,586,235.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

TRADITIONAL SERVICES

Melanie Norton, Assistant Director  
 Phone: (602) 417-4511  
 A.R.S. § 36-2901.4(b)

**Mission:**

*To provide quality health care to families eligible for 1931(b) Medicaid for families with dependent children.*

**Description:**

When the federal Personal Responsibility and Work Opportunity Reconciliation Act was enacted, it unlinked Medicaid benefits from the Aid to Families with Dependent Children (AFDC) cash assistance program. The Medicaid 1931 family coverage group was established to provide medical assistance to families who would have met the AFDC cash assistance eligibility criteria already in place on July 1996, and the requirements in Section 1931 of the Social Security Act. This coverage category includes parents or other adult relatives and their children under age 18; if 18, they must be students in a secondary school with the expectation of completing their education before they reach age 19; applicants who are in the last trimester of pregnancy and have no other children. When these persons become ineligible, due to excess income from employment, they qualify for transitional medical assistance for up to 12 months. If they become ineligible, due to receipt of child or spousal support income, they qualify for continued medical coverage for four consecutive months. (Breast and Cervical Cancer Treatment funding is included in this program.)

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	793,346.1	961,573.5	913,956.3
Other Appropriated Funds	121,178.5	107,935.2	112,283.8
Other Non Appropriated Funds	3,090,719.1	3,735,425.1	4,195,229.4
<b>Total Funding</b>	<b>4,005,243.7</b>	<b>4,804,933.8</b>	<b>5,221,469.5</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To ensure the management and delivery of quality acute care services to AHCCCS 1931(b) eligibles.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
1931 (b) Eligibility Family Assistance monthly enrollment	439,002	507,045	450,566	494,060	504,619

**Explanation:** Includes Breast and Cervical Cancer population

Percent of well child visits in the first 15 months of life - Early Periodic Screening, Diagnosis and Treatment	70.5	66.0	67.8	71.0	68
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◆ **Goal 2** To ensure the management and delivery of quality acute care services to AHCCCS SSI-MAO eligibles.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Supplemental Security Income monthly enrollment	129,361	137,268	133,447	139,598	145,188

**Explanation:** Includes Freedom to Work population

◆ **Goal 3** To ensure the management and delivery of quality acute care services to AHCCCS SOBRA-eligible women.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of women receiving cervical screening within a three year period	NA	NA	N/A	NA	55

**Explanation:** Measure to be available in FY 2016.

◆ **Goal 4** To ensure the management and delivery of quality acute care services to AHCCCS SOBRA-eligible children.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
SOBRA children monthly enrollment	317,430	420,298	353,653	411,850	427,910
Percent of well child visits in the first 15 months of life - Early Periodic Screening, Diagnosis and Treatment	67.0	66.0	67.8	67.0	68.0

◆ **Goal 5** To ensure the management and delivery of emergency services to AHCCCS FES eligibles.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Federal Emergency Services monthly enrollment	67,563	71,810	73,887	82,271	84,800

- ◆ **Goal 6** To reduce state health care costs through the enrollment of AHCCCS members eligible for Medicare cost sharing.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Members enrolled monthly in the Medicare Premiums programs	42,746	47,171	43,482	46,255	48,249

- ◆ **Goal 7** To ensure the management and delivery of family planning services to women enrolled in the SOBRA Family Planning extension program.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Family Planning Services monthly enrollment	4,877	1,572	0	0	0

- ◆ **Goal 8** To ensure the management and delivery of quality acute care services to AHCCCS children receiving Adoption Subsidy and Foster Care support.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Monthly Enrollment Figure	NA	NA	NA	NA	NA

**Explanation:** Not identifiable

**Subprogram Summary**

HOSPITAL PAYMENTS

Shelli Silver, Assistant Director  
Phone: (602) 417-4647  
A.R.S. § 36-2903.01(R)

**Mission:**

*To allocate federal and state dollars to hospitals that serve a disproportionate share of low-income and Medicaid patients.*

**Description:**

Disproportionate share (DSH) payments will be made to provide additional reimbursement to hospitals that serve a disproportionate share of low-income and Medicaid patients. Based on a formula established in federal and state law, payments may be made to the Arizona State Hospital and other public and private hospitals throughout Arizona. Funding Note: For Funding purposes, Safety Net Care Pool (SNCP) payments are included in DSH.

Funding:	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,262.7	10,099.3	9,925.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	674,498.3	285,543.5	354,840.8
<b>Total Funding</b>	<b>678,761.0</b>	<b>295,642.8</b>	<b>364,766.1</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To ensure disproportionate share (DSH) payments are correctly allocated to hospitals through consultation with the Governor's Office and the Legislature using established formulas.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of dollars recouped after distribution (DSH)	0	0	0	0	0

**Explanation:** May be adjusted after reconciliation

◆ **Goal 2** To help support Graduate Medical Education (GME) through direct cost reimbursements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of timely payments made to hospitals with GME programs	100	100	100	100	100

**Program Summary**

PROPOSITION 204 - SENATOR ANDREW NICHOLS COMPREHENSIVE HEALTH INSURANCE COVERAGE ACT

Melanie Norton, Assistant Director

Phone: (602) 417-4511

A.R.S. Title 36, Title XIX, SSA

**Mission:**

*To expand Medicaid coverage for persons with income at or below 100% of the Federal Poverty Level, per a voter mandate.*

**Description:**

Laws 2001, Chapter 344, authorizes AHCCCS to streamline and simplify the expansion of Medicaid. This act expanded eligibility for persons with income at or below 100% of the Federal Poverty Level (FPL). Beginning in January 2001, the federal government has continued to approve Arizona's request to expand eligibility to provide Medicaid coverage to individuals with income at or below 100% of FPL, as well as to individuals who incur medical bills sufficient to reduce their income to a level at or below 40% of FPL.

On July 8, 2011, the program was placed on an enrollment freeze due to the economic downturn. On June 17, 2013, Governor Brewer signed into law the AHCCCS Restoration Plan. As a result, coverage will be restored for childless adults who are eligible for AHCCCS under the voter mandated Proposition 204 and will also include coverage for adults from 100-133% of the federal poverty level, beginning January 1, 2014.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	101,563.6	19,658.7	19,935.9
Other Appropriated Funds	21,839.4	21,586.8	21,586.8
Other Non Appropriated Funds	1,675,716.4	2,492,820.5	3,218,871.8
<b>Total Funding</b>	<b>1,799,119.4</b>	<b>2,534,066.0</b>	<b>3,260,394.5</b>
<b>FTE Positions</b>	<b>428.1</b>	<b>428.1</b>	<b>429.5</b>

◆ **Goal 1** To ensure the management and delivery of quality acute care services are provided to AHCCCS members.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Senator Andrew Nichols Comprehensive Health Insurance Coverage Act monthly enrollment	227,792	357,292	386,648	449,884	460,000

**Program Summary**

**HEALTHCARE GROUP**

Mark Heck, Assistant Director  
 Phone: (602) 417-6745  
 A.R.S. § 36-2912

**Mission:**

*To reduce the number of uninsured Arizonans by providing innovative healthcare coverage options to uninsured small businesses and by ensuring access to quality health care so that they can maintain healthy lifestyles.*

**Description:**

Healthcare Group of Arizona (HCG) is a prepaid medical coverage product marketed to small uninsured businesses with 2-50 employees, sole proprietors, and employees of political subdivisions (e.g., the state, counties, towns, cities, and school districts). Enrollment in HCG initially started January 1, 1988. The program is designed to address the health care needs of the working uninsured population in Arizona. State studies note that the majority of the uninsured are working and that small businesses are less likely to offer health insurance to their employees than businesses with 50 or more employees. With the opening of the Insurance Marketplace and the Governor's Medicaid Restoration Plan HCG will be phased out as of 12-31-2013. Individuals will be able to access affordable health insurance through the marketplace.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	849.9	0.0	0.0
Other Non Appropriated Funds	10,623.5	0.0	0.0
<b>Total Funding</b>	<b>11,473.4</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase enrollment in the Healthcare Group program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Healthcare Group monthly enrollment	6,414	NA	NA	NA	NA

**Explanation:** Program ending December 31, 2013. Individuals will be referred to the FFM

**Program Summary**

**CHILDREN'S HEALTH INSURANCE (CHIP)**

Melanie Norton, Assistant Director  
 Phone: (602) 417-4635  
 A.R.S. § 36-2982

**Mission:**

*To provide comprehensive quality health care to individuals eligible for the Children's Health Insurance Program (KidsCare).*

**Description:**

This Title XXI program (KidsCare) was implemented in November 1998, covering uninsured eligible children up to the age of 19 with a gross household income up to 200% of FPL. KidsCare eligibility was streamlined, with the benefit package remaining the same as the Title XIX services package. It is delivered through contracted AHCCCS health plans.

The program has been placed on an enrollment freeze since January 2010 due to lack of funding for the program. Families in this income group will have access to affordable healthcare coverage in the Marketplace beginning October 1, 2013.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,079.4	1,257.2	932.3
Other Appropriated Funds	44,664.7	4,965.8	3,660.8
Other Non Appropriated Funds	9,855.0	10.0	6.3
<b>Total Funding</b>	<b>55,599.1</b>	<b>6,233.0</b>	<b>4,599.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To reduce the number of uninsured children under the age of 19 living in families with income not exceeding 200% of the federal poverty level through a simplified eligibility process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
KidsCare monthly enrollment	43,211	3,257	2,015	1,806	1,601
Percent of children with access to primary care provider	88.0	85.0	N/A	89.0	89.0



**Program Summary**

**DIRECT SERVICE CLAIMING (DSC)**

Marc Leib, MD, Chief Medical Officer  
 Phone: (602) 417-4466  
 34 CFR Part 300

**Mission:**

*To fund specific medically-necessary Title XIX covered services furnished through public school special education programs with special needs children.*

**Description:**

Through Direct Service Claiming (DSC), Medicaid-covered services are provided in the school setting in order to allow special needs children to obtain a public school education. Services and administration costs are reimbursed through federal Medicaid funds and Local Education Authority (LEA) matching funds. LEAs include participating school districts, charters schools not affiliated with a school district, and the Arizona School for the Deaf and Blind. AHCCCS-initiated school-based claiming began in January 2001 after contracting with a Third Party Administrator (TPA) to administer the program.

Public Consulting Group (PCG), our current TPA, is responsible for training, compliance monitoring, and claims processing. A handbook, website, and training materials are designed to assist the LEAs with program participation, and to ensure the availability of updated information regarding program requirements. Regular Regional Information Sessions have also been established to assist and inform the LEAs. Each LEA has a network of providers that offer services under DSC. Providers include therapists (occupational, physical, and speech), nurses, audiologists, health aides, psychologists and counselors, and transportation providers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	24,719.5	48,065.4	40,516.5
<b>Total Funding</b>	<b>24,719.5</b>	<b>48,065.4</b>	<b>40,516.5</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To reduce the financial burden on schools providing mandated Medicaid services to special needs children by providing for matching federal funds through Direct Service Claiming.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of participating Local Education Authorities (LEAs)	107	104	107	104	107

**Program Summary**

**CHILDREN'S REHABILITATIVE SERVICES**

Kari Price, Assistant Director  
 Phone: (602) 417-4625  
 A.R.S. § 36-263

**Mission:**

*To provide health care to children with complex needs who require specialized services coordinated by a multi-disciplinary team.*

**Description:**

Children's Rehabilitative Services (CRS) provides medical care, rehabilitation, and related support services to AHCCCS-enrolled children diagnosed with one or more of the qualifying chronic and disabling conditions defined in state statute. In 2008, following a competitive bid process, ADHS sub-contracted management of the entire CRS program to Arizona Physicians/IPA (AP/IPA). APIPA already served as a contractor for three AHCCCS programs: the Acute Care program, the Arizona Long Term Care System Division of Developmental Disabilities (ALTCS/DDD) program, and the Arizona Long Term Care System Elderly and Physically Disabled (ALTCS/EPD) program. The current APIPA-CRS contract expires in 2012.

Effective January 2011, a process was initiated to integrate CRS into AHCCCS. This offers a way to ensure access to specialty care and the opportunity to consider more efficient coordination of services. AHCCCS is working to create a CRS integrated plan, effective October 1, 2013, that would manage care, not only for CRS conditions, but for ALL other medical and behavioral health conditions as well.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	51,686.3	62,761.9	76,335.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	104,743.1	134,308.1	168,314.5
<b>Total Funding</b>	<b>156,429.4</b>	<b>197,070.0</b>	<b>244,649.9</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To ensure the management and delivery of quality acute care services to children with complex health care needs

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Operational Review Standards with which Contractor is in full or substantial compliance	NA	85	81	85	85

**Program Summary**

**ACA ADULT EXPANSION**

Melanie Norton, Assistant Director  
 Phone: (602) 417-4511  
 ARS 36-2901.07(A)

**Mission:**

*To expand Medicaid coverage for adults age 19-64 with income from 100-133% of the federal poverty level, per the Affordable Care Act*

**Description:**

The Supreme Court ruling on the Affordable Care Act (ACA) provides states multiple and complex opportunities with respect to the future of their Medicaid programs. With these opportunities in mind, Governor Brewer signed into law the AHCCCS Restoration Plan which restores Medicaid coverage to thousands of Childless Adults and provides coverage for adults age 19-64 between 100-133% of the Federal Poverty Level, beginning January 1, 2014.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	45,032.5	301,175.6	338,017.5
<b>Total Funding</b>	<b>45,032.5</b>	<b>301,175.6</b>	<b>338,017.5</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To ensure the management and delivery of quality acute care services are provided to AHCCCS members.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
ACA Adult Expansion monthly enrollment	N/A	45,631	27,255	60,064	61,837

**Explanation:** Coverage for this population will begin on January 1, 2014 and includes estimates for Childless Adult FES.

## Agency Summary

### BOARD OF APPRAISAL

Debra Rudd, Executive Director  
Phone: (602) 542-1593  
A.R.S. §§ 32-3601 et seq. Articles 1-5

**Mission:**

*To promote quality real estate appraisal in Arizona that protects the health, safety, and welfare of the public.*

**Description:**

The State Board of Appraisal processes the applications of those applying for real estate Trainee Appraiser registrations, Appraiser licenses, certifications, or designations for Supervisor Appraisers. In addition to these classifications, they also process the applications for Property Tax Agent registration and Appraisal Management Companies (AMCs). The Board assures that all candidates for appraisers and AMCs meet the requirements as set forth by the Appraisal Qualification Board of the Appraisal Foundation and are in compliance with Title XI, FIRREA and its revision in 2010 known as the Dodd-Frank Act. The Board acts as a disciplinary body to ensure conformity to the statutes, rules, and regulations governing the agency. In addition to protecting the interests of the general public, the Board provides services for Appraisers, appraisal course providers, Property Tax Agents, other state appraisal boards, and lending institutions.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	777.1	861.8	821.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>777.1</b>	<b>861.8</b>	<b>821.8</b>
<b>FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

**Issue 1** Challenges with compliance to new federal and state regulations.

**Description** The enactment of the Dodd-Frank Act in 2010, created the need for the Board of Appraisal statutes to be revised in the past two legislative sessions. As the rules are written at the federal level to conform to Dodd-Frank, additional statute and rule changes may be required in the future to assure our compliance. Without this compliance, the state can be in jeopardy from participating in federally related transactions (all loans made by banks, mortgage banks, credit unions involving real property). This industry is critical to the economy of our state, thus compliance is imperative.

**Solutions:**

- Continue to monitor the regulatory environment for federal changes and make adjustments accordingly.
- As changes are promulgated, additional training of staff will be required.
- In addition to training of staff, it will be necessary to keep the Board of Directors as well as Stakeholders informed of regulatory changes that may affect them.
- Take the necessary steps to request any necessary legislation or administrative code changes from the proper regulatory body to remain in compliance.

**Issue 2** Diminishing number of the real estate appraisal population equals a decline in revenue for the Board of Appraisal

**Description** The Board of Appraisal is a 90/10 agency. As such, the reduction to the number of credentialed appraisers by 30% in the past six years has resulted in lower revenues to the agency. In May, 2008 there were 3,028 licensed and certified appraisers in Arizona. We now have 2,149 licensed and certified appraisers. It is anticipated that the number of appraisers will continue to decline due to the soft real estate market which has created a lack of demand for appraisals over the past year. Additionally, the increased requirements to become an appraiser will likely not replace expected attrition from the industry.

Three large national Appraisal Management Companies (AMCs) have failed or had significant staff reductions in the past two years, and more are expected to either merge with other AMCs, and/or cease operations if the proposed federal regulations becomes finalized. We currently have 165 registered AMC's. It is not unreasonable to expect a 10% to 15% decline in registrations over the next three years. The AMC's registration fees comprised 18% of FY2014 revenues and is expected to be 44% of the total revenues for FY2015. The difference is due to their two year renewal cycles.

**Solutions:**

Given the anticipated continued loss of registration revenue, two identified possible solutions are:

- Reduce operating costs by increasing efficiency. The technology updates that the Board is in the process of implementation will increase online renewal of registrations, and the new database will increase efforts expended for public record searches.
- Develop increased revenue sources through legislative action to either increase the fees for licensure or implement civil penalties to recover some of the costs for investigations and processing of complaints.

**Issue 3** Public misunderstanding of appraisals leads to increasing complaints

**Description** The regulatory requirements for lenders to give a copy of the appraisal to borrowers has lead to confusion. Appraisals have been written in the past for the lenders, who understand appraisal terminology and procedures. Borrowers are often unaware of the Uniform Standards of Appraisal Practice which the appraisers must adhere. Dealing with uninformed complainants requires a substantial amount of time by the staff and the Board of Appraisal. Currently 37% of the complaints are coming from homeowners and another 6% are coming from Realtors. Approximately 50% of the staff's time is devoted to the processing of complaint. Members of the Board spend at least 90% of the time dealing with complaints in their monthly all-day Board meetings. This amount of time devoted to complaints takes away attention from other important agency functions such as planning and training for the implementation of regulatory revisions, as well as outreach meetings to inform the stakeholders and the public about those required changes.

**Solutions:**

- Education to appraisers on communication techniques and teaching what information is allowed to be communicated per the federal Appraisal Independence Regulations is key to solve this challenge. Speaking at appraiser organization meetings, frequent posting of updated information to the agency's website, and newsletters sent to those signed up to receive this information will be the tools used to educate the appraisers.
- Communications with Realtors, Lenders, and Escrow Officers to assist in their understanding of the appraisal reports is another key solution to this issue. Engaging with Realtors associations and offering to speak at functions that lenders attend will help them to assist in educating the homeowner's.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	5.0	5.0	5.0
<b>General Fund</b>	640,000.0	640,000.0	640,000.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To ensure that licensure/certification is granted only to candidates who are competent and who meet the Appraisal Qualification Board standards, state standards, and adhere to the current Uniform Standards of Professional Appraisal Practice.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of complaints received against appraisers	175	170	126	130	135
Number of complaint resolutions	173	175	158	126	125
Appraisers with more than one complaint filed	40	35	10	10	10

- ◆ **Goal 2** To efficiently process initial and renewal applications, for registrations of AMC's and of trainees, designated supervisors, licensed and certified appraisers.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Average days from receipt of application to test approval	65	40	80	40	40

**Explanation:** Monitor results and compare with previous year

Average days from receipt of test scores to licensure/ certification	11	10	11	10	10
Average days from receipt of nonresident application to licensure/certification	3	3	4	3	3
Average days from receipt of application to test approval	65	45	80	45	45

**Explanation:** Due to new online renewal software decline in avg. days is expected

- ◆ **Goal 3** To expedite investigation of complaints and provide remedial discipline or take stronger regulatory measures when necessary to protect the public from incompetent and unethical conduct.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Disciplinary actions	32	25	38	25	25
Recidivism rate for those receiving disciplinary action	3	5	6	5	5
Average days from receipt of complaint to resolution	125	100	178	100	100
Average annual backlog of noncurrent cases	13	10	10	0	5

- ◆ **Goal 4** To maintain up-to-date lists of all registered trainee appraisers, supervisor appraisers, licensed and certified real estate appraisers, all registered Property Tax Agents, registered Appraisal Management Companies, and all approved Qualifying and Continuing education courses and providers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Processing days from receipt of registration until name appears on list	18	12	15	10	10
Days from receipt of renewal form until the list is updated	13	5	8	5	5
Number of new and existing licensees	2,171	1,960	2,149	2,000	1,900
Administration as percent of total cost	2	2	3	3	3
Customer satisfaction rating (scale 1-8)	7.5	7.5		7.5	

- ◆ **Goal 5** To continue to implement the regulatory process to regulate all Appraisal Management Companies, as well as the two new classifications for appraisers (trainee appraisers and supervisor appraisers). This will require completion of the rulemaking process, design and creation of all forms and internal processes for application, maintenance, and discipline. Additional compliance criteria will be forthcoming from the federal oversight of our agency, as rules are finalized to meet Dodd-Frank requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
To register all AMC's as prescribed by A.R.S. 32-3662	162	165	165	160	150

## Agency Summary

### COMMISSION ON THE ARTS

Robert Booker, Executive Director  
 Phone: (602) 771-6524  
 A.R.S. § 41-982

**Mission:**

*To foster and stimulate an Arizona where everyone can participate in and experience the arts.*

**Description:**

The Arizona Commission on the Arts is a 49-year old agency of the State of Arizona whose primary functions include providing leadership, programs, services and grants to support the availability and sustainability of arts/culture and arts education programs. These functions are coincident with the agency’s statutorily required duties which include (A.R.S. § 41-982, §41-983):

- Stimulating the arts in Arizona by encouraging the study and presentation of the arts as well as encouraging public interest and participation;
- Working with arts organizations in the State to encourage public participation in and appreciation of the arts; and
- Encouraging public interest in the State’s cultural heritage and expanding the State’s cultural resources.

The Arts Commission is governed by a 15-member, Governor-appointed Commission of unpaid volunteers.

Through the Arts Commission, the State of Arizona and the National Endowment for the Arts make strategic investments of public dollars to support the statewide arts and culture sector, helping Arizona communities to attract and retain skilled workers and creative businesses. This public investment leverages additional contributions from the private sector, increasing the sustainability of Arizona’s arts and culture sector and thereby promoting statewide economic growth.

The Arts Commission’s other significant function is to compete for, receive and disburse federal arts funding from the National Endowment for the Arts (ARS §41-983). (60% of the NEA’s grantmaking budget is delivered via direct grants to nonprofit organizations across the nation; 40% is delivered via a competitive grant process to state and regional arts agencies, as Partnership Agreements.) To receive federal arts funding, state arts agencies must meet criteria outlined by the NEA.

In addition, in keeping with the arts and culture sector’s “matched investment” infrastructure, state arts agencies are required to match their annual NEA grant on a one-to-one basis with a guaranteed allocation of state funds. Since its inception, the Arizona Commission on the Arts has successfully competed for over \$33 million in federal funding, which was delivered through grants, programs and services statewide.

Annually, Arts Commission grants and programs serve approximately 8 million people, and 1.5 million Arizona youth are served by Arts Commission-sponsored arts education programs led by community organizations and within charter, private and public schools. The Arts Commission maximizes resources in three key areas: Leadership and Partnerships; Programs and Services; and Strategic Funding.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,012.5	3,543.7	4,543.7
<b>Total Funding</b>	<b>4,012.5</b>	<b>3,543.7</b>	<b>4,543.7</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>



**Issue 1** Arts and culture delivery agents lack capacity to sustain quality service to residents of Arizona and the taxpaying public.

**Description** PLAN METHODOLOGY:

- This is a 5-year plan, for Fiscal Years 2015–2019.
- Strategic Issues 1-5 briefly outline key challenges facing the arts and culture sector.
- Goals/Desired Outcomes 1-5 are developed as ideal results for the Arizona arts and culture sector.
- Strategies (numbered “a” through “e-g”) are developed as methods of action to address strategic issues.

Each Strategy is "coded" with any of the following which apply:

Leadership and Partnerships – LP

The Arizona Commission on the Arts is best known, statewide and nationally, as a leader in arts administration, a pacesetter in research and analysis, and as a catalyst for innovative partnerships in support of Arizona’s arts and culture sector. Leadership and Partnerships reflects the Arts Commission’s role as a leading arts policy and information source and as a catalyst brokering cross-sector and intra-sector partnerships.

Programs and Services – PS

The Arizona Commission on the Arts continually develops and offers professional development training and learning opportunities meant to enhance the skills of statewide delivery agents of arts and cultural programming, including individuals working in arts organizations, schools and community service organizations as well as individual artists, educators and arts patrons. Programs and Services support participation and learning in, through and about the arts, meet identified needs, and positively impact agency grantmaking activities.

Strategic Funding – SF

The Arizona Commission on the Arts provides funding support to the Arizona arts industry through several established grantmaking processes. Grants are delivered to support applicant learning, promote artistic quality and authenticity, encourage responsible business practices, reach a broad range of Arizona citizens, and increase public participation and public benefit. Strategic Funding is distributed through transparent public processes constructed to ensure efficiency and accountability.

STRATEGIC ISSUE 1:

As stated in the Agency Description, the Arts Commission’s primary functions include providing leadership, programs, services and grants to support the availability and sustainability of arts/culture and arts education programs. These functions are coincident with the agency’s statutorily required duties which include (ARS §41-982, §41-983):

- Stimulating the arts in Arizona by encouraging the study and presentation of the arts as well as encouraging public interest and participation;
- Working with arts organizations in the State to encourage public participation in and appreciation of the arts; and
- Encouraging public interest in the State’s cultural heritage and expanding the State’s cultural resources.

As a result of the recession, the State of Arizona’s fiscal crisis and reductions to the Arizona Commission on the Arts’ overall budget, available state grant funding in support of these duties diminished greatly.

Arts organizations currently receiving grant support – 300+ nonprofit organizations across the state – now receive 50% to 80% less support than in previous years, when even at its peak level of funding Arizona’s state arts agency funding support was far below the national average. These grant reductions come at a time when the arts and culture sector

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continues to struggle mightily against decreased support from local businesses, foundations and charitable donations. The Arts Commission is focused on meeting the new and tremendous needs of these “delivery agents” of arts and cultural services in non-monetary ways, as reductions in funding have given birth to other acute needs: for technical support, counsel, accountability training and crisis management guidance, all of which the agency provides as a part of its core charter.

Through this work with and on behalf of Arizona’s arts and culture sector, the Arts Commission seeks to increase the capacity of these delivery agents in service to the primary beneficiary of the whole of these efforts: residents of Arizona, the taxpaying public.

**GOAL/DESIRED OUTCOME 1:**

Arizonans can access vibrant, quality arts and cultural activities wherever they live, and have opportunities to participate as practitioners, professionals, patrons, donors and volunteers.

**Solutions:**

a. Provide learning opportunities to delivery agents of arts and cultural programming to help them leverage assets, procure funding, develop and maintain audiences, improve the quality of products and services, honor Arizona’s diverse cultural heritage, and deepen and expand their mission-focused service of communities through the arts. Example programs: Arts Learning Field Training, Cultural Data Project, annual workshops and convenings, Southwest Arts Conference, Sharing Teaching Artist Resources Tour. – LP, PS

b. Continue to deliver grant funding to statewide arts organizations, schools, community service organizations and individuals which demonstrate quality artistic programming, evidence of public benefit and public participation, and responsible fiscal practices. Example grant programs: Community Investment Grants, Arts Learning Grants, Strengthening Schools Through Arts Partnerships Grants, Festivals Project Grants, Honoring Our Servicemembers Grants, Professional Development Grants, Chamber and Tourism Membership Grants, Artist Research and Development Grants. – SF

c. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts and cultural programming is scarce, nonexistent or vulnerable. Example programs: Arts Learning Grants, Art Tank Grants, Strengthening Schools Through Arts Partnerships Grants, Festivals Project Grants, Honoring Our Servicemembers Grants, Community Catalyst Grants. – LP, PS, SF

d. Serve as Arizona’s chief delivery agent – through technology, communications, publications and expertise – for research and information related to arts resources, funding and learning opportunities. Example services: Comprehensive website content and participatory social media efforts, newsletters, searchable website portals, interactive online technical assistance. – LP, PS

e. Work to maintain existing levels of public funding for the arts in Arizona, while developing more protected private funds sources supported by Arizona foundations, corporations and individual donors. – LP, SF

f. Implement and advance “The Choice is Art,” a statewide promotional campaign for the arts in Arizona, to increase awareness of existing statewide programs and services, encourage participation and cultivate public value and support for the arts. – LP, PS, SF

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**Issue 2** The contributions of Arizona's arts and culture sector workers are undervalued.

**Description** STRATEGIC ISSUE 2:

Artists, arts administrators and arts educators provide substantial value to Arizona communities and are part of a significant labor market growth sector. According to Americans for the Arts' nationwide "Creative Industries Report," creative sector jobs increased in Arizona from 2008 to 2012 – during the recent recession – by 22%. However as a subsector of creative sector jobs, jobs in Arizona's nonprofit arts and culture sector, though increasing in numbers, are chronically undervalued and underpaid according to regional benchmarks.

The Arts Commission seeks to rebuild value for the contributions of Arizona residents working in the arts and culture sector; to demonstrate and showcase best practices; to provide opportunities for innovative, sequential professional development opportunities; and to foster a sector in which Arizonans can more successfully pursue their artistic goals.

GOAL/DESIRED OUTCOME 2:

Arizona residents can make healthy livable wages working in myriad facets of the arts. Their contributions are valued and respected.

**Solutions:**

a. Continue to develop and deliver adaptive, sequential skills-building programs to Arizona artists and arts administrators to help them compete for local and national funding, increase professional capacity, promote their creative contributions to Arizona communities, and build support for the arts and arts education. Example programs: Arts Learning Field Training, Cultural Data Project, annual workshops and convenings, Southwest Arts Conference, Sharing Teaching Artist Resources Tour. – LP, PS

b. Deliver grant funding and work to develop new funding programs in support of individual artists and administrators. Example grants: Professional Development Grants, Art Tank Grants, Chamber and Tourism Membership Grants, Artist Research and Development Grants.– SF

c. Introduce incentives within grantmaking processes to challenge Arizona arts organizations to meet regional benchmarks for artist and administrator pay and benefits. – LP, SF

d. Promote and provide visibility to individuals working in the arts; connect Arizona arts professionals to other professional sectors to encourage partnership, mutual benefit and employment. Example services: providing visibility through Teaching Artist Roster and myriad other communications vehicles; develop formal networking opportunities in FY2017 and FY2018. – LP, PS

e. Nurture existing arts service organizations based on artistic disciplines and cultural initiatives; support the development of independent arts service organizations in geographic and programmatic areas where service organizations are scarce, nonexistent or vulnerable. Example services: service organizations can be nurtured and incubated through strategic consulting services delivered by Arts Commission staff; funding required for statewide travel. – LP, PS

f. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to foster understanding about the scope of the arts sector and the contributions of Arizona arts professionals. – LP, PS, SF

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**Issue 3** Statewide investment in arts learning (lifelong learning in, through and about the arts) is inadequate and must be strengthened.

**Description** STRATEGIC ISSUE 3:

Because of increased financial pressures on education at all levels, access to quality arts education opportunities within Arizona's in-school and out-of-school settings is at considerable risk. In addition, though Arizona students are expected to meet the Department of Education's Academic Standards in the Arts for preK-12 Arizona students, a significant number of Arizona schools are not financially prepared to provide adequate instruction in arts-based learning, and/or instructors are not qualified/prepared to provide satisfactory arts-based learning opportunities to students. Finally, arts and culture organizations (which provide a substantial percentage of arts learning opportunities to both preK-12 students and lifelong learners) face a dearth of funding support for arts-based education programs.

The Arts Commission seeks to rebuild value for investment in lifelong learning in, through and about the arts; to educate, prepare and deliver critical funding to diverse statewide delivery agents of arts education programs and opportunities; and to incentivize engagement in innovative, current and sequential arts learning opportunities for all Arizonans.

**GOAL/DESIRED OUTCOME 3:**

Students have access to quality, robust arts education programs in Arizona schools. In-school arts opportunities are enhanced by meaningful opportunities in out-of-school and community settings.

**Solutions:**

- a. Develop and provide innovative, current and sequential learning opportunities to delivery agents of statewide arts learning programs. Offer practical training to diverse arts education stakeholders and cultivate the next generation of arts educators. Example services: continue to provide training to teaching artists affiliated with the Teaching Artist Roster; develop additional formal professional development offerings for classroom teachers and representatives of arts organizations in partnership with the Department of Education and other service groups. – LP, PS
- b. Activate and expand partnerships with local, state and federal arts education policymakers. Contribute as an expert conduit, providing research and information to policymakers, and then providing context to resources delivered to Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators and school boards. Example services: partnerships nurtured through ongoing research and by leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, and related materials. – LP, PS
- c. Pursue opportunities to build a network of Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators and school boards to integrate learning in, through and about the arts in school curricula as well as school district missions, policies, budgets and practices. Offer practical training and support to develop their ability and fluency in building public support for arts education. Example services: potential network(s) nurtured through ongoing research, counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, and related materials. – LP
- d. Continue to deliver grant funding to quality arts programming which supports lifelong learning in, through and about the arts, and to quality student-centered arts programming which supports the Arizona Department of Education's Academic Standards in the Arts for preK-12 Arizona students. Example grants: Arts Learning Grants, Strengthening Schools Through Arts Partnerships Grants. – SF
- e. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations and community organizations to broaden, deepen and diversify their development and delivery of in school, out-of-school and community-based arts learning programs. Example initiatives: include the development of funding incentives within primary grants to arts organizations. – LP, SF
- f. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent or vulnerable. Example grants: Arts Learning Grants, Strengthening Schools Through Arts Partnerships Grants. – LP, PS, SF
- g. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to build broad public

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support for programs which engage students in learning in, through and about the arts, in the pursuit of positive personal, educational and community outcomes. – LP, PS, SF

**Issue 4** Community-focused arts and cultural partnerships across Arizona must be nurtured and fortified.

**Description** STRATEGIC ISSUE 4:

Arizona arts and culture organizations have long provided great value to neighborhoods in rural, urban and suburban communities, through increased civic engagement, improved community vitality, creative and aesthetic benefits, and increased local economic activity. Because of decreased financial investment from the public sector, local businesses, foundations and individuals, arts and culture organizations are seeking new partners, programmatic opportunities and sources of revenue to allow them to continue co-creating positive outcomes in Arizona communities.

The Arts Commission seeks to rebuild value for community-focused arts and cultural partnerships across Arizona; to demonstrate and showcase best practices; and to provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community outcomes.

GOAL/DESIRED OUTCOME 4:

Arts and cultural programs and organizations are considered societal cornerstones and are employed as partners in the revitalization and sustainability of streets, neighborhoods and communities.

**Solutions:**

- a. Conduct, aggregate and provide access to best-practices research related to partnerships between arts delivery agents and community-based initiatives, government agencies and other-sector local businesses. Counsel arts organizations, community organizations and artists to utilize resources to fullest advantage. Example services: partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized and disseminated through communications vehicles. – LP, PS
- b. Activate and expand agency relationships with existing and nontraditional partners in order to facilitate collaborations between Arizona arts programs and other-sector initiatives. Example programs and services: partnerships nurtured by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, and participation in sector-wide and other-sector initiatives. – LP
- c. Deliver grant funding to collaborative projects which employ quality arts and cultural programming in the pursuit of favorable community outcomes. Deliver funding for this purpose in every Arizona county. Example grant programs: Arts Learning Grants, Art Tank Grants, Festivals Project Grants, Community Catalyst Grants. – LP, SF
- d. Provide opportunities for arts leaders, in particular next-generation arts leaders, to network with community officials, diverse cultural leaders, faith leaders and local businesspeople. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings, Southwest Arts Conference, and partnerships related to Emerging Leaders in the Arts networks; Chamber and Tourism Membership Grants. – PS
- e. Implement and advance “The Choice is Art,” a statewide promotional campaign for the arts in Arizona, to broadly promote the arts industry’s role in community health and livability, as well as the industry’s potential to positively impact the fiscal position and sustainability of Arizona cities and towns. – LP, PS, SF

**Issue 5** Statewide private investment in arts and culture is inadequate and must be strengthened.

**Description** STRATEGIC ISSUE 5:

Arizona arts organizations have long provided great value to Arizona corporate and small-business constituencies through individuals' and families' engagement in arts and cultural activities, improved quality of life indices, and measurable on-the-ground revenue-generating partnerships. However, statewide corporate and small-business support of arts and culture was significantly curtailed as a result of the recent recession, for several reasons:

-- Arizona lacks a critical mass of midsized and large corporate headquarters which might be inclined to support arts and culture sector programs and initiatives.

-- Prior to the recession, Arizona's business sector had become chronically under-diversified and largely dependent on new construction, which, coupled with the challenges within the real estate market, meant that developers and construction companies did not have funds to invest in quality of life ventures.

The Arts Commission seeks to rebuild value for arts and cultural investment among corporate and small-business constituencies; and to provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community and financial outcomes.

**GOAL/DESIRED OUTCOME 5:**

Recognizing the arts industry's role in economic viability and enhanced quality of life, Arizona's for-profit businesses invest in the arts as partners, supporters and champions.

**Solutions:**

- a. Serve as leading reliable resource for information and research related to cultural policy, emerging and hybrid business models, economic impact of the arts and culture industry, and public support for arts and culture. Promote opportunities to share research with Arizona's elected officials, small businesses and corporate leaders. Example services: partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized and disseminated through communications vehicles. – LP, PS
- b. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities. Example initiatives: include the development of funding incentives within primary grants to arts organizations; Art Tank Grants, Community Catalyst Grants. – LP, SF
- c. Facilitate opportunities for arts leaders to participate in other-sector policy forums, convenings and initiatives. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings, Southwest Arts Conference, and partnerships related to Emerging Leaders in the Arts networks; Chamber and Tourism Membership Grants. – LP, PS
- d. Develop communications strategies to focus and adapt agency messaging based on the needs and interests of diverse audiences and authorizers. Example services: Comprehensive website content and participatory social media efforts, newsletters, searchable website portals, interactive online technical assistance. – PS
- e. Implement and advance "The Choice is Art," a statewide promotional campaign for the arts in Arizona, to illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Employ Arizona small businesses and corporations as partners in the effort. – LP, PS, SF

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	12.0	12.0	12.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	2,000,000.0	2,000,000.0	2,000,000.0
<b>Non-Appropriated Funds</b>	1,500,000.0	1,515,000.0	1,530,000.0
<b>Federal Funds</b>	800,000.0	825,000.0	850,000.0

- ◆ **Goal 1** To ensure Arizonans can access vibrant, quality arts and cultural activities wherever they live, and have opportunities to participate as practitioners, professionals, patrons, donors and volunteers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Individuals benefiting from programs sponsored by Agency (in thousands)	6,900.00	7,000.00	7,955.0	7,500.00	7,500.0
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems and reflect the total number of persons benefitting from programs supported by Arts Commission grants; figures provided by grantees as a part of their annual final reports.					
Number of applications for community-driven projects received/number funded	310/293	325/305	394/310	380/320	380/320
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Number of grant applications submitted by ethnic-run organizations	49	55	39	45	45
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by ethnic-run organizations funded	94	85	85	87	87
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Number of applications submitted by rural applicants	88	95	125	100	100
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by rural applicants funded	96	90	78	80	80
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Number of applications submitted by organizations that did not apply in previous year	40	45	72	50	50
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Percentage of applications submitted by organizations that did not apply in previous year funded	85	85	85	87	87
<b>Explanation:</b> Figures for this measure are compiled in our online grants program (EGOR).					

- ◆ **Goal 2** To ensure students have access to quality, robust arts education programs in Arizona schools. In-school arts opportunities are enhanced by meaningful opportunities in out-of-school and community settings.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of applications submitted for arts education programs/dollar amount funded (in thousands)	70/1,478	105/2,245	91/2,156	90/2,474	90/2,300
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					
Number of individual Arizona youth served by Commission programs and initiatives (in millions)	1.4	1.5	1.5	1.6	1.6
<b>Explanation:</b> Figures for this measure are compiled in our online grants systems.					

- ◆ **Goal 3** To facilitate public and private investment in the arts and culture sector, and support efforts to build recognition of the sector's role in economic viability and enhanced quality of life, such that diverse Arizona stakeholders invest in the arts and culture sector as partners, supporters and champions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total amount of state investment in arts participation opportunities (in thousands)	1,479.0	2,380.0	2,453.6	2,398.0	2,398.0
<b>Explanation:</b> Figures for this measure are constructed by adding the following State monies provided to the Arts Commission: Arts Trust Fund and Rainy Day Fund Interest.					
Total amount of other public and private funds leveraged for arts participation opportunities/state investment (in millions)	141/1.4	145/2.4	163/2.1	160/2.2	160/2.2
<b>Explanation:</b> Figures for this measure are constructed as follows: Cumulative statewide arts budgets as entered into our online grants systems by grantees/Total State dollars granted to Arizona arts organizations and schools by the Arts Commission.					
Cumulative contributions to Arizona ArtShare including both non-designated funds and contributions to arts organization endowments (in thousands)	0.0	0.0	0.0	0.0	0.0
<b>Explanation:</b> Figures for this measure are no longer collected, as the Arizona Arts Endowment Fund was eliminated in three separate budget-balancing actions in FY2010 and FY2011. The matching program, which collected data to account for private contributions to arts organizations' endowments, was therefore discontinued.					
Number of public policy forums in which the Commission participates in order to integrate the arts	79	60	59	60	65
<b>Explanation:</b> Figures for this measure reflect a subset of total leadership forums Arts Commission staff participate in annually as leaders in the field of arts and culture. This particular measure reflects participation and partnerships in non-arts sectors.					
Number of outreach activities including site visits, public presentations, convenings and technical assistance	490	500	474	500	520
<b>Explanation:</b> Figures for this measure are compiled by Arts Commission staff and reflect the total number of workshops, convenings, panels, training sessions and planning meetings led by the Arts Commission; the number of speaking engagements and panels involving Arts Commission staff; and the number of publications presented to the field as technical assistance.					
Number of Arizonans impacted by outreach activities (in thousands)	133.0	110.0	154.0	165.0	170.0
<b>Explanation:</b> Figures for this measure are compiled by Arts Commission staff and reflect the total number of people participating in workshops, convenings, panels, training sessions and planning meetings led by the Arts Commission; the number of people attending speaking engagements and panels involving Arts Commission staff; and the number of people receiving publications presented to the field as technical assistance.					
Constituent satisfaction ratings (scale of 1-8)	7.10	7.10	7.00	7.00	7.10
<b>Explanation:</b> Figures for this measure are compiled by Arts Commission staff and reflect ratings from the Agency's annual satisfaction survey as well as evaluations from all presentations, convenings, workshops and review panels.					



## Agency Summary

### BOARD OF ATHLETIC TRAINERS

J. Randy Frost, Executive Director  
 Phone: (602) 589-8353  
 A.R.S. § 32-4101 to 32-4161

**Mission:**

*To protect the health, safety, and welfare of the public by licensing and regulating individuals who provide athletic training services.*

**Description:**

The Board of Athletic Training is a regulatory board, which issues and annually renews approximately 600 licenses for the athletic training profession and continues to monitor 275 closed licenses. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action and responds to inquiries from consumers as to the license status of individual athletic training professionals.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	118.2	118.2	118.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>118.2</b>	<b>118.2</b>	<b>118.2</b>
<b>FTE Positions</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

◆ **Goal 1** To ensure that licenses and renewals are issued in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Athletic Training licenses issued.	662	675	664	668	670
Number of license renewals received	584	580	532	532	532
Average calendar days to renew a license	5	5	3	3	3
Average calendar days to issue a license.	4	5	3	3	3

◆ **Goal 2** To investigate and adjudicate complaints within 120 days.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received	5	5	9	5	5
Disciplinary actions taken	4	5	5	5	5
Complaints resolved within 120 days	5	5	9	5	5

◆ **Goal 3** To continually improve customer satisfaction by providing consistency in carrying out the Board's policies and procedures for licensing and regulation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of athletic training complaints received	0	1	0	1	1
Percent of licenses issued within 10 days of approval.	100	100	100	100	100
Complaints resolved within 120 days	0	1	0	1	1
Customer Satisfaction rating (scale 1-8)	7.9	7.9	8.0	7.9	7.9

## Agency Summary

### ATTORNEY GENERAL - DEPARTMENT OF LAW

Tom Horne, Attorney General  
 Phone: (602) 542-7000  
 A.R.S. § 41-191

**Mission:**

*To provide comprehensive legal protection to the citizens of Arizona and quality legal services to the state agencies of Arizona by upholding the Constitution and enforcing the law in a fair and just manner.*

**Description:**

The Attorney General is a Constitutionally established, elected position and holds office for a four-year term. The Attorney General is legal advisor to all state agencies, boards and commissions, except those few exempted by law. Other primary responsibilities include prosecuting and defending proceedings in which the State has an interest and rendering written opinions upon questions of law.

To fulfill these responsibilities, the Department of Law is divided into legal divisions and operations services. The legal divisions are the Child and Family Protection Division, Civil Division, Civil Rights Division, Criminal Division and Public Advocacy Division. Each division is further organized into sections that specialize in a particular area of practice. Other areas performing administrative and other functions are the Solicitor General's Office, Administrative Services Division, Business and Finance Division and the Community Outreach Program.

Legal, Policy, Administrative and Support functions are coordinated and promoted by the Executive Office.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ LEGAL SERVICES	91,032.1	102,091.1	114,674.7
➤ CENTRAL ADMINISTRATION	11,660.8	13,294.1	13,294.1
<b>Agency Total:</b>	<b>102,692.9</b>	<b>115,385.2</b>	<b>127,968.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	22,296.3	23,465.1	34,486.1
Other Appropriated Funds	37,528.1	43,358.9	43,233.9
Other Non Appropriated Funds	42,868.5	48,561.2	50,248.8
<b>Total Funding</b>	<b>102,692.9</b>	<b>115,385.2</b>	<b>127,968.8</b>
<b>FTE Positions</b>	<b>727.5</b>	<b>750.6</b>	<b>845.6</b>

**Issue 1** To Defend the State from Criminal Activities

**Description** Our Nation’s southern border has experienced a dramatic surge in cross-border crime and violence in recent years due to intense competition between Mexican drug cartels and criminal smuggling organizations. These criminal enterprises engage in drug trafficking, hijacking cargo shipments, human smuggling, money laundering, and violent crimes including murder. Arizona and Mexico need to cooperate in order to effectively combat these dangerous organized criminal enterprises. Both Arizona and Mexico need to continue working to cut off funding for border criminal enterprises; enlist international businesses in eliminating money laundering; increase multi-agent and bi-nation crime fighting task forces; and help Mexico reform its justice and law enforcement system. In an effort to address the dramatic surge in cross-border crimes, the Office of the Attorney General will take a pro-active role and dedicate resources to implement initiatives to dismantle and prosecute the perpetrators engaged in these criminal enterprises.

**Solutions:**

**GOAL 1:** To disrupt criminal organizations that engage in cross border crime.

**STRATEGIES:**

- Coordinate efforts on border security with federal, state and local law enforcement in Arizona and with Mexican law enforcement.
- Provide technical assistance to other law enforcement agencies, specifically in the use of financial data, to develop evidence relating to underlying criminal activity.
- Provide federal and state law enforcement agencies with training on relevant legal issues and investigative techniques.
- Provide assistance in wiretap and undercover investigations, including the prosecution of multi defendant, highly complex drug trafficking organizations .
- Continue to develop and coordinate a Southwest Border Area information sharing network.
- Assist in the creation of a chain of inter-related task forces in the Southwest Border area, concentrating on anti-money laundering enforcement at the highest levels.

**GOAL 2:** To reduce the financial power of criminal enterprises.

**STRATEGIES:**

- Dismantle racketeering enterprises through aggressive prosecution and civil racketeering remedies.
- Deprive criminal enterprises of property and profit that keep them in business and simultaneously fund future investigations and prosecutions of similar crimes through forfeiture proceedings.
- Specialize in complex financial prosecutions to reduce the financial power of criminal enterprises.
- Foster multi-jurisdictional collaboration to identify, investigate, and disrupt financial activities that facilitate cross-border violence and money laundering.
- Enhance coordination of the Southwest Border states’ anti-money laundering efforts.

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**Issue 2** To Protect Citizens Against Crime: Children, Seniors, Families & Communities

**Description** The Attorney General's Office prioritizes the protection of Arizona's citizens. This includes children, seniors, and individuals with physical or mental impairments, who are more vulnerable to abuse, neglect and exploitation; victims of violent crimes; identity theft; healthcare fraud and abuse; consumer fraud; and other crimes.

In the context of children, the Attorney General's Office provides comprehensive legal representation to the Department of Child Safety (DCS) and the Department of Economic Security (DES) through diligent counsel and advice, as well as two very distinct subject areas requiring diligent case management. DCS has experienced a staggering increase in the number of children in care who are victims of abuse and/or neglect. At the end of Fiscal Year 2014, DCS had 18,863 children in care. This represents a 12.33% increase over Fiscal Year 2013, and continues to impact efforts to achieve safe and timely permanency for Arizona's children in foster care. With respect to Child Support Services, the Attorney General works to ensure the economic sufficiency of children through the establishment of paternity and pursuit of child support. This is of particular relevance where, as here in Arizona, 45% of children are born to un-wed parents and statistics show that parents who contribute financially are more involved in their children's lives.

Nearly 7,000 cases of vulnerable adult mistreatment are reported to the State annually. The typical victims in these cases are females over the age of 85. The over-eighty-five-year-old population is the fastest growing age group in the state and is estimated to increase 141% by the year 2020. It is critical that this population be defended against physical abuse, neglect and scammers who seek financial gains.

When a person is discriminated against based on his/her disability, race, color, religion, sex, familial status, age, or national origin, the Arizona Civil Rights Act has been violated. This type of discrimination may take place when individuals seek employment, attempt to exercise their right to vote, enjoy public accommodations, or seek housing. The AGO enforces anti-discrimination laws through investigation of complaints, alternative dispute resolution, and litigation, as well as education and outreach programs.

The AGO is also dedicated to ensuring justice to Arizona's victims. Victim Services Advocates provide support to victims in cases prosecuted by our office. Some of the services offered by the Advocates include keeping victims informed about court dates, assisting them in finding counseling services, and providing information on how the criminal justice system works. The AGO is also devoted to achieving justice for victims as it works to uphold the convictions and sentences of criminal defendants when their convictions and sentences are appealed. Furthermore, the AGO ensures justice for victims and protection of their rights statewide through the provision of technical assistance, funding, training and complaint resolution. These efforts protect Arizona's communities, as the AGO strives to keep dangerous criminals off the streets.

The AGO has also spearheaded a statewide crime prevention and education initiative. The AGO's Community Outreach and Education group participates in community events statewide, which educate individuals on topics such as identity theft, consumer scams, life care planning issues, civil rights, and senior abuse. In addition, the Office of Victim Services provides statewide training to law enforcement partners regarding victim's rights. In addition, this group provides written and web-based resources to community groups on a wide range of issues.

**Solutions:**

**GOAL 1:** Promote the safety, economic sufficiency and well-being of children.

**STRATEGIES:**

- Protect children through effective litigation and efficient case management in dependency, guardianship, and severance and adoption proceedings.
- Provide training to AGO, DCS, and DES staff, DCS caseworkers and supervisors, members of the judiciary, and various child welfare system stakeholders throughout Arizona for effective case management.
- Increase enforcement activity in judicial and administrative establishment of new child support orders.

**GOAL 2:** Combat abuse of Arizona's senior population.

**STRATEGIES:**

- Use the strengths, skills, and resources across AGO Divisions to ensure the success of the Taskforce Against Senior Abuse (TASA).
- Work closely with other law enforcement offices, state and local agencies, and senior-focused groups to assure an aggressive

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investigative and prosecutorial presence in the State.

- Utilize the Advisory Group, comprised of community, business, and governmental leaders, to keep abreast on matters concerning senior citizens in Arizona.
- Provide a dedicated telephone number through which the public, other law enforcement agencies, caregivers and family members can report concerns and receive information and referrals.
- Offer educational opportunities around the state in which seniors can participate.
- Offer training and education to groups who have significant interactions with the senior population.
- Develop cases internally and work collaboratively with outside law enforcement agencies and other state teams in order to pursue and prosecute allegations of abuse and neglect, including those that take place within health care settings.

GOAL 3: To promote and facilitate justice, healing and restitution for all of Arizona crime victims.

STRATEGIES:

- Improve the treatment of crime victims by exhibiting leadership, promoting public policy reforms where needed and increase the quality of victim services through the administration of the Victims' Rights Program.
- Provide for efficient and effective delivery of quality services to victims during all stages of criminal prosecutions.
- Serve as a leader statewide on victims' rights issues through participation in networking events, leading the Victims' Rights Advisory Committee and through the provision of statewide victim's rights training.
- Recognize individuals in Arizona who made significant contributions to victims' rights and services through the Distinguished Service Awards.
- Investigate allegations of victims' rights violations statewide.
- Competently and efficiently defend the State in all capital and non-capital appellate cases.
- Enhance written and oral advocacy skills through participation in training.
- Improve expertise in handling federal habeas litigation through participation in training related to federal appeals under 28 U.S.C. § 2254.

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**Issue 3** To Protect Consumers

**Description** Consumer fraud is a growing threat to Arizonans. Scammers are continually finding new and inventive ways to take advantage of consumers. Fraudulent loan schemes, dishonest repair shops, and new threats found on the internet are only a few examples of fraud cases that can result in injury to the consumer. Among other potential impacts, harmed consumers may suffer financial loss, may have their credit history tarnished, may have difficulties obtaining a mortgage loan modification, or may be using a prescription drug that could put their health in danger. The economic crisis, in particular, has created a number of vulnerable consumers who are often targeted for work-from-home scams. Similarly, with Arizona ranking among the states hardest hit by the nation's mortgage crisis, a surge in mortgage-rescue fraud has followed. These scams victimize people who are already in distress and who place their trust in dishonest people. Consumer scams of any nature are detrimental and the Attorney General's Office is dedicated to vigorously prosecuting these cases.

Antitrust laws affect the daily lives of all consumers, whether they are shopping for groceries, purchasing a car, or downloading new software from the Internet. These laws play an important role in ensuring that the consumer has the benefit of competitive prices and high quality goods and services. The antitrust laws foster competition in the marketplace and prevent anticompetitive mergers and business practices. The AGO enforces Arizona's antitrust laws by investigating and, when warranted, filing suit against businesses and individuals engaged in price fixing and bid rigging. Further, the AGO takes legal action against businesses that refuse to deal fairly with customers, suppliers, or rivals. Also, businesses who allocate territories or customers, or who monopolize, or attempt to monopolize, a market are prosecuted by the AGO. The AGO is devoted to protecting the foundation of our economy that consists of free and open competitive markets for the benefit of Arizona's consumers.

**Solutions:**

**GOAL 1:** To deter fraudulent business practices as a means to protect consumers against fraud.

**STRATEGIES:**

- Investigate and prosecute violations of the Arizona Consumer Fraud Act and other state and federal consumer protection laws.
- Increase public awareness through consumer education and alerts, presentations, and the distribution of literature.
- Pursue consumer fraud cases through sting operations to send a message to businesses that the next customer they try to defraud may be an agent from the AGO.
- Take court action if companies do not live up to their earlier agreements to settle consumer fraud allegations.

**GOAL 2:** To protect and promote competition for the benefit of consumers through enforcement of antitrust laws.

**STRATEGIES:**

- Collaborate with other state and federal antitrust enforcers in investigating and prosecuting anticompetitive conduct.
- Advocate for competitive markets by filing amicus briefs and commenting on proposed state and federal legislation that will affect competitive markets, consumer choice and price.
- Meet with constituent individuals and businesses to discuss local markets, and take action where necessary to protect and restore competition to those markets.
- Increase outreach/public entity training in antitrust laws and state procurement laws.

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**Issue 4** To Provide Exemplary Legal Services

**Description** The AGO is in a very real way the State's full-service law firm, charged by statute to advise and represent most State officials, agencies, boards and commissions. This part of the AGO's responsibilities includes the representation of clients in litigation in all State and federal courts as well as administrative tribunals. However, the AGO also advises its clients on the widest possible range of legal issues, for the purpose of assisting them in discharging all their duties in a lawful and appropriate manner. The AGO litigates cases of great public concern. Current examples include SB 1070, Obamacare, the Justice Department's failure to implement expedited procedures for federal review in capital cases, the Arizona medical marijuana initiative, the drugs used in capital punishment, and Colorado City. The AGO protects the public's interests in procurement protests, prisoner suits, efforts to subpoena or sue judges, and even certain garnishment proceedings. The support that the AGO provides its clients in legal advice and transactions is often not the subject of great public attention, precisely because the AGO's goal is to help clients avoid controversy by performing their duties in a businesslike, efficient and legally-sound fashion. The AGO advises its clients on matters involving public monies, procurement, finance, open meetings, public records, employment law, compliance, real estate, statutory construction, administrative certification, licensing, administrative enforcement actions, intellectual property, defense of liability claims and transactions.

The AGO also provides mediation services to the people of Arizona and state agencies. These services are available for a variety of matters and are delivered in a neutral, non-threatening environment. The mediation process saves time, as the disputing parties can often resolve their differences without lengthy and costly litigation. The AGO continues to work towards maintaining a satisfaction rate of participants above 90%.

As an agency that so heavily relies on the intellect and skills of its staff, the importance of retaining talent and experience cannot be overestimated. The AGO continues its efforts to hire and retain the highest quality professionals. In addition, the AGO continues to enhance its efforts in providing ongoing training to its staff. Training efforts focus on streamlining processes, sharing best practices and ensuring that staff is properly trained and fully utilizing technology and other resources that have been made available.

The AGO is devoted to providing the highest quality of legal services to best serve the State of Arizona and its citizens. In order to achieve this, all divisions are focused on identifying ways to deliver services more effectively and efficiently while maintaining excellence.

**Solutions:**

**GOAL 1:** To provide a superior level of legal services to our client agencies, the public and the State of Arizona.

**STRATEGIES:**

- Retain professional, experienced, high-quality staff by providing a rewarding and challenging environment. Improve the quality of staff by implementation of a new, more rigorous hiring process; a more effective annual employee evaluation process; and expansion of the current recruitment process. Our hiring practices are continually being updated to streamline the process and find the most qualified professionals (hiring committee, process refinements, improved background checking); The implementation of the MAP (Managing Accountability and Performance) performance appraisal has created a consistent and efficient process for all agency supervisors to evaluate employees based on the competencies for being a state employee and competencies that specifically align with our agency goals/needs. Our attorney evaluation was also integrated with the new MAP performance appraisal to address specific evaluation criteria for an attorney; the recruitment process is being expanded with an updated recruitment system (Talent Acquisition) and partnerships with the Universities have been established to hire entry level attorneys/former law students.
- Improve efficiency of legal services delivery through client relations meetings with agencies that frequently require our services.
- Provide advanced client agency training sessions in the areas of public records law, open meeting law, conflict of interest law, contracting and procurement law, and related legal restrictions on the activities of public officials and employees. Ethics training for elected officials and appointed agency heads is now available online for ease of access and updating.
- Maintain and enhance the Continuing Legal Education (CLE) programs currently being offered by the Solicitor General's Office.
- Develop guidelines for AGO communications with members of the public to ensure consistency, integrity and fairness through services provided by the AGO. HR follows a detailed process for any Public Records Request. We also continue to work on process improvements to communicate both internally and externally.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	807.6	807.6	807.6
<b>General Fund</b>	33,835,200.0	33,835,200.0	33,835,200.0
<b>Other Appropriated Funds</b>	43,233,900.0	43,233,900.0	43,233,900.0
<b>Non-Appropriated Funds</b>	42,996,800.0	42,996,800.0	42,996,800.0
<b>Federal Funds</b>	7,089,200.0	7,089,200.0	7,089,200.0

### Program Summary

#### LEGAL SERVICES

Eric Bistrow, Chief Deputy  
 Phone: (602) 542-8080  
 A.R.S. § 41-191

#### Mission:

*To protect the safety, health, economic and environmental well being, and civil rights of Arizonans by fairly and aggressively prosecuting criminal activity, safeguarding the rights of crime victims and providing high quality, innovative legal representation to the State and our client agencies.*

#### Description:

Legal services are provided through the following divisions of the Attorney General's Office: (1) Child and Family Protection Division; (2) Civil Division; (3) Civil Rights Division; (4) Criminal Division; and (5) Public Advocacy Division. The Child and Family Protection Division provides legal services to the Department of Economic Security and Department of Child Safety through the Protective Services Section, the Child Support Services Section, and the Civil & Criminal Litigation and Advice Sections. The Civil Division focuses on specialty areas of civil law and provides day-to-day legal services for a myriad of State agencies, departments, boards and commissions. The Civil Rights Division enforces state and federal statutes prohibiting discrimination in employment, voting, public accommodations and housing. The Criminal Division prosecutes a broad array of crimes (including border-related crimes and crimes committed by organized criminal syndicates), using experienced criminal prosecutors and highly trained investigators. The Criminal Division also works with Arizona's crime victims and effectively represents the State in capital and non-capital criminal appeals and federal habeas actions. The Public Advocacy Division enforces the State's consumer protection, environmental, antitrust and tobacco laws while representing a number of client agencies including debt collection representation.

#### This Program Contains the following Subprograms:

- ▶ Public Advocacy Division
- ▶ Civil Rights Division
- ▶ Criminal Division
- ▶ Child and Family Protection Division
- ▶ Civil Division

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	15,601.3	16,410.6	27,431.6
Other Appropriated Funds	35,286.7	40,717.9	40,592.9
Other Non Appropriated Funds	40,144.1	44,962.6	46,650.2
<b>Total Funding</b>	<b>91,032.1</b>	<b>102,091.1</b>	<b>114,674.7</b>
<b>FTE Positions</b>	<b>606.8</b>	<b>629.8</b>	<b>724.8</b>



## Subprogram Summary

### PUBLIC ADVOCACY DIVISION

Thomas K. Chenal, Division Chief Counsel  
Phone: (602) 542-8323  
A.R.S. § 41-191

#### Mission:

*To use the discretionary power of the Office of the Attorney General to pursue those who prey upon the public and threaten the economic and environmental well-being of all Arizonans and provide legal advice and litigation services to the Executive and Judicial branches of State Government.*

#### Description:

The Division's major duties are to enforce the administrative, environmental, consumer protection, and antitrust laws in a largely proactive manner. The Division has administrative and civil functions. While most of its work involves using the Attorney General's independent authority to pursue wrongdoing, the Division also has client representation duties. The Division is divided into the Sections listed below:

**Consumer Protection and Advocacy (CPA):** CPA enforces the Consumer Fraud Act and other state and federal consumer protection laws. Further, the Section handles all complaints reported to the office by consumers. The Tobacco Enforcement Unit (TEU) falls within this Section. TEU enforces tobacco laws and the Master Settlement Agreement with tobacco companies. The Antitrust Unit within the Section enforces laws that protect competition and consumer welfare. Lastly, the Section provides legal representation to agencies which include Arizona Game and Fish, the Department of Agriculture, the Department of Real Estate, the Securities Division of the Arizona Corporation Commission, the Arizona Department of Insurance, and the Department of Financial Institutions.

**Environmental Enforcement Section (EES):** EES provides advice, enforcement and representation activities related to state and federal environmental and natural resource laws. The Section provides advice, represents and litigates on behalf of the Department of Environmental Quality (ADEQ) which includes representing ADEQ on matters arising under state and federal Superfund laws.

**Agency Counsel Section (ACS):** ACS provides legal advice and litigation services to the Office and a number of State agencies, boards and commissions including the Executive and Judicial branches of government. Some of the Section's clients include the Department of Administration, Administrative Offices of the Courts, Department of Corrections, Department of Gaming, Office of the Secretary of State, Arizona State Retirement System, Arizona State Lottery Commission, and Veteran's Services Commission.

**State Court & Bankruptcy (SCB):** SCB provides debt collection representation for state agencies, boards and commissions. This includes representing the state when debtors file bankruptcy and owe back-taxes or owe the state for other debts.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,598.7	2,797.5	2,797.5
Other Appropriated Funds	12,049.2	14,973.9	16,048.9
Other Non Appropriated Funds	11,583.3	7,774.9	7,774.9
<b>Total Funding</b>	<b>26,231.2</b>	<b>25,546.3</b>	<b>26,621.3</b>
<b>FTE Positions</b>	<b>162.2</b>	<b>162.2</b>	<b>165.2</b>

◆ **Goal 1** To be responsive to public concerns about consumer fraud.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Complaints opened	14,076	20,000	14,478	14,000	14,000

**Explanation:** As a result of mortgage settlements, consumers are recovering from the mortgage crisis and fewer complaints were opened/closed.

Complaints closed	12,180	20,000	11,633	12,000	12,000
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**Explanation:** As a result of mortgage settlements, consumers are recovering from the mortgage crisis and fewer complaints were opened / closed.

Telephone calls received from the public	36,894	40,000	33,557	32,500	32,500
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**Explanation:** Fewer calls received due to enhancements made to the AGO website.

◆ **Goal 2** To deter fraudulent business practices as a means to protect consumers from fraud.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Civil cases/investigations opened	97	75	110	100	100

**Explanation:** Due to current economy & hiring additional staff, our office opened more investigations and cases than anticipated.

Judgments	30	25	33	30	30
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**Explanation:** Due to current economy & hiring additional staff, our office opened more investigations and cases than anticipated.

◆ **Goal 3** To provide the highest quality legal advice, representation, and training to the various agencies, boards, and commissions including but not limited to: Administrative Offices of the Courts; Departments of Administration, Agriculture, Corrections, Environmental Quality, Financial Institutions, Game and Fish, Gaming, Insurance, and Real Estate; Office of the Secretary of State; Arizona State Lottery Commission; Arizona State Retirement System; and Veteran's Services Commission.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Advice matters and files opened	186	200	183	200	200
Civil litigation files opened	670	650	570	600	600

**Explanation:** Our client agencies referred fewer cases to our Office.

Cases resolved within the year	473	500	1,539	500	500
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**Explanation:** The Agency Counsel Section did a major clean-up of old files and closed several cases.

◆ **Goal 4** To improve client satisfaction and client relations through meetings with client directors and/or commissioners, and to provide training sessions in the areas of public records law, open meetings law, conflict of interest law, and related legal restrictions on the activities of public officials and employees.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Meetings with client agency directors and/or commissioners	21	20	39	20	20

**Explanation:** Personnel changes resulted in more meetings with Directors and/or Commissioners.

Training sessions with clients	13	10	24	10	10
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**Explanation:** Personnel changes resulted in more training sessions with clients

- ◆ **Goal 5** To enforce the Model Escrow Statute, Directory Statute and Master Settlement Agreement and work to reduce sales of tobacco products to minors.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Youth compliance checks conducted	2,050	2,000	2,006	2,000	2,000

- ◆ **Goal 6** To protect and promote competition for the benefit of Arizona consumers through enforcement of the Arizona Uniform Antitrust Act.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received	14	15	6	0	0

**Explanation:** Arizona did not experience supply disruptions or major price hikes during the year.

Restitution ordered for Arizona consumers and costs recovered in antitrust cases (\$ dollars)	150,743	75,000	133,970	75,000	75,000
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**Explanation:** We recovered attorneys' fees in the American Airline/US Air merger case, which we did not expect

### Subprogram Summary

#### CIVIL RIGHTS DIVISION

Thomas K. Chenal, Division Chief Counsel  
 Phone: (602) 542-8323  
 A.R.S. §§ 41-191 and 41-1401

**Mission:**

*To enforce civil rights laws and eliminate discrimination statewide by increasing public awareness of civil rights through education and enforcement and providing greater access to victims, including offering dispute resolution services to the people of Arizona.*

**Description:**

The Division's major duty is to enforce state statutes that prohibit discrimination in employment, voting, public accommodations, and housing by investigating and litigating civil rights complaints. In addition, the Division provides conflict resolution services and mediation programs statewide, including many court and agency programs. The Division not only is responsive to complaints it receives but is proactive in addressing discriminatory activity by providing education and awareness. It also may conduct surveys and inquiries in efforts to eliminate discrimination and publish reports to highlight civil rights issues in the State.

The Division has administrative, community service, and civil functions. Its staff is comprised of lawyers, compliance officers, program managers, coordinators, support personnel, volunteers, and interns. The Division has offices in Phoenix and Tucson.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	1,534.5	1,597.2	1,597.2
Other Appropriated Funds	73.5	87.7	87.7
Other Non Appropriated Funds	674.6	1,041.3	993.3
<b>Total Funding</b>	<b>2,282.6</b>	<b>2,726.2</b>	<b>2,678.2</b>
<b>FTE Positions</b>	<b>31.1</b>	<b>31.1</b>	<b>31.1</b>

◆ **Goal 1** To increase compliance with anti-discrimination laws through timely and effective investigation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of cases investigated	1,267	1250	1,405	1,350	1,350

**Explanation:** The number of cases investigated is above estimate because members of the public filed more civil rights complaints than expected in FY 2014.

Number of cases resolved	827	800	832	850	850
Percentage of cases resolved using voluntary settlement agreements	15	15	17	15	15

◆ **Goal 2** To identify major litigation with an emphasis on class and policy cases and to obtain monetary relief and significant remedial relief as appropriate.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of lawsuits	21	20	12	15	15

**Explanation:** There were significantly fewer reasonable cause determinations to conciliate or litigate in FY 2014, in part because of unfilled positions in the Civil Rights Compliance Section during that fiscal year.

Number of lawsuits resolved	13	7	6	7	7
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**Explanation:** We anticipate that one case in which a settlement was negotiated during FY 2014 will be reduced to a final judgment in FY 2015.

Percentage of litigation cases resolved using voluntary settlement agreements	92	80	67	80	80
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**Explanation:** Civil Rights obtained summary judgment in one case litigated in FY 2014 and a \$5.2 million verdict in a case tried to a jury in FY 2014. As such, those cases were resolved in the State's favor without using voluntary settlement agreements.

◆ **Goal 3** To provide the people of Arizona and its governmental entities effective dispute resolution services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of cases referred to mediation	486	425	589	500	500

**Explanation:** The increase in cases referred to mediation reflects the increase in complaints filed by members of the public. In addition, more parties have requested mediation and the Tucson Mediation Coordinator requested that more cases be referred to mediation.

Number of Civil Rights discrimination cases mediated	113	120	127	120	120
Percentage of Civil Rights mediations in which agreement was reached	55	55	54	55	55
Maintain satisfaction rate of participants above 90 percent	95	95	97	95	95

◆ **Goal 4** To increase public awareness of the State's zero tolerance of discrimination, resulting in a positive impact on the community.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of training presentations and outreach events	43	40	41	40	40

## Subprogram Summary

### CRIMINAL DIVISION

Andrew Pacheco, Division Chief Counsel

Phone: (602) 542-8572

A.R.S. §§ 41-191 and 21-427

#### **Mission:**

*To protect the citizens of Arizona by successfully investigating, aggressively and fairly prosecuting cases involving sophisticated and complex financial crimes, human trafficking, identity theft-related crimes; technology crimes, gang-related crimes, drug traffickers, trafficking organizations, money launderers, and individuals involved in criminal enterprises within the State of Arizona. To provide high quality investigative support to the Attorney General's Office and to law enforcement agencies throughout the State. To promote and facilitate safety, justice, healing and restitution for Arizona's crime victims, and support statewide criminal and juvenile justice system entities in the administration of victims' rights laws.*

#### **Description:**

**Criminal Appeals & Litigation Division (CAL):** The Division's primary function is defending the State of Arizona in appeals and federal habeas actions initiated by convicted felons. In non-capital appeals, the Division represents the State on direct appeal in the Arizona Court of Appeals and in the Arizona Supreme Court. The Division also represents the State in federal court cases arising from state-court convictions. In capital appeals, the Division defends the State in death penalty proceedings from the time a death sentence is imposed until the sentence is carried out or until the case is otherwise concluded. Those proceedings include the direct appeal, state post-conviction, and federal habeas corpus matters. The Division also provides trial and research assistance at the request of county attorneys.

**Alliance (ALL):** The Alliance Section provides support to the Southwest Border Anti-Money Laundering Alliance (Alliance). The Alliance is a consortium of the four Border State Attorneys General, the Arizona Department of Public Safety, the Phoenix Police Department, and the Arizona Department of Financial Institutions. It distributes funds to law enforcement that were obtained through a 2010 \$96 million Settlement Agreement between the Arizona Attorney General's Office and Western Union. Law enforcement entities in the Southwest Border area, which includes the four Border States and Mexico, are eligible for funding.

**Border Crimes Enforcement Section (BCS):** The Border Crimes Enforcement Section fights border-related crime by focusing its efforts against the Mexican cartels and U.S.-based transportation cells involved in the smuggling of drugs, weapons, money and humans across Arizona's southern border. BCS also specializes in complex financial prosecutions, including mortgage fraud, securities fraud, and public corruption cases, along with identity theft, social security fraud, AHCCCS fraud, manufacturing of fraudulent credit cards, identity theft, and many other economic crimes. BCS also emphasizes prosecution of elder financial exploitation crimes. BCS attorneys also prosecute cases referred by other prosecutorial offices throughout the State when those offices have a conflict of interest.

**Drug & Racketeering Enforcement Section (DRG):** The Drug & Racketeering Enforcement Section combats major drug trafficking in Arizona. This includes prosecuting individuals and organizations that traffic in illegal drugs, money launder of illicit proceeds and commit violent crimes. DRG works closely with law enforcement agencies from throughout the State and provides legal counsel and assistance in wiretap and undercover investigations. Additionally, the attorneys in DRG provide legal advice and training on a statewide basis on issues involving search and seizure law, wiretap law, prosecuting cases involving children found at drug-related scenes, and courtroom testimony. Attorneys in DRG will also provide assistance to Arizona County Attorneys on complex, major drug cases.

**Fraud & Special Prosecution's Section (FSP):** The Fraud & Special Prosecution Section investigates and prosecutes white collar and organized fraudulent criminal activity, including but not limited to, identity theft-related crimes, human smuggling, mortgage fraud, high technology crimes, child exploitation through the use of computers, public corruption, securities fraud, computer fraud, financial exploitation of the elderly, telemarketing fraud, charity fraud, tax fraud, public corruption, insurance fraud, banking fraud, home improvement fraud, real estate fraud, employee embezzlement, gang related crimes and other types of financial crimes involving racketeering offenses. FSP also works closely with the Financial Remedies Section to insure that any ill-gotten moneys are subject to forfeiture. FSP attorneys also prosecute cases referred by other prosecutorial offices throughout the State when those offices have a conflict of interest.

**Healthcare Fraud & Abuse Section (HCF):** The Healthcare Fraud & Abuse Section, also known as the Arizona Medicaid Fraud Control Unit, investigates and prosecutes health care fraud crimes that impact the State's billion dollar Medicaid program known as AHCCCS. In addition, HCF is charged with investigating allegations of abuse and neglect that take place within health care settings that are at least partially funded by the State's AHCCCS program. HCF investigates and prosecutes cases involving the falsification of medical records and the filing of false or inflated Medicaid billing claims; thefts and embezzlements from AHCCCS clients and health care institutions; the illegal

diversion of prescription drugs by health care providers; and the physical, sexual, and emotional abuse of residents being cared for in AHCCCS-funded facilities.

**Financial Remedies Section (FRS):** The Financial Remedies Section (FRS) disrupts criminal enterprises and dismantles their organizations by prosecuting lawsuits charging them with racketeering offenses that give rise to the remedy of forfeiture. FRS effectively combats the impact of racketeering on legitimate commerce in Arizona. It does this primarily through forfeiture, which enables FRS to not only deprive organized crime of the property and profit that keep it in business, but to use that property and profit to fund the investigation and prosecution of its crimes. FRS conducts investigations of offenses relating to organized crime and racketeering, primarily money laundering and drug trafficking; facilitates the seizure of property; manages the seized property; prosecutes lawsuits mainly seeking forfeiture of the seized property; and, distributes the proceeds of the sold, forfeited property to, among others, law enforcement agencies to investigate and prosecute more racketeering offenses by other criminal organizations.

**Office of Victim Services (OVS):** The Office of Victim Services is a service-oriented Section within the Criminal Division of the Attorney General's Office whose programs are established for directly benefiting both crime victims and the many state-and-local governmental entities in Arizona who serve them. The OVS provides statutorily-mandated services to victims of various crimes being prosecuted by the AGO and those crime victims whose cases are being appealed. OVS staff also provides more than twenty types of services (non-mandated) to address the needs of crime victims recovering from the personal and social effects of victimization. Additionally, OVS supports state, county, and municipal law enforcement, custodial, prosecutorial, and correctional agencies, and courts, having duties established and defined by Arizona's victims' rights laws. These entities benefit from the Victims' Rights Program administered by OVS which provides funding, training and other forms of assistance that further uniformity, efficiency, and victims' rights compliance. Finally, OVS's duties encompass enforcement of victims' rights laws and resolution of victim complaints.

**Special Investigations Section (SIS):** The Special Investigations Section consists of special agents, supervising agents, analysts, auditors and administrative personnel with specialized areas of experience unavailable from other law enforcement agencies. SIS is divided into six investigative units which function primarily within the following AGO Sections: Consumer Protection and Advocacy, Fraud & Special Prosecutions, Healthcare Fraud & Abuse, Border Crimes Enforcement, Financial Remedies and the Arizona Financial Crimes Task Force. SIS personnel provide expertise in the special areas of prosecution upon which the AGO has sole jurisdictional responsibility. Investigative assistance by SIS personnel is provided in the complex areas of white collar crimes, public corruption, consumer fraud, drug trafficking, human smuggling, environmental crimes, gangs and violence, medical fraud, abuse of the vulnerable, money laundering, forfeiture, tobacco violations and prosecution of crimes which occur in Arizona but the perpetrator has fled to the Republic of Mexico.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	9,916.9	9,328.4	12,735.7
Other Appropriated Funds	4,637.1	5,948.0	4,748.0
Other Non Appropriated Funds	27,089.6	34,210.9	34,078.9
<b>Total Funding</b>	<b>41,643.6</b>	<b>49,487.3</b>	<b>51,562.6</b>
<b>FTE Positions</b>	<b>230.1</b>	<b>230.1</b>	<b>237.1</b>

◆ **Goal 1** To ensure that death penalty sentences are carried out justly and as timely as possible in order to preserve the rights of the victims.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Death penalty cases open	124	130	118	125	130
Death sentences carried out	2	5	2	5	5
Percentage of capital case convictions upheld by the Arizona Supreme Court on direct appeal and in post-conviction proceedings	100	95	100	95	95
Percentage of death penalty sentences affirmed by the Arizona Supreme Court	93	95	100	95	95

◆ **Goal 2** To defend the State of Arizona in all non-capital appellate cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of briefs, habeas answers, petitions for review and responses to petitions for review filed	912	926	996	950	950

**Explanation:** Statistics are for the Criminal Appeals Section only.

Average number of briefs, habeas answers, petitions for review and responses to petitions for review filed per attorney for non-capital cases	36	36	34	34	34
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◆ **Goal 3** To aggressively investigate and prosecute drug, money laundering, gang and other related offenses that occur in throughout the State Arizona, to seek fair civil economic remedies to reduce the profit incentive of drug trafficking and to disrupt racketeering enterprises.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cases open (BCS & DRG Section Totals)	1,225	1,250	1,079	1,100	1,200
Opened cases resolved within the year (BCS & DRG Section Totals)	551	400	527	425	450

**Explanation:** Increase in cases resolved were due to those defendants who plead guilty in FY12 and sentenced in FY13 and due to the additional defendants being charged and resolved.

Number of defendants charged (BCS & DRG Section Totals)	1,163	1,100	754	800	900
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**Explanation:** Decrease of cases resolved for FY14 is due to the high number of defendants who have pled guilty, but have not been sentenced.

Number of child abuse victims (BCS & DRG Section Totals)	12	5	6	5	5
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**Explanation:** Decrease in FY14 is due to decreased submittals of methamphetamine cases involving children being submitted for prosecution.

- ◆ **Goal 4** To investigate and prosecute complex financial fraud crimes and high technology crimes throughout the State of Arizona, which many cases are referred to this office due to other prosecution offices' limitation in manpower, experience or resources.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cases open (BCS, FSP & HCF Section Totals)	1,451	1,250	1,307	1,300	1,350

**Explanation:** Increase in FY13 cases opened is due to the number of complex multi-defendant fraud cases submitted to be investigated and charged.

Opened cases resolved within the year (BCS, FSP & HCS Section Totals)	408	400	558	400	400
Matters reviewed but not opened (BCS, FSP & HCF Section Totals)	98	100	306	100	100
Total victim losses (\$ millions) (BCS, FSP & HCF Section Totals)	259	250	259.6	250	250

**Explanation:** While there was an increase in actual cases open for FY13, the number of victims per case was less; thus, the Total Victims Losses were less.

Total number of victims (BCS, FSP & HCF Section Totals)	23,682	25,000	21,081	25,000	25,000
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**Explanation:** While there was an increase in actual cases open for FY13, the number of victims per case was less.

Restitution ordered by the courts (\$ millions) (BCS, FSP & HCF Section Totals)	31.2	13	19.2	13	13
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**Explanation:** Increase in FY13 was due to restitution being ordered on large, complex victim cases.

- ◆ **Goal 5** To assist prosecutorial offices throughout the state by prosecuting matters that are referred due to conflicts of interest.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
County Attorney conflict of interest referrals (BCS, DRG, FSP & HCF Section Totals)	29	20	31	20	20

**Explanation:** Decrease in conflict cases in FY13 and FY14 is due to a reduction in requests for conflict assistance from the Maricopa County Attorney's Office.



- ◆ **Goal 6** To protect legitimate commerce from loss, prevent unfair competitive advantage based on criminal proceeds, reduce the financial power of criminal enterprises and compensate the victims of financially motivated crimes by dismantling racketeering enterprises through civil racketeering remedies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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New Forfeiture cases opened	1,658	1,809	2,372	2,500	2,500
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**Explanation:** Increase in FY14 is due to the continued partnership between AGO-FRS and law enforcement agencies statewide. This partnership has directly led to an increase in forfeiture cases submitted to AGO-FRS for prosecution.

Opened cases resolved within the year	909	682	6,225	3,000	3,000
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**Explanation:** Increase in FY14 is due to increased efficiencies in the AGO-FRS property management system.

Number of defendants (in rem/in personam)	7,253	4,713	3,044	2,544	2,044
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**Explanation:** Decrease in FY14 is due to the increase in cases resolved leaves fewer cases to remain pending. AGO-FRS property management made it a goal in FY14 to resolve many legacy cases.

Amount forfeited to State (\$ millions)	11.5	12	16.9	17	17.5
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**Explanation:** Increase in FY14 is due to the increase in efficiencies and the increase in new cases directly resulting in an increased amount forfeited to the state.

- ◆ **Goal 7** To support statewide prosecution and forfeiture efforts through training, research and property management support.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Law enforcement training seminars	84	50	94	50	50
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Financial inquiry assists	1,016	1000	7,000	5,000	5,000
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**Explanation:** Increase in FY14 was due to the inclusion of inquiries related to the transactional money remitter records being searched for federal, state and local law enforcement agencies. This number was not included in previous reports.

- ◆ **Goal 8** To improve the treatment of crime victims in Arizona by exhibiting leadership, promoting public policy reforms where needed and increasing the quality of victim services and victims' rights compliance through the administration of the Victims' Rights Program (VRP).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of victim service network events participated in	78	75	73	75	75
<b>Explanation:</b> In FY12, it was estimated that the FY13 number of Victim Service Network events participated in would be 100 based on previous fiscal years' actual numbers; however, the number was decreased due to staffing changes.					
Total awards disbursed (\$ millions)	2.76	2.75	3.23	3.2	3.2
<b>Explanation:</b> In FY14 the legislature increased the VRP Appropriation this year in order to fund the implementation and ongoing maintenance of an electronic grants management system.					
Percent of VRP recipients in compliance with mandates	100	100	100	100	100
Number of trainings and presentations given	38	50	45	50	50
<b>Explanation:</b> Decrease in FY13 is due to being without a full time Victims' Rights Trainer for approximately four months of FY13.					
Number of attendees at trainings and presentations	946	1,000	1,142	1,000	1,000
<b>Explanation:</b> Decrease in FY13 is due to being without a full time Victims' Rights Trainer for approximately four months of FY13.					
% of victims' rights violation allegations responded to	100	100	100	100	100
% of Victims' Rights award recipients satisfied with the Victim's Rights Program	94	90	100	90	90
Number of agencies audited	17	18	15	18	18

- ◆ **Goal 9** To foster victims' recovery from the traumatic short and long-term effects of victimization, to prepare victims to cope with the impact of criminal justice system involvement, and to provide for the efficient and effective delivery of quality services to victims during all stages of criminal prosecutions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of victims served	10,271	10,000	11,321	10,000	10,000
<b>Explanation:</b>	Increase in FY14 numbers for victims served and mandated services was due to an increased number of large multi-victim cases being prosecuted. In addition one case with 1800 victims was opened in FY14.				
Number of mandated services provided	21,301	20,000	32,029	20,000	20,000
<b>Explanation:</b>	Increase in FY14 numbers for victims served and mandated services was due to an increased number of large multi-victim cases being prosecuted. In addition one case with 1800 victims was opened in FY14.				
Number of non-mandated services provided	106,809	120,000	74,853	110,000	110,000
<b>Explanation:</b>	Decrease in FY14 non-mandated services was due to staffing issues; primarily due to advocate vacancies for much of FY14, which dictated a focus on providing mandated services first, leaving much less time to provide non-mandated services.				
Open restitution cases	279	250	332	250	250
<b>Explanation:</b>	Increase in FY14 was due to multiple factors: more cases were opened than were closed during FY14, there was a general increase in monitoring of cases and the increase of trial cases/victims overall created more restitution cases than in years prior.				
Compliance checks of restitution orders conducted	1,454	1,300	1,876	1,300	1,300
<b>Explanation:</b>	Increases in FY13 and FY14 were due to an increase number of Restitution Advocates working on case file clean-up and having a new Restitution Advocate in Phoenix working more effectively with Probation Officers to provide updates on compliance.				

- ◆ **Goal 10** To provide competent and timely investigations of criminal conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Open cases	659	650	528	600	650
<b>Explanation:</b>	Decrease in FY14 was due to continued reallocation of resources, including several vacancies from retirements and resignations.				
Law enforcement assists	1,341	1350	7,431	7,500	7,500
<b>Explanation:</b>	Increase in FY14 was due to the inclusion of inquiries related to the transactional money remitter records being searched for federal, state and local law enforcement agencies				
Matters reviewed but not opened by Duty Agent	2,300	2,300	1,949	2,000	2,000

## Subprogram Summary

### CHILD AND FAMILY PROTECTION DIVISION

Heather Pellegrino, Division Chief Counsel

Phone: (602) 542-9948

A.R.S. § 41-191

#### Mission:

*To provide the Department of Economic Security (DES) and the Department of Child Safety (DCS) with high quality and timely legal advice and representation to promote the safety, economic sufficiency and well-being of children, adults and families.*

#### Description:

The Division is responsible for providing legal services to all programs and business operations of the DES and the DCS. The Division provides these services through three distinct sections.

The Protective Services Section (PSS) provides comprehensive legal representation to the DCS throughout Arizona's 15 counties with offices located in Flagstaff, Gila/Pinal, Kingman, Mesa, Phoenix I, Phoenix II, Prescott, Sierra Vista, Tucson and Yuma. PSS represents the DCS in all dependency, guardianship, termination and appellate proceedings brought for the protection of abused and neglected children. PSS also handles some adoption proceedings on behalf of the DCS, and administers a case processing system established by state and federal law designed to expedite dependency court proceedings and place children in safe, permanent homes.

The Child Support Section (CSS) represents DES' Division of Child Support Services (DCSS). This includes establishing paternity and obtaining, modifying and enforcing child support orders to ensure the economic well-being of children. CSS also represents DCSS in appeals, complex litigation actions and provides comprehensive legal advice and support to DCSS in 11 of the 15 Arizona counties.

The Civil and Criminal Litigation & Advice Section (CLA) provides legal advice and representation in administrative hearings and state and federal courts to DCS and a myriad of programs within DES. Other than Child Support Services, CLA represents all DES programs (approximately 100) some of which include: Developmental Disabilities, Procurement, Unemployment Insurance, Collections, Supplemental Nutrition Assistance, Child Care Assistance and Licensing (foster homes and child welfare agencies). CLA also represents DCS and DES in all personnel and operations matters and prosecutes criminal cases relating to various DES program violations, including recipient benefit fraud, employee embezzlement, provider fraud and criminal nonpayment of child support, as well as, all related appeals.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	147.7	1,000.0	8,470.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	737.6	1,875.8	3,743.4
<b>Total Funding</b>	<b>885.3</b>	<b>2,875.8</b>	<b>12,213.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>12.0</b>	<b>96.0</b>

- ◆ **Goal 1** To assist the DCS in protecting children from abuse and neglect by providing legal services and representation in compliance with the timeframes established by federal and state law.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of dependencies filed by the DCS (including supplemental and in-home petitions)	4,839	5,100	5,585	6,255	6,881

**Explanation:** In FY2014, the economic climate was still difficult for many Arizona families. With the additional stressors on families and the lack of the reinstatement of full prevention services that were available pre-recession in our communities statewide, the Department saw the severity of abuse and neglect rise. Consequently, the Department removed more children under dependency petitions to ensure their health, safety and well-being.

Number of preliminary protective hearings within five to seven days of filing initial dependency petition	5,783	6,075	6,803	7,619	8,381
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**Explanation:** The increase in preliminary protective hearings is directly tied to the significant increase in the number of dependency petitions filed and the existence of multiple parties involved in each case.

- ◆ **Goal 2** To assist the DCS in establishing permanent living situations for children by providing legal services and representation in all stages of judicial proceedings that comply with federal and state timeframes for new cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of hearings held to establish a permanent plan within 12 months	7,675	8,050	7,512	7,512	7,600

**Explanation:** With the number of dependencies filed in FY14 the corresponding number of hearings to establish a permanent plan within 12 months in FY14 is reasonable. It is difficult to identify an evidence based systemic explanation for the decrease in the number of hearings held to establish a permanent plan within 12 months from FY13 to FY14 when the number of dependencies filed by the DCS increased in FY14. Possible explanations could be the increase in the dismissal of cases prior to the hearing to establish a permanent plan within 12 months, data entry irregularities concerning the type of hearing held or permanency hearings not being held in a timely manner.

Number of reunifications achieved (child back with parents)	1,424	1,530	2,674	2,995	3,295
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**Explanation:** With more children in care throughout the state, there was a corresponding higher percentage of children that were reunified with their parents. Additionally, with the implementation of baby courts statewide, the Department's emphasis for this vulnerable population, was on timely, safe reunification with at least one parent. Tucson continued to have the highest reunification success rate throughout the state.

Number of guardianships achieved (child placed with guardian)	291	290	400	448	493
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**Explanation:** The continued increase in guardianship actions is directly tied to the significant increase in the number of dependency petitions filed and the existence of multiple children involved in each case.

Number of terminations achieved (child removed from parents)	2,834	3,260	2,892	2,950	3,009
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**Explanation:** With more children in care throughout the state and the lack of corresponding resources in the court system, DCS, and PSS, the ability to achieve permanency for children through termination actions has been impacted.

- ◆ **Goal 3** To increase the percentage of cases in the State's child support caseload which have child support orders and to increase the percentage of collections on current support.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of court ordered cases ratio required	85	86	87	89	89
Percentage of current support collected	55	57.0	56	57	58

- ◆ **Goal 4** To increase the number of children in the State's child support caseload whose paternity is established.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of children with paternity established	1,372	1,350	1,698	1,500	1,500

**Explanation:** The increase in the number of children with paternity established is attributable to the increased number of paternity actions referred by our client agency and to the addition of the Pinal County IV-D program which transferred to the State on July 1, 2013.

- ◆ **Goal 5** To provide legal representation in DES and DCS litigation and to prosecute and deter fraud.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administrative, Civil and Appellate litigation resolved (cases closed)	930	1,000	574	700	700

**Explanation:** The decrease in cases resolved is attributable primarily to a significant decrease in the number of unemployment insurance benefit appeals cases opened this year. In FY2013, an unusually large number of UI benefit appeals cases were closed in an effort to reduce a backlog. Additionally, a significant number of unemployment insurance tax cases referrals were received but are not yet closed, as they are still awaiting hearing or decision at the DES Appeals Board. The decrease in cases resolved is also attributable to an increase in hours spent providing counsel and advice and a decrease in referrals for several types of cases, including DDD claim disputes, CPS mental health cases, EEOC charges, and Internal Affairs cases.

Civil Collection litigation resolved (judgments)	258	275	328	275	275
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**Explanation:** The increase in civil collection judgments is attributable to an increase in the number of civil collection cases filed, which was the result of a temporary increase in the number of staff assigned to assist with the increased number of collections referrals from the client.

Criminal prosecutions completed successfully (sentenced)	186	200	160	190	200
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**Explanation:** The decrease in the number of criminal prosecutions completed successfully can be attributed partially to approximately 45 cases going to warrant status during the fiscal year, as well as to the increased amount of criminal restitution received prior to sentencing, as current practice is to agree to extend the time for sentencing if a defendant is making a good faith effort to repay the fraudulent overpayments.

◆ **Goal 6** To generate funds for the State via criminal restitution and civil judgments.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Civil judgments (\$)	701,539	700,000	1,255,245	700,000	700,000

**Explanation:** The increase in the amount of civil judgments is attributable to an increase in the number of civil collection cases filed, which resulted in an increased number of cases going to judgment. It is also attributable to an increased average dollar value per judgment.

Garnishment funds received (\$)	322,821	340,000	309,739	340,000	340,000
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**Explanation:** The decrease in garnishment funds received is attributable to a temporary suspension of garnishment activity when an issue involving the calculation of interest was discovered. Garnishment activities resumed as usual once the issue was resolved.

Criminal restitution ordered (\$)	711,936	475,000	702,830	475,000	475,000
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**Explanation:** The increase in the amount of criminal restitution ordered is attributable to an increased average dollar value per case sentenced. Increased restitution amounts can be linked to the increase in the number of weeks a person could collect unemployment insurance.

Criminal restitution received prior to sentencing (\$)	597,597	425,000	726,000	425,000	425,000
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**Explanation:** The increase in the amount of criminal restitution ordered is attributable to an increased average dollar value per case sentenced. Increased restitution amounts can be linked to the increase in the number of weeks a person could collect unemployment insurance. This amount reflects defendants' repayment of fraudulent overpayments in order to obtain a more favorable plea offer.

◆ **Goal 7** To provide comprehensive legal advice to the Department of Economic Security and Department of Child Safety.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Hours of counsel and advice	30,694	27,000	27,000	32,087	27,000

**Explanation:** The hours of counsel and advice have increased above estimate due to several DES and DCS projects that have required substantial input from CLA attorneys, including but not limited to, the creation of DCS as a separate agency.

## Subprogram Summary

### CIVIL DIVISION

Richard Rice, Division Chief Counsel  
Phone: (602) 542-8872  
A.R.S. § 41-191

#### Mission:

*To provide high-quality, effective, and innovative legal representation to the State of Arizona, its agencies, officers, and employees acting within the scope of their employment.*

#### Description:

The Civil Division consists of attorneys and staff whose principal assignments focus on specialty areas of civil law. In addition, the Division provides day-to-day legal services to a number of departments, boards, and commissions in the State of Arizona. The Division is divided into six Sections:

**Education and Health Section (EHS)** – EHS provides legal services to the Department of Health Services (including the Arizona State Hospital, the Division of Behavioral Health Services, and the Bureau of Emergency Medical Services), the Department of Education, the School Facilities Board, the Arizona State School for the Deaf and Bland and the Charter School Board.

**Employment Law Section (ELS)** – ELS provides employment law advice to state agencies and represents the State in employee appeals from personnel actions. Further, ELS defends the State, its agencies and employees in employment lawsuits brought by current, former or prospective employees. ELS also defends the State and Risk Management in contested workers compensation cases.

**Licensing and Enforcement Section (LES)** – LES provides legal services to more than forty State agencies, boards and commissions, most of which regulate professions, occupation or businesses. The Section provides legal advice to client agencies regarding their statutes and rules as well as open meetings, public records and employment law issues. In addition, the Section provides litigation services by prosecuting administrative hearings against licenses and defending appeals of agency actions in Superior Court. Some of the agencies represented by the Section include the Accountancy Board, the Arizona Medical Board, the Dental Board, the Department of Liquor Licenses and Control and the Nursing Board.

**Liability Management Section (LMS)** – LMS represents the State in Risk Management-covered lawsuits alleging liability for personal injuries, property damage and constitutional law.

**Natural Resources Section (NRS)** – NRS provides agency advice to a variety of State agencies, but primarily the Arizona State Land Department (ASLD). Since the ASLD manages over eight-million acres of state trust land, NRS' services relate to a myriad of issues, including urban and rural development, sales and long-term leasing issues, and grazing and mining issues. Further, NRS provides legal representation for state agency claimants in the water adjudications, with water rights claims on state trust lands comprising the majority of those claims. The Section also provides legal counsel to other agencies such as Arizona State Parks, the Prescott Historical Society and the State Mine Inspector.

**Transportation Section (TRN)** – TRN represents the Arizona Department of Transportation in the areas of eminent domain litigation, property damage claims, construction contracts, procurement contracts, vehicle license suspensions, driver's license revocations and appeals, and personnel matters. The Section also represents the Arizona Department of Public Safety. The Tax Unit within the Section represents the Arizona Department of Revenue and the Department of Transportation in property tax, income tax and transaction privilege (sales) and use tax, and fuel tax matters.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,403.5	1,687.5	1,831.0
Other Appropriated Funds	18,526.9	19,708.3	19,708.3
Other Non Appropriated Funds	59.0	59.7	59.7
<b>Total Funding</b>	<b>19,989.4</b>	<b>21,455.5</b>	<b>21,599.0</b>
<b>FTE Positions</b>	<b>183.4</b>	<b>194.4</b>	<b>195.4</b>



- ◆ **Goal 1** To provide legal strategy, advice, and advocacy that secures and augments the value of the State Land Trust and contributes to the General Fund.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Amounts recovered, generated, and/or saved (in millions of dollars)	122	85	96.8	100	120

**Explanation:** The FY2014 number is a conservative calculation of those revenues generated from sales and long-term leases where the Attorney General's Office provided assistance at the original transaction stage and/or on an on-going basis. The FY2015 estimate reflects some market recovery, but without API sales, as future legislative funding for API sales is uncertain. The FY2016 estimate reflects the potential upswing in the market recovery.

- ◆ **Goal 2** To provide quality legal services that are more efficient and less costly than outside legal counsel (AGO = Attorney General's Office and OSC = Outside Counsel).

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Average months in suit: per tort lawsuit - AGO	17	20	18	20	20

**Explanation:** Average for any given year is based only on those cases which closed during that year. The facts of each case are different - as are the witnesses, attorneys, and judges - thereby causing fluctuations in average numbers from one year to the next. Additionally, criminal cases have priority over civil cases for judge assignments.

Average months in suit: per tort lawsuit - OSC	21	28	28	28	28
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**Explanation:** Average for any given year is based only on those cases which closed during that year. The facts of each case are different - as are the witnesses, attorneys, and judges - thereby causing fluctuations in average numbers from one year to the next.

Average billable hours: per tort lawsuit - AGO	262	280	240	280	285
Average billable hours: per tort lawsuit - OSC	201	305	311	300	305
Average billable hourly rate: per tort lawsuit - AGO	105	120	105	120	105
Average billable hourly rate: per tort lawsuit - OSC	193	200	199	200	220
Average months in suit: per employment lawsuit - AGO	18	20	16	20	20
Average months in suit: per employment lawsuit - OSC	N/A	24	60	24	24

**Explanation:** It is difficult to get meaningful data for employment lawsuits assigned to outside counsel (OSC) because few cases are assigned to outside counsel. The FY 14 data is a reflection of information from one case. When no outside counsel employment lawsuits are closed during a fiscal year, there is no data to report.

Average billable hours: per employment lawsuit - AGO	497	500	708	700	700
Average billable hourly rate: per employment lawsuit - AGO	115	125	131	125	125
Average billable hourly rate: per workers compensation matter: AGO	111	116	119	116	116
Average billable hourly rate: per employment lawsuit - OSC	0	0	226	280	280

**Program Summary**

**CENTRAL ADMINISTRATION**

Eric Bistrow & Margaret Dugan, Chief Deputy & Chief of Staff  
 Phone: (602) 542-8080  
 A.R.S. § 41-191

**Mission:**

*To provide administrative and policy support in addition to direction for the Department of Law and to collect debts owed to the State, provide budgetary, contract, accounting, financial control services and information technology support, and manage employee relations and process personnel actions, and provide centralized distribution to the Attorney General's Office.*

**Description:**

The program is comprised of four areas: (1) Executive Office; (2) Solicitor General's Office; (3) Administrative Services Division; and (4) The Business and Finance Division.

The Attorney General and Executive Staff are responsible for providing legal advice to state officials, legislators, county attorneys, and all client state agencies in addition to certifying rules promulgated by state agencies. The following functions fall under the Executive Office: media relations, federal relations and policy, constituent services, community outreach, legislative affairs and information services.

The Solicitor General's Office's responsibilities include: (1) managing the State's civil appellate matters; (2) overseeing and advising on significant criminal appeals; (3) supervising the production of formal Attorney General opinions; (4) handling matters of election law; (5) providing independent advice to state agencies and boards in administrative proceedings in which other assistant attorneys general appear as advocates; (6) representing the Governor's Regulatory Review Council and five appellate boards; (7) serving as a clearinghouse for lawyers throughout the Attorney General's Office on a variety of special projects; and (8) providing policy support in the specific areas of ethics and training, specialized litigation, and key programs as prioritized by the Attorney General.

The Administrative Services Division is committed to providing premier employee services through clear communication, employee training, and centralized processes in Human Resources, Procurement and Facilities Management. Human Resources supports all vital personnel functions including employee relations, benefits services, leave of absences, new employee orientation, staff and supervisor training, various personnel actions and oversight over office policies and procedures. Facilities Management provides centralized services through building support, mail distribution, transportation, copy, reception and security services.

The Business and Finance Division is comprised of the Collections Enforcement Section, the Financial Services Section and Grants Management. The Collections Enforcement Section works in collaboration with the State Court & Bankruptcy Section to collect debts owed to the State, while the Financial Services Section consists of all Accounting and Budget functions. Grants Management serves as the centralized unit that oversees and supports federal, state and non-governmental grants within the Office.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	6,695.0	7,054.5	7,054.5
Other Appropriated Funds	2,241.4	2,641.0	2,641.0
Other Non Appropriated Funds	2,724.4	3,598.6	3,598.6
<b>Total Funding</b>	<b>11,660.8</b>	<b>13,294.1</b>	<b>13,294.1</b>
<b>FTE Positions</b>	<b>120.7</b>	<b>120.8</b>	<b>120.8</b>

◆ **Goal 1** To optimize the use of State funds in fulfilling the mission of the Attorney General's Office.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administrative costs as a % of total costs	6.6	6.1	5.6	5.5	4.7

◆ **Goal 2** To provide a superior level of legal services to our client agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for client agencies (scale of 1 to 8, with 8 the highest)	7.30	7.50	7.33	7.50	7.50

◆ **Goal 3** To timely issue formal legal opinions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Days to respond to a request for a legal opinion	64	60	48	60	60

**Explanation:** Turnaround time improved significantly from FY 2013 to FY 2014, presumably because FY 2013 turnaround was adversely affected by transitioning from one Solicitor General to an acting Solicitor General to the current Solicitor General while several opinions were pending. The number of opinion requests continues to gradually increase, and SGO is relying more heavily on attorneys in other AGO divisions to assist in drafting. In that way, SGO expects to meet the FY 2015 estimate despite the greater demand.

◆ **Goal 4** To retain professional, experienced staff whose skills serve both state residents and client agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of agency staff turnover	0	0	12	17	17

**Explanation:** FY 2013 Actual: 15.9 FY 2014 Estimate: 17

◆ **Goal 5** To collect debts owed to the State of Arizona efficiently, expeditiously and fairly.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Revenue Increase Over Prior Year (as a percentage)	9.75	5	20.47	5	5

**Explanation:** This performance measure was added in FY13.

◆ **Goal 6** To effectively leverage technologies through staff training and full utilization/implementation of software programs including Legal Files, RevQ, ProcureAZ, Footprints, Access Databases, and Internal Asset Tracking System.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Staff training hours	394.5	275	361.75	275	275

◆ **Goal 7** To increase capacity of Accounting staff by increasing the number of invoices paid through the State's procurement system, ProcureAZ, rather than through the AFIS accounting system.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Eligible Invoices Paid through ProcureAZ	86.3	90	86.71	95	88

**Explanation:** This performance measure was added in FY13.

◆ **Goal 8** To successfully hire and onboard professionals and provide above average new employee and supervisor training.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of 'satisfied' rating in new employee hire process and training	0	70	98	73	75
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**Explanation:** New performance measure for FY14

Percent of 'satisfied' rating in supervisor training	0	70	100	73	75
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**Explanation:** New performance measure for FY14

◆ **Goal 9** To provide internal clients with above average customer service in processing personnel actions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of 'satisfied' rating in processing personnel actions	0	70	100	73	75
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**Explanation:** New performance measure for FY14

◆ **Goal 10** To provide internal clients with above average customer service for centralized services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of 'satisfied' rating in processing centralized services requests	0	70	77.46	73	75
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**Explanation:** New performance measure for FY14

◆ **Goal 11** To provide internal clients with above average customer service for procurement requests.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of 'satisfied' rating in processing procurement requests	0	70	100	73	75
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**Explanation:** New performance measure for FY14

### Agency Summary

#### AUTO THEFT AUTHORITY

Frederick W. Zumbo, Executive Director  
Phone: (602) 364-2888  
A.R.S. § 41-3451

**Mission:**

*To deter vehicle theft in Arizona through a cooperative effort by supporting law enforcement activities, vertical prosecution, and public awareness programs.*

**Description:**

The Authority administers grants provided to law enforcement and criminal justice agencies for the most effective and efficient law enforcement, prosecution and prevention strategies to combat auto theft across Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,112.7	5,297.8	5,547.8
Other Non Appropriated Funds	25.0	0.0	0.0
<b>Total Funding</b>	<b>5,137.7</b>	<b>5,297.8</b>	<b>5,547.8</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

## 5 Year Plan

**Issue 1** Increase AATA Administrative and Program Staff.

**Description** AATA staffing has decreased more than half over the past five years, with no additional administrative or program support positions being filled or added. Additional staff will ensure coverage for all areas, including internal controls and separation of duties.

**Solutions:**

Work with ADOA to develop new AATA Support/Program position for the agency. Hire at minimum one (1) additional FTE staff position. This entry level position would be at the current ADOA description of an Admin Assistant III with a range to ASO grade 19. The additional full time position will provide coverage for the current employees and would, through a training process, have the ability to replace a current employee if the need would arise. Hire and train additional staff as needed, with goal of 6 FTE's by FY 2019.

**Issue 2** AATA Executive Director Salary cap at \$75,000, per Statute 41-3451 from 1992 Legislation.

**Description** Removing the AATA's Executive Director salary cap is necessary to recruit and retain qualified applicants with a competitive salary and to be able to adjust the salary for cost of living increases as needed.

**Solutions:**

Work with Insurance industry partners to revise current statute to give the agency a range of compensation options available to the AATA Board of Directors for the Executive Director. The salary range should be commensurate with other Agencies of similar size and budget. The proposed range is \$75,000.00 to \$130,000.00.

**Issue 3** Expand AATA's Vertical Prosecution Program to counties across Arizona.

**Description** Vertical prosecution of auto theft cases does not exist in Arizona absent funding by the AATA. The complex nature of automobile theft and the associated organized crime requires the funding of a sufficient number of well-trained prosecutors to work with the Task Force and other law enforcement to continue the successes achieved and prevent a backward slide in vehicle theft rates.

**Solutions:**

Determine which counties (large and small) to be funded  
Provide training and instruction on the Vertical Prosecution Program  
Provide AATA Grant funding for additional support staff if needed  
Ensure that the agencies are following guidelines set forth by the AATA

**Issue 4** Increase AATA Public Awareness Programs statewide.

**Description** AATA's Public Awareness programs are currently underutilized. Public Awareness programs have been an effective tool employed by the AATA and its law enforcement partners in the reduction of vehicle theft on a statewide basis, however, these programs have been less of a funding priority in recent years.

**Solutions:**

Contact and develop partnerships with state/local law enforcement and prosecution agencies. Assist with the development of grants programs for these agencies to initiate public awareness programs in each Arizona County.  
Identify new, innovative programs and strategies for statewide impact and a re-establish our Agency brand. Continue to provide equipment, literature and promotional items, along with other AATA resources, which provide agencies the ability to target specific needs of their community and to empower vehicle owners to protect their property.  
Maintain and support sustainable auto theft prevention programs, including Watch Your Car, FREE VIN Etching, Youth Theft Deterrent programs, Blockwatch, AARP and Citizens on Patrol programs.  
Empower Arizona vehicle owners to protect and secure their personal property.

**Issue 5** Address growing crime trend of Carjacking crimes across Arizona.

**Description** As technology improves, criminals often commit carjackings because improved security systems make it very difficult to steal high-end vehicles without a key. Thieves carjack vehicles and use them to commit robberies, shootings and homicides.

**Solutions:**

Develop a public awareness program/campaign specific to carjacking crimes. Share with statewide law enforcement and criminal justice partners along with Blockwatch and community groups.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	6.0	6.0	6.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	5,720,015.0	5,834,000.0	5,950,000.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To analyze the problem and trends of vehicle theft and associated criminal activity.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of studies conducted	8	8	8	10	10

◆ **Goal 2** To reduce the incidence of vehicle theft and associated criminal activity by supporting innovative deterrence and prevention programs.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of vehicles stolen statewide (2013 calendar year).	17,533	16,000	15,551	15,000	15,000

**Explanation:** \*2013 stolen vehicle data from 2013 Arizona DPS Crime in Arizona Report. 2013 FBI UCR data to be released Fall 2014

Arizona vehicle theft rate (# per 100,000 population)	267	244	243	235	235
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◆ **Goal 3** To deter vehicle theft and associated criminal activity through aggressive, proactive law enforcement strategies.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of Task Force positions funded by AATA	32	32	30	34	34
Number of stolen vehicles recovered by AZ. Auto Theft Task Force	1,200	1,150	852	900	950

**Explanation:** The Arizona Vehicle Theft Task Force has shifted focus in recent years to large scale investigations and dismantling organized auto theft/crime rings.

Value of stolen vehicles recovered by Task Force (in \$ Millions).	10.5	12.5	8.2	10.0	12.0
Number of felony arrests by Task Force	105	250	127	200	250
Number of "chop shops" investigated by Task Force.	23	35	19	25	35
Number of insurance fraud investigations by Task Force	14	20	13	25	30
Number of trainings and investigative assistance provided by Task Force	948	600	1,066	1,200	1,250
For every \$1 dollar funded by the AATA, this amount recovered by the AZ. Auto Theft Task Force.	3.5	3.5	2.1	3.5	3.5
Number of law enforcement grants awarded	10	12	4	10	20

**Explanation:** Agency presently working to expand statewide Law Enforcement Grant programs.

◆ **Goal 4** To assure deterrence of vehicle theft and associated criminal activity through effective auto theft (vertical) prosecution.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of prosecutors funded by AATA	4.5	6	4.5	4.5	6
<b>Explanation:</b> Agency presently working to expand into more counties across Arizona.					
Number of participating counties	4	7	4	4	6
<b>Explanation:</b> Funding reductions since FY09 have impacted the Vertical Prosecution Program and the number of participating counties.					
Number of vehicle theft cases filed	297	350	738	800	900
Number of vehicle theft convictions	298	320	559	600	700
Amount of restitution ordered	407,000	2,000,000	552,000	1,000,000	2,000,000

◆ **Goal 5** To provide public education & prevention strategies to reduce victimization of vehicle theft and related criminal activity.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Public Awareness grants to criminal justice agencies	0	0	1	6	12
Number of PACE (Public Awareness and Community Education) events statewide	58	60	65	75	100
Number of PACE events sponsored by AATA	25	30	35	40	50
Number of PACE events sponsored by AATA grant agencies	33	30	30	35	50
Number of ACTIVE Watch Your Car (WYC) enrollments	50,300	51,000	42,000	40,000	38,000

**Explanation:** The WYC program currently reduced to maintenance level due to agency staffing.

◆ **Goal 6** To develop expertise and promote well-trained vehicle theft/insurance fraud investigators and prosecutors.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of professional training grants awarded to agencies	20	10	5	40	15
<b>Explanation:</b> Major statewide Auto Theft Training Seminar hosted in Arizona every two years. Agency co-hosting the 63rd Annual International Assoc. of Auto Theft Investigators (IAATI) Seminar August 2015 (expected attendance 400+).					
Number of law enforcement/criminal justice personnel receiving auto theft training	37	8	5	50	15



◆ **Goal 7** To maximize Agency effectiveness, efficiency and customer satisfaction.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Ratio of administrative costs as a percent of total expenditures	4.23	6.0	4.43	6.0	6.0
<b>Explanation:</b> Ratio decrease is the result of a complete evaluation of all administrative programs.					
Number of grant agency contractual compliance reviews	33	35	38	40	50
<b>Explanation:</b> All grant agencies are reviewed annually for compliance.					
Customer satisfaction rating (scale of 1-3, 1 highest rating)	1	1	1	1	1
Number of site visits to grant agencies and statewide law enforcement & criminal justice partners.	82	90	50	55	70
<b>Explanation:</b> Reduction in grants and agency staff resulted in fewer agency site visits.					
Initiate monthly e-newsletter and electronic communications with agency customers/stakeholders.	58	65	96	120	150
<b>Explanation:</b> AATA staff continue to implement cost effective strategies for agency and stakeholder communication efforts.					

## Agency Summary

### BOARD OF BARBER EXAMINERS

Sam B. LaBarbera, Executive Director  
Phone: (602) 542-4498  
A.R.S. §§ 32-301 et. seq.

#### Mission:

*To preserve the public welfare and health through the development and enforcement of adequate sanitation procedures, rules, and laws governing barbers and barbering establishments.*

#### Description:

The Board administers barbering examinations, grants and renews licenses, inspects barbering establishments, investigates consumer complaints regarding unlawful activities, and takes measures to resolve complaints, including holding hearings, levying fines, and suspending or revoking licenses.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	316.1	333.9	369.9
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>316.1</b>	<b>333.9</b>	<b>369.9</b>
<b>FTE Positions</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>

**Issue 1** To service licensees in an efficient manner

**Description** Provide our licensee's with quick and accurate service, to assist our licensees with the information they need and to keep administrative costs as low as possible.

**Solutions:**

We issue or deny an applicant's request for a license within 7 days. We assist our licensee with questions they may have, thereby allowing them to obey the laws that govern their license. By helping them with their questions with sanitation, we are also helping to protect the public's health. In order to protect the public's health, three-fourths of our staff spends most of their time investigating complaints and inspecting barber shops and barber schools; this also helps keep our administrative costs low.

**Issue 2** To enforce legislative requirements concerning the regulation of barbers

**Description** We try to inspect each barber shop or barber school twice each year for compliance with Arizona statutes. During this inspection, we are also checking each barber or instructor for compliance with Arizona statutes.

**Solutions:**

If there is problem with a licensee's failure to comply with Arizona statutes the inspection is brought to the attention of the governing Board. The Governing Board decides whether to dismiss the case or to proceed to a legal proceedings which might result in a civil penalty, probation, suspension or revocation of a license.

**Issue 3** To ensure the proper use of sanitary procedures to prevent the transmission of diseases, parasite, or injury to the public

**Description** The Board answers questions from the public or licensees regarding proper methods of sanitation. During inspections, barbers have their stations and equipment checked for compliance with Arizona standards.

**Solutions:**

The Board attends the annual conference of the National Association of Barber Boards of America to stay informed of new products and techniques. The conference also allows us to learn of problems other states are experiencing. The Board also gives demonstrations at the various barber schools and other events.

**Issue 4** To ensure that all licenses issued by the Board meet minimum requirements.

**Description** We check each application for a license to ensure that all of the requirements of Arizona laws are met.

**Solutions:**

Each application is checked to verify that the paper requirements have been presented. This includes, but is not limited to, the State requirement that the applicant be a citizen of the United States or be a legal resident of the United States. If the applicant is student who has just graduated from a barber school, we give a written and practical to ensure the applicant meets the expected knowledge and school expected from a new graduate.

**Issue 5** To update the website.

**Description** The website needs to have many of its sections brought up to date and new sections added. We feel this will help the public and our licensees. We also want to make the website more user friendly for our staff by adding software that will enable our staff to make corrections directly on the website without going through a third party. During the last year a section has been added for upcoming agendas and approved minutes.

**Solutions:**

We have recently acquired the software to allow us to have better control of the website without having to pay a programmer every time a change is made to the website.

**Issue 6** To update the laws and rules governing the Board.

**Description** The Board has many issues with its rules which it wishes to update. Many of these issues involve bringing the rules up to date to match other laws which have been modified or enacted. However, several of the rules we wish to implement involve the safety of the public, barber students, barbers, instructors, schools and establishment. We also have an issue with our laws. There are many new circumstances which to be addressed legislatively.

**Solutions:**

We are currently working a consultant regarding these changes to our rules.

We have a funding issue in our current budget submission requesting the funds to hire a lobbyist. We have spent many years trying to get a sponsor for some of this legislation and have gotten no one to agree to act as a sponsor.

**Resource Assumptions**

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	4.0	4.0	4.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	333.8	333.8	333.8
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To ensure that all licenses issued by the Board meet minimum requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New examination applications accepted	319	369	320	391	391
Number of first examinations passed	178	213	178	238	178
Percent of examinations passed	56	56	56	58	58
Number of all exam applicants (includes retakes)	333	591	831	850	850
Number of written examinations given	350	404	422	430	440
Number of practical examinations given	371	386	409	411	430
Number of new barber/instructor licenses issued	336	477	348	350	350
Number of new shop/school licenses issued	86	410	256	275	300

◆ **Goal 2** To ensure the proper use of sanitary procedures to prevent the transmission of disease, parasites, or injury to the public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of inspections conducted	2444	3,200	2,467	3,200	3,200
Percent of total inspections passed	86	79	86	90	90
Number of complaints received	350	350	350	350	350
Avg. calendar days from receipt of complaint to start of investigation	21	21	21	21	21

◆ **Goal 3** To enforce legislative requirements concerning the regulation of barbers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of inspections conducted	2444	3,200	2,467	3,200	3,200
Percent of inspections passed	86	79	86	90	90
Number of licenses revoked or suspended	0	4	0	2	2
Disciplinary actions	59	50	75	50	75
Disciplinary actions resulting in penalties	57	45	41	45	50

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◆ **Goal 4** To serve licensees in an efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of calendar days from receipt of application to acceptance or denial	.08	3	.02	3	3
Administrative cost as a percent of total cost	7.9	10	8.1	10	10
Number of all licenses	7732	7,825	7,816	7,902	7,988

### Agency Summary

#### BOARD OF BEHAVIORAL HEALTH EXAMINERS

Tobi Zavala, Executive Director  
Phone: (602) 542-1617  
A.R.S. §§ 32-3251 to 32-3322

#### Mission:

*To establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work, and substance abuse counseling, and to regulate the practice of licensed behavioral health professionals for the protection of the public.*

#### Description:

The Board licenses and biennially renews licensure for approximately 9,800 behavioral health professionals requiring these professionals meet minimum standards of education, experience, and competency as measured by examination. The Board also receives and investigates complaints, takes necessary disciplinary action, and responds to inquiries from consumers regarding the licensure status and complaint history of individual behavioral health professionals.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,446.9	1,758.6	1,758.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,446.9</b>	<b>1,758.6</b>	<b>1,758.6</b>
<b>FTE Positions</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>

## 5 Year Plan

**Issue 1** Implementation of process changes required by SB 1374.

**Description** SB 1374 was adopted during the 2013 legislative session. That bill makes a number of significant changes to the Board's current statutory authority. The Board is currently making the process modifications needed to implement those changes.

The Board anticipates the following challenges related to implementation of SB 1374:

1. Implementation of changes mandated by SB 1374 will require a significant investment of Board resources.
2. The Board's workload will expand significantly when it becomes responsible for all complaint review processes.
3. It is anticipated that the Board will experience processing delays until it is able to develop new processes to address this workload increase.
4. The Board anticipates a significant increase in its expenses as a result of changes mandated by SB 1374.

**Solutions:**

The Board plans to address these challenges as follows:

1. The Board will direct all available internal resources to ensure timely implementation of changes mandated by SB 1374.
2. The Board will hire independent contractors to provide services as needed to implement SB 1374.
3. The Board will likely need to increase the number of its monthly meeting dates to absorb the increase in its complaints workload.

**Issue 2** Continuing efforts to reduce the Board's average complaint resolution timeframe.

**Description** The only finding in the 08/31/12 Performance Audit and Sunset Review by the Auditor General (08/12 Audit Report) addressed the following:

1. The Auditor General has determined that Arizona health regulatory boards should resolve complaints within 180 days of receipt.
2. The Board should improve its complaint resolution timeliness as the majority of complaints closed in FY 2010-2011 took more than 180 days to resolve.

**Solutions:**

The Board agreed with this finding and took immediate action to implement all of the changes recommended in the 08/12 Audit Report to help the Board eliminate complaint processing delays. Despite these changes, the Board remains unable to achieve the 180 day complaint resolution timeframe recommended by the Auditor General.

The Board plans to continue its efforts to reduce complaint processing delays as follows:

1. The Board will continue to follow all the recommendations set forth in the 08/12 Audit Report.
2. The Board will continue to direct all available resources toward processes designed to reduce complaint timeframes.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	17.0	17.0	17.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,758.1	1,758.1	1,758.1
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To improve agency operations to ensure equitable, consistent, and timely enforcement of statutes and rules regulating behavioral health professionals.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of application reviews completed within 180 days	99	90	98	90	90
Number of new and existing licenses issued	8,798	9,193	9313	9,454	9454
Administration as a percentage of total cost	3.6	4.0	3.6	4.0	4.0
Applications received	901	900	1249	1025	1025
Individuals licensed	697	765	947	765	765
Renewals received	3,391	4,144	4,142	3,698	4,340
Average number of days to renew a license from receipt of application to issuance	14	30	7	7	7
Average number of days to process verifications	5	10	7	10	10
Verifications received	237	200	256	256	256
Numbers of inspections/investigations	363	370	339	370	370
Average days to resolve a complaint	421	375	382	300	300
Number of complaints received about licensees	101	100	71	100	100
Customer satisfaction rating (scale 1- 8)	6.2	5.5	6	5.5	5.5



## Agency Summary

### STATE BOARD FOR CHARTER SCHOOLS

DeAnna Rowe, Executive Director  
Phone: (602) 364-3080  
A.R.S. §§ 15-181 to 15-189

**Mission:**

*To improve public education in Arizona by sponsoring charter schools that provide quality educational choices.*

**Description:**

The Arizona State Board of Charter Schools sponsors and regulates charter schools. The Board oversees the academic and operational compliance of charter holders and reviews the fiscal viability of the schools. The Board also continuously reviews applications for new and replication charter schools as well as renewal applications for existing schools.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	786.9	994.7	1,329.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	148.3	101.9	101.9
<b>Total Funding</b>	<b>935.2</b>	<b>1,096.6</b>	<b>1,431.2</b>
<b>FTE Positions</b>	<b>8.0</b>	<b>10.0</b>	<b>14.0</b>

## 5 Year Plan

**Issue 1** The Arizona State Board for Charter Schools (“Board”) does not have adequate resources to ensure all schools in its portfolio are providing a learning environment that improves pupil achievement.

**Description** Over the last 10 years, the number of students enrolled in charter schools has almost doubled. The Board has approved contracts for both new applicants entering the charter sector for the first time and existing quality charter holders for the expansion of their programs.

When evaluated using the Board's Academic Performance Framework, almost half of the Board's portfolio has demonstrated their programs produce sustainable quality results. The trade of autonomy for accountability has proven effective for these schools. The Board has academic oversight and expansion processes that require minimal work for both the charter holder and the Board, when the charter holder is performing academically.

However, 38% of the Board’s portfolio with three years of academic data demonstrates, from year to year, students are not consistently provided a learning environment that produces improved performance. The Board has developed an Intervention Schedule along with monitoring and oversight processes that support improved academic performance when the school has the capacity and makes the effort. Or conversely, when the capacity and effort is lacking, these same processes enable the Board to build a strong case for school closure and revocation of the charter.

**Solutions:**

The Board has implemented its processes to the extent possible with existing capacity. Resources for additional FTE and related operating costs are required to implement the Intervention Schedule timely and provide appropriate levels of oversight of schools that are not improving their academic performance.

**Issue 2** Provide the public with electronic access to charter school information.

**Description** Parents, pupils and the general public should have access to information about charter schools when making choices about educational options. The Board currently has all historical information available in its office for public review. Recent new application submissions, amendments to existing charters, changes in corporate structures and members of governing bodies and the like are accessible through ASBCS Online, the Board’s searchable database. Other documents, including complaints and past performance reviews, are only available in hardcopy.

In its recent performance audit and sunset report, the Auditor General’s Office recommended the Board make the information it collects on charter schools available on its website. As the Board has moved to an electronic submission system, contracts, including the approved application and other legal documents collected and generated moving forward will be made publicly available through ASBCS Online. Historical paper hardcopies of documents prior to the electronic conversion and since 1995 are only accessible at the Board’s office.

**Solutions:**

Resources to further develop ASBCS Online to provide charter school information electronically to the public.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	4.0	4.0	4.0
<b>General Fund</b>	334.6	308.8	308.8
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To increase the quality of the Board's portfolio of charter schools by monitoring academic performance and fiscal and contractual compliance to ensure the continuation of schools that meet contractual obligations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students enrolled in Board sponsored charter schools.	145,028	159,500	155,373	165,000	175,000
<b>Explanation:</b> Includes full and part-time brick and mortar and online instruction.					
Number of sponsored charters with one or more sites in operation	402	412	406	423	443
Number of sponsored charter school sites in operation	516	527	526	546	557
Number of annual on-site monitoring visits	59	130	140	82	80
<b>Explanation:</b> Reflects academic monitoring only. FY15 Estimate reflects reduction due to resource limits.					
Number of on-site general monitoring visits.	0	0	28	35	40
<b>Explanation:</b> New measure in FY14 - separating academic from compliance monitoring visits					
Number of contract amendments processed annually not related to expansion.	1,218	1,200	938	960	975
<b>Explanation:</b> Modified measure in FY14 to separate expansion from non-expansion requests processed.					
Number of contract amendments processed annually for expansion.	0	0	62	75	75
<b>Explanation:</b> New measure in FY14 Actuals. Numbers were previously included in an overall number of amendments processed.					
Number of charter holder annual audits reviewed.	379	386	385	394	407
Number of corrective action plans mandated based on fiscal or contractual noncompliance.	80	90	47	80	80
<b>Explanation:</b> Any non-compliance matter requiring further action by charter holder and the Board.					
Number of corrective action matters prepared for Board consideration.	0	0	38	35	35
Number of disciplinary actions that resulted in withholding of funds.	13	24	14	20	20
Number of Notices of Intent to Revoke Charter issued.	3	7	6	10	10
<b>Explanation:</b> Revocation proceedings cross fiscal years, but are only reported once.					
Number of charter contracts voluntarily surrendered.	6	6	6	6	8
Number of charter contracts surrendered under duress.	0	0	1	2	2
Number of F rated schools evaluated.	0	0	3	12	13
Number of Consent/Settlement Agreements entered.	0	3	2	3	3
Number of charter contracts revoked.	1	3	2	5	5
Number of charter school sites closed.	17	11	13	15	15
<b>Explanation:</b> Includes surrendered and revoked charters, non-renewals, and other school closures.					
Number of student record requests processed.	0	0	222	254	270

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of five-year interval reviews completed.	37	24	24	15	84
Number of academic improvement plans reviewed.	18	18	17	63	18
Number of academic improvement reports reviewed.	48	94	60	101	140
Number of annual complaints regarding sponsored schools	127	130	103	110	112

**Explanation:** Complaints are reviewed for contractual compliance and processed accordingly.

◆ **Goal 2** To approve quality applications and grant charters to qualified applicants.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new application packages reviewed by staff for administrative completeness.	42	27	27	24	25
Number of new application packages considered by the Board.	13	13	13	13	15
Number of new application packages approved by the Board.	10	10	12	10	12
Number of eligibility forms to replicate received.	13	20	14	20	18
Number of replication application packages processed.	13	14	11	14	14
Number of replication application packages approved by the Board.	13	14	11	14	14
Number of renewal applications prepared.	26	39	36	33	49

**Explanation:** Determination of application criteria based upon previous performance.

Number of renewal applications processed that do not meet the Performance Framework Expectations.	0	0	19	18	26
Number of renewal application packages approved by the Board without conditions.	21	32	23	20	30
Number of renewal application packages approved by the Board with conditions.	0	0	7	10	16
Number of hearings for denied renewal applicants that file an appeal.	1	2	1	4	5

## Agency Summary

### DEPARTMENT OF CHILD SAFETY

Charles Flanagan, Director  
Phone: (602) 542-5844  
A.R.S. §8-451

#### **Mission:**

*To ensure the safety of children, first and foremost, to engage in prevention and early intervention services, to preserve and unify families when safety of the child is not at risk, to remove and achieve permanency for children who have been harmed and cannot be safely returned to their family.*

#### **Description:**

The Department of Child Safety (DCS) is Arizona's state administered child welfare services agency. DCS provides child abuse and neglect investigations; child safety and risk assessments; family support preservation, and reunification services; family foster care and kinship care services; services to promote the safety, permanence, and well-being of children with foster and adoptive families; adoption promotion and support services; and health care services for children in out-of-home care.

The Department of Child Safety's primary purpose is to protect children. To achieve this purpose, the Department shall accomplish the following in equal priority.

- Investigate reports of child abuse and neglect.
- Assess, promote and support the safety of a child in a safe and stable family or other appropriate placement.
- Work cooperatively with law enforcement regarding reports that include criminal conduct allegations.
- Without compromising child safety, coordinate services to achieve permanency on behalf of the child, strengthen the family and provide prevention, intervention and treatment for abuse and neglected children.

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**Agency Summary:** (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ INVESTIGATIONS AND OPERATIONS	0.0	258,882.1	309,721.8
➤ OFFICE OF CHILD WELFARE INVESTIGATIONS	0.0	10,500.4	11,012.8
➤ OUT-OF-HOME CARE	0.0	346,169.7	380,191.0
➤ SUPPORT SERVICES	0.0	220,125.6	222,565.2
<b>Agency Total:</b>	<b>0.0</b>	<b>835,677.8</b>	<b>923,490.8</b>

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<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	347,005.4	401,471.0
Other Appropriated Funds	0.0	160,667.2	160,667.2
Other Non Appropriated Funds	0.0	328,005.2	361,352.6
<b>Total Funding</b>	<b>0.0</b>	<b>835,677.8</b>	<b>923,490.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>3,045.1</b>	<b>3,045.1</b>

**Issue 1** Employee Workload

**Description** Child Safety Specialists have been carrying caseloads well above the Department's standards for many years.

The Department's caseload standard is:

- for investigations, 13 reports per month per Child Safety Specialist;
- for in-home services, working with 33 cases per month per Child Safety Specialist; and
- for out-of-home (foster care) services, working with 20 children per month per Child Safety Specialist.

In January 2014, caseloads were 22 per cent above the standard. Focus groups and surveys of Department staff and stakeholders repeatedly identified unmanageable caseloads as a primary factor preventing a standard of practice that adheres to written policy and procedure. In addition to new caseload standards, the Department has over 13,000 reports that have been open for more than 60 days with no activity. This backlog of inactive cases adds to the overall caseload and must be addressed in order to reach the Department's caseload standards. Furthermore, employee surveys identified a need for support staff to assist with tasks such as copying and mailing documents, scheduling visits, completing forms and paperwork, and returning general phone calls thereby reducing workload for DCS case management staff.

According to the CARE Team report, Eyes on Children, "the attrition of new employees is approximately 25 to 30%, and there is a significant representation of employees whose tenure reflects months not years." High turnover contributes to the backlog of inactive cases and to high caseloads, which in turn produce more employee turnover. Turnover among field staff is costly to the agency and to families. The persistent need to hire and train new staff diverts agency resources from direct services to families. The need to reassign cases due to staff attrition can lead to delays in service provision and delays to permanency.

**Solutions:**

Increasing the size of the workforce, reducing caseloads, and decreasing per case workload are expected to improve the Department's capacity to meet the demand for services. Sufficient capacity is necessary for organizational stability, which is a prerequisite for consistent process and standard work. The Department anticipates that when Child Safety Specialists practice according to the standards in Department policy and procedure, with effective and timely supervision; children and families will experience various outcomes that include higher rates of timely initial response to reports, more comprehensive safety and risk assessments, less intrusive safety plans, greater involvement in case planning, more frequent higher quality parent-child visitation, and more frequent higher quality contacts with their caseworkers. The long-range impact is expected to include a reduced rate of repeat reports, reductions in the size of the out-of-home care population without compromising child safety, more rapid success of safe and permanent reunification, the timely achievement of adoption and increased child well-being.

The Department has selected interventions to improve recruitment and retention of staff based on attrition data and employee input during the CARE Team's evaluation. Employee survey responses revealed the need for better pay equity, modern technology and equipment, and improved worker safety, and indicated that addressing these needs would improve retention. The Department believes that improved recruitment and retention will reduce caseloads, which will have the medium and long-range effects previously described. Furthermore, retention will improve staff experience and skills, which will be particularly beneficial to the quality of supervision.



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**Issue 2** Providing the Workforce with Effective Tools**Description** Training that is individualized and competency-based

The CARE Team found that critical decisions are “subject to the individual judgment of staff,” and recommended that management “identify best practices that should be standard and implement those best practices through development of standard work and continual training across the organization.” The CARE Team evaluation also found that some training, such as supervisor training, has not been provided on time and that annual in-service training is needed so that “all field staff receives consistent and current instruction.” Input into the adequacy and design of training was also obtained during well-attended staff forums. Suggestions from the training forums have been incorporated into the training improvement plan.

**Development of Practice Standards**

The Failure Mode Effects Analysis conducted by the CARE Team found 142 total potential failure points between a call arriving at the hotline and closing an investigation. To address these system-wide concerns, the CARE Team repeatedly recommended increased capacity and implementation of standard processes that “identify the best current model of performing a task” to be promoted throughout the organization.

**Improved Technology**

The agency currently has an automated system that is no longer effective in managing the current agency Federal and State program reporting requirements, and its business operations. The CARE Team identified a number of issues with the State’s system, known as Children’s Information Library and Data Source (CHILDS) including the lack of remote access and mobile device interface to assist the efficiency of field work and the difficulty of preserving the integrity of data. In addition, the architecture of the system is over fifteen years old and is no longer flexible for updates and enhancements needed for addressing strategic operations in areas such as reducing the agency’s backlog of inactive cases and keeping up with newly acquired cases.

**Solutions:**

The Department of Child Safety believes that training is one of several essential interventions to develop standard practice across the organization. Formation of an organization with sufficient workforce and reasonable caseloads, training in current best practices, presence of high quality supervision and a sound quality assurance processes, will improve the consistency in all areas of practice. When the Department reaches a state of consistent practice, it will be better able to identify elements of current practice that are effective and those that are not, and continually adjust practice standards to achieve the best safety, permanency and well-being outcomes. The Department is particularly interested in evaluating the efficacy of the current safety and risk assessment model in achieving child safety, and preventing repeat reports, repeat maltreatment and re-entry into out-of-home care.

Several interventions have been identified by the Department to define and promote the best method of responding to reports of abuse or neglect. Adherence to joint investigation protocols will improve the ability of law enforcement, the Office of Child Welfare Investigations (OCWI) and Child Safety Specialists to conduct investigations that protect children, minimize trauma, promote child well-being and allow for prosecution of criminal conduct. The use of Multidisciplinary Teams (MDTs) and active multidisciplinary collaboration are proven methods that capitalize on expertise from a range of disciplines and perspectives to develop, implement and continually improve processes to promote child safety and well-being. In addition, the Department will resolve known inconsistencies in practice by identifying and promoting the best and current models for prioritizing response to reports, identifying criminal conduct allegations that require a joint investigation, and locating missing families and children.

A Family Assessment approach is being developed to respond to neglect and less severe physical abuse reports with a family-centered non-confrontational assessment that engages families in services to treat risks before they escalate to become safety threats. The Department expects that these interventions will result in medium-range outcomes of reduced repeat reports, and reduced entry and re-entry into out-of-home care.

SFY 2015 budget appropriations included funds for the planning phase of replacing the CHILDS system. A needs assessment is underway to ensure that the system is designed for maximum flexibility, reliability and current technological standards; yet easy to use.

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**Issue 3** Integration of Operations with the Community

**Description** Working alongside the community includes positive interaction and solid customer service with the various entities that assist in ensuring child safety within the State of Arizona. In addition to the Department serving the public as a whole, the community includes those individuals that report child abuse and neglect and private and faith-based child welfare agencies.

The Department's Child Abuse Reporting line (call center) is the starting point for all Department field activity to achieve the mission of child safety. In order to assess child safety and risks, a referral must be received at the call center and correctly categorized as a report if it meets the statutory criteria. The CARE Team evaluation found that the call center does not have sufficient staff capacity to meet the demand of incoming communication volume, and that "High abandoned call rates, long wait times and the current interview design do not facilitate efficient collection of information from the public." The CARE Team concluded that "clear performance standards need to be established and maintained."

The CARE Team also concluded that the agency "must strive to establish maximum transparency in its actions to recapture the trust of the public and create agency accountability." Transparency and public accountability will encourage stakeholders to engage in the agency's improvement efforts. Improvement will only be successful when there is meaningful collaboration with stakeholders, such as parents, kin, youth, American Indian tribes, foster parents, law enforcement agencies, the courts, the behavioral health system, prevention agencies, child advocates and the state legislature.

**Solutions:**

The Department has identified intake strategies to standardize the collection and documentation of information gathered by the call center, including the design of an effective process and implementation of a quality assurance review to monitor the consistency of decisions. The new standard process will be a more efficient response to communications, which will reduce caller wait time and the abandoned call rate. In addition, the anticipated automation enhancements will allow Child Safety Specialists to provide additional information gathered during an open investigation electronically instead of by phone. This information is necessary so that the Hotline retains complete documentation about all events or circumstances of abuse or neglect that are known to the agency and have already been assessed or investigated, so that future communications with the same information does not generate a new report and a second investigation. This new process would improve efficiency for field and call center employees, and increase the likelihood that field staff will communicate the information to the call center. In addition, the Department will explore the possibility of partnerships with other organizations that can serve community members seeking community resource information, thereby meeting the customer's need while reducing call volume at the Child Abuse Reporting call center. As result of all of these activities, more thorough and timely information will be collected from the public and forwarded to field units, allowing a faster response to concerns and ultimately improving child safety.

The CARE Team evaluation found a lack of clear performance standards and that individual judgment replaces standard process. Similar to high quality training, the Department believes that transparency and accountability are essential interventions to develop standard practice across the organization. When the entire organization is accountable to clearly defined best practice standards and successful outcomes for children and families, the consistency of practice will improve. When the Department reaches a state of consistent practice, it will be better able to identify elements of the practice standard that are effective and those that are not, and continually adjust practice standards to achieve the best outcomes.

**Issue 4** Ensuring Permanency and Well-being for the Children DCS Serves

**Description** The results of the CARE Team's foster and adoptive parent survey indicated a need to improve the adequacy of background information foster and adoptive parents are provided, and their involvement in decision-making. Notification about hearings and case related meetings was also identified as an area needing improvement.

**Solutions:**

The Department expects that improved communication and resource family involvement in decision-making will improve resource family retention and improve the families' ability to meet the needs of the children in their care, which will achieve child well-being outcomes in relation to education, physical health and behavioral health. Furthermore, children who are mentally and physically healthy are more likely to have positive permanency outcomes.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	3,045.1	3,045.1	3,045.1
<b>General Fund</b>	416,294.6	421,359.3	442,427.2
<b>Other Appropriated Funds</b>	159,000.4	159,000.4	159,000.4
<b>Non-Appropriated Funds</b>	1,703.5	1,703.5	1,703.5
<b>Federal Funds</b>	372,381.6	375,250.6	394,013.2

### Program Summary

#### INVESTIGATIONS AND OPERATIONS

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-453

**Mission:**

*To ensure the safety of children and promote services to enable them to achieve permanency in a safe and stable placement.*

**Description:**

The Investigations and Operations functions of the Department investigate reports of child abuse and neglect, coordinate services to achieve permanency on behalf of the child, strengthen the family and provide prevention, intervention and treatment for neglected and abused children and provides administrative oversight and operating support to the programs within the Department.

**This Program Contains the following Subprograms:**

- ▶ Investigations and Operations
- ▶ Retention Pay
- ▶ Overtime
- ▶ Training Resources
- ▶ Records Retention Staff
- ▶ Inspections Bureau
- ▶ Contingency Funding
- ▶ Attorney General Legal Services
- ▶ General Counsel
- ▶ Internet Crimes Against Children

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	113,882.6	150,220.9
Other Appropriated Funds	0.0	51,644.3	51,644.3
Other Non Appropriated Funds	0.0	93,355.2	107,856.6
<b>Total Funding</b>	<b>0.0</b>	<b>258,882.1</b>	<b>309,721.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>2,917.1</b>	<b>2,917.1</b>

**Subprogram Summary**

**INVESTIGATIONS AND OPERATIONS**

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. §8-453

**Mission:**

*To ensure the safety of children and promote services to enable them to achieve permanency in a safe and stable placement.*

**Description:**

The Investigations and Operations functions of the Department investigate reports of child abuse and neglect, coordinate services to achieve permanency on behalf of the child, strengthen the daily and provide prevention, intervention and treatment for neglected and abused children and provides administrative oversight and operating support to the programs within the Department.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	89,550.0	119,601.3
Other Appropriated Funds	0.0	47,135.7	47,135.7
Other Non Appropriated Funds	0.0	80,058.0	94,559.4
<b>Total Funding</b>	<b>0.0</b>	<b>216,743.7</b>	<b>261,296.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>2,657.9</b>	<b>2,657.9</b>

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of newly hired Department of Child Safety (DCS) Specialists completing training within seven months of hire.	0	0	N/A	100.0	100.0
Percent of complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman.	0	0	N/A	30.1	30.1
Number of reports received.	0	0	N/A	46,726	48,128
Specialist response rate (percent)	0	0	N/A	100.0	100.0
Percent of reports that are substantiated	0	0	N/A	8.0	8.0
Percent of original dependency cases where the court denied or dismissed the dependency	0	0	N/A	25	25
Percent of Office of Administrative Hearings (OAH) where case findings are affirmed	0	0	N/A	84.0	84.0
Agencywide customer satisfaction rating (scale 1-5)	0	0	N/A	3.9	3.9
Percent of OLR licenses to foster homes without a complaint	0	0	N/A	96.4	96.6

**Subprogram Summary**

RETENTION PAY

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To deter attrition and strengthen the workforce to ensure the safety and well-being for children.*

**Description:**

This funding provides a one-time retention payment at the 18-month and 36-month benchmarks of employment as a DCS Specialist.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	1,707.0	1,707.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>1,707.0</b>	<b>1,707.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To deter attrition and retain quality staff.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Specialists reaching 18-month benchmark	0	0	N/A	336	336
Number of Specialists reaching 36-month benchmark	0	0	N/A	235	235

**Subprogram Summary**

OVERTIME

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To provide overtime funding for the Department of Child Safety.*

**Description:**

This line is part of the Department's operating functions. Goals and performance measures for operations are included in the Investigations and Operations Program summary, CHA 1.0.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	7,075.7	2,610.7
Other Appropriated Funds	0.0	3,859.5	3,859.5
Other Non Appropriated Funds	0.0	1,929.8	1,929.8
<b>Total Funding</b>	<b>0.0</b>	<b>12,865.0</b>	<b>8,400.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

TRAINING RESOURCES

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-453

**Mission:**

*To streamline and shorten the classroom training of caseworkers by building more caseworker training into the curriculum at Arizona State University.*

**Description:**

The Department has agreements with Arizona State University and Northern Arizona University to recruit and train qualified caseworkers. Students who participate in this program receive scholarships that cover their tuition, books, and university fees. Scholarship students are required to sign a student agreement committing them to work for DCS after graduation for 1 to 2 years. If the student does not fulfil this work commitment, they are required to repay the DCS benefit received.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	150.0	150.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	5,000.0	5,000.0
<b>Total Funding</b>	<b>0.0</b>	<b>5,150.0</b>	<b>5,150.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide quality training to enhance the delivery of quality services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students graduating from BSW program	0	0	N/A	30	30
Number of students graduating from MSW program	0	0	N/A	40	40

**Subprogram Summary**

RECORDS RETENTION STAFF

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-453

**Mission:**

*To be more responsive and transparent in providing DCS records to DCS stakeholders.*

**Description:**

This will fund staff who work on requests for information about children in the state child welfare system.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	500.0	500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	97.4	97.4
<b>Total Funding</b>	<b>0.0</b>	<b>597.4</b>	<b>597.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>

◆ **Goal 1** To increase the number of completed records.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of records completed by Centralized Record Coordination Unit	0	0	N/A	13,207	13,207

**Subprogram Summary**

INSPECTIONS BUREAU

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-458

**Mission:**

*To ensure compliance of all Department policies and procedures in accordance with all federal and state laws.*

**Description:**

The Inspections Bureau monitors all Department policies and procedures to ensure they are being followed by all staff in accordance to federal and state law. The Inspections Bureau also reviews vendor invoices to ensure accuracy and compliance with DCS contracts.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	1,594.1	1,346.1
Other Appropriated Funds	0.0	549.7	549.7
Other Non Appropriated Funds	0.0	604.6	604.6
<b>Total Funding</b>	<b>0.0</b>	<b>2,748.4</b>	<b>2,500.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>31.0</b>	<b>31.0</b>

◆ **Goal 1** To investigate, detect, and prevent fraud, waste, corruption, misconduct, abuse, inefficiencies, and mismanagement within DCS, including contractors, grantees, and subcontractors.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Internal Affairs investigations conducted	0	0	N/A	50	50

**Subprogram Summary**

CONTINGENCY FUNDING

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To supplement funding in other funding lines within the Department.*

**Description:**

The budget no longer includes funding for this line. Funding formerly in the Contingency Funding SLI has been incorporated into the Department's placements SLIs.

**Subprogram Summary**

ATTORNEY GENERAL LEGAL SERVICES

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 41-191, § 8-453

**Mission:**

*To provide the Department of Child Safety with high-quality and timely legal advice and representation to promote the safety and well-being of children and families.*

**Description:**

The Attorney General Child and Family Protection Division is responsible for providing legal services to the Department of Child Safety. The division provides services on behalf of the children and families involved in the state's child welfare system through the Protective Services Section.

**\*\*NOTE:** Goals and performance measures for this program are included in the Master List for the Attorney General's Child and Family Protection Division.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	12,798.5	12,798.5
Other Appropriated Funds	0.0	99.4	99.4
Other Non Appropriated Funds	0.0	5,665.4	5,665.4
<b>Total Funding</b>	<b>0.0</b>	<b>18,563.3</b>	<b>18,563.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>222.2</b>	<b>222.2</b>

**Subprogram Summary**

GENERAL COUNSEL

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To provide legal advice to the Department of Child Safety.*

**Description:**

The General Counsel will provide legal advice to the Department of Child Safety and the Attorney General will continue to represent the Department in administrative or judicial hearings.

This line is part of the Department's operating functions. Goals and performance measures for operations are included in the Investigations and Operations Program summary, CHA 1.0.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	157.3	157.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>157.3</b>	<b>157.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>



**Subprogram Summary**

INTERNET CRIMES AGAINST CHILDREN

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To develop an effective response to cyber enticement and child pornography.*

**Description:**

The funding provides a grant to the Internet Crimes Against Children Task Force (ICAC). ICAC is a joint federal/local law enforcement task force that investigates child pornography. The program was developed in response to the increasing number of children using the internet and heightened online activity by predators seeking contact with potential underage victims.

Monies in the line item are passed through to ICAC Task Force operated by local police departments.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	350.0	350.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>350.0</b>	<b>350.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Program Summary**

**OFFICE OF CHILD WELFARE INVESTIGATIONS**

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 41-1969.01

**Mission:**

*To protect children by investigating criminal conduct allegations of child abuse or neglect within the State of Arizona.*

**Description:**

The Office of Child Welfare Investigations (OCWI) was legislatively established in 2012, following the recommendation from the Arizona Child Safety Task Force, to investigate criminal conduct allegations, coordinate with the Department and law enforcement, establish task forces for the investigation of criminal conduct, and other duties assigned by the director. OCWI is comprised of highly experienced former law enforcement and Department Specialists who work collaboratively with the Department to protect children and assess, respond, and investigate all criminal conduct allegations received by the Intake Bureau.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	9,349.9	9,862.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	1,150.5	1,150.5
<b>Total Funding</b>	<b>0.0</b>	<b>10,500.4</b>	<b>11,012.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>127.0</b>	<b>127.0</b>

◆ **Goal 1** To conduct a joint investigation for all reports that contain a criminal conduct characteristic

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of OCWI investigations that were jointly investigated	0	0	N/A	100	100
Percentage of all criminal conduct reports that received a joint investigation	0	0	N/A	75	75

**Program Summary**

**OUT-OF-HOME CARE**

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-846

**Mission:**

*To provide permanence, stability, and continuity of care in safe placements that meet the needs of children who enter out-of-home care.*

**Description:**

**This Program Contains the following Subprograms:**

- ▶ Adoption Services
- ▶ Emergency and Residential Placement
- ▶ Foster Care Placement
- ▶ Grandparent Stipends
- ▶ Independent Living Maintenance
- ▶ Permanent Guardianship Subsidy

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	138,344.9	153,982.2
Other Appropriated Funds	0.0	45,784.8	45,784.8
Other Non Appropriated Funds	0.0	162,040.0	180,424.0
<b>Total Funding</b>	<b>0.0</b>	<b>346,169.7</b>	<b>380,191.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

**ADOPTION SERVICES**

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-141 - 8-173

**Mission:**

*To promote timely placements of children into permanent adoptive homes, to provide adoption support services to these children and families to maintain the placement and to provide for the special needs of the children who are adopted.*

**Description:**

The Adoption services program primarily provides adoption subsidy maintenance payments to adoptive parents who adopt a special needs child. A special needs child is defined as A.R.S. § 8-841 as a child with, or at risk of, a physical, mental, or developmental disability, an emotional disturbance; or with characteristics that made adoption more difficult, such as children age six and older, sibling groups, or racial/ethnic factors. The physical, mental, or emotional disorders may be a direct result of the abuse or neglect the children suffered before entering the child welfare system.

In addition to monthly subsidy payments, the Adoption Services program provides special services, non-recurring adoption costs, and adoptive home recruitment. Special services included payments for services not covered by the subsidy, such as specialized therapy, accommodations for a disability or other specialized services needed to maintain the adoptive placement. Non-recurring costs are legal costs associated with the adoption process.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	62,965.8	71,991.1
Other Appropriated Funds	0.0	20,645.7	20,645.7
Other Non Appropriated Funds	0.0	104,871.8	117,809.2
<b>Total Funding</b>	<b>0.0</b>	<b>188,483.3</b>	<b>210,446.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote placements in permanent adoptive homes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of children with finalized adoptions	0	0	N/A	3,129	3,411
Percent of adoptions within 24 months	0	0	N/A	56	56

**Subprogram Summary**

EMERGENCY AND RESIDENTIAL PLACEMENT

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-514

**Mission:**

*To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services included, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.*

**Description:**

Description, goals, and performance measures for this program are contained in the Foster Care Placement Program, CHA 3.3, as these programs operate in concert with one another.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	36,328.0	38,525.3
Other Appropriated Funds	0.0	16,423.0	16,423.0
Other Non Appropriated Funds	0.0	33,318.8	34,113.9
<b>Total Funding</b>	<b>0.0</b>	<b>86,069.8</b>	<b>89,062.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

**FOSTER CARE PLACEMENT**

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-514

**Mission:**

*To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services included, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.*

**Description:**

Out-of-home placement services are available statewide for children who are unable to remain in their homes due to immediate safety concerns or impending and unmanageable risk of maltreatment. Placement services promote safety, permanency, and child and family well-being through supervision and monitoring of children in out-of-home placement, and support of the out-of-home caregiver's ability to meet the child's needs.

Placement types include emergency shelters, kinship homes, foster homes, adoptive homes, group homes, residential treatment centers, and independent living subsidy arrangements.

Goals and performance measures for the Foster Care Placement Program, Emergency and Residential Placement line items are contained in this subprogram summary.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	25,859.5	28,761.6
Other Appropriated Funds	0.0	6,973.1	6,973.1
Other Non Appropriated Funds	0.0	23,099.4	27,750.9
<b>Total Funding</b>	<b>0.0</b>	<b>55,932.0</b>	<b>63,485.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of children in out-of-home care (*point in time 6/30)	0	0	N/A	16,994	17,507
Percent change in number of children in out-of-home care (*point in time 6/30)	0	0	N/A	3.0	3.0

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of children remaining in shelter more than 21 days	0	0	N/A	776	776
Average number of days spent in shelter care for those children in shelter care 21 days or longer	0	0	N/A	100	100
Number of children under 3 in shelter care as of June 30	0	0	N/A	41	41
Number of children under 6 in group homes as of June 30	0	0	N/A	50	50

**Subprogram Summary**

GRANDPARENT STIPENDS

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

To provide permanency for children by providing a monetary stipend to grandparents who are caring for their grandchildren who have been placed in their homes by the Department.

**Description:**

The Grandparent Stipend program provides a monthly stipend to grandparents, who are unlicensed kinship placements, to assist in offsetting costs associated with caring for a grandchild who has been placed in their home by the Department.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	1,000.0	1,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To increase permanency for children who have been placed in the homes of their grandparents by providing a monthly stipend to unlicensed grandparents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of children receiving Grandparent Stipend per month	0	0	N/A	1,100	1,100

**Subprogram Summary**

INDEPENDENT LIVING MAINTENANCE

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-802, 8-521

**Mission:**

To provide young adults with the opportunity to achieve self-sufficiency with independent living skills.

**Description:**

The independent living maintenance program provides stipends to former foster youth between 18 and 21, who are now living on their own and are either enrolled in a post secondary program or employed.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	2,719.3	2,719.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	750.0	750.0
<b>Total Funding</b>	<b>0.0</b>	<b>3,469.3</b>	<b>3,469.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To assist young adults achieve self-sufficiency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	0	0	N/A	350	360

**Subprogram Summary**

PERMANENT GUARDIANSHIP SUBSIDY

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-814

**Mission:**

*To provide permanency for children by strengthening the guardianship placement with a monetary subsidy to persons appointed permanent guardians of a dependent child.*

**Description:**

The permanent guardianship subsidy provides a monthly partial reimbursement to caretakers appointed as permanent guardians of children in the care, custody, and control of the Department. These are children for whom reunification and adoption has been ruled out as unachievable or contrary to the child's best interest. Many of the permanent homes supported by Subsidized Guardianship are kinship placements.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	9,472.3	10,984.9
Other Appropriated Funds	0.0	1,743.0	1,743.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>11,215.3</b>	<b>12,727.9</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase permanency for children who have been adjudicated dependent by providing a monetary subsidy to persons appointed as permanent guardians.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of children receiving subsidized guardianship payments	0	0	N/A	2,650	2,734

**Program Summary**

SUPPORT SERVICES

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-802, 8-701, 8-521

**Mission:**

*To promote services for children to enable them to be safe and live with strong families so they can be successful in life.*

**Description:**

The support services provide an array of services to clients both in out-of-home and in-home placements.

**This Program Contains the following Subprograms:**

- ▶ Children Support Services
- ▶ In-Home Preventative Services
- ▶ Out-of-Home Support Services
- ▶ Intensive Family Services
- ▶ DCS Child Care Subsidy

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	85,428.0	87,405.6
Other Appropriated Funds	0.0	63,238.1	63,238.1
Other Non Appropriated Funds	0.0	71,459.5	71,921.5
<b>Total Funding</b>	<b>0.0</b>	<b>220,125.6</b>	<b>222,565.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>

**Subprogram Summary**

CHILDREN SUPPORT SERVICES

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-802, 8-701, 8-521

**Mission:**

*To strengthen, stabilize, and promote safety of families through the provision of a continuum of family-centered in-home services that are comprehensive, coordinated, community-based, accessible, and culturally responsive.*

**Description:**

The line item is no longer used. These services are now divided between In-Home Preventative Services, CHA 4.2, and Out-of-Home Support Services, CHA 4.3.



**Subprogram Summary**

**IN-HOME PREVENTATIVE SERVICES**

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-802, 8-701, 8-521

**Mission:**

*To provide services that assist in supporting and improving the family unit with the goal of maintaining children in the home and reunifying the family whenever safely possible.*

**Description:**

In-home children services seek to prevent further dependency or child abuse and neglect through provision of social services to stabilize family life and preserve the family unit. These services, including voluntary services without court involvement and court-ordered in-home intervention, are available statewide. Services include parent aide, parenting skills training, counseling, self-help, and contracted case management. Families may also receive referrals for services provided by other state agencies including behavioral health services and other community resources.

Contracted services provided are available statewide. Services are provided based upon the needs of the child and family through collaborative partnerships between DCS, community social service agencies, family support programs, and other community and faith-based organizations. Cases served include voluntary foster care, in-home court intervention, in-home dependency, integrated services, and other in-home support cases.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	13,185.0	15,794.0
Other Appropriated Funds	0.0	7,370.3	7,370.3
Other Non Appropriated Funds	0.0	12,049.9	12,049.9
<b>Total Funding</b>	<b>0.0</b>	<b>32,605.2</b>	<b>35,214.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>

◆ **Goal 1** To enhance the stability of families being served by DCS to create safe, stable, and nurturing home environments by providing cost-effective services that promote the safety of all family members.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of families receiving in-home services (as of May 2014)	0	0	N/A	7,000	7,000
Number of children receiving services through Healthy Families	0	0	N/A	4,900	5,200

**Subprogram Summary**

**OUT-OF-HOME SUPPORT SERVICES**

Jay Chilton, Finance Administrator  
 Phone: (602) 542-5844  
 A.R.S. § 8-802, 8-701, 8-521

**Mission:**

*To provide safe and stable placements for children who have been removed from their home.*

**Description:**

Out-of-home support services provide support services for children who have been removed from their homes and their families to assist in reunifying the family and allowing children to safely return to their homes. These primary services provided services include allowances, parent aide, transportation, in-home services, independent living, foster home recruitment, and substance abuse treatment.

The Out-of-Home Support Services subprogram also include the Comprehensive Medical and Dental Program (CMDP) which provides medical and dental care for children in foster care who are under the jurisdiction of the Department, the Arizona Department of Juvenile Corrections, or the Administrative Office of the Courts/Juvenile Probation Offices. CMDP operates as an acute health care plan under the Arizona Health Care Cost Containment System (AHCCCS) for children who are determined Medicaid eligible.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	58,743.0	56,204.9
Other Appropriated Funds	0.0	28,867.8	28,867.8
Other Non Appropriated Funds	0.0	51,656.0	51,656.0
<b>Total Funding</b>	<b>0.0</b>	<b>139,266.8</b>	<b>136,728.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote recovery from alcohol and drug abuse

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of DCS clients referred for substance abuse treatment services	0	0	N/A	6,600	6,900

◆ **Goal 2** To provide medical and dental care for children in foster care.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of children enrolled	0	0	N/A	15,634	16,106

**Subprogram Summary**

**INTENSIVE FAMILY SERVICES**

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-802, 8-701, 8-521

**Mission:**

*To provide crisis-oriented service activities for families where conditions represent a threat to child safety and whose children are at significant risk of out-of-home placement due to abuse or neglect.*

**Description:**

Intensive family services provide contracted, intensive, time-limited services in the home to families whose children are at imminent risk of out-of-home placement due to abuse, neglect, or dependency. These services are also delivered to families where a child has been removed from the home with the goal of reunifying the family.

Description, goals and performance measures for this program are contained in the In-Home Preventative Services, CHA 4.2, and Out-of-Home Support Services, CHA 4.3.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	8,500.0	8,500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>8,500.0</b>	<b>8,500.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

**DCS CHILD CARE SUBSIDY**

Jay Chilton, Finance Administrator  
Phone: (602) 542-5844  
A.R.S. § 8-453

**Mission:**

*To support the families and individuals caring for children in the Department's custody by providing quality child care services.*

**Description:**

Child care services may be provided to maintain and strengthen families who have an open case, are receiving voluntary services, or whose children are dependent wards of the court but remain in the parent's physical custody. Child care services may also be provided as a support service for out-of-home care providers to enable the providers to work, participate in educational activities, or handle emergency situations.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	5,000.0	6,906.7
Other Appropriated Funds	0.0	27,000.0	27,000.0
Other Non Appropriated Funds	0.0	7,753.6	8,215.6
<b>Total Funding</b>	<b>0.0</b>	<b>39,753.6</b>	<b>42,122.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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◆ **Goal 1** To provide quality child care for children that in the custody of the Department of Child Safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of DCS children receiving child care subsidy per month	0	0	N/A	8,600	8,800

### Agency Summary

#### BOARD OF CHIROPRACTIC EXAMINERS

Pamela J. Paschal, Executive Director  
Phone: (602) 864-5088  
A.R.S. § 32-900 et. seq.

#### Mission:

*To protect the health, welfare, and safety of Arizona citizens through the enforcement of laws governing the practice of chiropractic.*

#### Description:

The Board conducts examinations and evaluates applications from chiropractors seeking initial or renewal of licensure, as well as from persons seeking participation in Board-approved preceptorship or chiropractic assistant programs. The Board investigates complaints made against chiropractors and conducts administrative hearings as required. The Board provides information to the public concerning applicants, licensees, and regulatory actions taken.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	362.7	450.6	450.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>362.7</b>	<b>450.6</b>	<b>450.6</b>
<b>FTE Positions</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

## 5 Year Plan

**Issue 1** Secure adequate revenues to address the Board's declining fund balance.

**Description** Current licensure and renewal fees have not been adjusted since 2002. Despite efforts to minimize expenditures; declining numbers of new applicant as well license renewals had made it impossible to collect revenues in excess of expenditures since FY 2007.

**Solutions:**

During the 2015 Session, the Board is presenting Omnibus Legislation including a request to allow annual adjustments to licensure, certification and renewal fees up to a maximum rate. This will provide the opportunity to set fees on an annual basis while including the opportunity for public comment prior to the decision.

The Board has approved modest increases to miscellaneous fees charged for services and currently published in rule. A rulemaking docket has been opened; the rules are being drafted, will be published and presented to the Governor's Regulatory Review Council for approval.

**Issue 2** Improve the timelines to complete investigations, formal interviews and formal hearings.

**Description** While FY2014 resulted in the Board's ability to increase the percentage of complaints resolved within 180 days of receipt with no hearing required as well as the average number of months to resolve administrative hearings; the Auditor General's Office recommends that cases be concluded within 180 days.

**Solutions:**

The Board intends to make changes to the personnel structure, separating the duties of the Deputy Director from that of the Investigator, allowing the Investigator to focus his/her full attention to the receipt, analysis, presentation and processing of all complaints through final adjudication.

The Board is considering the establishment of an Interagency Service Agreement with the Attorney General's office to provide for the appointment of a dedicated Assistant Attorney General to represent the Board, prevent the risk of interrupted services, and enhance the timely completion of Formal Interviews and Formal Hearings.

**Issue 3** Update information technology to ensure capable tracking of licensure and complaint activities.

**Description** The Board's current Access database has been in use for over 10 years and does not possess adequate capabilities for the integration and tracking of all the above-referenced processes. There is concern the system could begin to disintegrate or lose critical data.

**Solutions:**

The Board has initiated development by GL Solutions, Inc. of a relational database capable of tracking all licensure, certification, registration, complaint and enforcement processes; interfacing public information to the Board's website and ultimately enabling on-line renewals and electronic payment processing.

**Issue 4** Provide access to the Board's jurisprudence examination, completion of which is required for licensure.

**Description** Current applicants for licensure in Arizona must be physically present at the Board's office in order to take the required exam. Many applicants do not reside in Arizona and must make travel arrangements in order to complete this step of the licensure process.

**Solutions:**

Board staff continues to research options for offering the exam on-line through a secure testing process.

**Issue 5** Establish the capability of accepting licensure and payment for services in electronic formats.

**Description** The Board currently only accepts hard copy applications for renewal and payments in the form of check or money order.

**Solutions:**

The above-referenced database under development by GLSolutions has the capability to provide for on-on-line renewals and electronic payment processing.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To issue and renew licenses promptly to those applicants determined to be eligible based on their accurate and complete application and demonstration of the required standards of education, knowledge, and competency while ensuring that the health, safety, and welfare of the public is protected.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applications for licensure received	71	75	89	80	78
<b>Explanation:</b> This measure is used to assess future revenues.					
Average number of days between receipt of complete application and Board action	18	25	18	25	25
<b>Explanation:</b> This performance measure determines if the Board is meeting the licensing time frames required in law.					
Number of new licenses issued	61	64	70	70	65
<b>Explanation:</b> This measure identifies a trend that impacts revenue, staffing and resources planning					
Number of licenses issued prior to undisclosed conviction being identified	0	0	0	0	0
<b>Explanation:</b> This performance measure is related to the Board's mission to protect the health, welfare and safety of the public.					
Number of licenses eligible for renewal	2323	2500	2357	2500	2369
Percent of license renewal applications processed within 15 business days	100	95	100	95	95

- ◆ **Goal 2** To investigate promptly complaints filed against licensees throughout the state and to proactively identify risks to the consumer public. To timely and knowledgeably determine if a matter should be dismissed or proceed to hearing, to conduct formal interviews and hearings in a timely manner, and to impose appropriate sanctions on those found to have violated the public trust.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of new complaints filed	81	120	95	120	120
Percent of complaints resolved within 180 days of receipt with no hearing required	40	30	58	35	50
Average number of months to resolve an administrative hearing	6	3	4	3	3
Total number of investigations conducted	105	165	114	165	110

- ◆ **Goal 3** To ensure Board and staff competence and knowledge.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of survey responses which indicate that staff was knowledgeable and courteous in public communications or that the measure was not applicable.	100	97	96	97	97
Administration as a percent of total cost	17	17	11	17	11

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◆ **Goal 4** To increase public awareness of agency functions, resources, and public records accessibility.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Self assessment surveys returned.	34	30	26	30	30
Percent of complaint investigations that the Board found to be outside of its jurisdiction.	4	1	0	1	1



## Agency Summary

### CLEAN ELECTIONS COMMISSION

Thomas M. Collins, Executive Director  
Phone: (602) 364-3477  
A.R.S. §§ 16-901 et seq

#### Mission:

*To fairly, faithfully, and fully implement and administer the Arizona Citizens Clean Elections Act.*

#### Description:

The Citizens Clean Elections Act (Act) is a campaign finance reform measure initiated by Arizona Citizens and passed by voters in 1998. The Act provides for campaign financing for qualified candidates, enhanced campaign finance enforcement and reports for state and legislative candidates and independent expenditures. The Act also provides for voter and public education, including the sponsorship of debates and the publication of the primary and general election candidate statement pamphlets. The Act is administered and enforced by the Citizens Clean Elections Commission.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,670.5	10,041.6	10,041.6
<b>Total Funding</b>	<b>6,670.5</b>	<b>10,041.6</b>	<b>10,041.6</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>6.0</b>	<b>6.0</b>

**Issue 1** Legislation/Commission Rules

**Description** Simplify and improve the Citizens Clean Elections Act while maintaining its effectiveness and purpose.

**Solutions:**

Work with the Legislature to develop and provide technical assistance with drafting legislation that will further the purpose of the Act.

Promulgate rules to further the purpose of the Act.

Work with other agencies or groups to improve the implementation of the Act.

**Issue 2** Voter Education and Public Relations

**Description** Inform citizens about public issues related to the Citizens Clean Elections Act

**Solutions:**

To provide the public with communications, reports and publications that are clear and informative.

To effectively use all channels of communication, including new technologies, to publicize the Act and its implementation.

To provide leadership for outreach activities, including debates, public participation, candidate awareness and media relations.

To provide visibility to the new rules, policies and procedures promulgated by the Commission.

To evaluate and improve the effectiveness if the educational programs and information that the Commission provides to the public.

The successfully inform voters about the candidates running for statewide and legislative offices through candidate debates, statement pamphlets, and online publications.

Continue to promote understanding of Arizona's political system and constructive participation within the system.

**Issue 3** Training, Management Development, and Commission Operations

**Description** Ensure that the staff is competent to carry out the objectives and mandates of the Act

**Solutions:**

Ensure that the staff understands the Commission's mission and the expectations of their jobs.

Eliminate or combine jobs as necessary to maintain a lean staff

Utilize contract services or other services of other agencies

Attend management and leadership classes by staff members.

**Issue 4** Enforcement

**Description** To facilitate easier and more universal compliance with the Citizens Clean Elections Act

**Solutions:**

Provide frequent and effective client education programs and publications.

Simplify and improve reporting forms and procedures.

Provide clarity and consistency in actions taken by the Commission.

Revise candidate training programs to address new issues and to promote compliance.

Assist the Secretary of State to provide and continually improve a campaign finance management software application and encourage its use by the maximum number of political committees and political funds.

**Issue 5** Financial, Fiscal Operations, Information Systems and Strategic Planning

**Description** To abide by the statutory expenditure authority. To plan, develop and implement effective and efficient information systems that will help the Commission carry out its mission.

**Solutions:**

Monitor the amounts expended from the budget to ensure that expenditures do not exceed funds available.

Ensure that the revenues from other agencies are paid into the fund.

Use technology more effectively to identify compliance problems and to provide clients with resources to avoid problems.

Evaluate and improve the Commission's financial activities on an ongoing basis.

Ensure the Commission's educational obligations are met as efficiently and effectively.

Determine when the fund contains insufficient monies or the spending cap would be exceeded were all candidates' accounts to be fully funded as early as possible.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	6.0	6.0	6.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	10,041.6	16,000.0	10,041.6
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To provide public funding to qualified candidates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of certified participating candidates (calendar years)	69	117	69	70	70
Total funds distributed to participating candidates (calendar years in thousands)	3,279.861	11,410.343	5,250.8	4,000.0	4,000.0

◆ **Goal 2** To administer debates and develop a procedure for communicating candidate statements to the citizens of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of candidates submitting candidate statements (calendar years)	100	100	375	0	200
Number of candidate statement pamphlets mailed to AZ households (calendar years in thousands)	3,600.00	3,700.0	3,600.0	0.00	3,700.0

◆ **Goal 3** To comply with the caps for spending specified in the Clean Elections Act.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of cap applied to voter education (calendar years)	10	10	10	10	10
Percent of cap spent on administration and enforcement (calendar years)	4.4	9.0	8.0	9.0	9.0

## Agency Summary

### ARIZONA COMMERCE AUTHORITY

Sandra Watson, CEO  
Phone: (602) 845-1215  
41-1501

#### Mission:

*To provide private sector leadership in growing and diversifying the economy of Arizona, create high quality employment through expansion, attraction and retention of business, and market Arizona for the purpose of expansion, attraction and retention of businesses.*

#### Description:

The Arizona Commerce Authority (Authority) was established by Laws 2011, Chapter 1, Second Special Session. The Authority is charged with the following responsibilities: job creation, expansion of capital investment through business attraction, expansion and retention of business, including business incubation and entrepreneurship; creation, monitoring and execution of a comprehensive economic and workforce strategy; management and administration of economic development and workforce programs; providing statewide marketing leadership; utilizing all means necessary, prudent and practical to integrate private sector-based innovation, flexibility, focus and responsiveness; and advance public policy to meet its objectives.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	25,500.3	61,710.0	53,450.2
<b>Total Funding</b>	<b>25,500.3</b>	<b>61,710.0</b>	<b>53,450.2</b>
<b>FTE Positions</b>	<b>69.0</b>	<b>76.0</b>	<b>76.0</b>

**Issue 1** Creation of 75,000 Higher-Wage Jobs In Arizona Over A 5 Year Period With Two-Thirds Of Those New Jobs Being High-Value Jobs.

**Description** Higher-wage jobs are the foundation of economic prosperity. They drive the broader economy through higher household incomes and higher discretionary spending. High-value jobs have an average wage substantially over the median wage. Such high-value jobs will be the primary focus of the Arizona Competes Fund that permits flexibility in when and how it is used. The ACA will use the Arizona Competes Fund to ensure the State of Arizona receives the highest return on its investment as measured in economic benefit to the State. The ACA also manages of the State's economic development incentive programs. Many of these programs wage eligibilty thresholds are at or only slightly above median wage. Jobs created as a result of these programs are expected to contribute about 1/3 of the expected 75,000 new jobs. The ACA will make every effort to utilize and leverage these programs to supplement discretionary funding, as well as, evaluate opportunities for improvement.

**Solutions:**

Arizona's ability to recruit businesses enables the State to enrich and diversify the existing business community and enhance the State and local economies through job creation and investment.

The ACA will focus business attraction and recruitment efforts on companies that satisfy at least one of the following requirements:

1. Companies operating in the target industries planning to expand their operations.
2. Companies doing business with Arizona companies in target industries that are seeking to relocate closer to their client's operations and access additional markets;
3. Companies supporting high quality manufacturing or advanced business or financial services that support headquarter's operations.

**Issue 2** Increase Average Wages of Jobs Created

**Description** The ACA will increase the average wage for high-value jobs from approximately 150% of the median wage to 175% of the median wage. The ACA will accomplish this in part by promoting jobs in key high paying industries. The ACA's target industries such as aerospace and defense, semiconductors, optics, bioscience and renewable energy have wages that range between \$63,000 and \$104,000 on average, more than double than the state's median wage of \$34,110.

**Solutions:**

Growing Arizona businesses expands and strengthens the State's economy because it utilizes existing infrastructure and existing assets and advantages. Arizona is a preferred location to expand businesses with its skilled and abundant workforce, low cost of operations, high quality of life, and its proximity to major markets in California, Texas, and Mexico. The ACA will leverage existing financial incentives and economic development assets and create technical assistance programs and strategic partnerships to help Arizona companies grow their revenue, create jobs, increase average wages and capital investment in the State.

**Issue 3** To Increase Capital Investment

**Description** Investment in Arizona will increase the gross state product and increase long-term economic stability. The ACA's focus on targeted investments will catalyze high quality job creation and the development and promotion of Arizona's competitive advantages both nationally and internationally.

**Solutions:**

By supporting entrepreneurship and the creation of new businesses in Arizona, the ACA promotes the State's position as a hub of innovation. Over the past decade, Arizona has experienced one of the largest increases in entrepreneurial activity and has achieved excellent national recognition.

Entrepreneurs need mentoring, mangagement talent, and risk capital to expand and fully capitalize on market opportunities. The ACA will offer mentoring, training, and financial programs across the State to assist in the creation and development of start-ups--from idea generation to prototyping, and from prototyping to a stable, growing company. The ACA will therefore help start, and grow start-ups, ultimately creating high-wage jobs, increasing supply opportunities for Arizona companies, growing capital investment, and strengthening Arizona's position as a recognized leader for entrepreneurs.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	76.0	76.0	76.0
<b>General Fund</b>	51.1	51.1	51.1
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	9.9	9.9	9.9
<b>Federal Funds</b>	15.0	15.0	15.0

- ◆ **Goal 1** To create opportunities that increase market penetration of Arizona products and services. The Arizona Commerce Authority team encourages retention, expansion, and location of businesses across the state.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of companies participating in trade events	57	50	275	300	300
Number of substantive export and trade related technical assistance sessions provided to export-related, growth-potential companies and individuals	82	62	221	250	250
Number of trade events (trade shows, trade missions, conferences and workshops)	18	15	21	20	20

- ◆ **Goal 2** To help create and retain higher paying jobs that support emerging and base industries in every region of the state.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of workers under contract to be trained	13,103	11,000	5,820	11,000	11,000
Number of companies assisted	43	80	52	80	80
Number of new jobs created as a result of grant program	1,857	1,250	5,820	1,250	1,250
Percent of Job Training funds distributed to small businesses	26.0	10.0	26.4	10.0	10.0

- ◆ **Goal 3** To Provide technical assistance to Arizona manufacturers through individual engagements, multi-company training workshops, and RevAZ programs.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of Hosted Multi-Company Workshops	0	N/A	3	8	12
Number of Formally Presented Manufacturing Assistance Webinars	0	N/A	2	6	10
Number of ExporTech session rounds of program	0	N/A	1	2	4

- ◆ **Goal 4** To promote foreign investment in Arizona

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Potential foreign investors attracted to Arizona for site visits	13	22	9	15	15
Foreign delegations served (attracted or assisted)	13	15	12	15	12

- ◆ **Goal 5** To enhance awareness of Arizona as a premier state for business relocation and expansion activities in targeted industries that generates new company locates or expansion through out the state.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Jobs created by companies utilizing Arizona Commerce Authority business development programs	15,262	14,000	17,154	15,000	17,000
Average hourly wage rate per job	25.5	24.0	22.6	24.0	25.0
Number of new company relocations/expansions	104	73	97	78	80
Locate/expansion capital investments (in millions)	1,253	1,120	3,340	1,200	1,300
Number of companies recruited to rural locations	3	18	7	20	20

## Agency Summary

### CONSTABLE ETHICS STANDARDS AND TRAINING

Ron Myers, Chairman  
 Phone: (602) 343-6280  
 A.R.S. 22-136

**Mission:**

*To set the professional standards for constables throughout Arizona, ensures that every constable is meeting their continuing education requirements, and provides supplemental funding to counties for constable training and equipment. The board also investigates complaints against constables.*

**Description:**

The Board regulates constables, enforces a professional code of conduct for constables, and issues grants for constable training and equipment.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	293.9	391.4	391.4
<b>Total Funding</b>	<b>293.9</b>	<b>391.4</b>	<b>391.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## 5 Year Plan

**Issue 1** Constable Code of Conduct

**Description** Revise Constable Code of Conduct

**Solutions:**

Establish a subcommittee of membership to begin revision of 2002 constable code of conduct and present progress to the Board

**Issue 2** Internal Policies and procedures

**Description** Revise the CAN internal policies and procedures

**Solutions:**

Staff to update and revise the internal policies and procedures on handling complaints, public records requests, grant process and general record keeping

**Issue 3** Website

**Description** Update website and maximise the capabilities

**Solutions:**

Staff to work with the Board to update the website and add new features to include training and complaint history database, historic documentation including board meeting agendas and minutes

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	391,400.0	391,400.0	391,400.0
<b>Federal Funds</b>	0.0	0.0	0.0



◆ **Goal 1** To investigate and resolve complaints against constables

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
The number of citizen complaints against constables received by the Board	3	12	10	8	10
The number of citizen complaints against constables resolved by the Board	3	12	7	8	10
The number of constables	88	88	88	88	88

◆ **Goal 2** To distribute grants for constable training & equipment

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
The number of grants awarded	20	25	36	36	36

◆ **Goal 3** To ensure compliance with constable training reporting requirements

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of constables reporting approved training	75	75	79	80	80
Number of writs served	N/A	N/A	65,056	65,500	66,000

## Agency Summary

### REGISTRAR OF CONTRACTORS

William Mundell, Director  
Phone: (602) 542-1525  
A.R.S. § 32-1101

#### **Mission:**

*To promote quality construction by Arizona contractors through a licensing and regulatory system designed to protect the health, safety, and welfare of the public.*

#### **Description:**

The Registrar of Contractors (ROC) was established in 1931. The ROC licenses and regulates residential and commercial contractors. The licensing process consists of reviewing license applications and issuing licenses to qualified applicants. The regulatory process consists of investigating and facilitating the resolution of complaints against licensed and unlicensed contractors. Complaints against licensed contractors that go unresolved may result in discipline of licenses. Complaints against unlicensed contractors may result in criminal convictions; including jail time, fines, and restitution.

The ROC is a 90/10 agency. This means that the agency is funded by 90% of its licensing fees. The remaining 10% of licensing fees are deposited into the State General Fund. The ROC does not receive State General Fund money.

#### **Agency Summary:** (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ REGULATORY AFFAIRS	10,615.6	12,196.7	12,196.7
<b>Agency Total:</b>	<b>10,615.6</b>	<b>12,196.7</b>	<b>12,196.7</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	10,615.6	12,196.7	12,196.7
Other Non Appropriated Funds	3,202.5	4,666.8	4,666.8
<b>Total Funding</b>	<b>13,818.1</b>	<b>16,863.5</b>	<b>16,863.5</b>
<b>FTE Positions</b>	<b>110.6</b>	<b>110.6</b>	<b>110.6</b>

**Issue 1** Efficient Delivery of Services

**Description** As a regulatory agency the Registrar of Contractors is focused on streamlining and expediting the regulatory process. These regulatory processes include license processing and issuance to qualified applicants, complaint investigation and resolution, and recovery fund claim processing and payment of appropriate amounts to qualified claimants. Of the complaints filed with the offices of elected officials, the Ombudsman, and directly with the agency; 45% were categorized as complaints about the agency’s processes. The agency will continue analyzing these complaints to identify and implement ways to streamline and simplify internal processes and better serve the public.

**Solutions:**

To decrease the timeframes to complete processes the agency will:

1. Identify internal processes that are (a) the most time consuming, or (b) the most frequent,
2. Analyze methods and options to reduce the timeframes for these processes while complying with all applicable laws and regulations, and
3. Apply reasonable changes that will maintain the quality and accuracy of the work product, while simultaneously reducing internal processing timeframes.

**Issue 2** Effective Use of Technology

**Description** As technology continues to progress, that which was once state of the art quickly becomes the baseline. The Registrar of Contractors has made much progress during the past few years in modernizing the agency’s use of technology. Some of the advances have included implementation of an interactive voice response telephone system, relocation of agency servers to the ADOA data warehouse, and transition from an older COBOL-based to a newer SQL-based information system. Despite these improvements, additional technology improvements can be implemented. A recent technology assessment found that improvements could be made to more effectively use available data, and modern technology standards could also facilitate efficiency gains in various agency processes. The agency will strive to implement technology that will facilitate agency processes in the most effective and cost efficient manner. More effective use of technology can increase services to the public, reduce internal processing times, and decrease agency operating costs.

**Solutions:**

To more effectively use data to improve agency processes the agency will:

1. Identify data structures and relationships that can be organized and connected to enable additional functionality,
2. Analyze methods, alternatives, and costs for improving these data structures, and
3. Apply reasonable changes that will improve the effective use of available data.

To implement technology that facilitates agency processes the agency will:

1. Identify internal processes that can be streamlined through the use of modern technology,
2. Analyze methods, alternatives, and costs for implementing technology changes, and
3. Apply reasonable changes that will improve the efficiency and quality of work of agency employees.

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**Issue 3** Clear & Consistent External Communications

**Description** Clear and Consistent External Communications – The Registrar of Contractors interacts with the public in many ways. One important method is through written communication on forms and letters. The most common forms and letters are associated with applying for and maintaining an active license, and filing a complaint and communicating the steps in the complaint resolution process. One way to streamline the regulatory process is to communicate clearly the information that is required for the agency to complete the processes. During the past few years many agency forms (such as the application, complaint, and claim forms) have been revised through various “plain talk” forums. The revisions have sought to make the forms easier to understand and consistent with other agency forms. These revisions have contributed to decreasing the rate of rejection in one area of the agency from 52% to 32% over the past few years. The agency will continue and also expand these review forums to include a review of form letters and various other template-like correspondence distributed from the agency. The revised forms, form letters, and other correspondence will streamline the regulatory process by better facilitating and improving the communication between the agency and the public.

**Solutions:**

To review and revise external communication the agency will:

1. Identify all agency forms, form letters, and other template-like communication,
2. Analyze the substantive and formatting changes that could make the external communication more clear and consistent, and
3. Apply reasonable changes that will improve and better facilitate the communication between the agency and the public.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	105.6	105.6	105.6
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	11,179.1	11,179.1	11,179.1
<b>Non-Appropriated Funds</b>	5,628.5	5,628.5	5,628.5
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

REGULATORY AFFAIRS

Tyler Palmer, Chief of Staff  
 Phone: (602) 771-6710  
 A.R.S. § 32-1101

**Mission:**

*To promote quality construction by Arizona contractors through a licensing and regulatory system designed to protect the health, safety, and welfare of the public.*

**Description:**

As a regulatory agency the Registrar of Contractors is focused on streamlining and expediting the regulatory process. These regulatory processes include reviewing and issuing licenses to qualified applicants; investigating and resolving complaints against contractors; and providing equitable financial restitution to persons financially injured by the acts of licensed residential contractors. The agency will continue identifying opportunities, analyzing methods, and implementing changes that will maintain the quality and accuracy of the work product while simultaneously improving services to the public.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	10,615.6	12,196.7	12,196.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>10,615.6</b>	<b>12,196.7</b>	<b>12,196.7</b>
<b>FTE Positions</b>	<b>105.6</b>	<b>105.6</b>	<b>105.6</b>

◆ **Goal 1** To improve the delivery of services by decreasing the timeframes required to complete processes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of days to process an application and issue a new license.	26	26	49	30	30
Average number of days to close complaints in compliance.	41	40	83	50	40
Average number of days to close complaints with a default order.	395	180	282	180	180
Average number of days to close complaints with an administrative hearing.	416	365	434	365	365
Average number of days to pay administrative recovery fund claims.	586	234	287	250	250
Average number of days to close investigations of unlicensed contracting.	41	41	78	45	45

◆ **Goal 2** To improve the use of technology by (a) using more effectively available data, and (b) implementing technology resources that will facilitate agency processes in the most effective and cost efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of technology services internal agency customers indicating they received good or excellent customer service.	86	86	88	88	88
Percent of licenses renewed online.	39	39	39	45	45

◆ **Goal 3** To improve external communications by reviewing and revising forms, form letters, and other template-like correspondence.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of external customers responding that the license application forms and instructions are clear, concise, and understandable.	69	75	56	65	70
Percent of external customers responding that the license renewal forms and instructions were clear, concise, and understandable.	86	86	88	88	88
Percent of external customers responding that the correspondence from the inspections department was clear, concise, and understandable.	100	100	NA	95	95
<b>Explanation:</b> An insufficient number of surveys were received to rely on this information.					
Percent of external customers responding that the correspondence from the legal department was clear, concise, and understandable.	60	70	60	65	70
Percent of external customers responding that the correspondence from the recovery fund department was clear, concise, and understandable.	71	80	75	80	80
Percent of external customers responding that the correspondence from the investigations department was clear, concise, and understandable.	96	96	98	98	98

## Agency Summary

### CORPORATION COMMISSION

Jodi Jerich, Executive Director

Phone: (602) 542-3931

Arizona Constitution Article XV, A.R.S. § 40-101 et seq.

#### Mission:

*To exercise exclusive state regulatory authority over public service corporations (public utilities) in the public interest; to grant corporate status and maintain public records; to ensure the integrity of the securities marketplace; and to foster the safe operations of railroads and gas pipelines in Arizona.*

#### Description:

The Corporation Commission is composed of five elected Commissioners. Staffing is provided in nine divisions, each headed by a Division Director serving under the Commission's Executive Director, who is the Chief Executive Officer and responsible for the day-to-day operations of the divisions. The Commission's primary responsibilities include reviewing and establishing public utility rates, regulating the sale of securities, ensuring pipeline and railroad safety, and administering the Arizona Corporations Code. The Commission also serves as the repository of corporate annual reports and other publicly available documents filed by corporations in accordance with state law.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	3,746.5	3,353.5	3,353.5
➤ HEARINGS	1,967.5	2,400.0	2,400.0
➤ CORPORATIONS	3,802.4	4,125.6	6,125.6
➤ SECURITIES	4,418.2	5,250.0	5,593.0
➤ RAILROAD SAFETY	597.5	650.0	650.0
➤ PIPELINE SAFETY	1,604.6	1,600.0	1,600.0
➤ UTILITIES	5,502.9	5,930.0	5,930.0
➤ LEGAL	1,852.6	1,950.0	2,100.0
➤ INFORMATION TECHNOLOGY	1,971.5	2,630.4	2,630.4
➤ BROADCASTING SERVICES	491.4	600.0	600.0
<b>Agency Total:</b>	<b>25,955.1</b>	<b>28,489.5</b>	<b>30,982.5</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	511.0	610.5	610.5
Other Appropriated Funds	25,011.5	27,179.0	29,672.0
Other Non Appropriated Funds	432.6	700.0	700.0
<b>Total Funding</b>	<b>25,955.1</b>	<b>28,489.5</b>	<b>30,982.5</b>
<b>FTE Positions</b>	<b>304.9</b>	<b>301.9</b>	<b>301.9</b>

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## 5 Year Plan

**Issue 1** Electronic filing agency-wide needed at the Arizona Corporation Commission

**Description** The Commission relies on manual paperwork and labor intensive processes to accommodate/facilitate the public's interaction with the different Commission Divisions. The current limited on-line platform does not interface with Apple products and/or updates to Windows operating systems. A new and fully electronic filing system will streamline Commission staff activities and facilitate productivity.

**Solutions:**

The Commission is seeking professional IT assistance to review and assess the transition processes for an agency-wide electronic filing platform.

**Issue 2** Update Division database reporting capabilities

**Description** The current Securities Division software programs are 13 years old and do not run on Windows 7.

**Solutions:**

After having reviewed current needs and software requirements and configurations this fiscal year, the Securities Division is ready to move to the next phase including: purchasing, installing, testing and evaluating the new software product.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	303.9	305.9	305.9
<b>General Fund</b>	610.5	610.5	610.5
<b>Other Appropriated Funds</b>	29,672.0	29,672.0	29,672.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	3.0	3.0	3.0



**Program Summary**

**ADMINISTRATION**

Kimberly Battista, Director  
 Phone: (602) 542-0747  
 A.R.S. § 40-105

**Mission:**

*To provide the executive leadership and decision-making authority for the timely resolution of matters coming before the Commission. To plan, coordinate and direct the administrative and fiscal activities necessary to support the Commissioners and all divisions of the Commission.*

**Description:**

The Administration Division is composed of the five elected commissioners and their staff, the Executive Director's Office and the administrative functions, which provide the fiscal and administrative services necessary to support all divisions of the Corporation Commission. These Divisions include Corporations, Securities, Pipeline and Railroad Safety, Utilities, Hearings, Legal, IT Support and Broadcast Services. The chief executive officer of the Commission is the Executive Director, who serves at the pleasure of the Commissioners. The Administrative Services Director oversees the administrative and fiscal functions of the Commission. The Administrative Services office provides accounting, payroll, purchasing, and personnel support for the entire Commission.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	9.1	0.0	0.0
Other Appropriated Funds	3,736.7	3,353.5	3,353.5
Other Non Appropriated Funds	0.7	0.0	0.0
<b>Total Funding</b>	<b>3,746.5</b>	<b>3,353.5</b>	<b>3,353.5</b>
<b>FTE Positions</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>

- ◆ **Goal 1** To ensure all matters coming before the Commission are resolved in a timely manner, in accordance with administrative procedures.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of open meetings held	59	65	58	60	60
Agenda items considered	344	400	356	400	400
Claims processed	2,214	2,300	1,692	2,000	2,200
Revenue deposited with the Treasurer (in millions)	60	60	72	72	72

- ◆ **Goal 2** To provide business services to all Divisions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Purchase orders issued	320	350	259	300	300

**Program Summary**

HEARINGS

Lyn A. Farmer, Chief Hearing Officer  
 Phone: (602) 542-4250  
 A.R.S. § 40-243 to 40-255

**Mission:**

*To preside over administrative hearings and procedural conferences concerning complex utility and securities matters, and to write and submit Proposed Opinion and Orders for the Commissioners' consideration at Open Meeting.*

**Description:**

The Hearing Division exercises the Commission's authority to hold public hearings and arbitrations on matters involving the regulation of public service corporations, the sale of securities, and the registration of non-municipal corporations. Under the direction of the Administrative Law Judges, proceedings are conducted through formal hearings that include taking sworn testimony, cross-examination of witnesses, admission of documentary and other physical evidence, and submission of oral arguments or post-hearing briefs. The Administrative Law Judges process Rate and Certificate of Convenience and Necessity applications under a procedural schedule that complies with the Commission's "timeclock" rules to ensure that Recommended Opinion and Orders are issued in a timely manner. The Hearing Division is also responsible for Commission record-keeping through its Docket Control Center. The Hearing Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,967.5	2,400.0	2,400.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,967.5</b>	<b>2,400.0</b>	<b>2,400.0</b>
<b>FTE Positions</b>	<b>21.0</b>	<b>21.0</b>	<b>21.0</b>

◆ **Goal 1** To conduct fair and impartial hearings, and to propose timely, factually, and legally sound Orders for the Commissioners' consideration.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Rehearings granted - Hearing Officer's error	0	0	0	0	0
Procedural Orders issued	424	500	428	450	450
Proposed Orders issued	106	125	132	140	140

◆ **Goal 2** To provide timely and efficient docket services to regulated utilities and consumers.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Open Meeting items processed	970	1,000	973	1,000	1,000
Filings docketed (in thousands)	7.5	8	8	8	8
Number of Decisions	680	700	631	700	700

**Program Summary**

**CORPORATIONS**

Patricia L. Barfield, Director  
Phone: (602) 542-3521  
A.R.S. Title 10

**Mission:**

*To approve corporate names and grant corporate or limited liability company status to entities organizing under the laws of the State of Arizona; to approve applications from foreign corporations and limited liability companies to transact business in this State; to collect annual reports from all corporations of record; and to maintain corporate and limited liability company records for the benefit of public record and service of process.*

**Description:**

The Corporations Division is comprised of five sections (Annual Reports, Corporate Filings, Records, Call Center, Initial Processing). The Division also has a few staff members in the Tucson office of the Corporation Commission to provide some services to the residents of Southern Arizona.

The Corporations Division approves for filing all articles of incorporation, amendments to articles, mergers, consolidations, withdrawals, and dissolutions for Arizona corporations; approves corporate and limited liability company (LLC) names; approves all articles of organization, amendments, changes and terminations for LLCs; grants authority to foreign corporations and LLCs transacting business in this State; propounds interrogatories when necessary; and may administratively dissolve or revoke corporations and LLCs that do not comply with specific provisions of Arizona law.

The Division collects from every corporation an annual report reflecting the current statutory agent, corporate address, amount of stock issued (forprofits), lists of officers and directors, Certificate of Disclosure and Statement of Bankruptcy. The Division updates the corporation's public record with information provided by the annual report and also when amendments or changes are submitted by the corporation. The Division must maintain all information on corporations and LLCs in a data format conducive to public access; respond to public questions concerning Arizona corporations and LLCs; and respond to the needs of the business sector by disseminating information. The Division has limited investigatory powers and no regulatory authority. Arizona corporations and LLCs, however, may be administratively dissolved if certain statutory requirements are not met. Likewise, the authority of foreign (non-Arizona) corporations or LLCs to transact business in Arizona may be administratively revoked. The Division acts as an agent for Arizona corporations and limited liability companies whenever either entity does not maintain a statutory agent or when the agent cannot be located. In these instances, services of process directed to the entity are accepted by the Records Section on behalf of the entity. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology infrastructure.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,802.4	4,125.6	6,125.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,802.4</b>	<b>4,125.6</b>	<b>6,125.6</b>
<b>FTE Positions</b>	<b>68.5</b>	<b>68.5</b>	<b>68.5</b>

◆ **Goal 1** To provide customers with timely processing of their business documents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of expedited requests achieved within 5 business days	100	100	100	100	100
Percent of regular requests achieved within 30 business days	100	100	100	100	100
Range of days to process expedited requests - corporate filings	3-11	2-5	2-5	2-5	2-5
Range of weeks to process regular requests - Corporate Filings	3-9	3-6	3-7	3-6	3-6
Total active corporations and Limited Liability Corporations recorded	776,484	780,000	817,715	880,000	940,000
Total filings received	366,177	385,000	387,278	390,000	390,000
Average turnaround time (days) for normal Annual Reports	22	22	13	22	22
Average turnaround time (days) for expedited Annual Reports	2	2	2	2	2
Annual reports filed	135,038	135,000	131,616	132,000	132,000
Number of e-filed Annual Reports	99,794	120,000	104,736	110,000	110,000

◆ **Goal 2** To provide customers the most expedient public information services possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Division-wide incoming calls for corporate filings and records, annual reports, and calls to Tucson office	130,545	145,000	130,083	135,000	135,000
Division-wide calls answered	101,448	125,000	95,456	100,000	100,000
Days to process expedited requests - Records Section	1-3	1-3	1-3	1-3	1-3
Days to process regular requests - Records Section	5-7	5-7	5-7	5-7	5-7
Mail and counter work orders	32,541	33,000	40,918	40,000	40,000
Number of website hits	7,220,972	7,300,000	8,616,020	8,800,000	8,800,000
Corps. Homepage hits	796,047	800,000	616,088	700,000	700,000

**Explanation:** Changed count from "hundreds" to "thousands" in FY08.

Corps. Forms Index hits	776,419	820,000	823,170	830,000	830,000
Annual Report Views	339,107	340,000	332,165	335,000	335,000
Total number of document images viewed (in millions)	19.7	20	11.5	15	15

◆ **Goal 3** To streamline and improve internal customer-related administrative/ operational functions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total mail received - division-wide, including faxes	143,101	150,000	136,747	140,000	140,000
Initial Processing Section documents scanned	243,190	290,000	242,623	245,000	245,000
Division checks processed	113,901	115,000	108,799	110,000	110,000

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◆ **Goal 4** To expand training opportunities for division staff members.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General in-house class hours	879.5	350	767	500	500
Class hours per full-time equivalent (FTE)	12.72	5.74	11.12	7.25	7.25

◆ **Goal 5** To continually improve customer service and customer satisfaction.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Overall satisfaction score from customer surveys on a 8.0 scale	7.0	7.8	6.6	7.8	7.8

**Explanation:** (on scale of 1-8; 8=high)

## Program Summary

### SECURITIES

Matthew Neubert, Director  
 Phone: (602) 542-0605  
 A.R.S. §§ 44-1801 to 44-2041

#### Mission:

*To ensure the integrity of the securities marketplace through investigative actions as well as the registration and/or oversight of securities, securities dealers and brokers, investment advisers, and their representatives; to enhance legitimate capital formation; and to minimize the unnecessary burden and expense of regulatory compliance by legitimate businesses.*

#### Description:

The Division reviews prospective offerings of securities to ascertain that full and fair disclosure is made to potential securities investors and that the terms of offerings are not inherently fraudulent. Securities dealers and salespersons are required to register with the Division. Investment advisers and their representatives are required to be licensed by the Division unless exempt. The Division reviews these applications and monitors the conduct of dealers and salespersons, investment advisers, and their representatives and investigates possible violations. Where the evidence warrants, the Division brings administrative, civil, or criminal enforcement actions. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,418.2	5,250.0	5,593.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>4,418.2</b>	<b>5,250.0</b>	<b>5,593.0</b>
<b>FTE Positions</b>	<b>55.4</b>	<b>55.4</b>	<b>55.4</b>

- ◆ **Goal 1** To ensure that registered securities offered to public investors are structured fairly and equitably and fully disclose all information necessary for an investor to make an informed decision.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of applications/filings	24,914	20,000	26,648	20,000	22,000
Number of registrations/exemptions	26,262	21,000	28,267	21,000	23,000
Number of exemptions (Rule 126)	1,255	1,500	1,545	1,500	1,500
Number of months required to review applications	1.5	1.5	1.5	1.5	1.5
Number of other exemptions	93	100	74	100	100
Number of name changes	2,040	2,000	1,674	2,000	2,000
Number of dealer examinations	5	15	3	15	10
Number of dealer registrations	2,009	2,000	1,981	2,000	2,000
Number of salesman registrations	173,952	175,000	180,290	175,000	175,000
Number of IA registrations	52	350	529	350	350
Number of IAR registrations	6,525	4,000	7,142	4,000	5,000
Number of IA examinations	70	35	49	35	35
Number of Public Educational Programs	55	55	46	55	55
Number of Legislative initiatives	0	0	2	0	0

- ◆ **Goal 2** To reduce the public investor losses and protect Arizona's reputation from damage caused by fraudulent sales and services peddled to victims by unlicensed and unregistered frauds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of complaints	144	250	113	250	250
Enforcement action: number of investigations initiated	15	45	19	45	45
Enforcement action: number of subpoenas issued	351	300	285	300	300
Commission Order: Number of Cease and Desist Orders	30	35	23	35	35
Commission Order: Fines- Number of Respondents	62	50	36	50	50
Commission Order: Restitution - Number of Respondents	46	40	27	40	40
Number of civil cases initiated	0	2	3	2	2
Number of indictments - True Bills	7	7	6	7	7
Number of civil proceedings closed	1	2	3	2	2
Number of civil proceedings open at year end	3	2	3	2	2
Total examinations under oath	44	50	44	50	50
Number of cases to hearing	3	5	7	5	5
Administrative Proceedings: Number Respondents	47	45	33	45	45
Number of administrative proceedings initiated	19	20	14	20	20
Civil Proceeding Initiated : Number of Defendants	0	5	9	5	5
Number Criminal Defendants - Indicted	7	10	7	10	10
Number of Criminal Restitution Orders	8	8	13	8	8
Number of Defendant Pleas and Convictions	14	8	17	8	8
Number of Investigations Closed	32	50	30	50	50
Number of Investigations Open at Year End	64	70	53	70	70
Number of Respondents: Commission Orders	66	65	47	65	65

**Program Summary**

**RAILROAD SAFETY**

Robert Marvin, Director  
 Phone: (602) 262-5601  
 A.R.S. §§ 42-201 et. seq.

**Mission:**

*To ensure that the citizens of Arizona as well as railroad employees throughout the State have a Railroad System that is operated and maintained in as safe a manner as possible.*

**Description:**

The Railroad Safety Section is responsible for inspection activities on both intrastate and interstate railroads operating in Arizona. Inspection activities are carried out under the authority of the federal government by way of an Interagency Agreement between the Commission and the Federal Railroad Administration (FRA). It is through this agreement that the Commission's Rail Safety Staff obtains the authority to fulfill its mission objectives.

Under the terms of the agreement, Commission Inspectors must be FRA certified. Inspectors conduct inspections, informing railroads of any defects that are found. Defects must be corrected and verified by a re-inspection. If an inspector finds that defects were not corrected and no effort was made to address the problem, he/she may submit a federal violation against the company. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	501.9	609.9	609.9
Other Appropriated Funds	95.6	40.1	40.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>597.5</b>	<b>650.0</b>	<b>650.0</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

◆ **Goal 1** To promote and ensure the safe operation of Arizona railroads.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Miles of railroad track inspected	1,388	1,300	1,451	1,300	1,350
Freight cars inspected	2,318	2,500	2,359	2,400	2,400
Locomotive units inspected	288	200	193	200	225
Operating practices inspections	35	80	39	100	100
Hazardous materials inspections	1,418	2,100	1,185	2,200	2,300
Grade crossing inspections	288	260	241	275	270
Industrial spur track inspections	7	8	10	8	8
Federal violations filed	10	12	15	12	12
Deraillments	21	16	25	20	20
Number of grade crossing accidents	25	25	15	20	20
Other accidents	3	4	3	3	3
Grade crossing complaints	29	30	22	25	25
Other complaints	6	10	6	8	8
Operation Lifesaver presentations	4	4	2	3	3
HazMat Accidents/Incidents	8	10	14	12	12



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◆ **Goal 2** To ensure rail/highway grade crossings safety.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Grade crossings improved	9	8	11	8	8
New Grade Crossings Installed	0	1	0	1	1
Signal & Train control inspections	8	10	16	15	15
Signal system components inspected	685	700	754	700	725

**Program Summary**

PIPELINE SAFETY

Robert Marvin, Director  
 Phone: (602) 262-5601  
 A.R.S. §§ 42-201 et. seq.

**Mission:**

*To enforce federal and state pipeline safety regulations and to provide training and guidance to pipeline operators to ensure safe operation of pipeline facilities. To enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators in an attempt to reduce damage to underground facilities and to eliminate personal injuries and deaths associated with underground facilities.*

**Description:**

The Pipeline Safety Office maintains staff in Phoenix, Tucson, and Prescott. The Office has the responsibility for the inspection of all intrastate pipeline operators within the State of Arizona. The Office also has the responsibility to enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators. The Office conducts training classes for operators of master meter gas systems and maintains a natural gas equipment loan-out program to assist them in complying with Pipeline Safety regulations. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,215.3	900.0	900.0
Other Non Appropriated Funds	389.3	700.0	700.0
<b>Total Funding</b>	<b>1,604.6</b>	<b>1,600.0</b>	<b>1,600.0</b>
<b>FTE Positions</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>

◆ **Goal 1** To protect the public and the environment by providing the highest level of pipeline safety awareness.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Fines collected (in thousands)	29	20	48	20	38
Total intrastate inspections	84	80	54	80	69
Violations: Intrastate (major operators only)	60	60	50	60	55

**Explanation:** Prior years include master meter operators

Violations: Master Meter	964	1,100	1,044	1,100	1,004
Total master meter inspections	1,778	1,500	1,160	1,200	1,469
Total number of code compliance inspections	1,936	1,600	1,332	1,300	1,634
Total Bluestake violations written	85	75	79	75	82
Random Bluestake inspections	31	30	39	30	35
Seminars/Public awareness meetings held	23	22	30	22	26
Investigated incidents	186	200	139	200	162
Total number of Interstate pipeline safety violations	2	0	1	0	0
Total interstate inspections	4	12	9	12	6

◆ **Goal 2** To ensure the pipeline operators in Arizona operate gas pipeline systems as safely as possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total intrastate violations corrected (major operators only)	60	75	50	75	55
<b>Explanation:</b> Past years included Master Meter violations corrected					
Major pipeline operators training classes held	0	2	0	0	0
Master Meter training classes held/persons attending	15/249	16/225	16/340	16/225	15/294
Bluestake training classes held/persons attending	44/2,529	40/2,250	46/1,837	40/2,250	45/2,183
Total master meter violations corrected	1,062	1,000	961	1,000	1,011

◆ **Goal 3** To receive and maintain an interagency agreement with the Federal Dept. of Transportation to ensure safe operations of interstate pipeline.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Renewal of interstate agreement for gas and liquid	2	2	2	2	2

◆ **Goal 4** To maintain and improve the professional skills of the ACC pipeline staff.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Development/updating of training courses for staff	6	6	6	6	6

**Program Summary**

UTILITIES

Steve Olea, Director  
 Phone: (602) 542-4251  
 A.R.S. § 40-201 et. seq.

**Mission:**

*To recommend thoroughly researched, sound regulatory policy and rate recommendations to the Commissioners, which are based on a balanced analysis of the benefits and impacts on all stakeholders and are consistent with the public interest.*

**Description:**

The Utilities Division carries out its responsibilities through seven organizational sections: Finance and Regulatory Analysis, Telecom and Energy, Engineering, Compliance, Consumer Services, Administrative Services and Directors office. The Utilities Division makes specific recommendations to the Commissioners to assist them in reaching decisions regarding public utility rates, financial condition and quality of service for approximately 670 traditional utilities. The Division implements Commission rules. The Division conducts research, presents evidence in hearings, and contracts with utility rate analysts and expert witnesses in carrying out its responsibilities. The Division also monitors compliance with Commission decisions. The staff conducts public workshops and other public proceedings on various regulatory topics. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,460.8	5,930.0	5,930.0
Other Non Appropriated Funds	42.1	0.0	0.0
<b>Total Funding</b>	<b>5,502.9</b>	<b>5,930.0</b>	<b>5,930.0</b>
<b>FTE Positions</b>	<b>71.0</b>	<b>68.0</b>	<b>68.0</b>

◆ **Goal 1** To ensure that utility service within the Commission's jurisdiction is available to all consumers at authorized rates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Utilities regulated	685	621	670	677	677
Rate cases completed	30	40	52	41	41
Tariff applications processed	247	228	248	248	248

◆ **Goal 2** To ensure that any transition of the telecommunications and electricity generation markets from the current regulated monopoly structure to one of competition maintains safe and reliable service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
CLEC applications filed	6	9	150	150	150
ILEC applications filed	7	6	42	40	40
Certifications processed: CLECs	2	8	113	110	110
Certifications processed: ILEC	2	6	38	35	35
CLEC interconnection agreements processed	38	34	62	50	50
Total Telecom applications filed	0	0	192	190	190
Total Telecom applications processed	0	0	151	150	150

- ◆ **Goal 3** To maximize the Division's operating efficiency through modernization of electronic processing and enhancing the Division's information technology.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Consumer complaints/requests submitted electronically	2,730	3,500	1,113	2,500	2,500

- ◆ **Goal 4** To maintain public involvement, accessibility, and regulatory oversight by conducting workshops, forums, and community outreach programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of public awareness functions	9	17	25	17	17
Number of water workshops	2	2	0	2	2
Number of electric workshops	2	2	3	2	2

**Program Summary**

LEGAL

Janice Alward, Chief Counsel  
 Phone: (602) 542-6029  
 A.R.S. § 40-106

**Mission:**

*To provide legal representation to the Corporation Commission in the performance of all of its powers and duties, except for matters pertaining to the activities of the Securities Division.*

**Description:**

Matters handled by the Legal Division fall into five general categories: Commission dockets; federal regulatory dockets; litigation; other administrative matters; and special projects. The Legal Division represents the Commission in all matters relating to public utility-rate setting, and in other areas not associated with the Securities Division. Securities-related legal cases are litigated by the Attorney General's Office. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,852.1	1,950.0	2,100.0
Other Non Appropriated Funds	0.5	0.0	0.0
<b>Total Funding</b>	<b>1,852.6</b>	<b>1,950.0</b>	<b>2,100.0</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

- ◆ **Goal 1** To provide efficient, high-quality legal representation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Education and training expenditures (\$)	2,037	7,200	5,117	7,200	7,200
Attorney legal education classes completed	18	20	18	20	20
Job-related education classes for attorneys	113	75	132	75	75
Classes completed: job-related education for support staff	37	20	38	20	20
Classes completed: other education	0	0	20	0	0
Expenditures on advanced research tools	32,049	33,000	33,714	33,000	33,000

◆ **Goal 2** To provide high-quality representation in administrative matters before the Corporation Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Docketed matters handled	421	500	471	500	500
Administrative hearing days handled by the Legal Division	60	30	45	30	30
Orders to Show Cause prepared by the Legal Division	0	1	0	1	1
Formal complaints prepared by the Legal Division	0	1	0	1	1
Discovery/Data Requests/ Responses/ Oppositions prepared	266	300	212	300	300
Motions, Briefs, & other pleadings prepared	178	300	438	300	300

◆ **Goal 3** To provide high-quality representation in Judicial matters before various courts.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Commission actions appealed to courts	3	3	7	3	3
Motions, briefs and other pleadings filed in courts	9	20	39	20	20

◆ **Goal 4** To provide high-quality legal advice to the Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Open/Special Open Meetings attended by Legal counsel	31	65	41	65	65
<b>Explanation:</b> On numerous occasions, more than 1 staff member attend.					
Line Siting hearing days attended by counsel	0	2	0	2	2
<b>Explanation:</b> On numerous occasions, more than 1 staff member attend.					
Commission Staff Meetings attended by counsel	14	20	15	20	20
<b>Explanation:</b> On numerous occasions, more than 1 staff member attend.					
Commission hearing days attended by counsel	115	200	157	200	200

**Program Summary**

INFORMATION TECHNOLOGY

Letty Butner, IT Director  
 Phone: (602) 542-0671  
 A.R.S. § 40-105 (B)(2)

**Mission:**  
*To provide accurate, efficient, and timely technology design, development, implementation, communications and maintenance support services to the agency and its respective divisions.*

**Description:**  
 The Information Technology Division provides technology services and support such as application development, network services, hardware support, and project management for the entire Commission. The Division is working towards improving efficiency through modernization of electronic processing and enhancing the Division's information technology and infrastructure.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.6	0.6
Other Appropriated Funds	1,971.5	2,629.8	2,629.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,971.5</b>	<b>2,630.4</b>	<b>2,630.4</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

◆ **Goal 1** To provide electronic interaction effectively with the public and other governmental entities. In addition, to implement effective protocols, software, and communication with the public to allow them to retrieve and submit data, forms, and all other documents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Corporations available via the internet (in thousands)	775	775	809	820	820
Number of dockets available via the internet	18	18.3	18.4	18.8	19.2
Number of Corporation filings submitted electronically to the ACC (in thousands)	325	325	441	450	480

◆ **Goal 2** To use information technologies effectively to enhance intra-agency communications

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of hits to agency intranet pages (in millions)	4,255	4,500	4,225	4,300	4,300
Percentage of staff using electronic document management integrated with business processes.	70	70	70	70	70

◆ **Goal 3** To improve employees' preparation to use technology and react to their job-specific needs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of staff in attendance at IT-related training classes	70	70	43	45	45

**Program Summary**

**BROADCASTING SERVICES**

Ron Bellus, Director  
 Phone: (602) 542-3847  
 A.R.S. § 40-105 (B)(2)

**Mission:**

*To provide the television broadcast production of all meetings and hearings of the Commission for public viewing and for archiving. Additionally, the Division produces video tutorials and short educational segments on the many varied duties of the Commission. The Division is also responsible for the Commission's website.*

**Description:**

Maintain all live broadcast of meetings, open meetings, hearings and workshops held at the Commission. To develop, direct and produce educational and informational segments for the public. To develop and maintain the Commission website.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	491.4	600.0	600.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>491.4</b>	<b>600.0</b>	<b>600.0</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

- ◆ **Goal 1** To provide video and audio production of agency meetings, educational and informational segments and well as maintain the agency website.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Yearly assessment video of all Commissioners	0	0	1	1	1
Introduction video for all Commissioners	0	0	4	5	5
Agency Recognition Committee videos	0	0	2	3	3
Safety and training videos for Division projects	0	0	3	3	3
Open Meetings broadcast	0	0	16	30	30
Hearings broadcast	0	0	131	130	130
Special Open Meetings broadcast	0	0	11	15	15
Staff Meetings broadcast	0	0	15	15	15
Workshops broadcast	0	0	3	5	5
Website and web page reconstruction.	0	0	8	10	10



## Agency Summary

### DEPARTMENT OF CORRECTIONS

Charles L. Ryan, Director  
 Phone: (602) 542-5225  
 A.R.S. § 41-1602

**Mission:**

*To serve and protect the people of Arizona by securely incarcerating convicted felons, by providing structured programming designed to support inmate accountability and successful community reintegration, and by providing effective supervision for those offenders conditionally released from prison.*

**Description:**

The Department serves and protects the people of the state of Arizona by incarcerating inmates in correctional facilities and supervising conditionally released offenders in the community. During incarceration, welfare and health care services, including medical, dental, and mental health, are provided to inmates. In addition, structured programming including work, education, career training, substance abuse treatment, sex offender treatment, spiritual services, and recreation are provided to inmates to promote employability, literacy, sobriety, and accountability to crime victims and to increase the likelihood that released inmates will become law-abiding citizens upon release. In the community, the Department supervises offenders released from prison to serve the remainder of their sentence on community supervision. The Department ensures the accurate release, effective re-entry, transition, and supervision of released offenders utilizing a continuum of supervision services, strategies, evidence-based programs, and meaningful incentives and sanctions. The Department also facilitates the swift return to custody of those offenders who violate conditions of supervision and who represent a serious threat to the safety of the community.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ PRISON OPERATIONS AND SERVICES	1,016,264.2	1,046,220.6	1,104,670.8
➤ COMMUNITY CORRECTIONS	16,521.2	15,794.3	19,206.0
➤ ADMINISTRATION	39,876.4	50,711.9	61,844.4
<b>Agency Total:</b>	<b>1,072,661.7</b>	<b>1,112,726.8</b>	<b>1,185,721.2</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	969,874.6	996,845.6	1,057,821.5
Other Appropriated Funds	45,061.1	47,411.9	54,146.3
Other Non Appropriated Funds	57,726.0	68,469.3	73,753.4
<b>Total Funding</b>	<b>1,072,661.7</b>	<b>1,112,726.8</b>	<b>1,185,721.2</b>
<b>FTE Positions</b>	<b>9,598.5</b>	<b>9,748.5</b>	<b>9,799.5</b>

**Issue 1** Managing Growth and Change in the Inmate Population

**Description** Historically, the inmate population increased from an average daily population of 26,579 in FY 2001 to 40,686 in FY 2014 (a 53.1% increase). After consistent inmate population growth from FY 2001 to FY 2010, with a monthly average growth rate of 117 inmates, the inmate population declined by a total of 600 inmates during FY 2011 and FY 2012. Inmate population growth returned during FY 2013, increasing by 809 inmates in FY 2013 and 1,087 during FY 2014. ADC housed 41,854 convicted felons at the end of FY 2014.

The Department must enhance planning and process improvement strategies throughout the organization to maximize resources and to ensure the safety of the public, staff, and inmates. Anticipated growth, coupled with segments of the population that are experiencing rapid growth (such as medium and close custody, sex offenders, and protective custody), requires an ongoing focus on bed plan forecasting and optimal placement and management of specific populations. The Department must manage the inmate population and maximize accessibility to inmate programming and services, while ensuring the availability of sufficient resources and maintenance of the physical plants throughout the state.

**Solutions:**

Refined strategies for management of multiple populations, such as Restrictive Status Housing, are being implemented to manage close and maximum custody inmates, including those with mental health challenges. This initiative focuses on providing avenues for inmates to achieve less restrictive housing assignments through successful completion of a program designed to address inmate needs and to assist inmates in better decision-making. These programs are monitored and guided by staff and support a safe and productive environment for both staff and inmates.

**Issue 2** Enhancing the Employee Life Cycle through Emphasis on Human Resources, Staffing, Training, and Retention

**Description** ADC faces the difficult task of recruiting and retaining staff in a demanding and dangerous job that is under-compensated in an improving economy. State salaries are generally below those of other law enforcement entities, particularly for Correctional Officers. Compounding both recruitment and retention issues is the multi-generational “mix” of the workforce, with vastly differing expectations about technology, work ethic, and personal values, overlaid with the challenge of ongoing compliance with labor laws and other external guidelines relating to hiring and labor relations. Sufficient staffing is essential for safe, secure operations within the prison environment, and turnover among Correctional Officers creates an ongoing and expensive cycle of recruitment and training.

Despite the success of improved recruitment efforts, staffing shortages have increased. One thousand Correctional Officers were hired in Fiscal Year 2014, yet the vacancy rate climbed as a result of challenges with retention. ADC continues to lose staff due to the adverse environment, non-competitive pay, and the increasingly physical nature of confrontations with inmates. ADC also loses many seasoned staff, who would otherwise serve as mentors to the inexperienced incoming work force, as a result of retirement.

The high cost of continual recruitment, training, and re-training cannot be sustained.

**Solutions:**

ADC must instead work toward more effective recruitment, paired with a Department-wide retention and succession planning effort to slow the constant turnover and to ensure support and development of future leaders. ADC seeks to enhance the employee life cycle, from selection and hiring through onboarding, training, performance management, formal recognition, promotion, and, ultimately, retirement, with an emphasis on hiring and retaining the best employees.

The Department is taking a multi-pronged approach to becoming an employer of choice, including continuing review of compensation; retention and engagement strategies, with focus on improving the relationship between first-line supervisors and subordinates; revising the supervision, management, and leadership academies; overhauling the Field Training Officer program to better support and retain new officers; and career path advisement, informal mentoring, and cross-training to support opportunities and professional growth.

To increase retention and create succession capacity, ADC will hire the right applicants, provide them with top quality training, and create an appealing career path. ADC can reduce the recruitment and training “churn” that creates a continuous drain on staffing. These efforts are critical for reducing the increasing individual officer retention and building leadership capacity within the agency.

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**Issue 3** Ensuring the Provision of Statutorily Required Inmate Health Care

**Description** ADC ensures the provision of health care to inmates, including medical, dental and mental health services. ADC's primary focus with respect to inmate health care is to ensure contract compliance and the delivery of quality health care through ongoing monitoring by the Health Services Contract Monitoring Bureau (HSCMB) and continuous collaboration with the contracted vendor.

ADC is being challenged by external sources on issues related to inmate mental health, medication management, and timely access to medical care. A 2-year litigation process is expected to reach a conclusion in late 2014 or early 2015, which may significantly impact current action plans to improve inmate health care.

**Solutions:**

Plans to improve inmate health care include methods to reduce incidents of self harm, increase access to timely medical care, ensure continuity of care, and increase opportunities to participate in programming.

Additional focus is placed on successful implementation of an Electronic Health Record (HER) throughout the state, improving access to current health information and reducing the reliance on paper records in the future.

Efforts are also under way to provide more effective methods to monitor the provision of health care. These efforts include improved communication between the HSCMB and the contracted vendor on a regularly scheduled basis, with emphasis on a collaborative approach to solving problems.

Areas of review are focused on appropriate staffing, equipment needs, and access to adequate numbers of specialty beds identified for inmates with significant medical needs.

**Issue 4** Integration of ADC Technology and Service Delivery in Support of Knowledge Management, Business Intelligence, and Process Efficiency

**Description** Information Technology has been rapidly evolving in numerous areas that affect Corrections. Many of the newer technologies are merging what used to be separate software and equipment (e.g. phones, servers, locking systems software). As technology has evolved, ADC experiences a greater need to acquire and implement the new tools to carry out its mission in a safe, secure, efficient, and effective manner. Further, the new technologies must be well researched and considered at an "enterprise" level, ensuring that the many different facets of ADC operations are integrated with the new solutions. Technology must also be supported by sufficient resources (time, staff and funding) to successfully complete the projects in an agency the size of ADC.

**Solutions:**

ADC needs to ensure that technological systems and services support the collection of accurate data and the timely analysis of data. This will allow us to enhance knowledge and expertise on which to base business decisions.

Viable technology, process automation, records management, system integration, and secure information systems that are efficient, effective, standardized, easy to use, and supported by training are essential to the ability of the Department to continue to effectively carry out its mission and meet its responsibility to the public.

With viable hardware and software solutions, integrated platforms, and automated processes in place, we can provide appropriate services in an efficient and effective manner.

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**Issue 5** Recidivism Reduction through Improved Offender Transition and Re-Entry Support

**Description** The current recidivism rate for Arizona inmates is 37.5%, including new felony convictions (2,763, 18.2%) and technical violations of conditions of supervision (2,935, 19.3%). To reduce this number, the Department is focusing on strategies for strengthening community re-entry and transition efforts. ADC is working to ensure the optimal alignment and delivery of inmate programs to proactively support successful re-entry and transition.

**Solutions:**

These efforts include expansion of re-entry classes to the maximum custody units in the institution and the addition of pre-release meetings, either in person or through phone calls and video visitations, facilitated by community corrections personnel and institutional staff; exploring “work based” educational and vocational programming to better prepare inmates for “real world” employment opportunities; and establishing mandatory savings programs which would improve an inmate’s ability to secure housing and other needed resources upon release. These efforts complement established support and treatment programs in the institution by presenting information and strategies that address the barriers and challenges associated with successfully transitioning from prison to the community.

In addition, ADC will support and assist local community-initiated re-entry programs and create or strengthen community partnerships that provide offenders with employment, treatment and housing opportunities. These programs have the potential to reduce recidivism by better preparing and assisting the thousands of offenders who are released annually back to the community.

With a specific focus on reducing recidivism due to technical violations, ADC opened the Southern Region Community Corrections Center (SRCCC) in Pima County in December, 2012. SRCCC introduced additional sanctions and interventions which also included providing temporary housing for inmates released to homelessness, a factor that increases the risk of recidivism. Temporary housing is also available to sex offenders on community supervision, a group that poses unique challenges for ADC and is of particular concern to the public. Based on SRCCC outcomes, the ADC will explore the future establishment of a CCC in Maricopa County, to which approximately 62% of offenders on community supervision are released.

**Issue 6** Strengthening Internal and External Communications

**Description** The mission and responsibilities of the Department of Corrections are sometimes misunderstood by community stakeholders (i.e., media, legislators, and the general public). As a result, these stakeholders frequently develop expectations that do not align with the Department’s actual capabilities or functions. The geographic dispersion, 24/7 work schedule, and operational focus of the majority of positions has historically created challenges in delivering frequent and consistent messaging for Department employees, as well. The result can be miscommunication, misinterpretation, and/or negative publicizing of Department events and actions, which affect internal and external audiences and require immediate response by the Department. The reactive nature of much of the Department’s internal and external communication detracts from the ability to create more positive perceptions through proactive messaging. Further, negative public perception consistently overshadows the good work and significant contributions of the Department and its employees to the State of Arizona and its communities, negatively impacting both employee morale and public relations.

**Solutions:**

ADC plans to assess its internal and external communications and develop a comprehensive strategic communications plan that focuses on:

1. Proactive messaging of key issues and events
2. Strengthening the agency’s relationship with and image in the community; enhancing communications systems and methods, including social media
3. Increasing the engagement and support of employees and stakeholder groups.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	9,585.0	9,585.0	9,585.0
<b>General Fund</b>	1,080,634,300.0	1,128,084,300.0	1,128,084,300.0
<b>Other Appropriated Funds</b>	49,146,300.0	49,146,300.0	49,146,300.0
<b>Non-Appropriated Funds</b>	53,691,800.0	53,691,800.0	53,691,800.0
<b>Federal Funds</b>	9,061,600.0	9,061,600.0	9,061,600.0

## Program Summary

### PRISON OPERATIONS AND SERVICES

Charles L. Ryan, Director  
Phone: (602) 542-5225  
A.R.S. § 41-1602

#### Mission:

*To ensure public and staff safety by imprisoning inmates, providing inmate programming opportunities, providing statutorily required health care, and administering prison operations in an environment that is secure and humane.*

#### Description:

This program establishes prison operations and administers prison budgets. This encompasses security; physical plant; personnel and business office functions; inmate records; occupational safety; fleet/motor pool; warehouse; food services; classification; mail and property; telecommunications and security systems; laundry; information technology; inmate programs including work, treatment, education, religious services, and recreation; and Arizona Correctional Industries, which develops and manages revenue-generating inmate work activities in correctional institutions. This program also ensures provision of medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

#### This Program Contains the following Subprograms:

- ▶ Security
- ▶ Inspections and Investigations
- ▶ Inmate Education, Treatment, and Work Programs
- ▶ Health Care
- ▶ Private Prisons
- ▶ Prison Management and Support

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	918,279.0	944,527.6	1,002,012.1
Other Appropriated Funds	42,530.4	43,480.4	43,504.7
Other Non Appropriated Funds	55,454.8	58,212.6	59,154.0
<b>Total Funding</b>	<b>1,016,264.2</b>	<b>1,046,220.6</b>	<b>1,104,670.8</b>
<b>FTE Positions</b>	<b>9,037.0</b>	<b>9,184.0</b>	<b>9,215.0</b>

## Subprogram Summary

### SECURITY

Carson McWilliams, Division Director  
Phone: (602) 542-3894  
A.R.S. § 41-1604

#### Mission:

*To maintain effective custody and control over inmates in an environment that is safe, secure, and humane.*

#### Description:

This subprogram is responsible for implementation and oversight of operational areas of inmate accountability; key control; security/facility inspections; inmate regulations; inmate transportation; emergency preparedness; incident management; inmate escape prevention/response; searches; substance abuse detection, interdiction, and control; execution procedures; inmate death or hospitalization notification/disposition; tool and restricted product control; inmate levels of supervision; armory procedures; and security systems. It also includes evaluating and allocating security staff and providing for their in-service training; implementing gang management strategies; developing operational intelligence (acquisition, analysis, storage, dissemination); and enhancing security and safety measures through utilization of service dog resources and security technology transfer and product review.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	627,580.9	644,028.8	687,270.2
Other Appropriated Funds	10,290.1	10,360.0	10,360.0
Other Non Appropriated Funds	118.3	510.8	510.8
<b>Total Funding</b>	<b>637,989.3</b>	<b>654,899.6</b>	<b>698,141.0</b>
<b>FTE Positions</b>	<b>7,677.0</b>	<b>7,811.0</b>	<b>7,833.0</b>

◆ **Goal 1** To safeguard the public, staff and inmates through the efficient, safe and secure operations of prisons

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of escapes of inmates from any location	0	0	0	0	0
Number of major rule violations per 1,000 inmates per average daily population	451.00	450.00	525.00	500.00	450.00
Number of inmate on staff assaults per 1,000 inmates per average daily population	8.90	8.90	11.00	9.50	9.00
Number of inmate on inmate assaults per 1,000 inmates per average daily population	18.00	18.00	9.00	8.00	7.00
Number of major inmate disturbances	2	0	6	0	0
Number of inmate homicides	3	0	3	0	0

**Explanation:** Homicide numbers are subject to change based on official medical examiner reports, which may be issued in a subsequent fiscal year.

◆ **Goal 2** To reduce drug use by incarcerated inmates

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of inmate random positive urinalysis results per 1,000 inmates per average daily population	22.00	20.00	31.00	28.00	27.00

◆ **Goal 3** To reduce inmate grievances and inmate litigation

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of formal inmate grievances (excluding health grievances) per 1,000 inmates per average daily population	71.00	70.00	71.00	70.00	70.00
Number of inmate lawsuits (non-habeas) per 1000 inmates per average daily population	2.65	2.62	2.39	2.41	2.28

**Explanation:** The count is based on "cases filed." Note that a case with multiple plaintiffs is counted as a single case filed.

## Subprogram Summary

### INSPECTIONS AND INVESTIGATIONS

Charles L. Ryan, Director  
 Phone: (602) 542-5225  
 A.R.S. § 41-1604

**Mission:**

*To promote Department safety and security by conducting administrative, civil, criminal, and gang-related investigations; conducting daily, weekly, monthly, and annual inspections and performance audits; and ensuring agency compliance with fire and life safety codes.*

**Description:**

This subprogram conducts background and administrative investigations in support of the hiring and retention of professional staff through enforced policy compliance; conducts investigations into criminal acts and civil violations committed by inmates, staff, or others, to support successful prosecution and/or effective applications of discipline; develops intelligence, and investigates Security Threat Group activity to support management of inmates and the safe operation of institutions; conducts annual compliance audits of each prison; and provides consultation and assistance in fire and life safety code compliance to support staff, inmate, and environmental safety in all agency matters.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,102.0	7,307.3	7,650.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>7,102.0</b>	<b>7,307.3</b>	<b>7,650.9</b>
<b>FTE Positions</b>	<b>106.0</b>	<b>107.0</b>	<b>107.0</b>

- ◆ **Goal 1** To conduct investigations, audits and core competency testing to ensure State prisons and Department staff are compliant with Department policies and procedures

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of administrative investigations completed within established time frames	100	100	100	100	100
Average annual Arizona State-Operated Prison compliance audit percent score	95.69	96.00	92.82	95.50	96.00
<b>Explanation:</b> Contract Private Prisons reported separately.					
Average annual CORE competency test score for correctional series staff	86.34	88.00	NA	87.00	88.00
<b>Explanation:</b> During FY 2014, ADC focused on rewriting CORE curriculum; no testing was conducted. Testing has resumed for FY 2015.					
Average annual CORE competency test score for non-correctional series staff	77.21	88.00	NA	TBD	TBD

**Explanation:** The decision of whether to continue CORE testing of non-correctional series staff is pending.

## Subprogram Summary

### INMATE EDUCATION, TREATMENT, AND WORK PROGRAMS

Gail Rittenhouse, Division Director  
 Phone: (602) 364-3234  
 A.R.S. § 41-1604, 1604.02, 41-1623

**Mission:**

*To require inmate participation in self-improvement programming opportunities and services including work, education, substance abuse treatment, sex offender treatment, and spiritual access designed to prepare inmates to be responsible citizens upon release.*

**Description:**

This subprogram establishes structured access to work, education, substance abuse treatment, sex offender treatment, and spiritual services to improve the offender's successful reintegration into the community in accordance with Department goals, mandates, and statutes.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	29,481.7	28,526.3	29,909.7
Other Appropriated Funds	718.2	939.2	963.5
Other Non Appropriated Funds	41,856.1	43,442.8	44,384.2
<b>Total Funding</b>	<b>72,055.9</b>	<b>72,908.3</b>	<b>75,257.4</b>
<b>FTE Positions</b>	<b>477.5</b>	<b>481.5</b>	<b>490.5</b>

◆ **Goal 1** To maximize inmate participation in Department programming opportunities

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all eligible inmates participating in appropriate work, education, and treatment assignments	76.50	75.00	75.60	75.00	75.00
Number of inmate hours worked through the Work Incentive Pay Plan	28.0M	28.0M	26.0M	28.0M	30.0M
Number of hours provided to communities by inmates per established IGAs or work contracts (excluding ACI)	2.4M	2.6M	2.4M	2.6M	2.8M

◆ **Goal 2** To expand work opportunities for inmates through Arizona Correctional Industries (ACI)

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of ACI inmate hours worked	4.1M	3.6M	3.9M	3.8M	4.6M
Dollar amount deducted from ACI inmate wages being deposited directly in the State General Fund	2.9M	2.4M	2.5M	2.5M	3.1M



- ◆ **Goal 3** To provide education programs and services, including functional literacy, special education, GED, and jobs training to all eligible and assessed inmates

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of inmates completing the functional literacy program	4,238	4,300	4,738	4,800	4,800
<b>Explanation:</b> Formerly "8th grade proficiency"; revised to reflect statutory language.					
Number of inmates achieving the General Equivalency Diploma (GED)	1,027	950	549	520	520
Number of inmates receiving special education services	370	360	344	375	375
Percent of special education inmates receiving special education services	100.00	100.00	100.00	100.00	100.00
Percent of target inmate population enrolled in ADC high school	0	0	78.00	80.00	80.00
<b>Explanation:</b> Program initiated in FY 2014 in minors units; to be expanded.					
Number of Career and Technical Education Certificates earned	2,633	2,600	3,068	3,680	3,680
<b>Explanation:</b> Work-based education					
Percent of inmates enrolled in Career and Technical Education completing one or more certificate program(s)	0	0	74.00	75.00	75.00

- ◆ **Goal 4** To provide assessment and treatment services to eligible inmates

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of eligible inmates completing substance abuse treatment programs	2,940	3,200	2,219	3,700	3,700
Number of eligible inmates completing sex offender treatment	132	175	147	175	175
Number of inmates released to the Transition Program for Non-Violent Offenders per A.R.S. § 31-281	920	1,000	943	1,000	1,000

- ◆ **Goal 5** To ensure spiritual services are available to inmates

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of inmates involved in spiritual services per month	13,108	13,033	14,251	14,219	14,660
Number of volunteer spiritual service hours provided	43,471	43,301	42,289	45,108	46,506

## Subprogram Summary

### HEALTH CARE

Richard Pratt, Assistant Director  
 Phone: (602) 771-2100  
 A.R.S. § 31-201.01, 41-1604

**Mission:**

*To ensure the provision of medical, dental, and mental health care to inmates through a private vendor.*

**Description:**

This subprogram ensures that the inmate population is provided with statutorily required medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,388.8	7,446.2	7,606.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>7,388.8</b>	<b>7,446.2</b>	<b>7,606.8</b>
<b>FTE Positions</b>	<b>34.0</b>	<b>34.0</b>	<b>34.0</b>

- ◆ **Goal 1** To provide the inmate population with statutorily required medical, dental, and mental health services through a private vendor that is monitored by the Department for contract compliance and quality of care.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of inmates requiring ongoing mental health services	23.97	24.00	25.26	25.50	25.50
Percent of inmates requiring ongoing mental health services admitted for psychiatric hospital care	3.15	3.20	3.32	3.30	3.30
Number of formal inmate health grievances per 1,000 inmates per average daily population	51.84	50.00	52.09	55.00	55.00
Percent of ADC state prison complexes accredited by the National Commission on Correctional Health Care (NCCHC)	90.00	100.00	90.00	100.00	100.00
Number of hospital admissions	2,186	2,000	1,574	1,600	1,600
Average length of stay for in-patient hospital care in days	5.03	4.47	3.69	4.00	4.00
Average cost per inmate for health care	3,543	3,686	3,686	3,803	3,803

### Subprogram Summary

#### PRIVATE PRISONS

Carson McWilliams, Division Director  
 Phone: (602) 542-3894  
 A.R.S. § 41-1604, 1604-02

**Mission:**

*To develop private prison contracts and provide oversight to monitor their safe, secure and cost-effective operation, while imprisoning inmates according to the Department's mission.*

**Description:**

This subprogram manages all aspects of private prison contracts including initial research and development, proposal evaluation, contract negotiations, and contract maintenance functions. This subprogram works with private prison firms to ensure comparable confinement and program services are provided to all Arizona state inmates regardless of location. Oversight of private prisons in Arizona is provided by Department staff who monitor facility operations, inmate management, inmate services, clearance of contractor personnel, and payment of fees consistent with the terms outlined in individual facility and service contracts.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	109,457.3	121,508.9	130,579.9
Other Appropriated Funds	24,524.1	25,496.2	25,496.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>133,981.4</b>	<b>147,005.1</b>	<b>156,076.1</b>
<b>FTE Positions</b>	<b>32.0</b>	<b>32.0</b>	<b>32.0</b>

- ◆ **Goal 1** To develop private prison contracts and provide oversight to monitor their safe, secure, and cost-effective operation, while imprisoning inmates according to the Department's mission

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Average annual Contracted Private Prison compliance audit percent score	96.80	97.50	95.24	96.80	97.50

### Subprogram Summary

#### PRISON MANAGEMENT AND SUPPORT

Carson McWilliams, Division Director  
 Phone: (602) 542-3894  
 A.R.S. § 41-1604

**Mission:**

*To provide leadership and direction in the administration and operations of all prisons to ensure inmate accountability and staff safety.*

**Description:**

This subprogram oversees prison operations, Regional Operations Directors, and Wardens and their immediate staff; administers prison budgets and staffing/safety programs; manages prison activation; and directs centralized operational systems and services. This subprogram includes fiscal management, fleet management, fire and safety, food service, warehouse, and maintenance. This subprogram is also responsible for inmate classification, protective segregation, time computation and records, legal access, and family assistance services.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	137,268.3	135,710.1	138,994.6
Other Appropriated Funds	6,998.0	6,685.0	6,685.0
Other Non Appropriated Funds	13,480.4	14,259.0	14,259.0
<b>Total Funding</b>	<b>157,746.7</b>	<b>156,654.1</b>	<b>159,938.6</b>
<b>FTE Positions</b>	<b>710.5</b>	<b>718.5</b>	<b>718.5</b>

- ◆ **Goal 1** To provide leadership and direction in the management of inmate population growth and the allocation of physical and fiscal resources

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Average daily inmate population	40,048	41,119	41,084	42,253	45,133
Average daily rated bed surplus or (deficit)	(4,005)	(4,222)	(4,812)	(4,616)	(5,583)

<b>Program Summary</b>	
<b>COMMUNITY CORRECTIONS</b>	
Carson McWilliams, Division Director	
Phone: (602) 542-3894	
A.R.S. § 41-1604	

**Mission:**

*To provide effective community supervision of offenders, facilitate their successful transition from prison to the community, and return offenders to prison when necessary to protect the public.*

**Description:**

This program is charged with supervising offenders on community supervision and identifying and returning to prison offenders who violate conditions of supervision and represent a serious threat to public safety. The program refers to law enforcement and prosecutorial agencies sex offenders subject to registration, community notification and sexually violent person laws; coordinates sex offender registration prior to release; assists in the apprehension, extradition and transportation of fugitives; completes due process on all offenders returned to custody; represents the Department at revocation hearings conducted by the Board of Executive Clemency; conducts administrative hearings; provides criminal history information to authorized criminal justice agencies; manages the implementation of the Interstate Compact for the Supervision of Adult Inmates and Offenders (release on community supervision); collaborates with state and community agencies; and interacts with individual victims and victim associations. This program also operates a Community Corrections Center to assist offenders in successful completion of community supervision by offering programming, intermediate sanctions, and temporary housing for offenders released to homelessness; this program contributes to public safety and community well-being, particularly related to housing for homeless sex offenders.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	11,840.1	12,212.2	13,787.5
Other Appropriated Funds	2,530.7	1,431.5	1,931.5
Other Non Appropriated Funds	2,150.4	2,150.6	3,487.0
<b>Total Funding</b>	<b>16,521.2</b>	<b>15,794.3</b>	<b>19,206.0</b>
<b>FTE Positions</b>	<b>182.0</b>	<b>182.0</b>	<b>181.0</b>

- ◆ **Goal 1** To effectively manage offenders on community supervision

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Average daily population of offenders on community supervision	5,785	5,860	5,789	5,825	5,925

◆ **Goal 2** To effectively release, supervise, and monitor offenders under active ADC community supervision

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of admissions due to offenders on community supervision returning to prison for technical violations	9.90	9.50	10.60	10.00	9.75

◆ **Goal 3** To effectively monitor and track all offenders on community supervision

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of admissions due to offenders on community supervision returning to prison for absconding	5.40	5.00	5.00	5.00	4.80

◆ **Goal 4** To apply meaningful incentives and sanctions to encourage civil behavior

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of admissions due to offenders on community supervision returning to prison for a new crime	1.10	1.00	0.90	1.00	1.00

**Program Summary**

ADMINISTRATION

Charles L. Ryan, Director  
 Phone: (602) 545-5225  
 A.R.S. § 41-1602, 41-1604

**Mission:**

*To provide leadership, support, and resources that enable Department employees to perform their duties and achieve professional excellence and to ensure that the Department is responsive to internal and external stakeholders*

**Description:**

This program determines current policy and future direction of the Department through the following functional areas: legal services; legislative affairs; public and internal communications; constituent services; policy promulgation; human services, employee relations, equal opportunity, employee grievances and disciplinary actions; training and employee development; budgeting, planning, and research; engineering and physical plant services; financial and procurement services; and information technology services.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	39,755.5	40,105.8	42,021.9
Other Appropriated Funds	0.0	2,500.0	8,710.1
Other Non Appropriated Funds	120.9	8,106.1	11,112.4
<b>Total Funding</b>	<b>39,876.4</b>	<b>50,711.9</b>	<b>61,844.4</b>
<b>FTE Positions</b>	<b>379.5</b>	<b>382.5</b>	<b>403.5</b>

◆ **Goal 1** To recruit, retain, recognize, and develop staff

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of employee formal grievances	154	166	146	134	134
Annual Correctional Officer II vacancy rate percent	3.20	4.00	7.46	7.46	7.46
Annual Correctional Officer II turnover rate percent	13.29	14.00	15.37	15.00	13.50
Annual employee turnover rate percent (excluding Correctional Officer IIs)	9.43	10.00	10.54	11.00	12.00
Percent of staff completing mandatory training	98.30	98.00	95.00	95.00	95.00

◆ **Goal 2** To maintain and/or enhance information technology applications and communications and to meet current and future network needs by providing optimal support to computer users

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of network uptime	99.95	99.20	99.95	99.95	99.95
Percent of IT help desk calls resolved in accordance with ADC policy	96.00	96.00	96.00	96.00	96.00

◆ **Goal 3** To provide a standard process for receiving, reviewing, and responding to public concerns regarding inmate-related issues

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of service contacts provided to inmate families and friends	28,683	28,000	29,210	30,410	32,000

- ◆ **Goal 4** To provide victim services and restorative justice programs that assist inmates in making positive contributions to the community.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of crime victim Notifications of Release sent	8,975	10,400	8,391	8,891	9,891
Number of service contacts provided to crime victims	14,161	15,561	13,812	14,312	15,312
Dollar amount of court-ordered restitution collected from inmates	1.6M	1.6M	1.5M	1.5M	1.5M
Average dollar amount of court-ordered restitution paid per inmate required to pay court-ordered restitution	250.87	254.00	251.76	252.00	252.00

## Agency Summary

### BOARD OF COSMETOLOGY

Donna Aune, Executive Director  
Phone: (480) 784-4539  
A.R.S §32-505 (A) (B) ©

#### Mission:

*To ensure the public health, welfare, and safety through education and enforcement of the cosmetology laws and rules by the efficient regulation of salons, schools, and individuals who practice cosmetology.*

#### Description:

In order to achieve its mandate of protecting the public in Arizona, the Board of Cosmetology issues 12 categories of licenses to salons, schools and individuals who qualify by reciprocity or through the administration of a written and practical examination. The Board enforces regulation by routine health and safety inspections of salons and schools, investigates consumer complaints, conducts hearing and imposes enforcement action when appropriate. The Board also establishes health and safety standards, educational and curriculum standards and oversight, and provides monthly classes on infection control and law and regulation practices for the general licensing population by registration. The Board also uses the educational classes for remediation and regulatory rehabilitation of violators by Board Order as terms of probation, and Laws 2011, Chapter 199 mandates infection protection and law classes for all reciprocity applicants. Furthermore, the Board offers electronic services to customers to increase efficiency and reduce the demands on full-time staff. The Board is recognized by national industry entities as being progressive, insightful, and a leader in cosmetology regulation.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,701.3	1,785.0	3,614.3
Other Non Appropriated Funds	218.0	18.4	18.4
<b>Total Funding</b>	<b>1,919.3</b>	<b>1,803.4</b>	<b>3,632.7</b>
<b>FTE Positions</b>	<b>17.5</b>	<b>17.5</b>	<b>42.0</b>



**Issue 1** Other Operating Expenses

**Description** Other Operating Expenses

**Solutions:**

The Board of Cosmetology (BOC) must be able to effectively and continually improve and update services rendered to its licensees and consumers. The BOC provides, with great efficiency, services to approximately 94,872 licensees in the BOC's database, a number that had been kept a steady pace of growth yearly. With the situation of lessor trained and qualified employees at has reached its downfall in the productivity of number of inspections that were not met this fiscal year.

The BOC will continue to use "operating expenses" for education for consumers and licensees, through newsletters and website updates with our continued endeavors and education we have seen, and will continue to see a reduction in serious injuries to clients.

To allow the Board to fulfill its mandate within constraints of a limited appropriated budget, the Board is seeking to increase our revenue without intervening with Operating demands, due to cost increases for, attorney services, computer system maintenance; supplies, facility maintenance and other operating expenses.

**Issue 2** Improved Enforcement Efficiency

**Description** Improved Enforcement Efficiency

**Solutions:**

The BOC is at a 31% reduction in staff positions. Filling the vacant Inspector and Investigators positions is always top priority when permitted. With the 9000 plus salons in the State of Arizona, the importance in conducting health and safety inspections at least once a year is a priority for the protection of consumers and the education of licensee's through inspections. These goals can not be met, due to reduction of staff. A hiring of temporary services must be initiated so that a Risk Based Salon Inspection approach can be implemented, which is being studied by the Board. We are presently working at a 66% employee rate and our goal is by 2014 to be at 70%, then by 2015 at 78% and reaching our goal of 100% by 2016 thru 2018.

**Issue 3** Employee Development

**Description** Employee Development

**Solutions:**

The BOC recognizes the value of good employees and must safeguard the professional growth and development of these employees. The reduction of staff and the increase of work load, have not lifted the employee's moral and have instead challenged their dedication. The BOC must continue to show appreciation to the current employees by providing continued wage increases, professional development, and implementing the technology necessary for staff to meet the demands for even greater efficiency. As a result the agency will retain personnel longevity and satisfaction. The 2012 personnel reform has brought employees closer to the level of the private sector, but has not guaranteed a continued wage increase. BOC would like to project wage increase(s), promotions, and incentives to employees who are recognized with qualified & efficient performance(s).

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**Issue 4** System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

**Description** System maintenance Support, Equipment Replacement, Enhancement, & Upgrades.

**Solutions:**

The BOC must continue to work on the efficiency and accuracy of licensee's electronic filing. Maintenance and enhancement of the current system or implementation of new system, will allow user friendly use and increase application on-line which must be continued and improved.

False documentation is another Board concern for the health and welfare of the public. The BOC must be able to identify individuals performing services at the time services are being performed, and not after the fact by looking at pictures in the licensees file.

The BOC scans pictures for new licenses for reciprocity and new examination applications, and those pictures are printed on the licenses. By 2015- The BOC also needs to purchase or set in place a hand held device for inspectors and investigators that will enable them to have a pictures, and information at the job site, along with the ability to print reports for salons & schools.

**Equipment Replacement:**

-Continued upgrades and replacement computers, and laptops

-Phone replacement by 2015

**System maintenance support, enhancement, and upgrades:**

-Main frame upgrades and maintenance

-Network services reviewed and renewal of service contracts.

**Issue 5** Budget Contingency Plan

**Description** Budget Contingency Plan

**Solutions:**

Establish a fund or insurance plan available for legal issues at a state level for every year, such as, but not limited to, lawsuits, court representation, witnesses, specialists, etc; Re: Case (Fish Pedicure) Vong vs Aune.

Continued services provided by a lobbyist for continued consistency and efficiency, which prevent un-foreseen hindrances in legislative and regulatory interpretations and Rule writing.

**Issue 6** Rule Promulgation

**Description** Rule Promulgation

**Solutions:**

Rule promulgation is needed to be able to require all license renewal applications to be accompanied with current photographs. With an updated system those pictures would be scanned and printed on licenses. At this time the BOC requires pictures to be submitted for all first licenses, but requires rule promulgation for renewals. By 2015 /2016 A goal of the BOC is to rewrite and update our infection control and safety standards R4-10-112 so they are easily read and understood by licensees and consumers, by 2016/2017 rewrite & update standard rules such as R4-10-107 (License Renewals), and continually review and update all rules on an as need basis by 2018 and to include changes in rules giving authorization from statutes.

**Issue 7** External Partners

**Description** External Partners

**Solutions:**

To maintain its relationship with current partners, the leadership involvement that has proven to assist the board to benchmark and remain current both as a regulatory agency and as a leader in the Cosmetology profession. These partners include The Internal Revenue Service (for small business participation and investigative tax fraud), National Interstate Council of State Boards of Cosmetology, National Accreditation Commission of Cosmetology Arts and Sciences, Council for Licensure, Enforcement and Regulation Federation Association of Regulatory Boards, AACCS American Association of Cosmetology Schools, The Salon Association, ACIA (Arizona Cosmetology Industry Association), and others. All require travel to meeting locations or electronic participation at the very least which must continue to be funded. Board members hold office at National levels. Board Chairman, Vice Chair, & Executive Director work & Co- Chair National committee positions.

2014/2015

**Issue 8** Public Communication

**Description** Public Communication

**Solutions:**

Ongoing communication with the Arizona Legislature and State Administration about the importance of the funding necessary to continue responsible regulation, is required. Regulatory pamphlets, health and safety educational classes, and issues of public interest, to answer regulatory questions and issues. Reorganization and the continuing restructuring of the Agency website is needed to improve communication . By 2014 and 2015 printing brochures and/or newsletters for licensees, salons, and schools for distribution, is a goal of the Board. By 2015 – 2018 by continuing services with our state printing vendors and distribution information will bring jobs and information to the public.

**Issue 9** A Quality continuity Plan

**Description** A Quality continuity Plan

**Solutions:**

To provide continued public protection even in times of disaster, a workable continuity plan for a small agency must be in place. This will require finding a place to set up an office away from the current Board office in case of a local tragedy, perhaps by coordinating with another state office for use of their offices. There must be a provision in law and rule to allow for licensees to provide services outside of a salon setting in a disaster. Already our servers are hosted at an outside location providing extra security and minimal down time to the public. Reviews and practical check points to assure maintainability, we performed yearly.

**Issue 10** Increase of Fees

**Description** Increase of Fees

**Solutions:**

A.R.S. 32.507 –A-22 Recommendation of credit card fees as convenient fees, Re: e-checks on line projected to be effective July of 2014, Merchant fees continue to rise over \$20,330 for FY 2014. In order to derail these fees without raising the license fee, a convenient fee(s) are in place to be reviewed on a yearly basis. By 2015/2016 fees are calculated to be at a yearly rise, which we estimate will double.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	24.5	24.5	24.5
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,785.0	1,885.0	1,885.0
<b>Non-Appropriated Funds</b>	210.0	210.0	210.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To establish standards for the professional practice of cosmetology.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Average calendar days from receipt of completed application to issuance of license 20 20 25 25 25

Total individuals and establishments licensed 93,000 93,000 64673 72000 72000

**Explanation:** This is total active licenses which was broken down with #5 & #6 as per recommendation of the Auditor general.

Total delinquent Individual and establishment licensed 0 0 6312 6000 6000

**Explanation:** #2 Justification for lower estimation is due to auditor general's suggestion to break down delinquent and Inactive (#5-#6) which still continue to be serviced.

Total Inactive individual and establishment licensed 0 0 23887 20000 20000

**Explanation:** #2 Justification for lower estimation is due to auditor general's suggestion to break down delinquent and Inactive (#5-#6) which still continue to be serviced.

◆ **Goal 2** To ensure swift, fair, and effective enforcement of statutes and rules governing the profession.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total inspections conducted	8,873	8,900	6011	7000	7000

**Explanation:** The significant change was due to low in staff -inspectors on med leave with no replacement to carry on work load.

Total complaints and application denials	2,067	2,100	1836	1500	1500
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**Explanation:** Goal is to have lesser complaints and penalizations, with better training/ awareness.

Average calendar days to resolve a complaint	120	120	120	120	120
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◆ **Goal 3** To educate the consumers and cosmetology professionals about their rights, resolutions, and responsibilities among the cosmetology community, the public and the Board by delivering courteous, efficient service to the consumers, owners, and employees of state government.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Educational class opportunities offered to the public in class or over the internet	28	28	28	28	28

**Explanation:** The Board wants to mandate (Rule Law Change) that all reciprocity applications take classes

Percent of citizen satisfaction surveys reporting Board service as satisfied or higher	95	95	95	95	95
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◆ **Goal 4** To provide services through efficient government.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Constituents aided in transferring to another governmental jurisdiction or educational institution.	2,000	2,000	1200	2,000	2000
Licenses accepted through reciprocity from another state or country.	2,000	2,000	1926	2,000	2000
Percentage of applicants or license holders reporting very good or excellent.	95	95	95	95	95

## Agency Summary

### CRIMINAL JUSTICE COMMISSION

John A. Blackburn, Jr., Executive Director  
 Phone: (602) 364-1146  
 A.R.S. § 41-2401

**Mission:**

*To sustain and enhance the cohesiveness, the effectiveness, and the coordination of the criminal justice system in Arizona; to monitor the criminal justice system and identify needed revisions to the system; to monitor existing criminal justice statutes and proposed or new criminal justice statutes and identify needed revisions in the statutes or proposed legislation; to acquire and administer designated funds for the enhancement of specified criminal justice programs and activities in the State of Arizona; and to make reports on these activities and functions.*

**Description:**

The Commission administers federal criminal justice grants provided to state, county and local law enforcement agencies and non profit organizations.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ AGENCY MANAGEMENT	1,149.3	1,220.5	1,154.0
➤ CRIME VICTIMS	5,005.3	5,652.6	5,682.6
➤ STATISTICAL ANALYSIS CENTER	725.4	775.8	1,141.6
➤ CRIME CONTROL	10,423.4	10,305.0	10,082.6
➤ CRIMINAL JUSTICE SYSTEM IMPROVEMENT	3,617.7	4,614.8	3,387.1
<b>Agency Total:</b>	<b>20,921.1</b>	<b>22,568.7</b>	<b>21,447.9</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	5,628.7	5,955.1	7,828.1
Other Non Appropriated Funds	15,292.4	16,613.6	11,738.3
<b>Total Funding</b>	<b>20,921.1</b>	<b>22,568.7</b>	<b>21,447.9</b>
<b>FTE Positions</b>	<b>28.5</b>	<b>28.0</b>	<b>28.0</b>

**Issue 1** Criminal Justice Records Integration

**Description** The Records Improvement Program is an ongoing, long-term effort to coordinate the process of the integration of all criminal justice information systems. This is accomplished through the development and implementation of a comprehensive criminal justice records improvement plan.

Activities in this area include, but are not limited to encouraging and facilitating the development of common data standards among criminal justice agencies, facilitating the development and implement of automated records systems and processes, encouraging and facilitating interagency cooperation and information sharing, and other activities intended to increase the accuracy, completeness and timeliness of criminal justice and criminal history information.

**Solutions:**

**Objectives**

To improve the criminal history records in the State of Arizona as well as manage criminal justice records integration and criminal justice system improvements throughout the state.

**Strategies**

- To establish and publish technology and data standards for criminal justice agencies of the state annually.
- To improve disposition reporting of each county to the central repository each year.
- To introduce legislation to change/improve criminal history reporting as needed.
- To administer, monitor, and evaluate grant projects on a continual basis.
- To develop a strategic plan and allocation plans for utilization of available funds on an annual basis to assist in the completion of the Arizona Records Improvement Plan.
- To apply for available funds from federal Justice Department agencies.

**Performance Measures**

- Stakeholder meetings coordinated to discuss record improvement challenges by records coordinator.
- Percentage increase in disposition reporting utilizing the Records Quality Index (RQI) tool for record improvement projects funded through the program annually.
- Bills submitted to Legislature.
- Bills passed by the Legislature for the improvement of criminal history record reporting.
- Site visits to grantee agencies.
- Program progress and financial reports received on a quarterly basis from each grantee agency to monitor progress and ensure funding expenditure occurs prior to grant expiration date.
- Grants awarded to agencies for improvement of criminal justice/history records.
- Updates submitted to the integration strategic plan by the Policy Team annually.
- Development and publication of criminal justice records improvement plan for the criminal justice system in Arizona, including evolutionary revisions to the plan.
- Number of grant applications submitted to proper agencies.
- Number of grant awards provided to the Commission by the various granting agencies.
- Number of applicants requesting funding.

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**Issue 2** Data Driven Policy Decisions

**Description** To improve the criminal justice system in Arizona through the use of data obtained from the Statistical Analysis Center for data driven policy decisions.

The Statistical Analysis Center's purpose is to oversee the research, analysis, studies, reports, and publications regarding crime and criminal justice statistics for the benefit of criminal justice agencies across the State. The Statistical Analysis Center also conducts the biennial Arizona Youth Survey (AYS) which provides critical information to the Governor and Legislature regarding various risk and protective factors among students in Arizona. Other statistical and research projects are conducted by the Center with the approval of the Executive Director.

**Solutions:****Objectives**

To improve the criminal justice system in Arizona through the efforts of a quality Statistical Analysis Center.

**Strategies**

- To develop, implement and sustain processes that provide a relevant, reliable source of information on crime and the criminal justice system in Arizona.
- Maintain an effective and relevant criminal justice research program.
- Develop, implement and operate data and information producing programs and processes on crime activity and the criminal justice system in Arizona.

**Performance Measures**

- Number of studies/research projects proposed by internal and external customers.
- Number of studies/reports completed and published.
- Number of research products mailed via US mail to external customers (paper reduction).
- Number of public and media data requests processed.
- Number of legislative and policy-maker data requests processed.
- Number of public presentations by SAC staff.

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**Issue 3** Coordination of Legislative Issues Among Criminal Justice Stakeholders

**Description** To monitor the progress and implementation of new and continuing criminal justice legislation. Develop and deliver recommendations for constitutional, statutory, and administrative revisions that are necessary to develop and maintain a cohesive and effective criminal justice system.

The coordination of legislative issues is a constant endeavor involving all aspects of the criminal justice system. In accordance with ARS 41-2045.A, The Arizona Criminal Justice Commission shall: 1. Monitor the progress and implementation of new and continuing criminal justice legislation. The ACJC continues to work closely with all stakeholders, as well as other entities affected by criminal justice legislation, on new and current legislation. Representatives from criminal justice stakeholder agencies meet throughout the legislative session to discuss legislative issues impacting the criminal justice system. The Commission also makes recommendations to the Governor and the Legislature as well as provides direction to legislative staff on the position of the Commission regarding new legislation.

**Solutions:****Objectives**

Monitor the progress and implementation of new and continuing criminal justice legislation. Develop and deliver recommendations for constitutional, statutory, and administrative revisions that are necessary to develop and maintain a cohesive and effective criminal justice system.

**Strategies**

- To acquire and distribute timely, accurate information regarding relevant criminal justice legislation at both state and federal levels and to provide an effective mechanism for both legislative advocacy and related informational resources.
- To provide a continuous, organized forum for the discussion of the criminal justice system, the identification of changes needed, the development of change mechanisms, including legislative proposals, and the coordination of information regarding these activities.
- To develop, implement and sustain processes that provide a relevant, reliable source of information on crime and the criminal justice system in Arizona.

**Performance Measures**

- Sustain an effective number of agency legislative events.
- Dissemination of criminal justice related legislative information and materials through meetings, publications, reports, and direct personal contact.
- Organize, support and conduct meetings under the Commission responsibility to produce effective results.
- Liaison with congressional and legislative officials and other officials at all levels of federal, state, county, and municipal governments that produce coordination, cooperation and effective outcomes.



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**Issue 4** Criminal Justice Coordination

**Description** The Arizona Criminal Justice Commission is a statutorily authorized entity mandated to carry out various coordinating, monitoring and reporting functions regarding the administration and management of criminal justice programs in Arizona. The ACJC serves as a resource and service organization for Arizona's criminal justice community on issues including; drugs, gangs and violent crime; victim assistance and compensation; and record improvement programs.

As the funding for these programs continues to decline it has become vital that all criminal justice stakeholders continue to work cooperatively to leverage the minimal resources available. The goal of the Arizona Criminal Justice Commission is to facilitate working collectively to fulfill the strategic plan of Arizona while still meeting the needs of those stakeholders with available funds.

**Solutions:****Objectives**

To continue to improve criminal justice coordination throughout Arizona and the nation.

**Strategies**

- Build consensus among criminal justice stakeholders.
- Serve as the forum for identifying issues and their solutions.
- Facilitating cooperation that will improve public safety.
- Draw upon state, local and federal agencies and individuals to develop recommendations and strategies.
- To effectively manage the allocation and administration of state and federal funds to provide a high probability of improving the criminal justice system in Arizona.

**Performance Measures**

- Percent of programs reviewed reflecting compliance with certified assurances and fiscal management practices.
- Conduct training of county and local agency participants in the administration of the programs.
- Administer, monitor, and evaluate program projects and required reports regarding the program.
- Applicants requesting funds.
- Grants awarded in a timely manner.
- Program audits reflecting no deficiencies.
- Program single audits reflecting compliance with Administrative Rules.
- Develop and implement strategies/plans for federal and state resources allocated to commission authority in Arizona.
- Solicit grant applications and funding requests, evaluate requests, and efficiently allocate available resources to appropriate agencies and activities statewide.
- Facilitate focused discussions on criminal justice topics with supporting research.
- Identify, track and highlight trending national criminal justice topics.
- Recommend and periodically review policies for the coordinated implementation of policies.
- Identify needs and recommend agency allocations and resources to meet these needs when appropriate.
- Identify legal and administrative barriers to effective service delivery.
- Review agency funding criteria and make recommendations when appropriate.
- Review plans and make recommendations for plan format and content.
- Review annual performance data and make recommendations for improved service delivery, operating procedures or funding when appropriate.

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**Issue 5** Staff Development and Retention

**Description** Recruit, retain, and develop talented personnel to contribute to the mission of ACJC and Arizona’s criminal justice stakeholders.

Although ACJC has 32 authorized positions, through automation and restructuring of the agency, we have worked very effectively for several years with 27 employees. The overwhelming majority of our 27 staff members are multiple degreed professionals who are also well established in their field of expertise. In the last few years, ACJC has had a 35 percent turnover among our employees. The costs associated with training and acclimating new employees further burdens strained budgets and staffing challenges. The majority of employees leaving ACJC are being hired by other public entities and are being lured by higher salaries.

**Solutions:**

**Objectives**

Recruit, retain, and develop talented personnel to contribute to the mission of ACJC and Arizona’s criminal justice stakeholders.

**Strategies**

- Work with ADOA on new retention strategies.
- Expanded distribution of employment opportunities.
- Membership in professional associations related to key position expertise.
- Identify entities/industries/organizations with corresponding expertise.
- Survey topics among employees to identify methods of increasing employee satisfaction.
- Seek increased state appropriation to use towards salary increases and training opportunities.

**Performance Measures**

- Maintaining averages of academic achievement among employees.
- Recruit employees with expertise beyond the minimum requirements.
- Raise average tenure of employees.
- Reduce employee turnover rates.
- Reduce training costs associated with training and acclimating new employees.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

**AGENCY MANAGEMENT**

John A. Blackburn, Jr., Executive Director  
 Phone: (602) 364-1146  
 A.R.S. § 41-2405

**Mission:**

*To provide planning, direction, and administration for all Commission mandates, programs, functions, and activities to carry out the mission of the Agency.*

**Description:**

The Agency Support operations consist of central management, coordination, and administrative functions of the Arizona Criminal Justice Commission. It organizes, supports, schedules, and carries out the many public meetings of the nineteen member Commission; the many meetings of the various committees, task forces, and working groups of the Commission; and implements the decisions of these groups. It serves as the clearing house and liaison focus for the enhancement and coordination of criminal justice system wide concerns and activities. It also provides for the direct management oversight, fiscal administration, and policy establishment functions for the Commission staff and for all programs contained within the Commission.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	353.8	467.0	467.0
Other Non Appropriated Funds	795.5	753.5	687.0
<b>Total Funding</b>	<b>1,149.3</b>	<b>1,220.5</b>	<b>1,154.0</b>
<b>FTE Positions</b>	<b>11.5</b>	<b>11.5</b>	<b>10.0</b>

- ◆ **Goal 1** To acquire and distribute timely, accurate information regarding relevant criminal justice legislation at both state and federal levels and to provide an effective mechanism for both legislative advocacy and related informational resources.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of agency legislative events	160	200	175	200	200
Number of criminal justice legislative liaison meetings coordinated	27	30	30	30	30

- ◆ **Goal 2** To develop, establish, and maintain reliable accurate fiscal systems for all Commission activities including grant programs and fund distribution functions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Generate and execute contracts, working agreements and other routine fund distribution and expenditure functions	165	175	125	175	175

- ◆ **Goal 3** To provide a continuous, organized forum for the discussion of the criminal justice system, the identification of changes needed, the development of change mechanisms including legislative proposals, and the coordination of information regarding these activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Organize, support and conduct meetings under the Commission responsibility to produce effective results	36	35	38	35	35
Conduct liaison with congressional and legislative officials and other officials at all levels of federal, state, county, and municipal governments that produce coordination, cooperation and effective outcomes	101	125	115	125	125

- ◆ **Goal 4** To develop, implement and sustain processes that provide a relevant, reliable source of information on crime and the criminal justice system in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Develop, continuously refine and sustain the implementation of a criminal justice records improvement program for the criminal justice system in AZ	90	100	100	100	100
Develop, implement and operate data and information producing programs and processes on crime activity and the criminal justice system in AZ	90	100	100	100	100
Accurately and successfully publish, distribute reports containing reliable info and data on crime activity and the criminal justice system in AZ	100	100	100	100	100

- ◆ **Goal 5** To develop and sustain programs, functions and activities related to the criminal justice system that increases productivity in the system, enhances the coordination of the system and the effectiveness of the system.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Develop strategies and implement plans that effectively utilize funds and resources available to the Commission	100	100	100	100	100
Develop and sustain fiscal processes that successfully acquire, allocate, monitor, and report on all programs, functions and activities under the Commission's control	100	100	100	100	100
Organize, support, and conduct all meetings under the Commission responsibility to produce effective results	100	100	100	100	100

- ◆ **Goal 6** To provide a continuity of reliable, accurate, responsible service that meets the statutory mandates for the Commission and enhances the cohesiveness, the effectiveness and coordination of the criminal justice system in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent completion of statutory mandates regarding Commission duties, responsibilities and mandates	100	100	100	100	100
Collect and analyze data, conduct research and evaluation, and publish reports regarding the criminal justice system	100	100	100	100	100

- ◆ **Goal 7** To provide a continuum of effective organization and administration for Commission responsibilities, activities and programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of required reports published	23	20	28	40	40

<b>Program Summary</b>					
CRIME VICTIMS					
Larry Grubbs, Crime Victims Program Manager					
Phone: (602) 364-1146					
A.R.S. §§ 41-2407 et. seq.					

**Mission:**

*To administer the Crime Victims Programs under the authority of the Arizona Criminal Justice Commission in a reliable and accurate manner which provides support to all agencies that assist and compensate the victims of crime.*

**Description:**

The Crime Victims Program administers the Arizona Crime Victim Compensation Fund, the Arizona Crime Victim Assistance Fund, and the Office of Justice Programs, Office for Victims of Crime, Victims of Crime Act (VOCA) victim compensation grant. The funds are disseminated on a state-wide basis through a grant and formula allocation to public and private service providers and operational units. These provide financial assistance, services, and reimbursement to victims of crime. This program also monitors all victim-related legislation on both the federal and state levels and disseminates this information to victim advocates and programs.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,566.7	4,203.6	4,535.8
Other Non Appropriated Funds	1,438.6	1,449.0	1,146.8
<b>Total Funding</b>	<b>5,005.3</b>	<b>5,652.6</b>	<b>5,682.6</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

- ◆ **Goal 1** To increase the number of compensation claims filed and awarded to eligible crime victims.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Obtain increased spending authority for the crime victim compensation program	2.65M	4.1M	4.1M	4.1M	4.1M
Increase in compensation awards reported by Operational units	3.9M	4.0M	4.0M	4.0M	4.0M
Increase in eligible benefits available to crime victims	3.9M	4.0M	4.0M	4.0M	4.0M

◆ **Goal 2** To effectively manage the allocation and administration of Crime Victim Compensation Funds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Continuity of administration in the 15 counties	15	15	15	15	15
Percent of counties in which case reviews completed	60	60	60	60	60
Percent of cases reviewed showing no deficiencies	85	90	90	90	90
Percent of programs reviewed reflecting compliance with certified assurances and fiscal management practices	60	60	60	60	60

◆ **Goal 3** To effectively manage the allocation and administration of state crime victim assistance funds to provide a high probability of relieving the impact of crime on crime victims.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Applicants requesting funds	51	55	55	55	55
Grants awarded in a timely manner to victim services providers	44	47	47	47	47
Number of site visits completed	18	20	26	20	22
Program audits reflecting no deficiencies	13	18	15	18	15
Program single audits reflecting compliance with Administrative Rules	25	25	25	25	25

**Program Summary**

STATISTICAL ANALYSIS CENTER

Phillip Stevenson, Statistical Analysis Center Director  
 Phone: (602) 364-1146  
 A.R.S. § 41-2405

**Mission:**

*To improve the criminal justice system in Arizona through the efforts of a quality Statistical Analysis Center.*

**Description:**

The Statistical Analysis Center's purpose is to oversee the research, analysis, studies, reports, and publications regarding crime and criminal justice statistics for the benefit of criminal justice agencies across the State. The Statistical Analysis Center also conducts the biennial School Drug Survey (AYS) which provides critical information to the Governor and Legislature regarding the use of drugs among students in Arizona. Other statistical and research projects are conducted by the Center with the approval of the Executive Director.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	176.2	243.9	609.7
Other Non Appropriated Funds	549.2	531.9	531.9
<b>Total Funding</b>	<b>725.4</b>	<b>775.8</b>	<b>1,141.6</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>11.0</b>

◆ **Goal 1** To implement and maintain an effective and relevant criminal justice research program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of studies/research projects proposed by internal and external customers	22	25	18	20	20
Number of studies/reports completed and published	35	20	11	35	20
Number of research products mailed via US mail to external customers (paper reduction).	0	3	2	0	0
Number of public and media data requests processed	96	50	77	60	70
Number of legislative and policy-maker data requests processed	42	40	24	40	40

**Program Summary**

**CRIME CONTROL**

Tony Vidale, Crime Control Program Manager  
 Phone: (602) 364-1146  
 A.R.S. § 41-2402

**Mission:**  
*To enhance and coordinate the funded efforts to deter, investigate, prosecute, adjudicate, and punish drug, violent crime, and criminal street gang offenders.*

**Description:**  
 The program administers the federally funded Edward Byrne Memorial Justice Assistance Grant (Byrne JAG Grant Program), a congressionally consolidated local law enforcement program in 2004 previously known as Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program and the Local Law Enforcement Block Grant Program (LLEBG). This grant program provides enhanced funding to state and local law enforcement and related agencies to carry out the purposes set forth under A.R.S. § 41-2402. The Arizona Criminal Justice Commission is designated as the State Administrative Agency (SAA) for this program. In 1996 the Arizona Criminal Justice Commission was also designated as the State Administrative Agency for the Residential Substance Abuse Treatment Grant Program. This program also administers a number of non-grant projects such as Fill the Gap funds for distribution to counties.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,509.8	1,010.0	2,185.0
Other Non Appropriated Funds	8,913.6	9,295.0	7,897.6
<b>Total Funding</b>	<b>10,423.4</b>	<b>10,305.0</b>	<b>10,082.6</b>
<b>FTE Positions</b>	<b>2.5</b>	<b>2.5</b>	<b>1.5</b>

◆ **Goal 1** To distribute appropriated funds and court fines to County Attorneys as required by A.R.S. § 41-2409 for the purpose of improving case processing and by January 8th each year report to those stated in the legislation on the expenditure of the monies in the state aid to county attorneys fund for the prior fiscal year and on the progress made in achieving the goal of improved criminal case processing.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Completion of annual report by due date.	1	1	1	1	1

◆ **Goal 2** To distribute appropriated funds and court fines to County indigent defense agencies and contract indigent defense as required by A.R.S. § 41-2409 for the purpose of improving case processing and by January 8th each year report to those stated in the legislation on the expenditure of the monies in the state aid to indigent defense fund for the prior fiscal year and on the progress made in achieving the goal of improved criminal case processing.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Completion of annual report by due date.	1	1	1	1	1



- ◆ **Goal 3** To effectively manage the acquisition, allocation and administration of local, state and federal grant funds to provide a high potential for significant productivity and impact on drug, violent and street gang crime in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Grants identified, applications submitted and approved by funding authorities	2	3	2	2	2
Number of grant applications received from criminal justice agencies requesting grant funds for criminal justice system activities authorized by the Commission.	40	42	39	40	40
Number of grant applications evaluated and awarded to criminal justice agencies for criminal justice system activities authorized by the Commission.	40	42	39	39	39
Number of arrests made by grant-funded task forces	5,247	5,100	5630	5400	5400
Convictions reported by grant-funded prosecution projects	25,973	23,000	21624	21000	21000
Percent of grant agreements executed in a timely manner by Commission staff	100	100	100	100	100
Percent of requests for training/technical assistance received and filled	100	100	100	100	100
On-site monitoring visits conducted by Commission staff	14	15	13	15	15
Federal grantor agency conferences, workshops and planning sessions attended by Commission staff	1	1	1	1	1
Complaints received by Commissioners regarding actions by the Commission staff in the administration of sub-grants	0	0	0	0	0
Percent of complete, accurate reports submitted on or before due dates	100	100	100	100	100

**Program Summary**

**CRIMINAL JUSTICE SYSTEM IMPROVEMENT**

Pat Nelson, CJ Systems Improvement Program Manager  
 Phone: (602) 364-1146  
 A.R.S. § 41-2405

**Mission:**

*To improve the criminal history records in the State of Arizona as well as manage criminal justice records integration and criminal justice system improvements projects through out the state.*

**Description:**

The Records Improvement Program is an ongoing, long-term effort to coordinate the process of the integration of all criminal justice information systems. This is accomplished through the development and implementation of a comprehensive criminal justice records improvement plan. Activities in this area include, but are not limited to, encouraging and facilitating the development of common data standards among criminal justice agencies, facilitating the development and implementation of automated records systems and processes, encouraging and facilitating interagency cooperation and information sharing, and other activities intended to increase the accuracy, completeness, and timeliness of criminal justice and criminal history information.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	1,881.5
Other Appropriated Funds	22.2	30.6	30.6
Other Non Appropriated Funds	3,595.5	4,584.2	1,475.0
<b>Total Funding</b>	<b>3,617.7</b>	<b>4,614.8</b>	<b>3,387.1</b>
<b>FTE Positions</b>	<b>3.5</b>	<b>3.0</b>	<b>1.5</b>

◆ **Goal 1** To apply for available federal funds in such program areas as DNA and Laboratory Improvements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of grant applications submitted to proper agencies.	2	1	1	1	1

◆ **Goal 2** To establish and publish technology and data standards for criminal justice agencies of the state annually.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Meetings conducted annually	6	6	3	3	3

◆ **Goal 3** To improve disposition reporting of each county to the central repository each year.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Meetings coordinated to discuss record improvement challenges by records coordinator annually.	28	15	32	12	12
Percentage of increase in disposition reporting utilizing the Records Quality Index (RQI) tool for record improvement projects funded through the program annually.	5	5	9	5	5

◆ **Goal 4** To introduce legislation to change/improve criminal history reporting as needed.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Bills submitted to Legislature	0	1	1	1	1
Bills passed by the Legislature for the improvement of criminal history record reporting	0	1	1	0	0

◆ **Goal 5** To administer, monitor, and evaluate grant projects on a continual basis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Site visits to grantee agencies	11	8	5	8	8
Assistance provided to grantee agencies	68	50	60	50	50
Program progress and financial reports received on a quarterly basis from each grantee agency to monitor progress and ensure funding expenditure occurs prior to grant expiration date	344	162	308	162	162

◆ **Goal 6** To develop a strategic plan and allocation plans for utilization of available funds on an annual basis to assist in the completion of the Arizona Records Improvement Plan.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Grants awarded to agencies for improvement of criminal justice/history records	9	12	14	12	12

◆ **Goal 7** To apply for available funds from federal Justice Department agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of grant applications submitted to proper agencies	4	3	4	3	3
Number of grant awards provided to the Commission by the various granting agencies	4	3	3	3	3
Number of applicants requesting funding	11	12	8	12	12

## Agency Summary

### ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.*

**Description:**

The Arizona State Schools for the Deaf and Blind (ASDB) provide education and evaluation to children and youths, with a vision or hearing loss, from birth to 22 years of age. School age children are served either in one of the schools located in Tucson or Phoenix, or in their home district. The Tucson campus provides a residential program. Regional Cooperative provides Infants and toddlers with vision or hearing loss, with services in their home throughout the state. ASDB also provides comprehensive evaluation services for some children referred with multiple disabilities.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ PHOENIX DAY SCHOOL	11,807.1	12,100.6	12,558.5
➤ TUCSON CAMPUS	15,261.7	15,172.4	15,417.6
➤ REGIONAL COOPERATIVES	17,480.7	17,309.3	19,039.4
➤ PRESCHOOL/OUTREACH	4,817.8	4,892.9	5,343.3
➤ ADMINISTRATION	5,155.1	5,494.2	6,123.7
<b>Agency Total:</b>	<b>54,522.4</b>	<b>54,969.4</b>	<b>58,482.5</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	22,418.5	22,497.9	26,011.0
Other Appropriated Funds	12,266.9	12,590.2	12,590.2
Other Non Appropriated Funds	19,837.0	19,881.3	19,881.3
<b>Total Funding</b>	<b>54,522.4</b>	<b>54,969.4</b>	<b>58,482.5</b>
<b>FTE Positions</b>	<b>794.4</b>	<b>762.6</b>	<b>762.6</b>

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## 5 Year Plan

**Issue 1** Fostering the development of parent and community partnerships

**Description** The Principals have implemented and coordinated a number of activities to involve more parents with the schools and their child's educational program.

**Solutions:**

Parent folders are used to inform parents of learning occurring in the classroom, activities at the school, and events in the community. Parent groups are also active on all three campuses. Parent groups provide support and information to other parents regarding the education of students who are blind or visually impaired and students who are Deaf or Hard of Hearing.

Staff is involved in presenting information to community organizations and parents regarding advocacy and general information for accessing educational programs. Agency staff provide speakers, location, and child care for meetings to occur, and to encourage a larger number of parents. ASDB is developing cooperative arrangements with other community agencies to support provision of service for our students. ASDB participates in local organizational meetings with other professionals in the education field, in the rehabilitation area, and community businesses to foster cooperation and increased success of our students and improve community relations. ASDB works with employers to support students in occupations that will be sustainable after graduation. ASDB works, in conjunction with other agencies serving Hard of Hearing, Deaf, or visually impaired individuals, to increase choices and opportunities for the students.

**Issue 2** Developing and maintaining a proactive work environment within the Agency

**Description** The ASDB Human Resources Department is implementing a number of changes to be more responsive to employee needs and requests.

**Solutions:**

ASDB is part of the HRIS system which will better track work schedules, leave, etc. Specialists in HR have developed a schedule for visiting ASDB sites outside of Tucson. They are conducting employee meetings to answer questions about benefits, policies, etc.

The Professional Development Leadership Team conducted a survey of the schools to assess the environment and to provide information to be used as part of a strategic plan to improve the organizational climate in the most effective and efficient manner possible.

**Issue 3** Incorporating technology into instructional and operational activities of the Agency

**Description** Educational technology has become an agency wide effort. Representative groups have worked together to develop an Educational Technology Plan, which was submitted and approved by the Arizona Department of Education. Staff benefit state-wide by actively participating in a variety of technology workshops.

**Solutions:**

The Agency database is in the process of being centralized for use from anywhere in the state to provide the most up-to-date information on students. The database provides demographic information that can be used for accountability reports at the local and state level. The database will be expanded to include additional information on student progress. The infrastructure of the technology system has been enhanced at ASDB to make communication more effective and efficient. New methods of communication are being provided for students who are Hard of Hearing or Deaf through the implementation of an agency-wide video relay system.

In order to facilitate communication, Internet and e-mail access is available to all agency personnel as well as the public. All programs in the Agency are now connected and able to access the Internet for resources. An updated E-mail system has increased the ability of staff to communicate across the state and results in faster services to students.

The current infrastructure is under review to improve functionality, security, and to reduce downtime. Specifics could include the tying together of (1) assistive technology, (2) dormitory wiring/fiber/wireless, (3) Tucson Campus building wiring/fiber/wireless, and (4) upgrade and combination of overall technological capabilities and resources.

**Issue 4** Improving recruitment and retention of employee procedures

**Description** Hiring qualified teachers is critical to the success of ASDB. The competition for teachers and other specialized staff has become very intense with many districts offering bonuses as well as other incentives.

**Solutions:**

The Agency works with several university programs around the country to recruit talented future professionals to ASDB. Presentations are made by ASDB staff at universities and colleges that have teacher preparation programs to communicate information regarding ASDB. Student teachers and graduate interns are encouraged to come to ASDB to complete their university program.

An extensive staff development program has been implemented to educate staff in strategies and techniques to improve student classroom performance. Regularly scheduled staff meetings, as well as weekly blocks of time, are reserved for more in-depth staff development opportunities.

Compensation issues are currently not being addressed adequately. The Agency continues to compare salaries of staff with other equal positions at other state agencies and at school districts to keep information current.

**Issue 5** Enhancing curriculum and instructional accountability

**Description** Instructional accountability continues to be a critical focus area of the Agency.

**Solutions:**

A large data base has been collected to compare results of standardized testing with fixed factors. Training is provided for teachers to enhance their use of results from standardized assessment in planning the educational program for their students.

**Issue 6** Providing students and staff with appropriate facilities

**Description** The Arizona State Schools for the Deaf and the Blind maintains a 68 acre facility in Tucson and a 14 acre facility in Phoenix. Both sites combined represent a total of 36 buildings. Due to aging facilities and inappropriate designs many buildings no longer meet the need of the Agency.

**Solutions:**

Specifically, the following are the most critical areas of concern.

- The dormitories on the Tucson Campus (50-60 years old) do not meet Fire Safety Code, and represent dilapidated and low efficient building that have seen continual and extensive use by students Elementary through post High School for the past 50-60 years.
- One section of the Tucson High School deemed unsafe for occupancy by an independent architectural firm, The FM Group.
- Need to replace the 45 year old Elementary school in Phoenix due to increased student enrollment, now at an all-time high.
- Due to increased enrollment at the Phoenix Campus, a new gymnasium is needed. The current building is 29 years old. The Gymnasium is a concrete and corrugated tin structure without insulation. This no longer has the capacity to meet the growing needs of our students, nor is it an efficient structure in terms of sustainability and energy conservation. It is our goal to build a structure that will fully meet the needs of our agency in a cost effective manner with a short term and long term benefit to our heating and cooling cost.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

PHOENIX DAY SCHOOL

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To create a nurturing environment in which children who are deaf or hard of hearing feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.*

**Description:**

PDSD was established in 1967 and has expanded over the years from its inception as an elementary school to include a middle school and high school. The campus in North-Central Phoenix sits on 14 acres and currently provides educational services to approximately 318 students aged 5 through 22 who live within the metropolitan Phoenix area for whom daily transportation is feasible.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,519.6	4,888.5	5,346.4
Other Appropriated Funds	5,782.6	5,851.4	5,851.4
Other Non Appropriated Funds	1,504.9	1,360.7	1,360.7
<b>Total Funding</b>	<b>11,807.1</b>	<b>12,100.6</b>	<b>12,558.5</b>
<b>FTE Positions</b>	<b>185.4</b>	<b>177.9</b>	<b>177.9</b>

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Individual Education Programs (IEP) or Individual Family Service Plans (IFSP) with participation of the representatives from school districts.	100	95	97	95	

◆ **Goal 2** To exceed all expected performance standards as identified by the AIMS, and AIMS-A for every student served by an ASDB Program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with their involvement in the program	100	95	94	95	

◆ **Goal 3** To effectively manage transportation, food service and medical services to ensure that these programs are supportive of the educational programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with the quality of transportation services provided at PDSD	96	95	97	95	
Percent of parents satisfied with the quality of food services provided at PDSD	91	90	89	90	
Percent of parents satisfied with the quality of medical services provided at PDSD	97	95	96	95	

**Program Summary**

TUCSON CAMPUS

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To create a nurturing environment in which children who are visually impaired, deaf or hard of hearing feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.*

**Description:**

ASDB’s Tucson Campus is the home of the Arizona School for the Deaf (ASD), the Arizona School for the Blind (ASB), the evaluation center for the entire agency (Technical Assistance to Schools [TAS]), and the ASDB administrative headquarters. The Tucson Campus has boarding facilities for students who live far from the Tucson Campus and need the services that only a special school for the deaf or the blind can provide. Currently about 166 students aged 5 through 22 attend the Tucson Campus, and of these about 62 live in the campus residence halls.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	10,219.7	10,351.1	10,596.3
Other Appropriated Funds	4,278.3	4,002.5	4,002.5
Other Non Appropriated Funds	763.7	818.8	818.8
<b>Total Funding</b>	<b>15,261.7</b>	<b>15,172.4</b>	<b>15,417.6</b>
<b>FTE Positions</b>	<b>254.6</b>	<b>237.1</b>	<b>237.1</b>

◆ **Goal 1** To increase efficiency and effectiveness in the instructional program for students served by ASDB Programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Individual Educational Plans (IEP) with participation of representatives from school districts in Tucson	100	95	98	95	
Percent of IEPs developed with participation of parent	98	95	98	95	
Percent of parents satisfied with their involvement in the program in Tucson	98	95	98	95	
Percent of parents satisfied with the quality of educational programs provided to their child.	98	95	98	95	

◆ **Goal 2** To exceed all expected performance standards as identified by the AIMS, and AIMS-A for every student served by an ASDB Program.



- ◆ **Goal 3** To effectively manage transportation, food service and medical services to ensure that these programs are supportive of the educational programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with the quality of transportation services provided at ASD/ASB in Tucson.	98	95	100	95	
Percent of parents satisfied with the quality of food services provided at ASD/ASB in Tucson.	84	90	86	90	
Percent of parents satisfied with the quality of medical services provided at ASD/ASB in Tucson.	96	95	95	95	

#### Program Summary

##### REGIONAL COOPERATIVES

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To work together with parents, school districts, advocacy organizations, business and community members to create nurturing environments in which children with a vision or hearing loss feel valued, develop their unique abilities, strive to achieve academic excellence, and develop skills to help them become productive and responsible members of society.*

**Description:**

The assessment of students is done by certified staff personnel many of whom have advanced degrees up to and including several individuals with Doctorates. Instruction is provided by itinerant teachers who serve several school districts. These teachers work in cooperation with the child's family and the local school district. Placement for each child is a team decision made by the family, the home school district and ASDB staff. The decision is based on the individual comprehensive evaluation and the Individual Education Plan.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	855.1	832.8	2,562.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,625.6	16,476.5	16,476.5
<b>Total Funding</b>	<b>17,480.7</b>	<b>17,309.3</b>	<b>19,039.4</b>
<b>FTE Positions</b>	<b>226.8</b>	<b>221.2</b>	<b>221.2</b>

- ◆ **Goal 1** To operate the Cooperatives in a cost effective manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Per student costs for Cooperatives	15,508	15,508		15,508	

- ◆ **Goal 2** To provide quality programming for students

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents rating the program as good or excellent	100	95	98.5	95	

◆ **Goal 3** To provide programming meeting the individual needs of students

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents rating the student IEP progress as good or excellent	100	95	100	95	

◆ **Goal 4** To increase the number of students served through the regional cooperatives.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students served by the regional cooperatives and the Outreach program	1,611	1,600	1674	1,600	

◆ **Goal 5** To increase the number of school districts served by the Cooperatives

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of districts served by the Cooperatives	246	246	246	246	

**Program Summary**

**PRE-SCHOOL/OUTREACH**

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To look at the whole child, as a member of a family, as a child first who happens to be visually impaired, blind, hard of hearing or deaf. We are committed to nurturing the child and the family through education, involvement and continued support. We are sensitive to the cultural, emotional, social and educational priorities of each family. We are committed to fostering a partnership with families that will enable the child with visual impairments to reach personal independence.*

**Description:**

There are two components to the Preschool program offered by ASDB - Parent Outreach and Preschool. The Parent Outreach Program serves children birth to three with hearing or vision loss as well as children who are deaf-blind. The statewide program serves every county in the state of Arizona. ASDB participates with the Arizona Early Intervention Program (AzEIP) in providing early intervention services to families and their children with sensory impairments under IDEA (The Individuals with Disabilities Education Act) Part C. The AzEIP participating State Agencies are the five state agencies identified in A.R.S. §§ 8-651 and 8-652 as responsible for maintaining and implementing a comprehensive, coordinated, interagency system of early intervention services. The five participating state agencies identified in A.R.S. § 8-652 are: Arizona Department of Economic Security (DES), Arizona State School for the Deaf and the Blind (ASDB), Arizona Department of Health Services (ADHS), the Arizona Health Care Cost Containment System (AHCCCS), and the Arizona Department of Education (ADE). Currently, 590 children are served by the program. The Preschool program serves VI and HI children from 3 to 5 in a structured learning environment on the Tucson campus and in Phoenix at several locations throughout the metropolitan area. Services offered to eligible children, their families and school districts include: Family education, developmentally appropriate center based preschool education, comprehensive educational assessment, functional vision assessments, audiological assessment, orientation/mobility services, physical therapy, sensory integration therapy, occupational therapy, speech/communication therapy, feeding therapy, transition to kindergarten and transportation.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,012.5	1,520.3	1,970.7
Other Appropriated Funds	2,206.0	2,736.3	2,736.3
Other Non Appropriated Funds	599.3	636.3	636.3
<b>Total Funding</b>	<b>4,817.8</b>	<b>4,892.9</b>	<b>5,343.3</b>
<b>FTE Positions</b>	<b>58.5</b>	<b>59.8</b>	<b>59.8</b>

◆ **Goal 1** To increase the number of students participating in the Parent Outreach Program

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Number of students served annually through the Parent Outreach Program and the Preschool program.	590	600	597	600	

◆ **Goal 2** To provide quality programming for preschool students

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents rating overall quality as good or excellent	97	95	97	95	
Percent of parents indicating the staff regularly communicates with them.	97	95	97	95	
Percent of parents who feel their child is progressing satisfactorily toward their child's IEP/IFSP goals.	97	96	94	96	
Percent of parents satisfied with their level of participation in the IEP/IFSP and MET process.	97	95	94	95	
Percent of parents satisfied with the services and specialized equipment provided based on the IEP/ISFP.	93	95	95	95	

**Program Summary**

ADMINISTRATION

Marv Lamer, Superintendent  
 Phone: (520) 770-3704  
 A.R.S. § 15-1300 et. Seq

**Mission:**

*To provide leadership and vision for the Arizona State Schools for the Deaf and the Blind programs and to secure, maintain, and protect resources needed to meet the mission of the Agency.*

**Description:**

The Arizona State Schools for the Deaf and the Blind (ASDB) consists of a variety of programs that provide education and evaluation to children and youth, with a vision or hearing loss, from birth to 22 years of age. School-aged children are served in one of the site based schools located in Tucson or Phoenix or in their home school district through one of the five Regional Cooperative programs. In addition to educational and evaluation services, the ASDB Tucson campus provides a residential program. Preschool children are served in both Tucson and Phoenix. Infants and toddlers with vision or hearing loss receive services in their homes throughout the State. ASDB also provides comprehensive evaluation services for some children referred with multiple disabilities.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4,811.6	4,905.2	5,534.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	343.5	589.0	589.0
<b>Total Funding</b>	<b>5,155.1</b>	<b>5,494.2</b>	<b>6,123.7</b>
<b>FTE Positions</b>	<b>69.1</b>	<b>66.6</b>	<b>66.6</b>

◆ **Goal 1** To prudently and fairly manage personnel resources of the Agency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of permanent certified positions filled PDS	92	85		85	
Percent of permanent classified positions filled PDS	62	90		90	
Percent of permanent certified staff turnover PDS	17	10		10	
Percent of permanent classified staff turnover PDS	22	20		20	

- ◆ **Goal 2** To effectively manage facilities, transportation, food service and loss prevention to ensure that these services are supportive of the educational programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with the quality of the medical services provided at ASDB.	96	95	96	95	
Percent of parents satisfied with the quality of transportation services provided at ASDB.	96	95	95	95	
Percent of parents satisfied with the quality of food services provided at ASDB.	90	90	89	90	

- ◆ **Goal 3** To maintain a positive relationship with parents

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with leadership at ASDB	96	90	95	90	

- ◆ **Goal 4** To exceed all expected performance standards as identified by the AIMS, and AIMS-A for every student served by an ASDB Program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents satisfied with instructional programs and services as measured by a survey PDS	99	95	96	95	
Percent of students graduating from PDS with a high school diploma	100	100	100	100	
Percent of students graduating from ASB and ASD with a high school diploma	100	100	100	100	

- ◆ **Goal 5** To prudently and fairly manage personnel resources of the Agency

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of permanently certified positions filled (TC)	87	90		90	
Percent of permanent classified positions filled (TC)	56	90		90	
Percent of permanent certified staff turnover (TC)	20	10		10	
Percent of permanent classified staff turnover (TC)	17	10		10	

- ◆ **Goal 6** To maintain a communication system with parents

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents indicating that staff and teachers regularly communicate with me.	99	95	98	95	

- ◆ **Goal 7** To provide quality services to the schools within the Regional Cooperatives

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of parents with students served through the cooperatives satisfied with the services provided by ASDB.	99	96	95	96	

## Agency Summary

### COMMISSION FOR THE DEAF AND HARD OF HEARING

Sherry L. Collins, Executive Director  
 Phone: (602) 542-3336  
 A.R.S. §§ 36-1941 through 36-1978

**Mission:**

*To ensure, in partnership with the public and private sectors, accessibility for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties to improve their quality of life.*

**Description:**

The Arizona Commission for the Deaf and the Hard of Hearing (ACDHH) acts as an information bureau for the Deaf, Hard of Hearing, Deaf Blind, and individuals with speech difficulties. The Commission works with state agencies, local government and other public and private community agencies to educate staff to better provide services to their Deaf, Hard of Hearing, and Deaf Blind consumers. ACDHH administers a telecommunications equipment distribution voucher program that loans equipment to qualified Arizona residents. The Arizona Relay Service (7-1-1), which allows equal accessibility of public telephone service, is also administered by the Commission. The relay service is required by the Federal Communications Commission. ACDHH is also mandated to license American Sign Language interpreters and certify American Sign Language teachers.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ COUNCIL ACTIVITIES	1,630.8	2,065.3	2,065.3
➤ TDD - TELECOMMUNICATION DEVICE FOR THE DEAF	1,832.2	1,955.9	1,955.9
<b>Agency Total:</b>	<b>3,463.0</b>	<b>4,021.2</b>	<b>4,021.2</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,463.0	4,021.2	4,021.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,463.0</b>	<b>4,021.2</b>	<b>4,021.2</b>
<b>FTE Positions</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

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## 5 Year Plan

### **Issue 1** Public Awareness

**Description** To increase public awareness of accessibility issues related to the Deaf, Hard of Hearing, Deaf-Blind and persons with Speech difficulties.

#### **Solutions:**

Objective 1.1: Advocate for the rights to equal access to information for citizens.

Objective 1.2: Provide training to service providers.

Objective 1.3: Provide consumer education series to teach citizens self-advocacy techniques.

Objective 1.4: Submit written educational and informational articles to newspapers, magazines and journals.

Objective 1.5: Continue to utilize social media and advanced technology to promote awareness of issues related to deafness and hearing loss.

### **Issue 2** Partnership/Collaboration

**Description** To increase the number of public and private sector partnerships in providing training and program services.

#### **Solutions:**

Objective 2.1: To further introduce the Healthcare Providers Curriculum to potential healthcare providers.

Objective 2.2: Continue to identify key partners in the field of public safety to improve the quality of services provided to deaf, hard of hearing and deaf-blind citizens during emergencies.

Objective 2.3 Collaborate with current and new partners to develop a public safety training curriculum for professionals and consumers.

Objective 2.4: Collaborate with current and new partners to provide a statewide conference on deafness and hearing loss.

Objective 2.5: Collaborate with advocacy agencies to establish an effective legal resources to provide consultation, mitigation and representation services to consumers with disabilities.

### **Issue 3** Partnership with Colleges and Universities

**Description** To Partner with colleges and universities to promote the establishment of training and degree programs to develop professionals in the field of deafness and hearing loss.

#### **Solutions:**

Objective 3.1: Collaborate with a college or university to develop a Support Service Provider Training curriculum.

Objective 3.2: Serve on college and university advisory boards to represent the needs of the deaf, hard of hearing, deaf-blind and citizens with speech difficulties.

Objective 3.3: Provide in-service training and education to the students in current degree programs to prepare them to meet the needs of the deaf and the hard of hearing, deaf-blind and individuals with speech impairments.

### **Issue 4** Licensure

**Description** To continue to monitor and improve processes related to the licensing of American Sign Language interpreters.

#### **Solutions:**

Objective 4.1: To continue to improve all stages of the application process for all categories of licensing.

Objective 4.2: To Provide instructional resources to assist applicants and consumers in understanding all phases of licensing including initial application, fees, penalties and the complaint process.

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**Issue 5** Telecommunications Equipment Distribution

**Description** To continue to monitor and improve processes in the Arizona Telecommunications Equipment Distribution Program (AzTEDP)

**Solutions:**

Objective 5.1: To assess internal processes of the voucher system of the AzTEDP to increase program efficiency and outreach.

Objective 5.2: To increase the number of vouchers distributed by 5% annually.

Objective 5.3: To improve and increase equipment demonstration services.

Objective 5.4: To research advanced technology to improve the quality of telecommunications available to consumers.

**Issue 6** Telecommunications

**Description** To monitor telecommunications relay services to ensure compliance with current contract; maintain excellent customer service and increase service usage.

**Solutions:**

Objective 6.1: Conduct monthly reviews of required reports from the current service provider.

Objective 6.2: Monitor customer satisfaction rates.

Objective 6.3: Require an increase in outreach and education efforts for Arizona Relay Services.

Objective 6.4: Increase usage of relay services by 5% annually.

**Issue 7** Professional Development

**Description** To maintain the most proficient staff in the field of deafness and hearing loss through professional development.

**Solutions:**

Objective 7.1: Promote advanced education and training for staff.

Objective 7.2: Promote all methods of training and education.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0



**Program Summary**

**COUNCIL ACTIVITIES**

Curtis Humphries, Business Manager  
 Phone: (602) 542-3857  
 A.R.S. §§ 36-1941 through 36-1978

**Mission:**

*To assist agency administrators and political subdivision directors to improve the quality of services available for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties; and to educate the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties on how best to access services.*

**Description:**

The agency director and staff make numerous presentations to public organizations, agencies and private businesses on the needs of the Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties. These individuals coordinate consumer workshops, seminars, and interpreters for the Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties. Support staff responds to hundreds of inquiries regarding technology, laws, and availability of services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,630.8	2,065.3	2,065.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,630.8</b>	<b>2,065.3</b>	<b>2,065.3</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

◆ **Goal 1** To increase public awareness of accessibility issues related to the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of information and referral contacts	288,272	245,000	2,485,308	1,000,000	1,000,000
<b>Explanation:</b> Contacts and Trainings					
Total number of website visits	82,149	60,000	87,950	60,000	60,000
Total number of advertisements	3,548,430	1,500,000	4,966,116	1,500,000	1,500,000
<b>Explanation:</b> In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.					
Total number of articles	10,468,937	1,500,000	7,909,690	1,500,000	1,500,000
<b>Explanation:</b> In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.					
Number of persons receiving training, exhibits and workshops providing information on the Arizona Commission for the Deaf and Hard of Hearing, the Arizona Relay Service, and the Arizona Telecommunications Equipment Distribution Program	20,273	22,000	18,463	22,000	22,000
Number of newsletters distributed	72,727	50,000	67,043	50,000	50,000
<b>Explanation:</b> Agency began weekly E-Newsletter Distribution					

◆ **Goal 2** To increase the number of public and private sector partnerships in providing training and program services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of partnerships formed	3	5	5	5	5

◆ **Goal 3** To prepare future American Sign Language instructors for national-level standards and certification.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of workshop hours	0	0	0	0	0

**Explanation:** National ASL Teacher's Association is not currently active.

◆ **Goal 4** To improve interpreter support services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of general licensed interpreters	301	320	253	320	320
Average number of calendar days from receipt of complaint about licensed interpreter to resolution	216	120	111	120	120
Number of complaints about certified/licensed interpreters	5	5	6	5	5
Number of licensed legal interpreters	42	45	44	45	45
Number of provisional interpreters	71	95	52	95	95

◆ **Goal 5** To improve public relations on issues related to hearing loss.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of printed articles related to the Arizona Commission for the Deaf and Hard of Hearing	6,953,158	1,000,000	2035	1,000,000	1,000,000

**Explanation:** In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.

Number of printed articles related to the Arizona Telecommunications Equipment Distribution Program	8,934	1,000,000	250,235	1,000,000	1,000,000
Number of printed articles related to the Arizona Relay Service	3,506,845	150,000	1,230,247	150,000	150,000

**Explanation:** In FY11 Agency revised data collection methods to reflect publication circulation, matching industry standards.

Number of telecommunication advertisements for Arizona Relay Service	0	10	3	5	5
Number of telecommunication advertisements for Arizona Telecommunications Equipment Distribution Program	0	10	1	5	5

**Program Summary**

**TDD - TELECOMMUNICATION DEVICE FOR THE DEAF**

Curtis Humphries, Business Manager  
 Phone: (602) 542-3857  
 A.R.S. §§ 36-1941 through 36-1978

**Mission:**

*To provide telecommunications access for the Deaf, Hard of Hearing, DeafBlind and persons with speech difficulties.*

**Description:**

The Agency provides various assistive devices on a loaner basis to Arizona residents who are Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties. In addition, the Agency contracts with an interstate telephone company to provide telephone relay services 24 hours a day, 7 days a week. This relay service provides a link between Deaf, Hard of Hearing, Deaf Blind and persons with speech difficulties and all other telephone users.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,832.2	1,955.9	1,955.9
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,832.2</b>	<b>1,955.9</b>	<b>1,955.9</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

◆ **Goal 1** To monitor telecommunications relay services to ensure compliance with current contract.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of telecommunications relay service calls completed without a complaint	99.5	99.5	99.9	99.5	99.5
Annual call minutes for the telecommunications relay service	1,102,563	910,153	1,140,356	1,200,000	1,200,000

◆ **Goal 2** To administer voucher system of the Telecommunications Equipment Distribution Program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of customer satisfaction with equipment distribution voucher program	98	90	98.2	95	95
Number of equipment distributed to consumers	951	1,100	725	1,100	1000
<b>Explanation:</b> Resumed Voucher Program					
Number of applications distributed to consumers regarding the equipment distribution program	1,097	1,575	1,057	1,575	1,575
Number of demonstrations performed	118	150	214	150	150

## Agency Summary

### BOARD OF DENTAL EXAMINERS

Elaine Hugunin, Executive Director  
Phone: (602) 542-4493  
A.R.S. §§ 32-1201, 32-1299

#### **Mission:**

*To provide professional, courteous service and information to the dental profession and the general public through examination, licensing, complaint adjudication and enforcement processes to protect the oral health, safety, and welfare of Arizona citizens through a fair and impartial system.*

#### **Description:**

The State Board of Dental Examiners examines, licenses, certifies professionals to practice in the field of dentistry, registers business entities providing dental services and permits mobile dental facilities. The Board also accepts complaints against licensees, certificate holders, business entities and mobile dental facilities, investigates allegations, and administratively adjudicates complaints. The Board regulates approximately 8,700 professionals licensed or certified to practice in the state and approximately 330 business entities, as well as serves all Arizona citizens who receive their professional services.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,114.8	1,215.1	1,215.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,114.8</b>	<b>1,215.1</b>	<b>1,215.1</b>
<b>FTE Positions</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

**Issue 1** Improve employee efficiencies with technology

**Description** When employees can be more efficient by having access to relevant and up-to-date technology, it is beneficial to both licensees and the public. The impact of the online renewal application, which allows dentists, dental consultants, dental hygienists and denturists to renew their license online, continues to be a convenience to the licensees using the online renewal application and in reducing the manpower required to move a paper renewal through the process. The Agency will continue to enhanced the online renewal application to increase the number of licensees using the application.

With the success of online renewals, the Agency sees opportunity for other online functionality with the same result of convenience to the licensees/applicants, decreasing manpower and decreased time information is available to the public.

As the Dental Practice Act is amended, the Agency is challenged to maintain a database which supports new processes and allows for consistency and increases employee efficiency. Looking to the future, the Agency acknowledges new levels of dental providers are emerging whose regulation will be added to the Dental Practice Act.

Staying current with technology is a priority of Agency leadership. The Agency is challenged to maintain, upgrade and secure the database to prevent frustration and lack of confidence in the Agency's technology by the public using the online directory of licensees, the licensee using an online function and staff maintaining the data.

The final component of using technology to improve employee efficiencies is the challenge of eliminating the flow of paper through the office. All aspects of licensure from initial application to expiration of a license and all aspects of the complaint process are paper driven. Although online renewal has eliminated much of the paper in the renewal process, a paper copy of the renewal certificate is maintained in the licensee's administrative file.

**Solutions:****Strategy 1**

The Agency plans to build on the realized efficiencies by developing an online renewal component for business entities, online initial license application submission, and online address changes to include the ability to order and pay for additional licenses. To accomplish this, the Agency has budgeted funds and allocated manpower to continue the relationship with the database vendor.

**Strategy 2**

The Agency will ensure database enhancements will be ongoing to support the complaint process. Knowing that the Dental Practice Act may be amended at any legislative session, the Agency must be prepared to make database modifications as they are legislated. As in Strategy 1, the Agency has budgeted funds and allocated manpower to continue the relationship with the database vendor.

**Strategy 3**

The database is web-based which requires the Agency to stay current with technology to include hardware, software and internet services. The Agency plans to consult with state IT professionals for their expertise in what hardware, software and internet services are best practices for the Agency to follow. Replacement equipment will be budgeted for as needed.

**Strategy 4**

In the next five years, the Agency plans to investigate and start implementation toward a paperless office. Although this is a large project, the Agency sees the advantages of being paperless outweigh being paper driven. As with the database, technology is a significant part of initiating and maintaining the project. Network scanners will be required as well as electronic storage. The Agency will build the paperless office incrementally. After researching solutions, the Agency will budget accordingly.

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**Issue 2** Dissemination of information

**Description** Disseminating relevant information such as statute changes is important for licensees as well as the public. In the past, the Agency published and mailed a newsletter. In the electronic age, printing and mailing a paper newsletter is not only costly, but not environmentally responsible.

**Solutions:**

## Strategy 1

Although the Agency's website contains relevant information, the Agency plans to publish articles not only about statute changes but specifically to address issues encountered by the Board which the licensee should know and would be of interest to the public. Licensees will be informed of a new article published to the website via email. There will be no additional funds used to implement and the Agency has the manpower to allocate to this issue.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	11.0	11.0	11.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,215.1	1,215.1	1,215.1
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**◆ Goal 1** To ensure public safety through improved efficiencies in regulating the dental profession.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of days from receipt of completed application to issuance or denial of certification or license	2	10	4	10	10
Total number of applications received	746	766	804	788	779
Total number of individuals or facilities licensed	8,857	9,029	9,042	9,206	9,371
Customer satisfaction rating (scale 1-5)	5	4	5	4	4
Total number of licenses/renewals issued	3,229	3,351	3,358	3,496	3,222
Average calendar days to renew a license (from receipt of application to issuance)	4	10	4	10	10
Percent of cases adjudicated each fiscal year (ratio of complaints resolved to complaints received)	98	90	83	90	90
Average number of calendar days from receipt of complaint to resolution of complaint	111	150	90	150	150
Percent of investigations resulting in disciplinary or enforcement action	11	15	12	15	15
Number of licenses revoked or suspended	3	10	2	6	6
Total number of investigations conducted	256	291	241	263	263
Total number of complaints received annually	262	266	327	283	283
Total number of inspections conducted	187	201	196	206	206
Percent of total licensees with disciplinary action	1	3	1	3	3

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◆ **Goal 2** To disseminate timely and accurate information for licensees and the public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Publication of articles to our website which provides information to licensees regarding statutes and rules	9	6	7	6	6
Administration as a percent of total cost	4.4	5.0	4.5	5.0	5.0

## Agency Summary

### EARLY CHILDHOOD DEVELOPMENT AND HEALTH BOARD

Jose Samuel Leyvas, Chief Executive Director

Phone: (602) 771-5100

ARS § 8-1181, ARS Title 8, Chap 13

#### **Mission:**

*To increase the quality of, and access to, the early childhood development and health system that ensures a child entering school comes healthy and ready to succeed.*

#### **Description:**

The Arizona Early Childhood Development and Health Board is a voter approved initiative to ensure the quality and accessibility of early childhood development and health programs at the community level. Proposition 203 created the Arizona Early Childhood Development and Health Board, which provides oversight and guidance on the implementation of the Proposition. The Board is more commonly known as First Things First.

First Things First establishes Regional Partnership Councils throughout the state. Each Regional Council is funded based on the number of children ages birth to five years living in the area, as well as the number of young children whose family's incomes do not exceed 100% of the federal poverty level. Programs funded through First Things First may be conducted either by grantees in the region or directly by the Regional Partnership Council. First Things First receives revenues from an additional tax levied on tobacco products.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	159,180.2	167,487.2	143,303.1
<b>Total Funding</b>	<b>159,180.2</b>	<b>167,487.2</b>	<b>143,303.1</b>
<b>FTE Positions</b>	<b>166.0</b>	<b>165.0</b>	<b>165.0</b>



**Issue 1** All children have access to high quality, culturally responsive early care and education that promotes their optimal development.

- Description**
- a) Create a coordinated spectrum of programs and services with defined roles and responsibilities across agencies, organizations and individuals.  
Design the Early Care and Education system to ensure access for all children to high quality, inclusive culturally responsive early care and education.  
Identify and align early care and education funding, programs and services to eliminate gaps and prevent unnecessary duplication.  
Build a system that promotes accountability and quality improvement, monitors programs and is coordinated among early care and education agencies and organizations.  
Build an integrated data system that provides data that can be used as part of an evaluation and monitoring system for early care and education
  - b) Develop quality early learning standards and development guidelines and support early childhood providers to align curricula and assessments with the standards.
  - c) Make available quality, affordable and culturally responsive early childhood education programs to all children and families across Arizona.

**Solutions:**

- a) Develop fluent, adaptive and responsive systems thinkers who know how to apply systems thinking across the organization (staff and volunteers) and externally with system partners.  
Establish mechanisms by which Regional Councils can provide local leadership in developing an early childhood systems model.
- B) Develop quality early learning standards and development guidelines and support early childhood providers to align curricula and assessments with the standards.
- C) Make available quality, affordable and culturally responsive early childhood education programs to all children and families across Arizona.

**Issue 2** All children have access to high quality, preventive and continuous health care, including physical, mental, oral and nutritional health.

- Description**
- a) Access to Quality Health Care Coverage and Services—Collaborate with partners to increase access to high quality health care services (including oral health and mental health) and affordable health care coverage for young children and their families.
  - b) Nutrition and Physical Activity-Collaborate with partners to support improved nutrition and increased age/developmentally appropriate physical activity levels among young children.

**Solutions:**

- a) Increase the number of children who have comprehensive health insurance.  
Increase access to and utilization of preventative health care services for children and families.  
Increase the number of women who receive early and adequate prenatal care.
- b) Increase the number of children, families and caregivers that practice developmentally appropriate physical activity and incorporate good nutrition.  
Create, sustain and expand community based partnerships that increase access to healthy food and physical activity.  
Encourage community leadership, public awareness and community design that support better nutrition, increased physical activity and health conscious neighborhoods and public spaces.

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**Issue 3** All families have the information, services and support they need to help their children achieve to their fullest potential.

**Description** Supports and Services for Families—Convene partners, provide leadership, provide funding, and advocate for development, enhancement, and sustainability of a variety of high quality, culturally responsive, and affordable services, supports, and community resources for young children and their families.

**Solutions:**

Increase the availability of high quality family support and literacy services for families with young children.

Increase family access and participation in high quality family support and literacy services and the ability of families to promote positive child development, health & literacy outcomes for their children.

Continuously improve the quality of family support and literacy services.

Expand the use of evidence based practice in the early childhood family support and literacy service system.

Increase coordination of planning, developing, funding and delivering family support and literacy services to best meet the needs and preferences of families and to leverage available resources.

Increase the number of family members who are actively participating in the development of the system of family support and literacy services.

**Issue 4** All early childhood education and health professionals are well prepared, highly skilled, and compensated commensurate with their education and experience.

**Description** Professional Development System—Convene partners, provide leadership, and provide funding for the development and enhancement of an early childhood professional development system that addresses availability, accessibility, affordability, quality, and articulation.

**Solutions:**

Build a comprehensive and well-articulated professional development system throughout Arizona that begins with the acquisition of a GED/high school diploma.

Provide access to ongoing education and training for all early childhood and education professionals across Arizona to meet professional development requirements and goals.

**Issue 5** All Arizonans understand the importance of the early years and the impact of early childhood development and health and education on Arizona’s economy and quality of life and, as a result, substantially support early childhood development, health and education both politically and financially.

**Description** a) Building Public Awareness and Support—Convene partners, provide leadership, and provide funding for efforts to increase public awareness of and support for early childhood development, health and early education among partners, public officials, policy makers, and the public.

b) Early Childhood System Funding—Secure, coordinate, and advocate for resources required to develop and sustain the early childhood system.

c) There is adequate public and private funding to build and sustain the early childhood system.

**Solutions:**

The public is aware of the benefits of investing in early childhood development, health and early education.

The public is committed through a strong, growing, and active pool of Arizonans who make early childhood development a priority.

**Issue 6** FTF is a learning organization that integrates innovation and a systems thinking approach.

**Description** FTF staff and volunteers have the resources, structures and processes in place so that continuous learning can occur and be recognized.

**Solutions:**

Develop fluent, adaptive and responsive systems thinkers who know how to apply systems thinking across the organization (staff and volunteers) and externally with system partners.

Establish mechanisms by which Regional Councils can provide local leadership in developing an early childhood systems model.

**Issue 7** FTF is a model for comprehensive planning and program implementation with an emphasis on data driven decisions and continuous quality improvement.

**Description** a) Establish and maintain internal systems that promote accountability, efficiency and improvement.  
 B) Establish and implement a comprehensive research and evaluation agenda.

**Solutions:**

Implement statewide and regional funding plans that are consistent with FTF’s indicators, benchmarks to progress, strategic direction, Standards of Practice based on best and evidence based practice, FTF logic model and the Arizona Model System. Advance fiscal policy that is transparent, accountable, a public sector model and that aligns with a systems approach to programmatic implementation.

**Issue 8** FTF is a highly sought after place of employment and engagement that attracts and retains exceptional and diverse talent among staff and volunteers.

**Description** FTF is an employee focused organization where wellness, innovation and professional development are valued and rewarded.

**Solutions:**

Implement policies that support our Beliefs, Actions and Performance statement.  
 Create a climate that integrates cross divisional work teams and products and encourages innovative and critical thinking focused on results.  
 Recruit nationally and locally to hire and retain ideal candidates that are highly qualified and will carry out FTF’s beliefs, actions, and performance statements.  
 Articulate and support professional development, skill building and career path opportunities.  
 Create a culture that intentionally celebrates success.

**Issue 9** FTF is a local, state and national leader working to advance the entire early childhood system.

**Description** Create awareness about Arizona’s early childhood system.

**Solutions:**

Develop and deploy information on early care and education in Arizona for diverse stakeholders.  
 Commit resources so that staff and volunteers can present and publish in applicable forums and serve in national roles.  
 Create opportunities for Council members and staff to serve and engage with community boards and committees.  
 Create opportunities for Arizona’s early childhood system and/or FTF to be profiled or quoted in local, state, & national media and industry publications.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	155.7	155.7	155.7
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	144,874.4	146,137.9	164,137.9
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To support the building of a comprehensive, high quality early childhood development and health system

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollars (in millions) awarded in support of direct program delivery	144	145	153	155	155
Number of awards made	295	246	262	260	260
Number of Board service program goal areas funded	6/6	6/6	6/6	6/6	6/6

◆ **Goal 2** To increase public awareness of, and support for early childhood investment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollars (in millions) spent on Communications	3.6	3.9	3.26	4.0	4.0
% of regions participating in a coordinated communications strategy	100	100	100	100	100
% of Arizonans who see Early Education as important and % who see K-12 important.	71/85	73/85	71/83	75/85	75/85

◆ **Goal 3** To achieve high level of integration, coordination and collaboration with early childhood partners and stakeholders.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Estimated number of grants that have Grant and Sub-Grantee relationship	23	30	27	24	24
Number of multi-agency grants FTF is the recipient of	2	3	2	2	2
% of Council seats/positions (required by statute to have broad and diverse community and sector composition) not filled	12	10	10	10	10

◆ **Goal 4** To monitor and report on services, results, and outcomes

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollars (in millions) spent on evaluation and Needs & Assets	2.0	8.0	2.5	8.9	8.9
% of grantees (providing direct client services and have reporting requirements) reporting on units served	100	100	100	100	100

◆ **Goal 5** To provide a cohesive and efficient delivery support structure within FTF

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Staff Vacancy Rate (%)	8	15	8	7	7
Staff External Turnover Rate (%)	4	7	19	18	18
Staff External Voluntary Turnover Rate (%)	10	25	12	15	15
% of regional councils with dedicated staff	100	100	100	100	100
% of female (vs. male) employees	68	70	84	84	84
% of minority employees	45	40	47	47	47

◆ **Goal 6** To be fiscally accountable to the citizens of Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Major Deficiencies in the Annual Audit	0.0	0.0	0	0.0	0

## Agency Summary

### DEPARTMENT OF ECONOMIC SECURITY

Clarence H. Carter, Director  
 Phone: (602) 542-5678  
 A.R.S. § 41-1954

**Mission:**

*To promote the safety, well-being and self-sufficiency of children, adults, and families.*

**Description:**

The Department of Economic Security (DES) is an integrated human services agency that provides critical protective and assistance services each month to more than two million of Arizona's children, adults, and families.

Together, DES's programs enhance the safety, well-being, and self-sufficiency of Arizonans. Through an integrated application system, the Department assists individuals and families by determining eligibility and distributing benefits for temporary cash assistance, nutritional assistance, as well as determining eligibility for Medicaid. The Department also determines eligibility for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). The Department manages Arizona's Unemployment Insurance (UI) program, including collecting taxes and providing unemployment benefits. In addition, the Department provides employment assistance, including vocational rehabilitation for individuals with physical and mental disabilities, and job-training opportunities for economically disadvantaged adults and youth. Childcare subsidies are also available to working parents.

The Department provides a safety net of services to victims of domestic violence; individuals and families experiencing homelessness; low-income families needing assistance with utility bills; and vulnerable adults who are victims of abuse, neglect, or exploitation. In addition, the Department provides supports to newly arrived refugees. Early intervention services for infants and toddlers with developmental delays and home and community-based services for individuals with intellectual and developmental disabilities (ID/DD) are also provided. The Department also assists parents with receiving child support payments by locating absent parents, assisting in establishing paternity, establishing the legal financial obligation for child support, and evaluating the absent parent's ability to pay.

The Department is working to move beyond simply delivering services to partnering with our community to help individuals and families gain the tools they need to increase their independence by becoming self-sufficient. As a result, DES recognizes the interconnectedness and interdependence between its services and community resources. Therefore, the Department works closely with a network of faith- and community-based partners, other state agencies, local governments and Tribal Nations, as well as federal agencies that oversee Department programs in the delivery of services to the people of Arizona.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	151,138.9	142,688.1	155,305.7
➤ DEVELOPMENTAL DISABILITIES	1,007,801.0	1,134,635.4	1,247,597.2
➤ BENEFITS AND MEDICAL ELIGIBILITY	1,806,024.0	1,966,875.1	1,966,875.1
➤ CHILD SUPPORT ENFORCEMENT	45,854.1	59,278.5	59,278.5
➤ AGING AND ADULT SERVICES	119,325.7	120,627.6	124,927.3
➤ CHILDREN, YOUTH AND FAMILIES	634,689.9	174,575.9	174,575.9
➤ EMPLOYMENT AND REHABILITATION SERVICES	970,304.7	684,857.8	642,984.3
<b>Agency Total:</b>	<b>4,735,138.2</b>	<b>4,283,538.4</b>	<b>4,371,544.0</b>

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<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	700,120.3	493,290.3	542,431.2
Other Appropriated Funds	714,346.4	302,942.4	302,942.4
Other Non Appropriated Funds	3,320,671.6	3,487,305.7	3,526,170.4
<b>Total Funding</b>	<b>4,735,138.2</b>	<b>4,283,538.4</b>	<b>4,371,544.0</b>
<b>FTE Positions</b>	<b>9,643.5</b>	<b>6,895.6</b>	<b>7,185.5</b>

**Issue 1** Economic and Social Conditions

**Description** While Arizona's economy has improved in the wake of the Great Recession, the recovery has been slow, and Arizona and the nation continue to be affected by national and global economic uncertainty. As a result, Arizona continues to see a substantial increase in poverty. According to the U.S. Census Bureau's 2012 Current Population Survey, Annual Social and Economic supplement, 19.0 percent of Arizonans live in poverty, up from 14.7 percent in 2008, and one in four children in Arizona are living below the federal poverty level. In 2014, the federal poverty level for a family of four is \$23,850 per year.

Arizona's recovery is continuing to move forward as demonstrated by the decrease in the number of UI weekly claimants. During fiscal year 2010, the average number of weekly paid claimants was 157,486. By fiscal year 2014, the average number of weekly paid claimants had decreased by 77.3 percent to 35,773. Consistent with the decrease in the number of UI claimants, Arizona has also experienced a decrease in the number of individuals seeking assistance in finding employment through the Department's automated labor exchange system, AZJobConnection ([www.azjobconnection.gov](http://www.azjobconnection.gov)). During calendar year 2013, the monthly average of individuals registered in the automated system was 11,366. As of June 2014, the monthly average of individuals registered in the automated system was 10,493. This reflects a 7.7 percent decrease in the number of individuals seeking assistance with finding employment.

While moving forward, Arizona's road to full recovery continues to be slow and somewhat restrained. In addition to the impact of economic conditions, social conditions in the state affect the need for Department services. As more people have children later in life, for example, a growing segment of the population is raising children while simultaneously caring for aging parents. Families are seeking assistance to meet basic needs such as housing, food, and health care, where in many cases they had not previously. As the single state agency responsible for the operation of an integrated eligibility determination system for three separate federal programs (medical, nutrition, and cash assistance), the Department has experienced a 23.5 percent growth in eligibility applications since fiscal year 2008.

As one example of the rising demand for Department services, from fiscal year 2008 through fiscal year 2014, Arizonans enrolled in the Supplemental Nutrition Assistance Program (SNAP) increased by 78.3 percent, from 600,500 to 1.1 million, or over 16 percent of the state's population. Currently, approximately half of these recipients are children. Recent economic conditions have begun to stabilize, and after reaching a peak in October 2011, demand for SNAP in Arizona has leveled off.

According to the National Institute of Justice's National Elder Mistreatment Study, 11 percent of elders reported experiencing some form of mistreatment, including emotional and physical abuse and neglect, in the past year. Arizona is currently home to over 1.3 million older adults, and the number is expected to grow to over 3 million by 2030, according to the U.S. Census Bureau's American Community Survey. On average, 75 percent of the total allegations of abuse, neglect, and exploitation reported to Adult Protective Services (APS) involve Arizonans over the age of 60.

Over the past several years, the Department has seen unprecedented growth in the number of new allegations received by APS for investigation. In fiscal years 2012 and 2013, the number of new reports grew by 28 percent and 27 percent respectively, over the prior fiscal year. The increase in new reports leveled out in fiscal year 2014 to 4 percent. In total, APS received 11,600 new reports of abuse, neglect, and exploitation of a vulnerable adult in fiscal year 2014. The Department projects that the number of reports will continue to grow at a rate of 5 percent in 2015 with an additional 3 percent in 2016. While the Department received \$3 million in funding for fiscal year 2015 for caseload growth, historic growth has swamped the APS system. The Department has requested an increase of \$4.5 million for fiscal year 2016 to fund additional APS caseworkers and additional Home and Community Based Services (HCBS) provided through the Area Agencies on Aging.

The average number of monthly Arizona Long Term Care System (ALTCS) members with ID/DD is projected to increase 4.5 percent in fiscal year 2016 to approximately 28,730. This growth is consistent with the rate experienced in recent years. However, individuals with a diagnosis of autism grew at an unprecedented rate of 12.6 percent during fiscal year 2014 and now comprise approximately 20 percent of the members. The Department has requested an increase of \$23 million for fiscal year 2016 to fund the additional caseload growth in the ALTCS program and increases associated with capitation adjustments approved by the Arizona Health Care Cost Containment System (AHCCCS).

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The Department also operates the state's federally required child support services program to help ensure that any person with custody of a child receives the necessary child support to care for that child. In fiscal year 2014, DES assisted an average of over 188,000 Title IV-D child support cases each month, resulting in the collection of over \$356 million of child support payments during the year. The Department also served as the clearing house for an additional \$358 million in child support payments associated with non-Title IV-D cases in fiscal year 2014. This totals over \$714 million in child support payments that were collected to help ensure that custodians can provide for the basic needs of the children in their care and, in many cases, offset government spending on other assistance programs.

#### **Solutions:**

1. Assist older and at-risk adults and individuals with disabilities, to live independently.

DES provides a wide range of supports for independent living. Arizona's program that supports individuals with ID/DD is consistently ranked in the United Cerebral Palsy's (UCP) annual report "The Case for Inclusion" as the best in the nation for assisting people with residing in the least restrictive environment possible and integrating them into their communities. The report ranks all 50 states and the District of Columbia on their outcomes for people with ID/DD. It shows how states' Medicaid programs compare in areas including how many individuals are supported in the community, how many participate in competitive employment and family support services, and how states are doing helping those in need, including serving those on waiting lists.

In the 2014 report, Arizona's overall ranking was first in the nation. Arizona ranked first for "Promoting Independence and Keeping Families Together" while for "Reaching Those in Need" Arizona was ranked sixth. For the category of "Health, Safety and Quality of Life" Arizona was ranked eighteenth. However, for "Promoting Productivity" which considers competitive employment, Arizona was ranked forty-first. Competitive employment for individuals with ID/DD has become a major initiative for the Department.

As previously discussed, over the past three years, historic growth has swamped the APS system. From increased call volumes to higher reports of abuse, neglect, and exploitation, the Department is struggling under the new caseload norm. Key metrics indicate the quality of APS investigations has been deteriorating under crushing caseloads and staff turnover continues to be an issue.

In fiscal year 2011, the average caseload was at a manageable level of 38 cases per month per investigator. As a result of the significant increase in reports over the last three years, the average caseload in a single month across all investigators peaked at 131. Currently, many urban APS investigators are carrying a caseload greater than 200 cases. The additional funding received for fiscal year 2015 is projected to bring the average statewide caseload to 109 cases per month, down from 121 in fiscal year 2014. This level is still far above the 35 to 40 cases per investigator recommended by the National Adult Protective Services Association. Without additional staff in fiscal year 2016, the average caseload per investigator is estimated to be 87 cases by the end of the fiscal year. With the phase-in of the requested staff, the average caseload per investigator would be 64 and would continue to decrease in the subsequent year and reach 39 by the end of fiscal year 2017. The Department is requesting \$2.7 million to address the historic growth in APS cases.

In addition to historic growth in APS reports and caseload, demand for HCBS for Arizona's aging population has been increasing. With the growth of APS reports has come an increased need for services to serve this population. Even without a chronic disease, it is common for older Americans to need some assistance to remain both safe and independent. Failure to provide basic supportive services can result in rapid deterioration of the abilities of older adults, often forcing them to enter more costly long-term care facilities.

In federal fiscal year 2012, 28,616 individuals were served utilizing HCBS, which included personal care, homemaker services, home delivered meals, adult day care, and case management. In federal fiscal year 2013, the number of individuals receiving services declined to 26,505 (7.4 percent decrease). Historically, approximately 10 percent of APS reports are referred for HCBS. With new reports exceeding 11,000 per year, over 1,100 new requests for services were received. Because of decreased federal funding and increased demand, many Area Agencies on Aging have waitlists for HCBS resulting APS workers being unable to assist the some individuals. Also, additional HCBS resources for eligible seniors could serve as a preventative measure. In addition to the \$2.7 million request for APS caseload growth, the Department is also requesting \$1.8 million to augment limited HCBS. This funding level is necessary to provide older Arizonans with basic supports to live independently and reduce the need for more costly institutional care.

2. Provide core safety net services to stabilize families as a first step toward enabling them to achieve maximum employability and self-sufficiency.



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The Department's Temporary Assistance for Needy Families (TANF) Cash Assistance program provides a minimal payment to families with children and, with a requirement that adult recipients participate in work-related activities, helps sustain families as they progress toward employability and self-sufficiency. As a result of policy changes implemented in fiscal years 2011 and 2012 to reduce the lifetime limit that a recipient can receive TANF Cash Assistance, from 60 months to 36 months and then to 24 months, the enrollment has significantly decreased. In fiscal year 2010, before the policy changes, enrollment for Cash Assistance was approximately 76,000. By fiscal year 2014, the enrollment had dropped to approximately 29,000 (61.8 percent reduction). However, in this same period, applications for Cash Assistance decreased by only 36 percent. Currently, approximately 74 percent of Cash Assistance recipients are children. Arizona is one of seven states that limit the lifetime benefit for Cash Assistance to less than 48 months.

Another crucial element in helping families achieve self-sufficiency is the child care subsidy program, which helps cover the cost of child care, thereby enabling parents to work and provide for their families. During fiscal year 2014, the Department monthly provided child care supports to approximately 23,760 children. The Department's child care program supports families based on four categories of eligibility: TANF, Transitional Child Care (TCC), Child Safety Services (CSS) and Low-Income Working (LIW). Two of these categories of eligibility, TANF and TCC, are federally mandated. The state has determined that children who are involved with CSS are also treated as a mandatory population. The LIW category is a non-mandatory population. It includes parents with incomes at or below 165 percent of the federal poverty level. Families are limited to no more than 60 cumulative months of child care assistance. The following summarizes fiscal year 2014 child care utilization by eligibility category:

- TANF - 2,690 children,
- TCC - 5,160 children,
- CSS - 8,410 children, and
- LIW - 7,500 children.

In order to control expenditures through attrition, the Department manages a Priority Waiting List for the only non-mandatory category of care, LIW. During fiscal year 2014, the Priority Waiting List averaged approximately 6,800 children monthly.

The Department received an additional \$4 million for fiscal year 2015 to support low-income families with child care. On July 11, 2014, the Department notified families that it would be releasing children from the waiting list. During fiscal year 2015, the Department anticipates supporting at a minimum 8,500 children monthly in the LIW eligibility category. While the Department reviews and qualifies eligible families from the current waiting list, it is anticipated that the waiting list will become more active. As of June 30, 2014, 6,200 children were waiting for child care service.

The Department is one of the Arizona state agencies that supports Arizona families and youth through the Achieving Success by Promoting Readiness for Education and Employment (ASPIRE) Project. ASPIRE is a six-state consortium led by the Utah State Office of Rehabilitation, awarded by the Department of Education's PROMISE (Promoting Readiness of Minors in Supplemental Security Income) experimental design project. The six states (Arizona, Colorado, Montana, North Dakota, South Dakota, and Utah) are partnering to recruit and enroll 2,000 youth aged 14 to 16 who receive Supplemental Security Income (SSI). Half of the youth will receive a variety of interventions to improve their educational and employment outcomes.

Arizona is slated to serve 525 youth and receive a total of \$7.3 million over the five-year period that will be administered by the Governor's Office for Children, Youth and Families. The Department will be responsible for enrolling control group participants and providing interventions for youth and families assigned to the treatment group. Such interventions include:

- Training and information for parents and families, including advocacy, community resources, educational and employment opportunities, and more;
- A complete individualized explanation of the public benefits the youth and family are receiving and how working and increased earnings affect those benefits;
- A paid employment opportunity for the youth while he or she is still in high school;
- Self-determination training for the youth and families;
- Financial management education and training to assist families with understanding their values and available resources to move from poverty to self-sufficiency;
- Case management services to assist the youth and their family with navigating the complicated public systems develop greater self-sufficiency.

3. Provide employment-related services and assistance supports to vulnerable populations, such as older adults, individuals with disabilities, refugees, economically disadvantaged youth, adults, and veterans.

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The Department partners with local entities to administer the Workforce Innovation and Opportunity Act (WIOA) Title I-B programs. These programs, funded through the federal WIOA grant, provide services to youth and adults as well as programs targeting dislocated workers to help them become job-ready and find employment. In addition, the Department operates the Employment Service (ES) program to assist individuals who are unemployed, underemployed, or seeking better employment opportunities.

The WIOA and ES programs provide “priority service” to qualified veterans and their spouses. This means that a veteran and eligible spouse receive priority over non-veterans for employment services, training, and access to other resources. In every office, the Department has staff dedicated to providing services to veterans and eligible spouses.

The Department’s UI program provides a measure of security through financial assistance to the individual worker who becomes unemployed. The UI program pays benefits to individuals who become unemployed through no fault of their own. Benefits are funded through unemployment insurance taxes paid by employers, enabling individuals to receive benefits while seeking other employment.

The Department operates employment and independent living programs to assist with removing barriers for older Arizonans, individuals with disabilities, and refugees and other eligible beneficiaries under the Refugee Act.

The Department also assists individuals with ID/DD in developing work related skills and obtaining employment through a range of services and supports, including a new transition to employment service, center-based vocational training, and community integrated group supported employment and competitive job placement with supports as needed to facilitate the individual’s ongoing employment success.

The Department is a member of the State Employment Leadership Network (SELN), a membership-based group of state ID/DD agencies committed to improving employment outcomes for people with ID/DD.

The Department also assisted in developing and continues to support the use of AZ Disability Benefits 101 (AZ db101), an online resource developed in partnership with Arizona’s Medicaid Infrastructure Grant administered by AHCCCS. AZ db101 is designed to help individuals with disabilities make informed decisions about going to work by assisting them with planning for employment, learning how work and benefits (cash, medical, etc.) go together, and how their individual benefits might be impacted by work income.

In addition, the Department holds a leadership role with the Arizona Community of Practice on Transition (AzCoPT). AzCoPT is a collaborative of state agencies and stakeholder groups with a shared interest in improving school and postsecondary outcomes for youth and young adults with disabilities, with a primary emphasis on college and career outcomes. The Department is implementing a system of coordinated planning and collaboration to ensure a smooth and successful transition of ID/DD-eligible children in the foster care system to meaningful, gainful, and sustained employment, education, and community living.

4.Reduce the number of families on Cash Assistance by increasing self-sufficiency through increased employment placements.

The Department oversees the Jobs program, which assists current and former TANF Cash Assistance recipients in preparing to enter the workforce and in finding and maintaining employment. In fiscal year 2014, over 5,024 clients in the Department’s Jobs program were placed in new employment positions.

5.Engage our customers and make child support a reliable source of income for the families of custodial parents we serve.

The Department strives to excel in making child support collections a reliable source of income for custodial parents and in providing support to our customers for the self-sufficiency of Arizona families. As a result, the Department is working to better engage customers by taking a holistic approach to understanding their unique challenges and seeking to assist with internal and external resources to help parents meet their responsibilities and obligations. For example, the Department has started to identify key initiatives to incentivize parents to further their education, to become more involved in the lives of their children, and to align support order amounts with the income of the owing parents to improve collections and help build healthier relationships.

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**Issue 2** Collaboration with Community and Faith-Based Partners

**Description** The Department believes that making Arizona stronger by ensuring the safety, well-being, and self-sufficiency of children, adults, and families is the responsibility of all Arizonans. While DES and other public entities have important roles to play, individuals, communities, and faith-based organizations have equally important roles. As a result, in addition to providing the services that the Department administers, it is important that DES partner with individuals, communities, and organizations to leverage the full range of supports and assistance Arizona has to offer on behalf of the vulnerable and those in need.

**Solutions:**

1. Work in partnership with Tribal Nations to strengthen individuals and families.

The Department has a strong commitment to ongoing collaboration with Arizona Tribal Nations. The agency has intergovernmental agreements with many Arizona Tribal Nations to provide services to tribal members, including services for the aging; family support services; information technology hosting; and support services for child support, substance abuse treatment, and child care services. In addition, through annual appropriations by the Legislature, the Department provides funds for Temporary Assistance for Needy Families (TANF) maintenance of effort to tribes that operate their own TANF programs.

The Tribal 121 Vocational Rehabilitation programs funded by the federal Office of Special Education and Rehabilitation Services provide vocational rehabilitation, employment training, job placement, and other services for tribal members. Six Arizona Tribes are currently funded: the Navajo Nation; Fort Mohave; Hopi; Tohono O'odham Nation; White Mountain Apache; and the Salt River-Pima Maricopa Indian Community. The programs are members of the Arizona Community of Practice on Transition statewide leadership team.

2. Increase collaboration with community partners and stakeholders to provide core safety net services.

The Department has an initiative that identifies community talent that can connect community resources to work in partnership with the Department to address customer needs. These Community Liaisons are experts in the need area being addressed and in creating community connections.

DES has also joined with national and local entities to hold large-scale, one-day events that connect families in need with clothing, food, medical attention, and other resources. HopeFest Tucson, held in Kino Veterans Memorial Stadium on October 19, 2013, served approximately 19,000 people. HopeFest Phoenix, held at Chase Field on April 5, 2014, reached an estimated 20,000 people.

Once each year, DES joins with local and national organizations for the "Día del Campesino" which is held in San Luis, Arizona. More than 5,000 farm workers and their families come to "Día del Campesino" and benefit from the free health exams, vaccinations, and diabetes screening throughout the morning. In addition to the health services, they also receive free clothing and information regarding workers' rights, housing, and education.

The Department has developed a robust volunteer engagement center for connecting members of the caring community with the needs of Arizona's safety net. Examples include calling on the community to create and support the new "Children's Heart Gallery" which highlights Arizona children in need of adoptive families, and the "Arizona Blue Ribbon—Celebrating Foster Families" which is a foster family retention strategy. Additional community collaborations include the annual Dental Mission of Mercy in Phoenix and the 2014 Refugee Highway Partnership North American Roundtable, also in Phoenix.

The Department recognizes that in some cases the perceptions of our customers are a barrier to providing them with assistance and is expanding capabilities through partnerships and collaborative efforts to assist with providing more rounded services. Specifically, in the area of child support, the Department works closely with the employer community, employment agencies, hospitals, the Office of Vital Records, the Industrial Commission, the Clerk of the Superior Court, family advocates and fatherhood programs, electronic payment option providers, veteran services, and homeless programs in order to break down barriers for responsible parents and provide holistic services to meet the basic needs of the families served. The Department seeks a construct in which this assistance, along with any necessary employment supports, serves as a bridge to increased self-sufficiency and maximum independence.

3. Engage Faith-based Organizations as partners to promote the safety, well-being, and self-sufficiency of individuals and families.

The ArizonaSERVES initiative, with the assistance of DES, is helping connect more faith-based organizations with the systems of care that meet the needs of Arizona's most vulnerable citizens.

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The Department has taken a catalytic and active role to increase the capacity of Open Table, a faith-based model, for bringing the resources and talents of congregational members into healthy, mentoring relationships with individuals and families in need, moving with them from poverty to economic stability. The Department supports this community-based, person-centric model for addressing the needs of individuals in need of economic safety support.

#### 4. Work closely with the business community to identify opportunities for employing at-risk individuals.

The Department continues to strengthen its relationship with the Arizona Commerce Authority and is working collaboratively to identify job opportunities for low-income Arizonans. This important work will provide the Commerce Authority with information regarding the unique employment needs of this vulnerable segment of the Arizona workforce.

In addition, the DES Employment Service program provides many employment services to both employees and employers. Services for employers include writing job orders, recruitment, job matching and referral of qualified job applicants, job fairs, workshop facilitation, and customized employment-related seminars to assist employers with identifying work opportunities for individuals receiving Department services. Over the past year, the Department hosted or participated in 97 job fairs, including 16 Hire Our Heroes hiring events serving over 11,850 veterans, 5 Heroes2Hire events serving over 1,500 veterans, and 22 Yellow Ribbon events serving over 5,800 returning Arizona National Guard Service members.

For the past two years, the Department, with numerous other state agencies and community stakeholders, has participated in the October Disability and Rehabilitation Employment Awareness Month (D.R.E.A.M.) job fairs held throughout the state, providing job and networking opportunities for people with disabilities.

The Department is also an active participant in the Arizona Employment and Disability Partnership, whose mission is to ensure the full inclusion of individuals with disabilities in the workforce by coordinating and enhancing networks through systems change and capacity-building initiatives.

In addition, DES is a member of Untapped Arizona, a project of the Arizona Medicaid Infrastructure Grant, created to help Arizona businesses meet their inclusive workforce needs by connecting them directly with qualified job candidates with disabilities.

#### 5. DES provides culturally appropriate/competent services.

The Department of Economic Security (DES) promotes a culture of respect when working with members and their families. The Department values a competent, diverse workforce capable of effectively addressing the needs and preferences of culturally and linguistically diverse members.

DES employees complete training in Diversity and Cultural Competency and Limited English Proficiency (LEP) requirements. In addition to the training, a "LEP Toolbox" is posted on the Department's intranet page, which includes LEP procedures and available translation and interpreter contractors.

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**Issue 3** Accountability and Transparency

**Description** As a large human services agency composed of 35 different programs and with approximately 7,500 employees and thousands of contractors, the Department recognizes the need to ensure accountability of employees, contractors, providers and customers; prevent, mitigate, investigate and prosecute fraud, waste, abuse and misconduct; identify and respond to risks; and utilize its resources effectively and efficiently.

Since the establishment of the Office of Accountability (OA) two years ago, the Department has made significant progress in improving the mitigation of fraud, waste, and abuse. As an outgrowth of the OA and in order to build on current successes and advance efforts to identify opportunities for improvement and innovation, the Department created the Office of Inspector General (OIG) at the start of fiscal year 2015. The mission of the OIG is to protect the integrity of the Department's programs and services. The OIG helps to ensure that the Department's programs and employees meet the highest standards of accountability, integrity, and excellence; reports current performance; and promotes sound program management to effectuate economy, efficiency, and effectiveness in operations.

The OIG has the following five primary functions that collectively enable it to carry out its mission:

- audit, assessment, and review;
- continuous improvement;
- administrative and criminal investigation;
- research and analysis; and
- risk management.

**Solutions:**

1. Develop and implement an enterprise risk management system, and a comprehensive set of strategies to manage fraud, waste and abuse.

The expansive scope, budget, and customer base of the Department pose risks that are simultaneously varied in their nature and significant in their impact to DES and its stakeholders. The Department is currently developing a system for centrally identifying, assessing, and responding to Department-wide risks modeled after industry standards and best practices for enterprise risk management. In addition, the Department is developing fraud management strategies and best practices, such as the use of advance analytical techniques, that can be implemented Department-wide or across multiple programs or services.

A key to this effort is the effective use of technology. The Department is currently engaged in transitioning from an inflexible and outdated technology system and the manual tracking and documentation of risks and investigations to an integrated system that enables it to effectively assess enterprise risks, track audits and investigations, and report compliance with regulatory requirements.

Finally, the Department is fostering a coordinated and collaborative approach to reducing waste, fraud, and abuse by establishing partnerships between internal DES entities and local, state, and federal agencies as well as non-government agencies. The Department coordinates with these entities to assist in the prosecution or administrative sanction of contractors, customers, and employees engaged in fraud, waste, abuse, or misconduct.

As a result of this combination of improvements, in March 2014, the Department conducted the largest SNAP fraud investigation in Arizona history.

2. Improve services through internal review, analysis, and design changes.

The Department is engaged in a wide range of improvements to increase the efficiency and effectiveness of its services. Examples include:

The Department is in the process of streamlining processes associated with eligibility determination. Historically, beginning with the application, processes have been primarily paper driven. While there is a single application that can be completed for three programs (Medicaid, SNAP, and TANF Cash Assistance), the individual eligibility determination worker must enter the application into the Arizona Technical Eligibility Computer Systems (AZTECS) and apply the relevant policies to complete the application. As a result, while AZTECS tracks applications to prevent duplication, the heavy reliance on manual data entry and the knowledge of the eligibility worker makes the process prone to human error.

Over the past several years, the Department has partnered with AHCCCS to replace both agencies' legacy eligibility systems with a modern web-based system. This system, Health-e-Arizona Plus, is now in use and provides applicants with the ability to enter their own applications online. In addition, it uses interfaces to online data sources to verify employment, income, residency, and other key factors. Finally, in some cases, its eligibility determination algorithm eliminates the need for eligibility workers to process the application. One barrier to the self-service use of this system by applicants is a lack of access to a computer. As a result, the Department is creating self-service kiosks in local offices to allow applicants to enter their applications. While SNAP applicants are still required by federal regulation to be interviewed by a state employee, the Department can now conduct these interview telephonically. As a result, the efficiency of the eligibility determination process has been greatly increased. Kiosks are being systematically rolled out throughout the state during fiscal year 2015.

During fiscal year 2014, the Department initiated a contract with Xerox to privatize call center operations. This has created efficiencies by leveraging Xerox's technology and expertise in call center management. In addition, State staff who are responsible for eligibility determination are no longer distracted by questions about an application's status or general inquiries and can concentrate on eligibility determination. Because calls are routed more efficiently, there are fewer dropped calls, and applicants are spending less time waiting on hold.

3. Better engage with our customers, target areas for improvement, and expand relationships within the communities we serve, to provide a more holistic approached array of services to the customers we serve.

The Department has implemented an initiative to better serve and engage custodial parents. The Customer Engagement Initiative was created to develop relationships with custodial parents to better provide assistance and support to parents, caretakers, and stakeholders through available and unbiased services in order to positively impact the well-being of children. The Department is working on incentive programs for education and assisting toward right-sized child support orders. In addition, the Department is implementing standard communications with our customers, trending customer complaints for improved services and communication, developing educational seminars for customers who are new to the program, and creating resources for fathers.

### **Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	6,124.0	6,155.0	6,186.0
<b>General Fund</b>	553,300.0	564,400.0	575,700.0
<b>Other Appropriated Funds</b>	312,000.0	321,400.0	331,000.0
<b>Non-Appropriated Funds</b>	913,500.0	940,900.0	969,100.0
<b>Federal Funds</b>	2,705,200.0	2,772,800.0	2,842,100.0

## Program Summary

### ADMINISTRATION

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 41-1954

#### Mission:

*To provide leadership, direction, coordination, and support to enable the Department of Economic Security to achieve its mission and vision.*

#### Description:

The Administrative support areas provide leadership, direction, coordination, and support to the Department and its six client divisions in delivering human services to the people of Arizona.

#### This Program Contains the following Subprograms:

- ▶ Central Administration
- ▶ Attorney General Legal Services
- ▶ Governor's Advisory Council on Aging
- ▶ Governor's Council on Developmental Disabilities
- ▶ Arizona Early Intervention Program

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	61,358.4	59,083.0	70,445.2
Other Appropriated Funds	20,947.0	8,365.9	8,365.9
Other Non Appropriated Funds	68,833.5	75,239.2	76,494.6
<b>Total Funding</b>	<b>151,138.9</b>	<b>142,688.1</b>	<b>155,305.7</b>
<b>FTE Positions</b>	<b>1,273.3</b>	<b>1,174.3</b>	<b>1,182.1</b>

## Subprogram Summary

### CENTRAL ADMINISTRATION

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
PL 108-446

#### Mission:

*To provide leadership, direction, coordination, and support to enable the Department of Economic Security to achieve its mission and vision.*

#### Description:

The Central Administration of DES consists of the Office of the Director, Office of Accountability, Business and Finance, Technology Services, Financial Services, Human Resources, and Training and Development.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	25,163.5	22,777.7	27,139.9
Other Appropriated Funds	7,871.9	5,654.3	5,654.3
Other Non Appropriated Funds	46,711.8	51,133.6	52,389.0
<b>Total Funding</b>	<b>79,747.2</b>	<b>79,565.6</b>	<b>85,183.2</b>
<b>FTE Positions</b>	<b>1,075.8</b>	<b>980.0</b>	<b>987.8</b>



◆ **Goal 1** To improve the quality and efficiency of services delivered to customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Agencywide customer satisfaction rating (scale 1-5)	3.95	3.9	4.0	3.9	3.9
Total Office of Accounts Receivable and Collections cost per dollar to administer, bill, and collect debts	0.05	0.06	0.05	0.06	0.06
DES percentage below Phoenix Market Rate per square foot	12.4	10.0	15.3	15.8	15.8
<b>Explanation:</b> % below/(above) comparable market rate					
Percent of OLCR licenses to foster homes without a complaint	96.7	96.9	96.1	N/A	N/A

**Subprogram Summary**

ATTORNEY GENERAL LEGAL SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-191

**Mission:**

*To provide the Department of Economic Security with high-quality and timely legal advice and representation to promote the safety, economic self-sufficiency, and well-being of children, adults, and families.*

**Description:**

The Attorney General Child and Family Protection Division is responsible for providing legal services to all programs and business operations of the Department of Economic Security (DES). The division provides these services through three sections: the Protective Services Section, which represents Child Protective Services; the Child Support Enforcement Section, which represents the Division of Child Support Support; and the Civil, Criminal Litigation and Advice Section (CLA) which provides legal advice and representation in administrative hearings and state and federal courts to all other programs within the Department, as well as all personnel and operations matters. In addition, CLA prosecutes criminal cases relating to various DES programs, including recipient benefit fraud, employee embezzlement, provider fraud, and criminal nonpayment of child support.

NOTE: Goals and performance measures for this program are included in the Master List for the Attorney General, AGA 1.4, Child and Family Protection Division.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,127.0	1,237.4	1,237.4
Other Appropriated Funds	2,575.1	2,711.6	2,711.6
Other Non Appropriated Funds	7,739.4	8,472.0	8,472.0
<b>Total Funding</b>	<b>11,441.5</b>	<b>12,421.0</b>	<b>12,421.0</b>
<b>FTE Positions</b>	<b>183.5</b>	<b>180.3</b>	<b>180.3</b>



### Subprogram Summary

#### GOVERNOR'S ADVISORY COUNCIL ON AGING

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 46-183

#### Mission:

*To advise the Governor, Legislature, and all state departments that the Council deems necessary on all matters and issues relating to the aging population, including the administration of the State Plan on Aging.*

#### Description:

The Governor's Advisory Council on Aging (GACA) is a policy advisory body and does not have regulatory authority. It was established and organized to meet the responsibilities and duties prescribed in A.R.S. § 46-183. The Council advises the Governor, the Legislature, and state departments about aging policies and programs. The Council works to find solutions to the current aging problems and lay groundwork for the future needs of an increasingly aging population.

Note: The goals and performance of this program are reflected in the measures for the Division of Aging and Adult Services and its programs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	67.9	67.9	67.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	227.2	193.8	193.8
<b>Total Funding</b>	<b>295.1</b>	<b>261.7</b>	<b>261.7</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

### Subprogram Summary

#### GOVERNOR'S COUNCIL ON DEVELOPMENTAL DISABILITIES

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
Public Law 106-402; E.O. 2009-8

#### Mission:

*To work in partnership with individuals with developmental disabilities and their families through systems change, advocacy, and capacity building activities that promote independence, choice, and the ability of all individuals to pursue their own dreams.*

#### Description:

The Developmental Disabilities Planning Council (DDPC) is Arizona's state planning council for people with developmental disabilities. It was established in 1974 and organized to meet the responsibilities and duties prescribed in the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 98-527 as amended by Public Law 104-183, Public Law 106-402).

Note: The goals and performance of this program are reflected in the measures for the Division of Developmental Disabilities and its programs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,839.9	1,968.2	1,968.2
<b>Total Funding</b>	<b>1,839.9</b>	<b>1,968.2</b>	<b>1,968.2</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**Subprogram Summary**

ARIZONA EARLY INTERVENTION PROGRAM

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 PL 108-446

**Mission:**

*To enhance the capacity of families to support the infants and toddlers with delays or disabilities to thrive in their homes and communities.*

**Description:**

The Arizona Early Intervention Program (AzEIP) is Arizona’s statewide, interagency system of supports and services for infants and toddlers with developmental delays or disabilities and their families. AzEIP is established by Part C of the Individuals with Disabilities Education Act (IDEA), which provides eligible children and their families access to services to enhance the capacity of families and caregivers to support the child’s development.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	12,315.2	13,471.6	13,471.6
<b>Total Funding</b>	<b>12,315.2</b>	<b>13,471.6</b>	<b>13,471.6</b>
<b>FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

◆ **Goal 1** To provide early intervention services for children birth to age 3 who have developmental delays

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Total AzEIP cases	5,426	5,699	5436	5699	5699

**Program Summary**

**DEVELOPMENTAL DISABILITIES**

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 36-554

**Mission:**

*To support the choices of individuals with developmental disabilities and their families by promoting and providing flexible, quality, consumer-driven services and supports.*

**Description:**

The Division of Developmental Disabilities, in partnership with individuals with developmental disabilities, their families, advocates, community members, and service providers, administers and manages the various programs, services, and supports to Arizonans and their families who have autism, cerebral palsy, epilepsy, or a cognitive disability, which is manifested before the age of 18, and children who are below the age of six and at risk of having a developmental disability.

The Division serves both Arizona Long Term Care System (ALTCs) eligible individuals and state only eligible individuals with developmental disabilities. ALTCs is a federally matched Medicaid research and demonstration program. Individuals with developmental disabilities who are eligible for services through the Division may also be eligible for services through the Arizona Long Term Care System.

**This Program Contains the following Subprograms:**

- ▶ Developmental Disabilities Operations
- ▶ Case Management - Title XIX
- ▶ Case Management - State Only
- ▶ Home and Community Based Services - Title XIX
- ▶ Home and Community Based Services - State Only
- ▶ Institutional Services - Title XIX
- ▶ Medical Services
- ▶ ATP-Coolidge - Title XIX
- ▶ State-Funded Long Term Care
- ▶ Medicare Clawback Payments
- ▶ Autism-Parenting Skills

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	327,672.8	351,071.4	384,550.4
Other Appropriated Funds	45,924.3	31,225.4	31,225.4
Other Non Appropriated Funds	634,203.9	752,338.6	831,821.4
<b>Total Funding</b>	<b>1,007,801.0</b>	<b>1,134,635.4</b>	<b>1,247,597.2</b>
<b>FTE Positions</b>	<b>1,772.3</b>	<b>1,772.3</b>	<b>2,026.4</b>

**Subprogram Summary**

DEVELOPMENTAL DISABILITIES OPERATIONS

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 36-554

**Mission:**

*To enhance supports and services to consumers and families through the effective and efficient use of state and federal funding.*

**Description:**

The Division of Developmental Disabilities Operations subprogram provides administrative oversight and operating support for the all of the Division's programs, including programs for both Arizona Long Term Care System (ALTCS) eligible individuals and state only eligible individuals with developmental disabilities. The Division of Developmental Disabilities coordinates services and resources through five district offices and approximately 58 local offices in various communities throughout the state.

Note: Goals and performance for the operating function of the division are reflected in the goals and performance of the division's programs and special line items.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	12,825.7	14,362.0	14,362.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	33,951.2	35,052.5	35,052.5
<b>Total Funding</b>	<b>46,776.9</b>	<b>49,414.5</b>	<b>49,414.5</b>
<b>FTE Positions</b>	<b>294.3</b>	<b>294.3</b>	<b>294.3</b>

**Subprogram Summary**

CASE MANAGEMENT - TITLE XIX

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 36-554

**Mission:**

*To coordinate services and supports in a timely manner for eligible individuals with developmental disabilities and their families to promote attainment of maximum potential for independence, productivity, and integration into the community.*

**Description:**

Case management services coordinate services and supports for Long Term Care eligible individuals and their families.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	11,376.4	15,210.9	16,299.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	35,952.8	32,550.8	34,951.0
<b>Total Funding</b>	<b>47,329.2</b>	<b>47,761.7</b>	<b>51,250.1</b>
<b>FTE Positions</b>	<b>755.5</b>	<b>755.5</b>	<b>1,009.6</b>

◆ **Goal 1** To provide quality case management services for all eligible consumers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of consumer satisfaction with case management services (Title XIX only)	98.5	98.5	98.8	98.8	98.8
Average number of consumers with developmental disabilities served	25,748	26,829	26,807	27,956	28,079

**Subprogram Summary**

CASE MANAGEMENT - STATE ONLY

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 36-554

**Mission:**

*To coordinate services and supports in a timely manner for eligible individuals with developmental disabilities and their families to promote attainment of maximum potential for independence, productivity, and integration into the community.*

**Description:**

Case management services coordinate services and supports for state-only eligible individuals and their families.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,926.6	3,928.6	3,928.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,475.9	3,807.0	3,807.0
<b>Total Funding</b>	<b>7,402.5</b>	<b>7,735.6</b>	<b>7,735.6</b>
<b>FTE Positions</b>	<b>79.3</b>	<b>79.3</b>	<b>79.3</b>

◆ **Goal 1** To promote quality case management services for all eligible consumers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of consumers with developmental disabilities served	7,480	7,500	7,125	7,277	7,400

**Subprogram Summary**

HOME AND COMMUNITY BASED SERVICES - TITLE XIX

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 36-552

**Mission:**

*To effectively meet the needs of eligible individuals with developmental disabilities and their families, in the least restrictive home- and community-based settings, using the principles of family support and self-determination to promote independence and inclusion within the community.*

**Description:**

This program consists of home- and community-based services including, but not limited to, respite, habilitation, therapies, and attendant care delivered in the consumer's home and community.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	240,141.5	242,491.8	265,202.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	451,197.7	561,723.2	627,724.1
<b>Total Funding</b>	<b>691,339.2</b>	<b>804,215.0</b>	<b>892,927.0</b>
<b>FTE Positions</b>	<b>94.5</b>	<b>94.5</b>	<b>94.5</b>

- ◆ **Goal 1** To provide home- and community-based services that support the majority of consumers in their family or own home or in a community-based setting.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of child and adult consumers with a developmental disability that live with their family or in their own home or in a community-based setting	90.6	91.0	90.8	91.0	91.0

- ◆ **Goal 2** To provide consumer, family, and caregiver satisfaction with home- and community-based services and supports.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of relatives and caregivers of consumers stating the services received meet the consumer's needs	99.2	99	98.9	98.9	99.0
Percent of relatives and caregivers satisfied with the providers of services received.	98.3	98.3	99.2	99.2	99.4

- ◆ **Goal 3** To increase consumers' economic prosperity and self-sufficiency by placing adult consumers in community employment opportunities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of eligible adult consumers placed in community employment	19.4	19.4	20.6	21.4	21.6

<b>Subprogram Summary</b>
HOME AND COMMUNITY BASED SERVICES - STATE ONLY
Debra Peterson, Chief Financial Officer Phone: (602) 542-3786 A.R.S. § 36-552

**Mission:**

*To effectively meet the needs of eligible individuals with developmental disabilities and their families, in the least restrictive home- and community-based settings, using the principles of family support and self determination to promote independence and inclusion within the community.*

**Description:**

This program consists of home- and community-based services, including, but not limited to, respite, habilitation, therapies, and attendant care delivered in the consumer's home and community.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	4,819.0	16,626.1	16,695.0
Other Appropriated Funds	14,524.2	4,670.6	4,670.6
Other Non Appropriated Funds	726.2	973.1	973.1
<b>Total Funding</b>	<b>20,069.4</b>	<b>22,269.8</b>	<b>22,338.7</b>
<b>FTE Positions</b>	<b>53.6</b>	<b>53.6</b>	<b>53.6</b>

- ◆ **Goal 1** To provide home- and community-based services that support the majority of consumers in their family or own home or in a community-based setting.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percentage of child and adult consumers with a developmental disability who live with their family or in their own home or in a community-based setting	99.0	99.0	99.0	99.0	99.0

**Subprogram Summary**

INSTITUTIONAL SERVICES - TITLE XIX

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 36-552

**Mission:**  
*To provide services and supports to eligible individuals with developmental disabilities that will promote home- and community-based placement whenever appropriate.*

**Description:**  
 This program consists of state and privately operated intermediate care facilities (ICF) and nursing facilities.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	5,591.8	6,040.5	6,475.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,953.6	12,926.4	14,260.4
<b>Total Funding</b>	<b>20,545.4</b>	<b>18,966.9</b>	<b>20,735.5</b>
<b>FTE Positions</b>	<b>74.0</b>	<b>74.0</b>	<b>74.0</b>

- ◆ **Goal 1** To reduce or maintain the number of people placed in institutional settings.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of consumers in ICF/MRs and skilled nursing facilities (*point in time 6/30)	225	225	232	232	241

**Subprogram Summary**

MEDICAL SERVICES

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 36-2939

**Mission:**

*To provide cost-effective, quality medical services that enable Arizona Long Term Care System (ALTCs) eligible individuals with developmental disabilities to achieve and maintain optimal health and well-being.*

**Description:**

The program provides medical care and services for ALTCs-eligible individuals including hospital care; physician, pharmacy, laboratory, and rehabilitation services; durable medical equipment; and early and periodic screening, diagnosis, and treatment and other medical services, care, and supports.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	44,151.0	44,141.4	47,317.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	82,809.5	94,461.0	104,208.7
<b>Total Funding</b>	<b>126,960.5</b>	<b>138,602.4</b>	<b>151,526.3</b>
<b>FTE Positions</b>	<b>35.4</b>	<b>35.4</b>	<b>35.4</b>

◆ **Goal 1** To provide cost effective, quality health care.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of consumers receiving acute care services through the Division of Developmental Disabilities	25,666	25,666	26317	27536	28637

**Subprogram Summary**

ATP-COOLIDGE - TITLE XIX

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 36-2939

**Mission:**

*To provide active treatment, residential care, supervision, and services to eligible individuals to promote home and community placements whenever possible and appropriate.*

**Description:**

The Arizona Training Program at Coolidge is an Intermediate Care Facility (ICF) consisting of certified residential facilities that provide active treatment and other services in accordance with federal and state regulations.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,840.8	5,067.7	5,067.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,137.0	10,844.6	10,844.6
<b>Total Funding</b>	<b>15,977.8</b>	<b>15,912.3</b>	<b>15,912.3</b>
<b>FTE Positions</b>	<b>383.7</b>	<b>383.7</b>	<b>383.7</b>



◆ **Goal 1** To provide quality residential services in the Arizona Training Program at Coolidge.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of consumers living at Arizona Training Program at Coolidge	107	106	97	95	94

<b>Subprogram Summary</b>					
STATE-FUNDED LONG TERM CARE					
Debra Peterson, Chief Financial Officer Phone: (602) 542-3786 Laws 2007, Chapter 255, Section 28					

**Mission:**

*To effectively meet the needs of Long Term Care-eligible individuals with developmental disabilities.*

**Description:**

This funding provides non-Title XIX services to Long Term Care-eligible consumers.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	6,000.0
Other Appropriated Funds	28,328.1	26,554.8	26,554.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>28,328.1</b>	<b>26,554.8</b>	<b>32,554.8</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

◆ **Goal 1** To provide state funded services to Long Term Care-eligible consumers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Long Term Care-eligible consumers that receive state-funded room and board to live in community-based homes	4,021	4,021	4202	4390	4580

<b>Subprogram Summary</b>					
MEDICARE CLAWBACK PAYMENTS					
Debra Peterson, Chief Financial Officer Phone: (602) 542-3786 Laws 2007, Chapter 255, Section 28					

**Mission:**

*To provide Medicare clawback funds as required by federal law under the Medicare Modernization Act.*

**Description:**

The Medicare clawback payment budget provides for a payment each year to Medicare, as required by the Medicare Modernization Act (MMA). The health plan medical costs are reconciled on actual claims data rather than on accrued audited financial statements. A data warehouse has been developed to house claims data and to facilitate the production of standard reporting.

Note: The Department has no control over the payment.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	2,902.4	2,902.4
Other Appropriated Funds	3,072.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,072.0</b>	<b>2,902.4</b>	<b>2,902.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>Subprogram Summary</b>	
AUTISM-PARENTING SKILLS	
Debra Peterson, Chief Financial Officer	
Phone: (602) 542-3786	
Laws 2014, Second Special Session, Chapter 2, Section 7	

**Mission:**

*To train parents in rural areas to provide intensive behavioral treatment for children with autism.*

**Description:**

Monies will be used to train parents in counties with populations less than 500,000 to provide intensive behavioral treatment to children with autism who are younger than 5 years of age.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	300.0	300.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>300.0</b>	<b>300.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide parenting skills to families for children with autism in rural areas.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of families receiving parenting skills training for children with autism in rural areas.	N/A	N/A	N/A	25	30

## Program Summary

### BENEFITS AND MEDICAL ELIGIBILITY

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 41-1954

#### Mission:

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

#### Description:

The Division of Benefits and Medical Eligibility determines eligibility, operates an evaluation and monitoring program, and pays benefits for the Temporary Assistance for Needy Families (TANF) Cash Assistance, Nutrition Assistance (formerly Food Stamps), and Tuberculosis Control programs. The Division also provides financial assistance to Native American tribes operating their own TANF programs and provides child passenger restraint seats.

#### This Program Contains the following Subprograms:

- ▶ Benefits and Medical Eligibility Operations
- ▶ Disability Determination Services Administration
- ▶ TANF Cash Benefits
- ▶ Tribal Pass-Through Funding
- ▶ Nutrition Assistance Benefits
- ▶ Child Passenger Restraint
- ▶ Coordinated Hunger

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	36,963.6	36,977.2	36,977.2
Other Appropriated Funds	53,067.1	54,078.6	54,078.6
Other Non Appropriated Funds	1,715,993.3	1,875,819.3	1,875,819.3
<b>Total Funding</b>	<b>1,806,024.0</b>	<b>1,966,875.1</b>	<b>1,966,875.1</b>
<b>FTE Positions</b>	<b>1,048.8</b>	<b>1,048.8</b>	<b>1,048.8</b>

**Subprogram Summary**

**BENEFITS AND MEDICAL ELIGIBILITY OPERATIONS**

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954

**Mission:**

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

**Description:**

Division of Benefits and Medical Eligibility Operations includes the following areas:

The Family Assistance Administration (FAA) provides support to field staff by providing leadership, oversight, policy and procedures, training, system support, financial and purchasing control, human resources, and management information. FAA programs ensure conformity with federal and state laws in the Nutrition Assistance (formerly Food Stamps), Cash Assistance under Temporary Assistance for Needy Families (TANF), General Assistance, and Tuberculosis Control programs; coordinate eligibility determination for Medical Assistance programs; and provide child passenger restraint seats.

The Office of Program Evaluation (OPE) evaluates and monitors eligibility for the following programs: Cash Assistance, Nutrition Assistance, and specialized areas within the Arizona Health Care Cost Containment System (AHCCCS) through the application of approved quality control and performance measurements. OPE performs a management evaluation function by reviewing local office processes to determine Supplemental Nutrition and Cash Assistance program accuracy and compliance with state and federal mandates.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	31,028.7	31,042.3	31,042.3
Other Appropriated Funds	12,067.7	8,579.2	8,579.2
Other Non Appropriated Funds	144,019.4	156,497.0	156,497.0
<b>Total Funding</b>	<b>187,115.8</b>	<b>196,118.5</b>	<b>196,118.5</b>
<b>FTE Positions</b>	<b>761.7</b>	<b>761.7</b>	<b>761.7</b>

◆ **Goal 1** To improve customer service and accessibility.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of recipients per month receiving medical assistance for which DES determines eligibility	1,109,211	1,500,000	1,121,611	1,300,000	1,300,000
Percent of clients satisfied with services	82.0	83.0	84.0	84.0	84.0

**Subprogram Summary**

DISABILITY DETERMINATION SERVICES ADMINISTRATION

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954; 46-251

**Mission:**

*To provide timely and accurate disability determinations for applicants*

**Description:**

The Disability Determination Services Administration (DDSA) adjudicates Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefit claims from Social Security offices in Arizona. Federal statutes and regulations require the states to administer the disability documentation and decision-making process for claimants who are residents. DDSA operates under federal statutes and regulations that require states to make SSDI and SSI disability determinations for their residents. The Social Security Administration (SSA) funds 100 percent of the program cost and mandates specific program guidelines and performance standards. In addition, DDSA reviews and determines entitlements for all referred initial and continuing Arizona Health Care Cost Containment System acute care claims. The applicant's potential for vocational rehabilitation is considered, with referrals made as appropriate. DDSA measures are reported on federal fiscal year.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	33,680.6	34,093.5	34,093.5
<b>Total Funding</b>	<b>33,680.6</b>	<b>34,093.5</b>	<b>34,093.5</b>
<b>FTE Positions</b>	<b>287.1</b>	<b>287.1</b>	<b>287.1</b>

◆ **Goal 1** To improve Disability Determination Services Administration performance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of correct cases	95.6	97.0	94.7	96.5	97.0
Average Social Security Disability Insurance initial case processing time (days)	95.3	98.0	94.8	98.0	98.0
Average Supplemental Security Income initial case processing time (days)	98.7	100.0	103.8	100.0	100.0

**Subprogram Summary**

TANF CASH BENEFITS

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954; 46-291

**Mission:**

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

**Description:**

Cash Assistance (CA) under Temporary Assistance for Needy Families (TANF) provides for financial benefit payments to those individuals who meet the eligibility criteria. The CA program also offers a grant diversion program which offers a one-time up-front payment to needy CA applicants who are likely to obtain immediate employment. The one-time diversion payment is intended to eliminate the applicant's need for ongoing enrollment in the CA program.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	40,499.4	44,999.4	44,999.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>40,499.4</b>	<b>44,999.4</b>	<b>44,999.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of TANF Cash Assistance recipients	39,781	37,500	32,888	29,800	29,400
Percent of TANF Cash Assistance issued timely	98.0	97.0	97.7	97.0	97.0
Total number of TANF Cash Assistance applicants diverted from long-term cash assistance with diversion grants	8,991	9,000	10,954	10,500	10,500

**Subprogram Summary**

TRIBAL PASS-THROUGH FUNDING

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 46-134

**Mission:**

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

**Description:**

Tribal Pass-Through Funding provides financial assistance to Native American tribes who elect to operate their own Temporary Assistance for Needy Families (TANF) programs by providing cash assistance for eligible households to help them become self-sufficient through increased educational and employment opportunities and supportive services while maintaining tribal values. In addition to monies received from this pass-through, these tribes independently receive TANF block grant monies from the federal government.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4,680.3	4,680.3	4,680.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>4,680.3</b>	<b>4,680.3</b>	<b>4,680.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide financial assistance to tribes who operate their own TANF program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Monthly average of individuals receiving Cash Assistance benefits through a Tribal Cash Assistance program.	1,901	1,900	1,600	1,700	1,700

**Subprogram Summary**

NUTRITION ASSISTANCE BENEFITS

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954

**Mission:**

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

**Description:**

Food Stamps, now known as the Supplemental Nutrition Assistance Program, provides low-income households increased food-purchasing power, enabling them to obtain a more adequate nutritional diet. This is a federal program regulated by the U.S. Department of Agriculture (USDA). The state administers the distribution of nutrition assistance through electronic benefit transfers (EBT).

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,535,112.7	1,681,998.8	1,681,998.8
<b>Total Funding</b>	<b>1,535,112.7</b>	<b>1,681,998.8</b>	<b>1,681,998.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase the Family Assistance Administration's efficiency and accountability.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of total nutrition assistance payments issued accurately	94.6	95.0	95.2	95.0	95.0
Average monthly number of supplemental nutrition assistance recipients	1,120,649	1,194,650	1,070,674	1,050,000	1,050,000
Percent of total nutrition assistance payments issued timely	95.0	94.0	95.5	95.0	95.0

**Subprogram Summary**

CHILD PASSENGER RESTRAINT

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 28-907

**Mission:**

*To promote the safety, well-being, and self-sufficiency of children, adults, and families.*

**Description:**

The program provides car seats for distribution to requesting hospitals, health clinics, domestic violence shelters, and homeless shelters for loan to indigent applicants.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	104.6	154.0	154.0
<b>Total Funding</b>	<b>104.6</b>	<b>154.0</b>	<b>154.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To disburse the Child Passenger Restraint Fund monies on purchasing and distributing child restraint seats.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Car seats purchased and distributed	2,724	3,000	1,972	2,800	3,000

**Subprogram Summary**

COORDINATED HUNGER

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 41-1981; PL 97-35; Title VI

**Mission:**

*To implement effective policies, services, programs, and partnerships that address food security in Arizona.*

**Description:**

The Coordinated Hunger Program provides a focal point for addressing hunger issues in Arizona and promoting food security. The program coordinates with various federal, state, and local organizations that provide food assistance to the hungry and contracts with various hunger organizations to leverage federal and state resources.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,254.6	1,254.6	1,254.6
Other Appropriated Funds	500.0	500.0	500.0
Other Non Appropriated Funds	3,076.0	3,076.0	3,076.0
<b>Total Funding</b>	<b>4,830.6</b>	<b>4,830.6</b>	<b>4,830.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To more effectively distribute food resources among counties in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total pounds of food distributed by Department contracted food banks from all food sources (millions of pounds)	127.0	125.0	129.5	125.0	125.0



### Program Summary

#### CHILD SUPPORT ENFORCEMENT

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 41-1954: Laws 1994, Ch 374

**Mission:**

*To provide effective and fair child support services.*

**Description:**

This program provides intake services, locates absent parents, establishes paternity, and establishes the legal obligation to pay child support and provide medical support in local and interstate cases. The program enforces child support obligations and medical support through various administrative and judicial remedies. Child support services are provided to custodial persons who receive Cash Assistance, Arizona Health Care Cost Containment System (AHCCCS) medical assistance services, foster care assistance, as well as to any other custodial or non-custodial person who applies. These services are provided pursuant to Title IV-D of the Social Security Act. Services in 12 counties are provided by the Department of Economic Security's Division of Child Support Enforcement (DCSE), in conjunction with the Attorney General's Office. DCSE has intergovernmental agreements with County Attorneys to provide services in three counties. The program also provides payment processing services statewide for all cases, Title IV-D and non-Title IV-D.

**This Program Contains the following Subprograms:**

- ▶ Child Support Enforcement Operations
- ▶ County Participation

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	10,233.0	11,738.1	11,738.1
Other Appropriated Funds	6,647.0	14,323.0	14,323.0
Other Non Appropriated Funds	28,974.1	33,217.4	33,217.4
<b>Total Funding</b>	<b>45,854.1</b>	<b>59,278.5</b>	<b>59,278.5</b>
<b>FTE Positions</b>	<b>623.0</b>	<b>623.0</b>	<b>623.0</b>

### Subprogram Summary

#### CHILD SUPPORT ENFORCEMENT OPERATIONS

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 41-1954; Laws 1994, Ch 374

**Mission:**

*To provide effective and fair child support services.*

**Description:**

This program provides intake services, locates absent parents, establishes paternity, and establishes the legal obligation to pay child support and provide medical support in local and interstate cases. The program enforces child support obligations and medical support through various administrative and judicial remedies. Child support services are provided to custodial persons who receive Cash Assistance, Arizona Health Care Cost Containment System (AHCCCS) medical assistance services, foster care assistance, as well as to any other custodial or non-custodial person who applies. These services are provided pursuant to Title IV-D of the Social Security Act. Services in 12 counties are provided by the Department of Economic Security's Division of Child Support Enforcement (DCSE), in conjunction with the Attorney General's Office. DCSE has intergovernmental agreements with County Attorneys to provide services in three counties. The program also provides payment processing services statewide for all cases, Title IV-D and non-Title IV-D.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	10,233.0	11,738.1	11,738.1
Other Appropriated Funds	6,486.1	13,243.9	13,243.9
Other Non Appropriated Funds	23,787.1	27,556.3	27,556.3
<b>Total Funding</b>	<b>40,506.2</b>	<b>52,538.3</b>	<b>52,538.3</b>
<b>FTE Positions</b>	<b>623.0</b>	<b>623.0</b>	<b>623.0</b>

◆ **Goal 1** To increase IV-D cases and collections, including the number of court ordered cases and compliance with court orders.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
IV-D dollars collected for each IV-D dollar expended (cost-effectiveness ratio)	5.86	5.00	5.62	5.00	5.00
Ratio of court ordered cases (in percent)	84.80	85.87	86.42	86.42	86.42
Ratio of current IV-D child support collected and distributed to current IV-D support due	54.10	55.92	54.59	55.74	55.74
Number of IV-D cases	193,061	191,262	185,614	185,614	185,614
Total amount of IV-D support collections (millions)	361.6	360.0	356.5	356.5	356.5

**Subprogram Summary**

COUNTY PARTICIPATION

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954; Laws 1994, Ch 374

**Mission:**

To ensure that the participating County Attorney-operated child support offices provide effective and fair child support services.

**Description:**

The Division of Child Support Enforcement has intergovernmental agreements with three participating County Attorneys to provide multiple services to custodial persons who receive Cash Assistance, Arizona Health Care Cost Containment System (AHCCCS) medical assistance services, foster care assistance, as well as any other custodial or noncustodial person who applies for child support services.

Note: Performance measures for the counties operating their own programs are included in the state-wide measures in Division of Child Support Enforcement Operations.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	160.9	1,079.1	1,079.1
Other Non Appropriated Funds	5,187.0	5,661.1	5,661.1
<b>Total Funding</b>	<b>5,347.9</b>	<b>6,740.2</b>	<b>6,740.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Program Summary

### AGING AND ADULT SERVICES

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
A.R.S. § 41-1954

#### Mission:

*To support and enhance the ability of at-risk and older adults to meet their needs to the maximum of their ability, choice, and benefit. To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being. To provide leadership by establishing partnerships and building community networks that deliver premiere human services to vulnerable, at-risk populations.*

#### Description:

The Division of Aging and Adult Services administers a statewide program of advocacy, social services, and programs to serve at-risk and older adults. Emphasis in the delivery of services is placed on at-risk and older adults with the greatest social and economic needs. Aging and adult services include investigative and protective services, case management, home care (housekeeper, home health aide, personal care, and home nursing), home repair/adaptation/renovation, transportation, the State Health Insurance Assistance Program, the Family Caregiver Support Program, the Long-Term Care Ombudsman, legal assistance, congregate meals, home-delivered meals, socialization/recreation, counseling, subsidized employment, volunteer opportunities and training, and adult day care.

Through its community services programs, the Division addresses urgent, short-term basic needs and strategies for long-term solutions by providing direct services and utilizing comprehensive networks and partnerships.

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations.

#### This Program Contains the following Subprograms:

- ▶ Aging and Adult Services Operations
- ▶ Adult Services
- ▶ Community and Emergency Services
- ▶ Coordinated Homeless
- ▶ Domestic Violence Prevention
- ▶ Refugee Resettlement Program
- ▶ Homeless Capital Grant
- ▶ Long Term Care Assisted Living

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	16,416.3	20,219.5	24,519.2
Other Appropriated Funds	14,462.7	14,463.0	14,463.0
Other Non Appropriated Funds	88,446.7	85,945.1	85,945.1
<b>Total Funding</b>	<b>119,325.7</b>	<b>120,627.6</b>	<b>124,927.3</b>
<b>FTE Positions</b>	<b>253.2</b>	<b>290.2</b>	<b>318.2</b>

**Subprogram Summary**

**AGING AND ADULT SERVICES OPERATIONS**

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954

**Mission:**

*To support and enhance the ability of at-risk and older adults to meet their needs to the maximum of their ability, choice, and benefit. To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being. To provide leadership by establishing partnerships and building community networks that deliver premiere human services to vulnerable, at-risk populations.*

**Description:**

Division of Aging and Adult Services Operations provides administrative oversight and operating support to the programs in the Division. This program also includes the Adult Protective Services (APS) program. APS accepts and evaluates reports of abuse, neglect, and exploitation of vulnerable and incapacitated adults and offers appropriate services. Elder Rights, as part of Title VII of the Older Americans Act, includes four major components under state leadership. These components are Elder Abuse Prevention, Legal Services Assistance, the State Long-Term Care Ombudsman, and the State Health Insurance Assistance Program. Elder Rights is an advocacy program that incorporates all services, support, and protection to assist vulnerable adults in understanding their rights, maintaining and exercising control over decision making, and benefiting from services and benefits promised by law.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,336.1	7,339.3	9,839.0
Other Appropriated Funds	248.5	248.8	248.8
Other Non Appropriated Funds	6,516.5	6,646.5	6,646.5
<b>Total Funding</b>	<b>11,101.1</b>	<b>14,234.6</b>	<b>16,734.3</b>
<b>FTE Positions</b>	<b>241.2</b>	<b>278.2</b>	<b>306.2</b>

◆ **Goal 1** To improve the Adult Protective Services investigation process.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Adult Protective Services investigation percentage rate	100	100	100	100	100

**Subprogram Summary**

ADULT SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954; 46-191

**Mission:**

*To further develop and provide a continuum of services designed to meet the needs of older or at-risk adults so they may retain independence and autonomy; to provide statewide leadership in the areas of planning, developing, and coordinating a comprehensive system of protection and advocacy programs that assist disabled and vulnerable elders to exercise their rights and choices promised by law; and to empower economically disadvantaged persons aged 55 or older with job opportunities in training programs or stipend volunteer programs to enhance the participants' quality of life.*

**Description:**

The system of home- and community-based services includes services that assist disabled adults and the elderly to live as independently as possible in their homes and community. Services provided include home care, home delivered meals, transportation, adult day health care, respite, home repair, and case management. Services are also available for family caregivers.

The Senior Community Service Employment Program (SCSEP), also known as Title V of the Older Americans Act, provides job training and subsidized employment to workers 55 years of age and older who are at or below 125 percent of the federal poverty levels. The purpose of Title V is to train workers to enable them to move to unsubsidized employment in the public and private sectors.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,924.1	7,924.1	9,724.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,111.3	34,790.2	34,790.2
<b>Total Funding</b>	<b>44,035.4</b>	<b>42,714.3</b>	<b>44,514.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide Arizona's aging population with services to promote independence and autonomy

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of clients served	294,771	280,980	280,980	285,000	285,000

**Subprogram Summary**

COMMUNITY AND EMERGENCY SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1954; 46-241; PL 97-35; Title VI

**Mission:**

*To assist Community Action Agencies in addressing the causes of poverty, pursue community revitalization, and assist low-income people to become more self-sufficient.*

**Description:**

This program funds Community Action Agencies both for services that assist with short-term basic needs and to develop responses to poverty. Areas addressed by agencies include issues associated with energy assistance and homelessness prevention.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,724.0	3,724.0	3,724.0
Other Non Appropriated Funds	29,439.9	27,474.2	27,474.2
<b>Total Funding</b>	<b>33,163.9</b>	<b>31,198.2</b>	<b>31,198.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To ensure the provision of emergency and utility assistance services to low-income households throughout the State of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of households receiving financial assistance in paying rent and mortgage to prevent eviction	1,882	1,932	1,932	1,950	2,000
Number of households receiving financial assistance for paying home energy bills	41,312	37,872	37,872	38,000	38,500

<b>Subprogram Summary</b>	
COORDINATED HOMELESS	
Debra Peterson, Chief Financial Officer	
Phone: (602) 542-3786	
A.R.S. § 41-1954; PL 100-77; PL 100-628	

**Mission:**

*To work toward preventing and ending homelessness for homeless individuals and families and those at risk of homelessness throughout the state.*

**Description:**

The Coordinated Homeless Program is responsible for staffing the Interagency and Community Council on Homelessness, co-chaired by the DES Director and Department of Housing Director and for the development and implementation of the State Plan to End Homelessness. Additional areas of responsibility include administration of homeless shelter and supportive services contracts, implementation of the Statewide Program Evaluation Project, data collection and analysis, and support for and participation in local homeless planning activities.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	873.1	873.1	873.1
Other Appropriated Funds	1,649.5	1,649.5	1,649.5
Other Non Appropriated Funds	3,082.1	3,675.1	3,675.1
<b>Total Funding</b>	<b>5,604.7</b>	<b>6,197.7</b>	<b>6,197.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To develop and fund needed services for homeless individuals and families through a variety of strategies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Individuals receiving emergency shelter	13,408	10,812	10,812	11,000	11,500

**Subprogram Summary**

DOMESTIC VIOLENCE PREVENTION

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 36-3001

**Mission:**

*To provide safety and services to the victims of domestic violence and their children and to improve the comprehensive Domestic Violence Program in Arizona.*

**Description:**

The Domestic Violence Program provides contractual funding for shelter and supportive services for victims of domestic violence and their children utilizing a statewide network of private nonprofit shelter facilities including safe houses. Technical assistance is provided to the domestic violence network members in collaboration with a statewide coalition against domestic violence.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,283.0	3,283.0	3,283.0
Other Appropriated Funds	8,840.7	8,840.7	8,840.7
Other Non Appropriated Funds	-37.9	827.6	827.6
<b>Total Funding</b>	<b>12,085.8</b>	<b>12,951.3</b>	<b>12,951.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To assist the community in meeting the needs of victims of domestic violence and their children.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of women and children sheltered in emergency shelters	8,916	8,468	8,468	8,500	8,550
Number of unduplicated women and children sheltered in transitional housing	322	301	301	300	350

**Subprogram Summary**

REFUGEE RESETTLEMENT PROGRAM

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 PL 96-212

**Mission:**

*To assist refugees in Arizona with attaining social and economic self-sufficiency and well-being.*

**Description:**

The Arizona Refugee Resettlement Program (RRP) supports and advances successful resettlement of refugees, individuals forced to flee their home countries due to persecution, war, and human rights violations, through the coordination of public and private resources that best enable them to be firmly established on the path to success and well-being. RRP partners with a wide array of organizations, including local Voluntary Agencies (VOLAGs) and Mutual Assistance Associations (MAAs), to coordinate and provide core employment and case management services that promote self-sufficiency and integration, such as housing, school enrollment, cultural orientations, employment orientations, benefits applications, and ongoing adjustment services.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13,334.8	12,531.5	12,531.5
<b>Total Funding</b>	<b>13,334.8</b>	<b>12,531.5</b>	<b>12,531.5</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

◆ **Goal 1** To promote refugee social and economic self-sufficiency and well-being.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Number of refugees obtaining employment	794	745	745	750	800

**Subprogram Summary**

HOMELESS CAPITAL GRANT

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

Laws 2014, 2nd Regular Session, Chapter 18, Section 127

**Mission:**

*To award a grant to a faith-based facility in Phoenix.*

**Description:**

Funding for a faith-based facility located in a city with a population over one million persons according to the 2010 decennial census. The facility would that provide homelessness services, including substance abuse treatment, behavioral medicine treatment, and job training to those facing hunger and homelessness.

Note: The goals and performance of this program are reflected in the measures for the Division of Aging and Adult Services and its programs.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	500.0	500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>500.0</b>	<b>500.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

LONG TERM CARE ASSISTED LIVING

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

TBD

**Mission:**

*To provide long-term care assisted living services in a county with a population of less than 500,000 people.*

**Description:**

TBD



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<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	300.0	300.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>300.0</b>	<b>300.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide long-term care assisted living services in a county with a population of less than 500,000 people

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of clients served	n/a	n/a	n/a	195	195

## Program Summary

### CHILDREN, YOUTH AND FAMILIES

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 8-800

#### **Mission:**

*To promote services for children to enable them to be safe, and live with strong families so they can be successful in life.*

#### **Description:**

The Division of Children, Youth and Families (Division) provides the following services to children and families: child abuse prevention, family support and preservation, substance abuse treatment, Children Support Services, out-of-home care, adoptions, permanent guardianship, independent living, health care services, and other child welfare programs.

The Division serves as the state-administered child welfare services agency, and is divided into three administrations: Child Welfare Administration (CWA), Finance and Business Operations Administration (FBOA), and Comprehensive Medical and Dental Program (CMDP).

Arizona's 15 counties are divided into five regions. Either directly or through contracts with community providers, each region provides investigation of Child Protective Services (CPS) reports, case management, in-home services, out-of-home services, contracted support services, permanency planning, and foster and adoptive home recruitment, study and supervision.

The Statewide Child Abuse Hotline is centralized for the receiving and screening of incoming communications regarding alleged child abuse and neglect. Incoming communications are centrally screened to determine if the communication meets the definition and criteria of a CPS report. Report information is triaged to determine risk of harm to the child, and to establish a response timeframe. Reports are investigated by Child Protective Services specialists or referred to other jurisdictions (such as tribal jurisdictions) for action.

Finance and Business Office Operations provide oversight of district functions; policy and program development, including analysis of state and federal legislation; management of the Child Welfare Training Institute (CWTI) for initial in-service staff training, ongoing/advanced staff training, and out-service and education programs; management of the Comprehensive Medical and Dental Program (CMDP) that provides dental and health care services for children in out-of-home care; oversight of programs including: Healthy Families Arizona, Promoting Safe and Stable Families, Arizona Families F.I.R.S.T., Adoption Subsidy, Subsidized Guardianship, Independent Living Programs including Chafee, Child Abuse Prevention and Treatment Act, Foster and Adoptive Home Recruitment, Study and Supervision, the Interstate Compact on the Placement of Children; oversight of statewide practice improvement, including case record reviews, data and trend analysis, the federal Child and Family Services Review process, continuous quality improvement processes, new practice improvement initiatives, and implementation of Family to Family strategies; oversight of strategic planning, including development and implementation of the federal Child and Family Services Plan; management of the appeals process for proposed substantiated CPS reports; management of family advocacy; management of business operations, including finance, budget, contracts, payment operations, and the Division's case management and payment processing automated system; and management of data, data analysis, report preparation, and the Division's data dashboard.

#### **This Program Contains the following Subprograms:**

- ▶ Children, Youth and Families Operations
- ▶ Children Support Services
- ▶ Foster Care Placement
- ▶ Permanent Guardianship Subsidy
- ▶ Adoption Services
- ▶ Independent Living Maintenance
- ▶ CPS Emergency and Residential Placement

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	233,297.8	0.0	0.0
Other Appropriated Funds	400,780.9	0.0	0.0
Other Non Appropriated Funds	611.2	174,575.9	174,575.9
<b>Total Funding</b>	<b>634,689.9</b>	<b>174,575.9</b>	<b>174,575.9</b>
<b>FTE Positions</b>	<b>2,685.9</b>	<b>0.0</b>	<b>0.0</b>

<b>Subprogram Summary</b>			
CHILDREN, YOUTH AND FAMILIES OPERATIONS			
Debra Peterson, Chief Financial Officer			
Phone: (602) 542-3786			
A.R.S. § 41-1954; 8-800			

**Mission:**

*To promote services for children to enable them to be safe, and live with strong families so they can be successful in life.*

**Description:**

The Division of Children, Youth and Families Operations program provides administrative oversight and operating support to the programs within the Division. In addition, it also includes Child Protective Services, which investigates reports of child abuse and neglect.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	76,027.1	0.0	0.0
Other Appropriated Funds	101,714.6	0.0	0.0
Other Non Appropriated Funds	0.4	174,575.9	174,575.9
<b>Total Funding</b>	<b>177,742.1</b>	<b>174,575.9</b>	<b>174,575.9</b>
<b>FTE Positions</b>	<b>2,465.9</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To provide quality leadership and training opportunities to enhance the delivery of quality services and promote accountability.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Percent of newly hired Child Protective Services (CPS) Specialists completing training within seven months of hire	100.0	100.0	100.0	0.0	0.0
Percent of CPS complaints reviewed by the Office of the Citizens Aide where allegations are reported as valid by the Ombudsman	19.0	18.9	30.1	0.0	0.0
Number of CPS reports received	44,104	52,400	45,365	0.0	0.0
Child protective services response rate (percent)	93.3	100.0	99.0	0.0	0.0
Percent of child protective service reports that are substantiated	7.1	8.0	9.0	0.0	0.0
Percent of CPS original dependency cases where the court denied or dismissed the dependency	0.14	0.1	.32	0.0	0.0

- ◆ **Goal 2** To provide quality leadership and training opportunities to enhance the delivery of quality services to promote accountability.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Office of Administrative Hearings (OAH) where CPS case findings are affirmed	78.4	88.0	78.9	0.0	0.0

## Subprogram Summary

### CHILDREN SUPPORT SERVICES

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 8-802; 8-701; 8-521

#### **Mission:**

*To strengthen, stabilize, and promote safety of families through the provision of a continuum of family-centered in-home services that are comprehensive, coordinated, community-based, accessible, and culturally responsive.*

#### **Description:**

The Children Support Services Program focuses on families where unresolved problems have produced visible signs of existing or imminent child abuse, neglect, or dependency, and the home situation presents actual and potential risk to the physical or emotional well-being of a child. In-home children services seek to prevent further dependency or child abuse and neglect through provision of social services to stabilize family life and preserve the family unit. These services, including voluntary services without court involvement and court-ordered in-home intervention, are available statewide. Services include parent aide, parenting skills training, counseling, self-help, and contracted case management. Families may also receive referrals for services provided by other Divisions within the Department or other state agencies, including behavioral health services and other community resources.

Contracted services provided are available statewide. This integrated services model includes two service levels, intensive and moderate, which are provided based upon the needs of the child and family. The model is provided through collaborative partnerships between CPS, community social service agencies, family support programs, and other community and faith-based organizations.

The Division uses in-home service units to support delivery of integrated services and other in-home supports. Cases served include voluntary foster care, in-home court intervention, in-home dependency, integrated services, and other in-home support cases.

In the Young Adult Program, youth and Division staff work together to establish youth-centered case plans that include services and supports to assist each youth to reach his or her full potential while transitioning to adulthood and maintain safe, stable, long-term living arrangements and relationships with persons committed to their support and nurturance. State policy requires an individualized independent living case plan for every youth age 16 and older in out-of-home care, regardless of his or her permanency goal. Life skills assessments and services are provided to ensure each youth acquires the skills and resources necessary to live independently of the foster care system at age 18.

Youth in out-of-home care who do not have a goal of reunification, adoption, or guardianship are assisted to establish another planned permanent living arrangement through participation in services, opportunities, and activities through the Arizona Young Adult Program, which is Arizona's State Chafee Program. The Arizona Young Adult Program provides training and financial assistance to children in out-of-home care who are expected to make the transition from adolescence to adulthood while in foster care.

State statute allows youth to continue to receive Division services and supports to age 21 through voluntary foster care services and/or the Transitional Independent Living Program. Young adults served under the Transitional Independent Living Program are former foster youth, ages 18 through 20, who were in out-of-home care and in the custody of the Department while age 16, 17, or 18. This program provides job training, skill development, and financial and other assistance to former foster youth, to complement their efforts toward becoming self-sufficient.

Arizona Families F.I.R.S.T. provides an array of structured interventions to reduce or eliminate abuse of and dependence on alcohol and other drugs, and to address other adverse conditions related to substance abuse.

The Comprehensive Medical and Dental Program (CMDP) provides for the full coverage of medical and dental care for Arizona's children in foster care who are under the jurisdiction of the Department, the Arizona Department of Juvenile Corrections, or the Administrative Office of the Courts/Juvenile Probation Offices. CMDP operates as an acute health care plan under the Arizona Health Care Cost Containment System (AHCCCS) for children who are determined Medicaid eligible.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	27,668.0	0.0	0.0
Other Appropriated Funds	122,130.4	0.0	0.0
Other Non Appropriated Funds	610.8	0.0	0.0
<b>Total Funding</b>	<b>150,409.2</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To enhance the ability of parents being served by Child Protective Services to create safe, stable, and nurturing home environments by providing cost-effective services that promote the safety of all family members.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of families receiving in-home services (*point in time 6/30)	5,115	5,100	6,229	0.0	0.0
Number of children receiving services through Healthy Families	4,124	4,500	4,751	0.0	0.0

- ◆ **Goal 2** To promote recovery from alcohol and drug abuse for Arizona Families F.I.R.S.T. program participants.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of CPS clients referred for substance abuse treatment services	6,200	6,200	6,509	0.0	0.0

- ◆ **Goal 3** To provide medical and dental care for children in foster care.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Average number of children enrolled in Comprehensive Medical and Dental Program	13,743	15,000	14,850	0.0	0.0

**Subprogram Summary**

**FOSTER CARE PLACEMENT**

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 8-514

**Mission:**

*To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services include, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.*

**Description:**

Out-of-home placement services are available statewide for children who are unable to remain in their homes due to immediate safety concerns or impending and unmanageable risk of maltreatment. Placement services promote safety, permanency, and child and family well-being through supervision and monitoring of children in out-of-home placement, and support of the out-of-home caregiver's ability to meet the child's needs. State policy requires a complete individual placement needs assessment for every child who requires out-of-home care, and that the Division whenever possible: place children in the least restrictive placement available, consistent with the needs of the child; place children in close proximity to the parents' home and within the child's own school district; seek adult relatives or adults with whom the child has a significant relationship to meet the placement needs of the child in out-of-home care; place siblings together unless there is documented evidence that placement together is detrimental to one of the children; and place children with caregivers who can communicate in the child's language.

Placement types include: emergency shelters, kinship homes, foster homes, adoptive homes, group homes, residential treatment centers, and independent living subsidy arrangements.

Goals and performance measures for the Foster Care Placement Program, CPS Emergency Placement, and CPS Residential Placement line items are contained in this program as only aggregate data for out-of-home children services is available.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	18,913.0	0.0	0.0
Other Appropriated Funds	26,955.2	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>45,868.2</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote permanent placements for children who enter out-of-home care.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of children in out-of-home care (*point in time 6/30)	14,494	15,100	16,566	0.0	0.0
Percent change in number of children in out-of-home care (*point in time 6/30)	8.2	4.2	14.0	0.0	0.0

◆ **Goal 2** To enhance children's health and development by providing stable and nurturing environments.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of children remaining in shelter more than 21 days	792	790	802	0.0	0.0
Average number of days spent in shelter care for those children in shelter care 21 days or longer	98	100	100	0.0	0.0
Number of children under 3 in shelter care as of June 30	44	40	43	0.0	0.0
Number of children under 6 in group homes as of June 30	54	50	55	0.0	0.0

**Subprogram Summary**

PERMANENT GUARDIANSHIP SUBSIDY

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 8-814

**Mission:**

*To provide permanency for children by strengthening the guardianship placement with a monetary subsidy to persons appointed permanent guardians of a dependent child.*

**Description:**

The Permanent Guardianship subsidy provides a monthly partial reimbursement to caretakers appointed as permanent guardians of children in the care, custody, and control of the Department. These are children for whom reunification and adoption has been ruled out as unachievable or contrary to the child's best interest. Medical services are provided to Title XIX eligible children through the Arizona Health Care Cost Containment System (AHCCCS). Administrative services include payment processing, administrative review, and authorization of services. Many of the permanent homes supported by Subsidized Guardianship are kinship placements.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	9,972.3	0.0	0.0
Other Appropriated Funds	860.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>10,832.3</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase permanency for children who have been adjudicated dependent by providing a monetary subsidy to persons appointed as permanent guardians.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of children receiving subsidized guardianship payments	2,500	2,500	2,551	0.0	0.0



**Subprogram Summary**

ADOPTION SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 8-141 - 8-173

**Mission:**

*To promote the timely placement of children into permanent adoptive homes, to provide adoption support services to these children and families to maintain the placement, and to provide for the special needs of children who are adopted.*

**Description:**

The Adoptions Services program primarily provides adoption subsidy maintenance payments to adoptive parents who adopt a special needs child. A special needs child is defined in A.R.S. § 8-141 as a child with, or at risk of, a physical, mental or developmental disability, an emotional disturbance; or with other characteristics that make adoption more difficult, such as children age six or older, sibling groups, or racial/ethnic factors. The physical, mental, or emotional disorders may be a direct result of the abuse or neglect the children suffered before entering the child welfare system.

In addition to monthly subsidy payments, the Adoption Services program provides special services, non-recurring adoption costs, and adoptive home recruitment. Special services include payments for services not covered by the subsidy, such as specialized therapy, accommodations for a disability or other specialized services needed to maintain the adoptive placement. These services must be approved prior to the service being rendered and the adoptive parent must first try to receive coverage through their private insurance or through the Arizona Health Care Cost Containment System (AHCCCS). Non-recurring costs are legal costs associated with the adoption process.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	52,271.3	0.0	0.0
Other Appropriated Funds	108,580.6	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>160,851.9</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote placements in permanent adoptive homes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of children with finalized adoptions	2,414	2,450	2,871	0.0	0.0
Percent of adoptions within 24 months	52.0	54.1	55.9	0.0	0.0

**Subprogram Summary**

INDEPENDENT LIVING MAINTENANCE

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 8-802, 8-521

**Mission:**

*To provide young adults with the opportunity to achieve self-sufficiency with independent living skills.*

**Description:**

The independent living maintenance program provides stipends to former foster youth between 18 and 21, who are now living on their own and are either enrolled in a postsecondary program or employed.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,219.3	0.0	0.0
Other Appropriated Funds	726.2	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,945.5</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To assist young adults to achieve self-sufficiency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Young Adult Independent Living Subsidy participants (*point in time 6/30)	252	270	340	0.0	0.0

**Subprogram Summary**

CPS EMERGENCY AND RESIDENTIAL PLACEMENT

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3876  
 A.R.S. § 8-514

**Mission:**

*To provide permanence, stability, and continuity of care in safe homes that meet the needs of children who enter out-of-home care. Services include, but are not limited to, case management, permanency planning, provision of out-of-home care, and other out-of-home support services to individuals or families.*

**Description:**

Description, goals, and performance measures for this program are contained in the Foster Care Placement program, DEA 6.5, as these programs operate in concert with one another and only aggregate data for out-of-home children services is available.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	27,978.7	0.0	0.0
Other Appropriated Funds	34,340.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>62,318.7</b>	<b>0.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Program Summary

### EMPLOYMENT AND REHABILITATION SERVICES

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. §§ 41-1967; 41-1954; 46-801; 46-136

#### Mission:

*To increase self-sufficiency and well-being for individuals and families through programs and services that promote and support employment and independent living.*

#### Description:

The Division of Employment and Rehabilitation Services administers a comprehensive range of employment programs, services, and supports to Arizonans and their families that includes employment, education, and training services to individuals receiving TANF Cash Assistance and Supplemental Nutrition Assistance, child care assistance for eligible recipients, assistance to individuals with disabilities in achieving and/or maintaining employment, independent living services and supports to individuals with significant disabilities, Workforce Investment Act (WIA) programs for adults, dislocated workers, and economically disadvantaged youth administered through Local Workforce Investment Areas (LWIAs), Unemployment Insurance benefits to eligible individuals and collection of payroll taxes from employers to fund the payment of those benefits, and employment services to assist job seekers and employers to achieve a quality workforce.

#### This Program Contains the following Subprograms:

- ▶ Employment and Rehabilitation Services Operations
- ▶ JOBS
- ▶ Day Care Subsidy
- ▶ Independent Living Rehabilitation Services
- ▶ Workforce Investment Act Services
- ▶ Rehabilitation Services
- ▶ Arizona Industries for the Blind
- ▶ Unemployment Insurance
- ▶ Employment Services

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	14,178.4	14,201.1	14,201.1
Other Appropriated Funds	172,517.4	180,486.5	180,486.5
Other Non Appropriated Funds	783,608.9	490,170.2	448,296.7
<b>Total Funding</b>	<b>970,304.7</b>	<b>684,857.8</b>	<b>642,984.3</b>
<b>FTE Positions</b>	<b>1,987.0</b>	<b>1,987.0</b>	<b>1,987.0</b>

### Subprogram Summary

#### EMPLOYMENT AND REHABILITATION SERVICES OPERATIONS

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. §§ 41-1967; 41-1954; 46-801; 46-136

#### Mission:

*To increase self-sufficiency and well-being for individuals and families through programs and services that promote and support employment and independent living.*

#### Description:

Division of Employment and Rehabilitation Services Operations provides administrative oversight and operating support for all Division programs. The costs reflected in this line item include the costs associated with the Rehabilitation Services Administration, Child Care Administration, Employment Service, Unemployment Insurance and the Workforce Investment Act. For the Jobs program, the administrative costs paid from this program do not include the contracted costs, as they are paid from the Jobs program.

Note: Goals and performance for the operating function of the division are reflected in the goals and performance of the division's programs and special line items.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	6,138.0	6,140.7	6,140.7
Other Appropriated Funds	21,388.3	20,401.6	20,401.6
Other Non Appropriated Funds	63,923.7	63,832.3	63,832.3
<b>Total Funding</b>	<b>91,450.0</b>	<b>90,374.6</b>	<b>90,374.6</b>
<b>FTE Positions</b>	<b>1,368.2</b>	<b>1,368.2</b>	<b>1,368.2</b>

### Subprogram Summary

#### JOBS

Debra Peterson, Chief Financial Officer

Phone: (602) 542-3786

A.R.S. § 41-1954; 46-136

#### Mission:

*To provide eligible individuals the opportunity to become economically independent through employment. Jobs removes barriers by providing a variety of services that make a positive difference in their lives.*

#### Description:

The Jobs Program provides comprehensive employment, education, and training services to work eligible individuals receiving Temporary Assistance for Needy Families (TANF) Cash Assistance benefits. The services provided include employment skills assessment, job search/job readiness activities, work experience, vocational training, GED preparation, job development and placement, case management, and support services.

The Supplemental Nutrition Assistance Employment and Training (SNA E&T) program provides short-term training, work experience and also offers limited support services for mandatory Supplemental Nutrition Assistance recipients in the program.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	330.0	300.0	300.0
Other Appropriated Funds	10,705.6	10,705.6	12,705.6
Other Non Appropriated Funds	192.0	300.0	300.0
<b>Total Funding</b>	<b>11,227.6</b>	<b>11,305.6</b>	<b>13,305.6</b>
<b>FTE Positions</b>	<b>97.0</b>	<b>97.0</b>	<b>97.0</b>

◆ **Goal 1** To increase the number of Jobs Cash Assistance recipients who obtain employment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Cash Assistance employment placements	8,572	8,600	8,600	8,600	8,600

**Subprogram Summary**

DAY CARE SUBSIDY

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. §§ 41-1967; 46-801

**Mission:**

*To support the well-being and economic independence of Arizona's families by providing child care assistance and developing quality child care*

**Description:**

The program provides child care assistance for eligible recipients under state appropriation of state and federal block grant funding sources, certifies small family child care homes that serve eligible families, provides funding to increase the availability and improve the quality of child care services, and provides leadership for statewide coordination and collaboration of various child care and early childhood development programs.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	5,000.0	4,000.0	4,000.0
Other Appropriated Funds	99,965.0	94,396.6	94,396.6
Other Non Appropriated Funds	985.3	0.0	0.0
<b>Total Funding</b>	<b>105,950.3</b>	<b>98,396.6</b>	<b>98,396.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase the availability, supply, and quality of child care providers to support the needs of children and families.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of customer satisfaction with child care	89.3	89.0	91.0	90.0	90.0
Number of children whose families are assisted by Child Care Resource and Referral	42,563	42,500	37,842	38,000	38,500
Average number of children in Day Care Subsidy program per month	25,863	26,100	23,761	16,200	16,900

**Explanation:** \*Includes Transitional Child Care population

**Subprogram Summary**

INDEPENDENT LIVING REHABILITATION SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 (SLI) PL 93-112

**Mission:**

*To work with individuals who have significant impairments to maintain and increase self-determination and independence (placing primary emphasis on core services: information and referral services, independent living skills services, peer counseling, and self-advocacy) in partnership with the Centers for Independent Living, other Independent Living Programs, and the Statewide Independent Living Council.*

**Description:**

The Independent Living Rehabilitation Services (ILRS) program promotes and advocates for the independent living needs and goals of individuals with significant disabilities, provides information and referral services, provides peer support and counseling services, provides grants and contracts to community programs to provide services and for community development, provides training in independent living skills to individuals, provides other independent living services as necessary and appropriate to individuals including: technology assistance, adaptive aids and devices, home modifications, etc.; and provides eye exams and glasses.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	116.0	166.0	166.0
Other Appropriated Funds	1,123.4	1,123.4	1,123.4
Other Non Appropriated Funds	717.0	1,971.9	1,971.9
<b>Total Funding</b>	<b>1,956.4</b>	<b>3,261.3</b>	<b>3,261.3</b>
<b>FTE Positions</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>

◆ **Goal 1** To improve the ability of individuals to make decisions leading to self-determination and to live independently

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of individuals receiving services in order to achieve or maintain their independence	1,088	1,000	710	1,000	1,000

**Subprogram Summary**

WORKFORCE INVESTMENT ACT SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. §§ 41-1954; PL 105-220

**Mission:**

*To provide leadership and support to programs that prepare eligible individuals for long-term employment and self-sufficiency.*

**Description:**

The Department of Economic Security is the agency and grant recipient for the Workforce Investment Act (WIA) Title I-B federal funds. It has the responsibility for state program planning and policy direction, overall management, program development, and performance oversight of the employment and training programs operated in 12 Local Workforce Investment Areas (LWIAs). The LWIAs administer the programs for adults, dislocated workers, and economically disadvantaged youth. In addition, five percent of the federal WIA allocation is available for discretionary purposes such as administration, statewide initiatives, and competitive grants for employment and training programs.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	39,130.4	53,654.6	51,654.6
Other Non Appropriated Funds	50.7	0.0	0.0
<b>Total Funding</b>	<b>39,181.1</b>	<b>53,654.6</b>	<b>51,654.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To achieve the goals of the Workforce Investment Act by providing employment assistance to adults, youth, and dislocated workers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of adults who entered employment	1,800	1,800	1,719	1,719	1,719
Number of youth who entered employment	400	400	343	400	400
Number of dislocated workers who entered employment	1,760	1,800	1,381	1,381	1,381

**Subprogram Summary**

REHABILITATION SERVICES

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. §§ 23-501; 36-552

**Mission:**

*To work with individuals with disabilities to achieve gainful employment through the provision of jointly developed and individually planned vocational rehabilitation services in a partnership with the State Rehabilitation Council (SRC), Community Rehabilitation Programs (CRP), and all other stakeholders.*

**Description:**

This subprogram assists individuals with disabilities to evaluate and determine appropriate employment goals and to identify the activities and services necessary to achieve these goals, including the provision of employment support services. To assist individuals in achieving and/or maintaining employment, this subprogram provides counseling and an array of individually planned and purchased services, including medical and psychological restoration, training, job development and placement, job coaching, rehabilitation technology aids, etc. The subprogram also provides program development grants to community rehabilitation programs to develop new or different patterns of services that will benefit clients of the Vocational Rehabilitation (VR) program and provides for the purchase of services and goods that benefit groups of individuals eligible for the VR program.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,594.4	3,594.4	3,594.4
Other Appropriated Funds	204.7	204.7	204.7
Other Non Appropriated Funds	51,120.2	51,307.6	51,307.6
<b>Total Funding</b>	<b>53,919.3</b>	<b>55,106.7</b>	<b>55,106.7</b>
<b>FTE Positions</b>	<b>515.3</b>	<b>515.3</b>	<b>515.3</b>

- ◆ **Goal 1** To assist customer to achieve meaningful and sustained work as effectively and efficiently as possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Individuals in the Vocational Rehabilitation program successfully rehabilitated	1,174	1,200	1,193	1,240	1,289

**Subprogram Summary**

ARIZONA INDUSTRIES FOR THE BLIND

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 41-1971

**Mission:**

*To create, sustain, and improve employment and training opportunities for Arizonans who are blind via business enterprise.*

**Description:**

Arizona Industries for the Blind (AIB) was created under Arizona Revised Statute 41-1971 to 41-1976. AIB's focus is to provide employment opportunities for the blind and visually impaired by providing goods and services to government and commercial customers. AIB participates in the Federal AbilityOne program, authorized by the Javits-Wagner-O'Day (JWOD) Act (41 USC 46-48c), and is an affiliate of the National Industries for the Blind. The AbilityOne program requires federal customers to purchase products and services manufactured or provided by nonprofit agencies employing people who are blind. AIB operates as a self-supporting enterprise fund, where all costs are paid through revenue generated by the program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	18,001.1	18,616.7	18,616.7
<b>Total Funding</b>	<b>18,001.1</b>	<b>18,616.7</b>	<b>18,616.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

UNEMPLOYMENT INSURANCE

Debra Peterson, Chief Financial Officer  
 Phone: (602) 542-3786  
 A.R.S. § 23-601

**Mission:**

*To collect taxes from covered employers and to pay benefits to eligible unemployed workers.*

**Description:**

The program provides Unemployment Insurance benefits to eligible individuals based on their past earnings and collects payroll taxes from subject employers to fund the payment of those benefits.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	644,495.5	350,018.3	308,144.8
<b>Total Funding</b>	<b>644,495.5</b>	<b>350,018.3</b>	<b>308,144.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To increase the degree of timeliness in paying Unemployment Insurance benefits.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
First payment timeliness	82.7	82.0	80.4	87.0	87.2



### Subprogram Summary

#### EMPLOYMENT SERVICES

Debra Peterson, Chief Financial Officer  
Phone: (602) 542-3786  
(SLI) PL 93-112

**Mission:**

*To assist job seekers and employers to achieve a quality workforce through an improved service delivery system.*

**Description:**

The program provides job placement, counseling, job search assistance, referral to training, and certification of employers who qualify for a tax credit for providing jobs to eligible job seekers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,123.4	4,123.4	4,123.4
<b>Total Funding</b>	<b>4,123.4</b>	<b>4,123.4</b>	<b>4,123.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To provide employment opportunities for individuals seeking employment and recruitment services to employers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of clients entered employment	82,161	82,200	82,000	82,200	82,000

## Agency Summary

### DEPARTMENT OF EDUCATION

John Huppenthal, Superintendent of Public Instruction  
 Phone: (602) 542-2843  
 A.R.S. § Title 15 et seq.

**Mission:**

*To serve Arizona's education community, ensuring every student has access to an excellent education.*

**Description:**

The Department is administered by the Superintendent of Public Instruction, an elected position. The Superintendent, in conjunction with the State Board of Education, leads the State in developing and implementing educational guidelines and standards. The Superintendent oversees direct services to 237 locally-governed school districts, including 13 vocational districts and 9 accommodation districts. The Superintendent, in conjunction with the State Board for Charter Schools, oversees 453 charters. The Department executes the educational guidelines through evaluation, training, school improvement assistance, dissemination of information, and administration and allocation of funds. The Department also serves as the primary source for information on the status and needs of the public school system.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ OFFICE OF THE SUPERINTENDENT	785.6	786.3	786.3
➤ STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION	41,559.4	41,922.3	41,922.3
➤ ADMINISTRATION	437,516.9	449,803.0	465,868.0
➤ SCHOOL FINANCE	4,122,748.5	4,277,944.0	4,279,644.0
➤ HIGHLY EFFECTIVE SCHOOLS	0.0	1,500.0	1,500.0
➤ HIGHLY EFFECTIVE TEACHERS AND LEADERS	45,075.4	49,567.9	49,567.9
➤ HIGH ACADEMIC STANDARDS FOR STUDENTS	60,215.7	55,343.2	55,883.2
➤ ACCOUNTABILITY AND ASSESSMENT	30,165.7	48,224.2	55,224.2
<b>Agency Total:</b>	<b>4,738,067.2</b>	<b>4,925,090.9</b>	<b>4,950,395.9</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,629,786.2	3,759,927.8	3,783,532.8
Other Appropriated Funds	49,166.0	77,836.1	79,536.1
Other Non Appropriated Funds	1,059,115.0	1,087,327.0	1,087,327.0
<b>Total Funding</b>	<b>4,738,067.2</b>	<b>4,925,090.9</b>	<b>4,950,395.9</b>
<b>FTE Positions</b>	<b>423.6</b>	<b>422.0</b>	<b>422.0</b>

## 5 Year Plan

**Issue 1** Low percentage of Arizona students deemed college and career ready

**Description** Our challenge is to achieve increases in student achievement through ADE support provided to (local control) districts and charters, to achieve the following results:

1. Increase the percent of graduating students determined to be college and career ready (meeting college and career ready standards in both reading and mathematics) from 7.3% in 2014 to at least 25% by FY 2019;
2. Increase the percent of students scoring at or above basic scores in National Assessment of Educational Progress (NAEP) 4th grade Reading (from 60% in 2013) and Math (from 82% in 2013), and 8th grade Reading (from 72% in 2013) and Math (from 69% in 2013) by at least 15 percentage points by FY 2019 across all ethnicities;
3. Increase the percent of students graduating high school in four years from 75.15% in 2014 to 85% by 2019; and
4. Increase the graduation rate from 45% in 2014 to at least 60% for all Priority and Focus high schools by 2019.

**Solutions:**

1. Gather baseline survey data indicating the percent of teachers and administrators who report they are confident in their ability to implement the Arizona's College and Career Ready Standards (AZCCRS), and adjust ADE program support accordingly to increase perceptions.
2. Provide at least 25% of ADE program technical assistance and professional development through online tools via the ADE Learning Management System (LMS) and Content Management System (CMS).
3. Complete implementation of a new assessment under AZCCRS, and begin evaluating student achievement results so a report on results under the new assessment can be issued in FY 2016.
4. Finalize and implement all revisions to documents, procedures, and timelines that guide the review, approval, and implementation of Educator Preparation Programs (EPP).
5. Establish a baseline for inclusion of College and Career Ready Index (CCRI) into the Accountability formula.
6. Increase (from 400 in 2015), the number of dashboards of student data provided to teachers and administrators in LEAs and charters.
7. Refine and implement measureable, innovative/evidence-based improvement strategies that will lead to growth rates for Priority, Focus, and Pre-Intervention schools equal or greater than a match set of schools in the state for future school years.
8. Annually increase State Board approved CTE programs that have integrated math, science, economics, or English language arts credits from 12 in 2015, and increase the number of attainable CTE industry recognized credentials (55 in 2014).
9. Establish appropriate definition(s) (uniform or several program-specific) of poverty that will be used by the agency in its operational and support services to LEAs, including in the areas of funding, accountability, reporting and other services, while ensuring all implications were fully evaluated, unintended consequences were resolved, and majority of stakeholders support the result.
10. Provide learning management, content management, assessment, and teacher/principal evaluation cost-effective tools for schools to use to enhance the effectiveness of educators.
11. Propose and implement State Board of Education (SBE)-approved refinements to current Structured English Immersion (SEI) Model.
12. By June 2015, a minimum of 24 PD/technical assistance sessions with applicable resources will be provided to educators of adults via the ADE LMS/CMS.
13. By June 2015, at least 35% of educators of adults will participate in training pertaining to AZCCRS Standards.

**Issue 2** Improving educational outcomes through enhanced services and supports so schools can focus on student needs

**Description** Our challenge (and opportunity) is to continue to increase the "net top box" percentage of external customers rating overall satisfaction with ADE services as outstanding from 22.87% in 2014. Although we've made great strides (initial rating of -13.7% in 2011, 1.1% in 2012, and 21.26% in 2013), we continue in our quest to provide services that are value-added, from our customers' perspectives.

**Solutions:**

1. Draft and implement a comprehensive communications plan for all major projects.
2. Conduct and report on a statewide random, statistically valid survey of parents' and teachers' satisfaction with their schools and evaluate methodology alternatives for conducting a student survey, with the student survey to be conducted as soon as practical if a suitable, cost effective method is identified.
3. Achieve at least 50% of all ADE programs surveyed receiving at least 45% or higher "Outstanding" rating on overall satisfaction.

**Issue 3** Ineffective systems and processes cost both ADE and schools substantial added expense, with a poor quality student information system a major inefficiency due to limited funding to implement data system improvements

**Description** Our challenge is to implement the Arizona Education Learning Assessment System (AELAS) with limited funding resources. This critical tool is necessary to provide teachers, school administrators, students, parents and policy makers information that can be used to inform both instruction in the classroom and policy decisions that will enhance opportunities for students to increase their achievement, as measured on PARCC (or district assessments), while reducing the administrative burdens on schools. Limited funding and resources negatively impacts our ability to implement this vital system.

**Solutions:**

1. Evaluate ALEAT, design changes or a replacement that will more effectively meet the needs of schools and ADE while reducing costs.
2. Increase each year the number of LEAs participating in the State Opt-In Student Information System.
3. Implement and refine a complete Online AZ Certification Information System (OACIS) that includes internal, educator, district, and public portals.
4. Complete the transition of all grants into the new automated grants management system.
5. By February 28, 2015, in collaboration with advocates, school officials, parents and ADE staff, present to the State Board proposed changes for adoption where feasible that will strengthen the effectiveness of the program for students with disabilities, while also reducing unnecessary burdens and costs on all stakeholders.
6. Increase from 50, the number of LEAS from the “Single Point of Contact” targeted list that encompasses all grant monies from ADE, to result in reports on overall management and internal control deficiencies that can be corrected, with outcomes of higher customer satisfaction, and reduced time and expense for customers and ADE.

**Issue 4** Changing work culture to one defined by collaboration and performance

**Description** We recognize that quality and high performance are achieved from full participation and partnership between staff and management. To that end, our commitment to build a great place to work is based on creating and sustaining a supportive work culture that sets standards and accountability for cooperation, communication, customer-driven service and continuous improvement. We have a great opportunity to continue to build on progress achieved to date, from a 12.3% in 2012 net top box percentage of employees rating ADE as outstanding, to 31.1% in 2014.

**Solutions:**

1. Implement cycles of ADE supervisor cohort academy to improve the quality of management and leadership as demonstrated by employee survey ratings for immediate supervisor level.
2. In collaboration with ADE Work Culture Team, sponsor a low cost, annual Agency family fun day, and semi-annual activities that engage staff and raise funds for the annual employee appreciation day.
3. Conduct quarterly review process of cross-division project teams to measure results in service, efficiency, and collaboration.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	181.0	181.0	181.0
<b>General Fund</b>	4,504,679,815.0	4,617,296,811.0	4,732,729,231.0
<b>Other Appropriated Funds</b>	77,836,100.0	77,836,100.0	77,836,100.0
<b>Non-Appropriated Funds</b>	564,582,687.0	573,051,427.0	581,647,198.0
<b>Federal Funds</b>	1,027,851,900.0	1,027,851,900.0	1,027,851,900.0

**Program Summary**

**OFFICE OF THE SUPERINTENDENT**

John Huppenthal, Superintendent of Public Instruction  
 Phone: (602) 542-2843  
 A.R.S. § Title 15 et seq.

**Mission:**

*To serve Arizona's education community, ensuring every student has access to an excellent education.*

**Description:**

The Policy Development and Government Relations Office is focused on representing the department to all levels of local, state, and federal government. Policy Development and Government Relations keeps policymakers informed of the Department's perspective on issues affecting K-12 education, while keeping internal customers informed of what changes are necessary to comply with state or federal policy changes. Policy Development and Government Relations also develops and disseminates guidance and technical assistance to the department's external customers as necessary.

The Communications Office oversees ADE's communications, constituent services, marketing, conference planning, and special projects. To accomplish its objectives, the Communications Office emphasizes and facilitates highly effective communication, collaboration and a commitment to excellence in all that ADE does.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	785.6	786.3	786.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>785.6</b>	<b>786.3</b>	<b>786.3</b>
<b>FTE Positions</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>

◆ **Goal 1** To increase customer satisfaction

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Internal customer overall satisfaction rating for Policy Development and Government Relations	3.63	3.82	3.90	3.95	3.95
Internal customer satisfaction rating on Policy Development and Government Relations timeliness of information delivery	3.89	3.92	4.10	4.15	4.15
Increase Internal satisfaction rating for ADE's website (on a 1.0 - 5.0 scale)	3.94	4.15	4.08	4.15	4.20
Increase Constituent Services' e-mail satisfaction rating for e-mail responses (on a 1.0 – 5.0 scale)	4.59	4.65	4.82	4.70	4.75
Increase satisfaction rating for external conference operations and management (on a 1.0 – 5.0 scale)	4.49	4.55	4.21	4.35	4.45

**Program Summary**

STATE BOARD OF EDUCATION / VOC AND TECH EDUCATION

Christine Thompson, Executive Director

Phone: (602) 542-5057

Arizona State Constitution, A.R.S. § 15-201-231

**Mission:**

*To aggressively set policies that foster excellence in public education.*

**Description:**

The State Board of Education meets at least ten times annually to supervise and regulate the conduct of the public school system. A.R.S. § 15-203 articulates the Board's powers and duties, which indicate that the Board shall set statewide education policy for our K-12 schools. The State Board for Vocational and Technological Education meets at least three times annually to supervise and regulate the conduct for vocational and technological education in the public school system.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	41,252.1	41,242.5	41,242.5
Other Appropriated Funds	307.3	679.8	679.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>41,559.4</b>	<b>41,922.3</b>	<b>41,922.3</b>
<b>FTE Positions</b>	<b>10.9</b>	<b>11.0</b>	<b>11.0</b>

◆ **Goal 1** To set fair and reasonable policies and standards that foster excellence in public education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Arizona high school students who enter 9th grade and graduate within four years	77	80	75.15	77	79

**Explanation:** Fiscal Year data represents class cohort from 1 year previous (i.e. FY 2011 = Class of 2010).

◆ **Goal 2** To ensure student safety by investigating and taking appropriate action on complaints made against professional educators.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigative cases closed	317	300	285	310	325
Adjudications by State Board of Education	66	110	57	70	75

**Explanation:** Adjudications - cases presented to and voted on by board members.

Evaluation completion date for all submitted K-3 Literacy Plans (A.R.S. 15-211)*	March	January	April**	March***	****
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**Explanation:** \*completion date by scheduled board meeting of indicated month \*\*LEAS permitted to submit FY2014 Literacy Plans for review through March 2014. 81% of evaluations were completed by January \*\*\*LEAs are permitted to submit FY2015 Literacy Plans for review through February 2015. \*\*\*\* Estimate not available.

## Program Summary

### ADMINISTRATION

Elliott Hibbs, Deputy Superintendent  
Phone: (602) 364-2347  
A.R.S. § 15-231-15-272, P.L. 107-110

#### Mission:

*To serve Arizona's education community, ensuring every student has access to an excellent education.*

#### Description:

The Administration program provides the support for efficient and effective operations through Business and Finance, Information Technology, Human Resources and Building Operations. This Program provides the facilities and technology infrastructure, fiscal management and controls, guidance and supplies necessary to accomplish the daily operations of the Agency. Its duties involve obtaining and managing a competent workforce and ensuring a high level of customer service is provided to assist in accomplishing the overall Agency mission. In addition, the Health and Nutrition Services program under this area provides cash assistance and donated foods to serve nutritionally adequate meals to children in schools, preschools, day care centers and homes. Lastly, the auditing of school Average Daily Membership (ADM) reports and monitoring responses to single audit findings is conducted through this area.

#### This Program Contains the following Subprograms:

- ▶ Business and Finance
- ▶ Information Technology
- ▶ Research and Evaluation
- ▶ Health and Nutrition Services

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	6,382.6	6,120.2	22,185.2
Other Appropriated Funds	190.9	200.1	200.1
Other Non Appropriated Funds	430,943.4	443,482.7	443,482.7
<b>Total Funding</b>	<b>437,516.9</b>	<b>449,803.0</b>	<b>465,868.0</b>
<b>FTE Positions</b>	<b>232.3</b>	<b>235.8</b>	<b>235.8</b>

## Subprogram Summary

### BUSINESS AND FINANCE

Ross Begnoche, Chief Financial Officer  
Phone: (602) 542-7883  
A.R.S. § 15-251-15-272, P.L. 107-110

#### Mission:

*To provide exceptional customer support in a safe work environment through a commitment to continual process improvements with timely, efficient, and cost effective financial, procurement, distribution, facility, printing, human resources, payroll, audit and organizational development services to the Arizona Department of Education and its customers, ensuring compliance with Federal, State and Agency laws, regulations and policies.*

#### Description:

The Business and Finance subprogram is responsible for providing financial, procurement, audit, building operations and distribution, human resources, and organizational development support services to the Agency. Financial services include budgeting, accounting, grants management, and audit functions. The Audit Unit administers external ADM audits and internal audits. Procurement services include contracts management and purchasing. Building operations and distribution include facilities, print shop, and central mail distribution functions. Human resource services include personnel and payroll functions. Organizational development services include Agency Plan development and implementation, internal/external surveys, and process improvement functions. These administrative functions are centralized to ensure efficient and effective operational support to the agency, and consistent application of state, federal and agency rules, regulations, guidelines, and procedures.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	3,848.3	3,895.4	3,980.4
Other Appropriated Funds	188.0	200.1	200.1
Other Non Appropriated Funds	6,012.9	7,613.4	7,613.4
<b>Total Funding</b>	<b>10,049.2</b>	<b>11,708.9</b>	<b>11,793.9</b>
<b>FTE Positions</b>	<b>99.0</b>	<b>99.7</b>	<b>99.7</b>

◆ **Goal 1** To provide accurate and helpful information to the public.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of 'Out of Compliance' completion reports in the Grants Management Enterprise system	6	9	7.5	9	9
Properly completed external maintenance requests completed within 3 days (%)	98.2	98.0	98.47	97.2	98
Average turnaround time on pending classification position actions (in weeks)	2.82	4	3.08	4.00	4.00
Percent of paychecks with no ADE HR or Payroll staff-related errors	99.91	99.75	99.95	99.75	99.75
Percent of Single Audit Findings resolved within the required six-month timeframe	99	85	67	85	85
Perform at least 96* federal fiscal monitoring reviews of school districts and charter schools by June 30th of each year	18	18	129	96	96

**Explanation:** \* Measure revised from 18 to 96 for FY 2014

Issue preliminary draft audit reports of at least 9 Average Daily Membership (ADM) audits to the audited school districts and charter schools during FY 2014, including at least one on-line school.	6	9	20	30	36
Number of print jobs completed on time.	94.01	93.7	98.47	97.2	98

◆ **Goal 2** To improve employee and customer satisfaction.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Internal customer overall satisfaction rating for Business and Finance services	3.67	4.05	3.65	4.05	4.15
Percent of internal customers rating satisfaction "Outstanding" for Building Operations services	38	43	27.1	32	34
Internal customer overall satisfaction rating for Human Resources services	3.91	4.03	3.99	4.15	4.27
Internal customer overall satisfaction rating for Organizational Development services	3.83	3.90	3.86	3.90	3.95
Overall ADE external customer satisfaction rating	3.54	3.60	3.81	3.90	4.00
Percent of employees rating ADE as "Outstanding"	22.7	22	31.1	35	38
Overall employee satisfaction rating	3.73	3.75	3.88	3.95	4.05



**Subprogram Summary**

INFORMATION TECHNOLOGY

Mark Masterson, Chief Information Officer  
 Phone: (602) 542-3542  
 A.R.S. § 15-251-15-272, P.L. 107-110

**Mission:**  
*To provide information technology application development, and consulting services for integration of off-the-shelf services or custom development, while ensuring network and operations capability, exceeding the expectations of both internal and external education stakeholders.*

**Description:**  
 The Information Technology (IT) subprogram is an internal supply organization that manages the agency’s overall Information Management Initiatives focused on Arizona Department of Education internal and external education stakeholders demands and Service Level Agreements. This is accomplished while working with the agency business units data stewards. Based on the demands of the customer, the IT subprogram will set and implement guidelines to ensure data quality and maximize technology resource utilization. The primary activities that IT supports stakeholders with are data collection, use, security, storage, integration, and reporting. Upon request the IT subprogram provides technical assistance to enable all of Arizona’s educational stakeholders to effectively utilize ADE’s offered services and information. The IT subprogram recommends policy changes based on best in class technology services to maximize service for Arizona K-12 Local Education Agencies (LEAs). IT subprogram is responsible for the State Longitudinal Data System (SLDS) that provides statewide P-20 education stakeholder reporting services. Lastly, IT collaborates with strategic partners to provide timely information needed to support reporting and decision-making by education stakeholders (educators, the Arizona legislature, State government, Federal government, business groups, researchers, parents, students, etc.) and provides support for the implementation of the Arizona Education Learning and Accountability System (AELAS).

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,116.3	2,138.6	17,638.6
Other Appropriated Funds	2.9	0.0	0.0
Other Non Appropriated Funds	16,606.3	22,282.9	22,282.9
<b>Total Funding</b>	<b>18,725.5</b>	<b>24,421.5</b>	<b>39,921.5</b>
<b>FTE Positions</b>	<b>46.9</b>	<b>47.0</b>	<b>47.0</b>

◆ **Goal 1** To ensure customer business success

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Service availability on critical applications at 99.75% uptime	99.87	99.75	99.75	99.75	99.75

◆ **Goal 2** To insure customer system availability

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Meet/exceed baseline target of 57% for First Call resolution by Support Center.	71.8	85	97.5	85	85

◆ **Goal 3** To increase quality of customer delivery

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Deploy 92% of all production changes on time and performing as designed	87.8	92	99.9	92	92

**Subprogram Summary**

RESEARCH AND EVALUATION

Carrie Giovannone, Deputy Associate Superintendent  
 Phone: (602) 364-1994  
 A.R.S. § 15-743, 15-746, P.L. 107-110

**Mission:**

*To serve the Arizona Department of Education and Arizona's education system by providing reliable and valid research, evaluation of various education initiatives and the academic performance of Arizona's students, public schools and LEAs.*

**Description:**

The ADE Research and Evaluation subprogram conducts research on pertinent issues for the ADE, performs program evaluations for various divisions with the ADE, and completes all state and federal deliverables for the ADE accountability system. We carry ourselves in a professional manner to foster ongoing working relationships within ADE as well as the community at large. We serve the ADE and ultimately, the public education system, throughout Arizona providing empirical and qualitative research that is reliable and valid fostering community understanding of the relevance of research and evaluation.

This includes the design and the publication of Achievement Profiles, which are a research-based method of analysis for evaluating school performance. These profiles, called A-F Letter Grades, are used to designate all public schools as A, B, C, D or F schools. The results are evaluated for the purpose of fostering school improvement.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	330.8	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	785.0	858.2	858.2
<b>Total Funding</b>	<b>1,115.8</b>	<b>858.2</b>	<b>858.2</b>
<b>FTE Positions</b>	<b>8.6</b>	<b>8.4</b>	<b>8.4</b>

◆ **Goal 1** To issue, on time, valid and reliable evaluations of school and student performance as required by State and Federal statutes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of students in grade 3 meeting or exceeding state academic standards in AIMS reading	75	*	78	*	*
<b>Explanation:</b> * Establishing new baseline using new state assessment in FY 15					
Percent of students in grade 10 meeting or exceeding state academic standards in reading	83	*	86	*	*
<b>Explanation:</b> * Establishing new baseline using new state assessment in FY 15					
Percent of students in grade 10 meeting or exceeding state academic standards in writing	70	*	75	*	*
<b>Explanation:</b> * Establishing new baseline using new state assessment in FY 15					
Percent of students in grade 10 meeting or exceeding state academic standards in math	62	*	64	*	*
<b>Explanation:</b> * Establishing new baseline using new state assessment in FY 15					

◆ **Goal 2** To provide accurate and helpful information to the public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
External customer overall satisfaction rating	3.60	3.70	3.71	3.80	3.90

## Subprogram Summary

### HEALTH AND NUTRITION SERVICES

Mary Szafranski, Associate Superintendent

Phone: (602) 542-8709

Nat. School Lunch and Child Nutrition Acts, P.L. 108-265

**Mission:**

*To assist schools and organizations toward improving the health and the nutrition of students so they may benefit from the educational process and achieve their full potential.*

**Description:**

The Health and Nutrition subprogram provides cash assistance and donated foods to serve nutritionally adequate meals to children in schools, preschools, day care centers and homes. Over two-thirds of the children served are low income, based on free and reduced-income eligibility status. The free and reduced status is based on the federal poverty guidelines and is an indicator of a child's at-risk status. Training, technical assistance compliance reviews are conducted to ensure nutrition integrity and fiscal accountability as prescribed by the United States Department of Agriculture.

The Health and Nutrition subprogram includes various programs and the meals served in these programs are planned to meet the U.S. Dietary Guidelines for Americans. These Guidelines provide advice about food choices that promote health and prevent disease, encouraging an increased intake of fruits, vegetables and grains, while limiting fat, salt and sugar. These programs include: the National School Lunch Program, the After School Snack Program, the School Breakfast Program, the Child and Adult Care Food Program, the Summer Food Service Program, the Food Distribution Program, the Special Milk Program, and the Fresh Fruit and Vegetable Program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	87.2	86.2	566.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	407,539.2	412,728.2	412,728.2
<b>Total Funding</b>	<b>407,626.4</b>	<b>412,814.4</b>	<b>413,294.4</b>
<b>FTE Positions</b>	<b>77.8</b>	<b>80.7</b>	<b>80.7</b>

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of Child and Adult Food Care Program Sponsor reviews with no serious deficiencies	94	95	94	95	95
Percent of Food Service Management Contracts in program compliance with invoicing SFAs	85	87	88	89	90
Percent of claims reimbursed within 45 days	100	100	100	100	100
Overall external customer rating on Operations services	4.15	4.25	4.17	4.20	4.22
Overall external customer rating on Food Distribution services	4.32	4.34	4.27	4.27	4.32
Overall external customer rating on School Nutrition Program services	4.16	4.18	4.22	4.25	4.30
Overall external customer rating on School Health Program services	3.74	3.86	3.89	4.00	4.10
Overall external customer rating on CACFP services	4.08	4.10	3.99	4.12	4.15

**Program Summary**

**SCHOOL FINANCE**

Lyle Friesen, Deputy Associate Superintendent

Phone: (602) 542-8250

A.R.S. § 15-185, 15-901-917, 15-941-15-1033, 37-521

**Mission:**

*To administer state aid, monitor financial compliance, and provide prompt customer service while collecting and analyzing data on publicly funded schools for state aid payments, accountability to the public, and other statutory requirements.*

**Description:**

The School Finance program disburses equalization assistance (Basic State Aid) to school districts and charter schools. Equalization assistance is designed to provide equitable per-pupil funding among school districts and charter schools for maintenance and operational and instructional needs. Equalization assistance is based on the district or the charter school's student count (Average Daily Membership) and funding levels set in statute. In addition to equalization assistance funding, traditional public school districts also receive a portion of their basic funding from a local tax levy on the property within their boundaries.

This program also disburses other special formula funding for the following programs: (1) Additional State Aid (Homeowner's Rebate Program); (2) Assistance to School Districts (education of children whose parents or legal guardians are employed by certain state institutions); (3) Certificate of Educational Convenience (education of certain children outside of the district in which they live); (4) Special Education and Residential Vouchers; (5) Permanent and Institutional Vouchers; (6) County Jails and Detention Centers; (7) Juvenile Corrections and Adult Corrections; and (8) Classroom Site Fund (additional funds for teacher compensation and other purposes authorized by voter approval of Proposition 301 in the November 2000 General Election).

Financial compliance is monitored by this program through statutory testing of school district budget limits and analysis of required reports and data submitted by school districts and charter schools. The data is submitted electronically through the Student Accountability Information System (SAIS) for purposes of calculating equalization assistance and budget limits as applicable for publicly funded educational entities. Expenditures of school districts are monitored for statutory compliance and school districts are assisted in the resolution of non-compliance issues.

Further, this program collects data to meet reporting requirements for the federal Common Core of Data. In addition, it provides education related data to other governmental agencies and taxpayers as requested and/or required.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,560,754.9	3,683,078.0	3,683,078.0
Other Appropriated Funds	46,475.5	67,975.5	69,675.5
Other Non Appropriated Funds	515,518.1	526,890.5	526,890.5
<b>Total Funding</b>	<b>4,122,748.5</b>	<b>4,277,944.0</b>	<b>4,279,644.0</b>
<b>FTE Positions</b>	<b>16.3</b>	<b>16.0</b>	<b>16.0</b>

◆ **Goal 1** To provide timely and reliable customer service.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Percent of Instructional Improvement Fund (IIP) payments made on a quarterly basis	100	100	100	100	100
<b>Explanation:</b> * payment schedule modified to semi-annual basis					
Percent of Classroom Site Fund payments made on a monthly basis	100	100	100	100	100
Number of days to process budget analysis from July 18	77	77	100	77	77
External customer overall satisfaction rating for School Finance	3.69	3.74	3.62	3.78	3.80

**Program Summary**

**HIGHLY EFFECTIVE SCHOOLS**

Robert Gold, Associate Superintendent

Phone: (602) 542-4288

A.R.S. § 15-531-15-551, 15-704, 15-919-15-920, P.L. 107-110

**Mission:**

*To promote the development and the implementation of quality education for all learners by providing quality services and resources to schools, parent groups, government agencies, and community groups to enable them to achieve their goals.*

**Description:**

The Highly Effective Schools Division provides funding, technical assistance, and resource coordination to local education agencies and public/private organizations in their administration of preschool to adult programs. It also provides development opportunities to teachers and administrative professionals and supports local efforts focused on parental and community involvement. This Division includes efforts aimed at: (1) Providing Career and Technical Education services to high school students and community colleges; (2) Coordinating services for a seamless transition of students to postsecondary education and employment; (3) Addressing the needs of youth who face barriers to employment; (4) Fostering educational excellence for students with disabilities between the ages of 3 years and 22 years; (5) Serving children whose economic, cultural, or intellectual situations create the need for alternatives offered through support programs that improve academic achievement; (6) Providing support to schools, families, and communities in implementing programs that assist all children from birth to become successful lifelong learners; (7) Providing funding, technical assistance, and resource coordination to assist schools in implementing effective behavior, health, and safety programs; (8) Offering enrichment opportunities to help students further their academic achievements; and (9) Using available opportunities to recognize the achievement of excellence by students or educational professionals.

**This Program Contains the following Subprograms:**

- ▶ Exceptional Student Services
- ▶ School Improvement and Intervention
- ▶ Career and Technical Education
- ▶ Title I
- ▶ Emergent Student Services

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	1,500.0	1,500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>1,500.0</b>	<b>1,500.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Subprogram Summary

### EXCEPTIONAL STUDENT SERVICES

Angela Denning, Deputy Associate Superintendent

Phone: (602) 354-2281

A.R.S. §15-236, 15-761-15-774, 15-881, 15-1181-15-1205, IDEA

#### Mission:

*To promote the development and the implementation of quality education for students with disabilities.*

#### Description:

The Exceptional Student Services (ESS) subprogram fosters educational excellence for students with disabilities between the ages of 3 years and 22 years by promoting program improvement to support the achievement of individual student goals, state education standards, and compliance with Arizona and federal government requirements for special education. The initiatives that support this mission are: (1) Administrative Support, which includes conflict resolution, office management, assistive technology, and school-to-adult-life transition; and (2) Program Support, which includes accountability and technical assistance, "Child Find" and family involvement, a comprehensive system of personnel development, and secure care education (education of special educational needs children who are in correctional facilities).

ESS provides professional development and technical assistance to public education agencies (PEAs) throughout the state. These supports are provided in an effort to build the capacity of each PEA.

The Comprehensive System of Personnel Development (CSPD) staff support all Arizona districts and charter schools with teacher recruitment, retention and professional development. Professional learning opportunities in mathematics, reading, behavior, autism and coaching are offered around the state. Capacity Building Grants were awarded to school teams to attend trainings.

#### 21st Century Community Learning Centers (21st CCLC):

This federally-funded program supports after-school community learning centers that operate primarily on school campuses statewide. Services include academic intervention and enrichment activities along with a broad array of youth development opportunities, designed to help students meet the core standards in academic subjects such as language arts and math. These after-school and summer classes complement the students' regular school day program. The 21st CCLC programs primarily serve students (and their families) who attend high-poverty and low-performing schools. In addition, other educational services are offered to family members of students participating in the program in order to further engage parents in their students' learning and achievement goals.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	33,242.1	33,242.1	33,242.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	225,838.8	233,216.5	233,216.5
<b>Total Funding</b>	<b>259,080.9</b>	<b>266,458.6</b>	<b>266,458.6</b>
<b>FTE Positions</b>	<b>138.1</b>	<b>139.5</b>	<b>139.5</b>

◆ **Goal 1** To ensure that all students with disabilities have access to an excellent education

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of students with IEPs graduating from high school with a regular diploma.	*	68	67**	68	68
<b>Explanation:</b> ** Fiscal Year data represents 1 year previous (i.e. FY 2014 = graduation data from 2012-2013)					
Percent of children with IEPs scoring at or above proficient in reading as measured by the state approved standardized assessment	*	42	41	44	45
Percent of children with IEPs scoring at or above proficient in math as measured by the state approved standardized assessment	*	31	29	33	34
Annual special education director specialist satisfaction survey overall rating for ESS	3.6	3.80	3.70	3.80	3.90
Annual external customer overall satisfaction rating for Exceptional Student Services	3.99	4.25	3.74	4.00	4.00
21st CCLC annual external customer overall satisfaction rating	4.39	4.50	4.47	4.50	4.50

## Subprogram Summary

### SCHOOL IMPROVEMENT AND INTERVENTION

Laura Toenjes, Deputy Associate Superintendent  
 Phone: (602) 542-5448  
 A.R.S. § 15-241, 15-741.01, 15-809, P.L. 107-110

**Mission:**

*To support rapid sustained student improvement.*

**Description:**

School Improvement and Intervention (SII) addresses the needs of schools that are in improvement as part of the State and Federal Accountability Systems. A differentiated State System of Support with an emphasis on building capacity of the LEA/Charter Holder to support continuous improvement at both LEA and school level has been developed. The differentiated system of support includes technical assistance, professional development, progress monitoring and compliance monitoring.

Technical assistance includes:

- Distributing federal school improvement dollars
- Solutions Team visits to conduct Systems Audits
- Contact via face-to-face visits, phone calls, emails
- Topic-specific webinars
- Pre-screened list of external providers
- Achievement Oversight Committee consisting of program specialists from other ADE sections
- Electronic resources that include:
  - o Materials for conducting continuous improvement planning
  - o Guidance in the use of external providers, of Arizona LEA Tracker (ALEAT)
  - o Materials for complying with state and federal requirements once in improvement

Professional development includes Quarterly Trainings for all schools in improvement, Turnaround Leadership Training and electronic learning through GoToMeeting.

Progress monitoring involves quarterly site visits to identify level of implementation and monitoring tools that includes a Data Workbook, Reflective Summary and Progress Monitoring Instrument. SII also makes available an online planning tool developed by Center on Innovation and Improvement called Indistar.

Compliance monitoring involves both programmatic and fiscal areas. Programmatic compliance monitoring is accomplished alongside the progress monitoring described above, through site visits and document collection. Fiscal compliance monitoring is accomplished through single-site visits and a robust grants management process.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	2,200.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	36,341.2	25,660.5	25,660.5
<b>Total Funding</b>	<b>36,341.2</b>	<b>25,660.5</b>	<b>27,860.5</b>
<b>FTE Positions</b>	<b>17.4</b>	<b>14.2</b>	<b>14.2</b>

◆ **Goal 1** To provide technical assistance and training for districts and schools to improve effectiveness

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Annual external customer overall satisfaction rating for School Improvement and Intervention	4.23	4.63	3.96	4.06	4.16
Complete at least 95% of scheduled monitoring visits to SIG/Priority schools on time	97	95	96	97	97



## Subprogram Summary

### CAREER AND TECHNICAL EDUCATION

Dan Brown, Deputy Associate Superintendent

Phone: (602) 364-2281

A.R.S. § 15-781-15-790, P.L. 109-270

#### Mission:

*To prepare Arizona students with academic and technical skills for career and college readiness.*

#### Description:

The Career and Technical Education (CTE) subprogram at the Arizona Department of Education oversees all State and Federal funding specifically earmarked for all secondary and postsecondary CTE programs designed to prepare individuals for postsecondary education and transition to employment in current or emerging careers. This subprogram directs and is responsible for the quality of all CTE programs under secondary and postsecondary districts, all CTE programs under Joint Technical Education Districts (JTED), as well as programs under the Workforce Investment Act (WIA). This includes oversight of over \$26.5 million of Carl Perkins and Learn and Serve Federal funding, \$11 million of State Block Grant funding, \$80 million of JTED funding and WIA funds. The subprogram is responsible for assuring quality and compliance with all associated Federal and State legislation for CTE funding, including budgeting and directing funds to specific programs, providing reports to Federal and State entities, collecting, analyzing and reporting related data, including performance measures, and establishing fiscal accountability for funds.

The CTE subprogram is also responsible for directing the development and approval of quality CTE programs in 38 program career areas leading to placement of students in postsecondary education and/or into employment. The subprogram directs development of occupational standards which not only meets occupational needs and employability skills but in particular also focuses on related academic skills and standards. Leadership is provided for curriculum, assessment development, and dissemination of materials, professional development, including pedagogy, and articulation of secondary to postsecondary education through Tech Prep and other strategies.

The CTE subprogram directs CTE research and assessment, which supports the need for specific programs based on labor market information, and collects, reports and analyzes data for districts and other entities in order to provide accurate information and industry evaluation for continuous improvement of CTE programs. The CTE subprogram also supports implementation of new and emerging programs such as those in the Science, Technology, Engineering and Math (STEM) cluster, and the Bioscience areas, based on research in Arizona services workforce strategy by Battelle. The subprogram works with stakeholder groups and establishes partnerships with agencies and business and industry to develop quality initiatives and goals through WIA and other partners in carrying out programs which will articulate with secondary and postsecondary education. The subprogram gives direction to identification of priorities, such as specific occupations or work-based learning, to align with labor market and business and industry needs into the future.

The subprogram oversees and conducts all Federal compliance reviews for CTE programs through Office of Civil Rights, as well as Service Learning programs through a Federal Learn and Serve grant. The co-curricular CTE student organizations, such as FFA and Skills USA, also function under this subprogram to provide students with leadership and community development skills. Technical assistance in implementation and continuous improvement of quality CTE programs including the previously described initiatives is provided to all districts offering approved CTE programs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	11,573.4	11,576.3	16,732.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	22,591.9	22,090.5	22,090.5
<b>Total Funding</b>	<b>34,165.3</b>	<b>33,666.8</b>	<b>38,823.2</b>
<b>FTE Positions</b>	<b>48.1</b>	<b>45.6</b>	<b>45.6</b>

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Annual external customer overall satisfaction rating for CTE	4.25	4.35	3.87	3.97	4.07
Percent of CTE program concentrators who passed the National Certification Assessment aligned with industry-recognized standards	0	0	2.9*	5	7
<b>Explanation:</b> *Data not available until October, FY2014 number reflects FY2013 data					
Percent of students deemed CTE program concentrators among all students in grades 9-12	0	0	6.08*	6.00	6.25

**Explanation:** \*Data not available until October, FY2014 number reflects FY2013 data

<b>Subprogram Summary</b>	
TITLE I	
Nancy Konitzer, Deputy Associate Superintendent Phone: (602) 542-7470 P.L. 107-110	

**Mission:**

*To support the implementation of the Federal Title I Grant for Arizona's System of School Support in order to impact teaching and learning in Kindergarten through 12th grade classrooms so that educationally disadvantaged students achieve high academic success.*

**Description:**

Title I, under the Elementary and Secondary Education Act, provides financial assistance to local educational agencies to meet the needs of educationally deprived children at preschool, elementary, and secondary school levels who are in low income areas. The purpose of this Title I funding is to help all children achieve the state's academic standards. This is accomplished through supplemental programs that consist of instructional services, instructional support services, school wide reform efforts, and increased involvement of parents in their children's education.

**School Safety and Prevention:**

The School Safety and Prevention (SS&P) Unit provides resources for safe and supportive learning environments, specifically funding, training, and technical assistance. These are provided to districts and charter schools for the implementation of evidence-based strategies that: prevent violent behavior, substance use, STD infection and pregnancy; promote social/emotional development; and create safe environments. The Unit is also responsible for grant oversight and data collection related to safety indicators for Arizona students.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,972.2	3,646.5	3,646.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	312,708.3	314,689.9	314,689.9
<b>Total Funding</b>	<b>315,680.5</b>	<b>318,336.4</b>	<b>318,336.4</b>
<b>FTE Positions</b>	<b>42.0</b>	<b>39.7</b>	<b>39.7</b>

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of districts in compliance in (Cycle 1) Federal indicator	91	97	98	98	98
Percent of districts in compliance in (Cycle 2) Federal indicator	94	95	97	97	97
Percent of districts in compliance in (Cycle 3) Federal indicator	82	90	99	95	95
Percent of districts in compliance in (Cycle 5) Federal indicator	99	96	95	95	95
Percent of districts in compliance in (Cycle 6) Federal indicator	100	99	100	99	99
External customer overall satisfaction rating on School Safety and Prevention	4.26	4.3	4.33	4.33	4.33
Maintain the percent of S3 schools with Action Plans aligned to State Plan (100% in 2012)	100	100	100	100	NA*

**Explanation:** \*S3 grant ends in 2015

## Subprogram Summary

### EMERGENT STUDENT SERVICES

Ralph Romero, Deputy Associate Superintendent

Phone: (602) 542-7455

A.R.S. § 15-1241, P.L. 89-329, P.L. 101-610, P. L. 107-110

#### **Mission:**

*To serve Local Education Agencies (LEAs) in accessing quality educational programs to serve Arizona's diverse school populations through technical assistance, timely allocation and distribution of program funds, monitoring state and federal grants, and providing data collection related to school safety to ensure that every child has access to a safe school environment and an excellent education.*

#### **Description:**

The Emergent Student Services Sub-Program serves Arizona's diverse school populations through a variety of targeted initiatives provided by several Units within the Sub-Program. These include:

##### **The Outreach Unit:**

The Outreach Unit serves children whose cultural or economic situation challenges the educational system. The Outreach Unit distributes federal funds: (1) to provide equal access to education for homeless children; and (2) to offer activities that will lead to effective integration and education of refugee children.

##### **Migrant Education:**

The Migrant Education Program (MEP) is a federally funded, state-operated program under the Elementary and Secondary Education Act (ESEA) that provides supplemental program services to the children, ages 3 through 21, of seasonal or temporary agricultural workers.

##### **Character Education:**

The Character Education program is dedicated to being a leader and model state for character education by providing voluntary education and training through Providers on the character qualities of attentiveness, caring, citizenship, compassion, diligence, discernment, forgiveness, generosity, gratefulness, initiative, orderliness, respect, responsibility, sincerity, trustworthiness, virtue, and wisdom, to educators, leaders of youth nonprofit organizations, children and their families in Arizona. This is made possible through collaborations with businesses, educators, community organizations, the State of Arizona, state and local agencies that deal with parents and youth, youth sports programs and all stakeholders that work with youth.

##### **Native American Education:**

The Native American Education program administers the Johnson-O'Malley Program to meet the educational and cultural needs of participating LEAs, and implements A.R.S. 15-244, Indian Education Act Administration. Service is provided in a variety of areas, including: Title I Technical assistance to reservation districts; monitoring activities of LEAs and schools with high Native American enrollment; conferences and training; research/reporting; parental involvement; liaison services between the Tribal governments and the ADE through facilitation of intergovernmental discussions, partnerships, and engagement in AZ Commission on Indian Affairs meetings and Tribal events.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	169.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,721.7	9,707.7	9,707.7
<b>Total Funding</b>	<b>9,721.7</b>	<b>9,707.7</b>	<b>9,876.7</b>
<b>FTE Positions</b>	<b>15.2</b>	<b>15.9</b>	<b>15.9</b>

◆ **Goal 1** To provide timely and reliable customer service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Character Education participants indicating a decrease in disciplinary referrals	41	45	*	**	**
<b>Explanation:</b> * Due to changes in reporting process from vendor to school district reporting, data not available for 2014. ** Establishing new baseline in 2015 using revised evaluation tool; subsequent year estimates will be developed once baseline established.					
Percent of Character Education participants indicating improvement in school climate	73	75	*	**	**
<b>Explanation:</b> * Due to changes in reporting process from vendor to school district reporting, data not available for 2014. ** Establishing new baseline in 2015 using revised evaluation tool; subsequent year estimates will be developed once baseline established.					
Annual external customer overall satisfaction rating on Migrant Education	4.37	4.70	4.33	4.45	4.55
Annual external customer overall satisfaction rating on Education for Homeless Children and Youth	4.61	4.65	4.60	4.65	4.70
Annual external customer overall satisfaction rating on Native American Education	3.0	3.1	3.66	3.85	4.00

**Program Summary**

HIGHLY EFFECTIVE TEACHERS AND LEADERS

Cecilia Johnson, Associate Superintendent

Phone: (602) 364-1957

A.R.S. § 15-531-15-551, 15-919-15-920, P.L. 107-110

**Mission:**

*To improve student achievement by ensuring all teachers and leaders are highly effective through rigorous preparation, professional development and ongoing support.*

**Description:**

The Highly Effective Teachers and Leaders (division) Program provides technical assistance and support to Arizona's schools and local education agencies (LEAs) through Title IIA and related federal grant programs, state certification, professional development, teacher and principal evaluation, and the Arizona Charter Schools federal grant Program.

**This Program Contains the following Subprograms:**

- ▶ Office of Arizona Charter Schools Programs (AZCSP)
- ▶ Educator Excellence/Title II - A

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,824.1	1,980.7	1,980.7
Other Non Appropriated Funds	43,251.3	47,587.2	47,587.2
<b>Total Funding</b>	<b>45,075.4</b>	<b>49,567.9</b>	<b>49,567.9</b>
<b>FTE Positions</b>	<b>46.3</b>	<b>42.2</b>	<b>42.2</b>

## Subprogram Summary

### OFFICE OF ARIZONA CHARTER SCHOOLS PROGRAMS (AZCSP)

Mark Francis, Deputy Associate Superintendent  
 Phone: (602) 542-4020  
 A.R.S. § 15-181-15-189.03

**Mission:**

*To ensure High-Quality Educational Choices by Selecting, Monitoring, and Assisting Transformative Leaders*

**Description:**

The Arizona Charter School Program (AZ CSP) is a competitive start-up grant that supports visionary leaders who will form charter schools which will improve student achievement to high academic standards and improve high school student achievement and graduation rates. Special preference will be awarded to those leaders who form schools in urban and rural areas with a history of poor academic performance.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,042.9	9,052.3	9,052.3
<b>Total Funding</b>	<b>9,042.9</b>	<b>9,052.3</b>	<b>9,052.3</b>
<b>FTE Positions</b>	<b>3.7</b>	<b>2.5</b>	<b>2.5</b>

◆ **Goal 1** To ensure high-quality educational choices

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applicants to Aspiring Leadership Fellowship	30	40	47	*	*
<b>Explanation:</b> * Grant ends after 2014					
Number of high schools serving at-risk populations	40	42	38	*	*
<b>Explanation:</b> * Grant ends after 2014					
Number of academic, governance, and financial monitoring visits conducted	0	0	97	113	74
Maintain an annual external customer satisfaction rating of at least 4.5/5 for AZ CSP	0	0	4.1	4.5	4.5

## Subprogram Summary

### EDUCATOR EXCELLENCE/TITLE II - A

Todd Peterson, Deputy Associate Superintendent

Phone: (602) 364-2294

A.R.S. § 15-531-15-551, 15-919-15-920, P.L. 107-110

**Mission:**

*To improve student achievement in public education through high quality professional development; educator certification, credentialing, and evaluation; and other support initiatives to promote effective teachers and administrators while embracing internal and external customer service.*

**Description:**

The Educator Excellence Section with the Highly Effective Teachers and Leaders Division consists of the following units: Effective Teachers and Leaders (formerly known as Title IIA), Certification, and Professional Development & Capacity Building.

The Effective Teachers and Leaders (formerly known as Title IIA) unit is responsible for overseeing the implementation ESEA federal legislation for achieving the goal of having a highly qualified/effective teacher in every classroom, achieving equitable distribution of effective teachers, working collaboratively with stakeholders and Institutions of Higher Education to design and implement a rigorous professional preparation program approval process and rigorous educator assessments based on the AZ professional educator standards, assisting LEAs with meeting federal and state requirements for principal and teacher evaluation, and overseeing pay for performance initiatives.

The Certification unit certifies teachers, administrators, speech language pathologists, speech language technicians, school psychologists and guidance counselors. The unit provides technical assistance regarding certification statutes and state board rule to the field in the form of on-site visits, phone calls, counter service and emails. The Certification unit also implements new certification rules that have been created through legislation.

The Professional Development & Capacity Building unit delivers and provides assistance to Arizona educators, LEAs, and other ADE divisions in the design, implementation, and evaluation of high quality and targeted Professional Development Leadership Academies (PDLA), coordinates projects with the County Education Service Agencies (ESAs) and Regional Centers, annually administers the Standards Assessment Inventory (SAI) survey statewide, and coordinates the Professional Development Team of Arizona's College and Career Ready Standards cross-functional work team.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,824.1	1,980.7	1,980.7
Other Non Appropriated Funds	34,208.4	38,534.9	38,534.9
<b>Total Funding</b>	<b>36,032.5</b>	<b>40,515.6</b>	<b>40,515.6</b>
<b>FTE Positions</b>	<b>42.6</b>	<b>39.7</b>	<b>39.7</b>

◆ **Goal 1** To provide timely and reliable customer service

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Reduce from 10 days the average processing time of certification services requiring an evaluation.	11*	11	12	10	9
Maintain at least a 4.5 customer service satisfaction rating at the counter and for outreach services	4.5	4.5	4.99	5.00	5.00

◆ **Goal 2** To ensure the quality of Arizona’s educators through evaluation and certification

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Title II-A applications/amendments reviewed by program specialists within 10 days of being submitted to the ADE within the existing grants management system	97.6	98.5	98.0	98.5	99.0
Increase the percent of core academic teaching positions taught by highly qualified teachers within the state	97.1*	99	98*	98.5	99.0

**Explanation:** \*Preliminary number

<b>Program Summary</b>	
<b>HIGH ACADEMIC STANDARDS FOR STUDENTS</b>	
Carol Lippert, Associate Superintendent	
Phone: (602) 364-1985	
A.R.S. § 15-241, 15-751-756.01-.13, 15-910, 41-1279.03, P.L. 107-110	

**Mission:**

*To build the capacity of Arizona’s educators working with young children through grade 12, to make informed instructional decisions that promote high academic achievement for all students and a quality educational system. Providing timely and relevant data, professional development, technical assistance, monitoring, collaborative partnerships, support and leadership ensures all Arizona students will be college and career ready.*

**Description:**

The High Academic Standards subprogram provides leadership in the development of K-12 Academic Standards, Early Childhood Education Standards and English Language Proficiency Standards along with ongoing support for the effective implementation of these standards at the local level. The content experts within the subprogram provide guidance documents, professional development and technical assistance to Arizona educators to ensure that educators have the necessary information to provide effective instruction. The High Academic Standards subprogram provides support specifically to educators and classrooms providing instruction to K-12 students, K-12 English Language Learners and young students ages 3-5 in early education programs.

**This Program Contains the following Subprograms:**

- ▶ K-12 Academic Standards
- ▶ Early Childhood
- ▶ Title III - OELAS

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	12,887.6	11,477.2	12,017.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	47,328.1	43,866.0	43,866.0
<b>Total Funding</b>	<b>60,215.7</b>	<b>55,343.2</b>	<b>55,883.2</b>
<b>FTE Positions</b>	<b>65.9</b>	<b>64.4</b>	<b>64.4</b>



**Subprogram Summary**

**K-12 ACADEMIC STANDARDS**

Sarah Galetti, Deputy Associate Superintendent  
 Phone: (602) 364-2810  
 A.R.S. § 15-704, P.L. 107-110

**Mission:**

*To provide Arizona K-12 educators with high quality, professional support in effectively implementing Arizona's College and Career Ready Standards to ensure academic achievement of all students.*

**Description:**

The K-12 Academic Standards section provides leadership in the development of the state's academic standards as well as support and assistance to schools in implementing the standards as adopted by the Arizona State Board of Education. ADE-sponsored professional development and technical assistance in implementing these content standards are offered regularly for school/district teams, to ensure that all teachers have the skills they need to teach these standards effectively. Currently content specialists in both English Language Arts and Mathematics provide professional development and technical assistance to LEAs and schools on the rollout and implementation of the K-12 articulated Arizona's College and Career Ready Standards.

In addition content specialists provide support to LEAs on the AZ Response to Intervention (AZRTI) framework and the Arizona State Literacy Plan. This section also administers the Mathematics and Science Partnerships Program which focuses on improving teacher content and pedagogical content knowledge in mathematics and science. The Arizona Academic Standards section provides professional development, technical assistance and guidance to LEAs in meeting the requirements of the Move On When Reading state statute, which includes the development and submission of LEA literacy plans, the implementation of a multi-tiered system of reading instruction, and an analysis of state wide K-3 reading data to determine the success of students learning to read proficiently by the end of third grade. Academic content specialists provide professional development and technical assistance to LEAs receiving Race To The Top round 3 grant funding.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	97.0	0.0	540.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11,838.3	12,787.5	12,787.5
<b>Total Funding</b>	<b>11,935.3</b>	<b>12,787.5</b>	<b>13,327.5</b>
<b>FTE Positions</b>	<b>25.1</b>	<b>24.3</b>	<b>24.3</b>

◆ **Goal 1** To provide training and professional development to improve the effectiveness of standards based teaching and learning

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of LEAs completing ADE-sponsored Mathematics Standards professional development	55	75	81	83	85
Percent of LEAs completing ADE-sponsored ELA Standards professional development	65	75	77	80	85
Percent of K-12 teachers implementing Arizona's College and Career Ready standards	50	85	86	92	94
Percentage of teachers reporting expanded content knowledge of K-3 reading instruction as a result of implementing Move On When Reading literacy plans	35	65	89	91	92

## Subprogram Summary

### EARLY CHILDHOOD

Amy Corriveau, Deputy Associate Superintendent

Phone: (602) 542-8706

A.R.S. § 15-715, 15-771, 15-901.02, 15-1251, P.L. 107-110

#### Mission:

*To provide leadership and support to schools, organizations, educators, families, and communities in implementing programs that assist all children from birth through age 8 years to become successful lifelong learners.*

#### Description:

The Early Childhood Education section provides professional support to Arizona's early childhood educators and also participates in multiple partnerships designed to create quality learning environments and opportunities for young children. Specifically this section focuses on programs that include Preschool Special Education programs for children ages 3 to 5 years old with disabilities, Head Start programs, First Things First funded classrooms, federal Early Childhood Block Grant, and Title 1 preschools. Content specialists in this section also provide professional support to LEAs with kindergarten through grade three programs. The Early Childhood Education section supports school readiness and early learning success by encouraging the implementation of high quality program guidelines and educational standards. Local community programs are provided access to resources, on-site support, funding, and opportunities for professional development to promote developmentally appropriate learning environments.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,311.2	6,103.7	6,103.7
<b>Total Funding</b>	<b>7,311.2</b>	<b>6,103.7</b>	<b>6,103.7</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>17.7</b>	<b>17.7</b>

◆ **Goal 1** To ensure compliance with the Office of Special Education Programs requirements

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Annual external customer overall satisfaction rating for Early Childhood Education	4.97	4.50	3.86	4.00	4.20
Percentage of preschool children in general education who met age level expectations in social and emotional development at the end of the school year. <b>Explanation:</b> New measure for FY2014	0	0	93	93	93
Percentage of preschool children in special education who met age level expectations in social and emotional development at the end of the school year. <b>Explanation:</b> New measure for FY2014	0	0	85	85	85
Percentage of preschool children in general education who met age level expectations in physical development at the end of the school year. <b>Explanation:</b> New measure for FY2014	0	0	95	95	95
Percentage of preschool children in special education who met age level expectations in physical development at the end of the school year. <b>Explanation:</b> New measure for FY2014	0	0	92	92	92
Percentage of preschool children in general education who met age level expectations in language development at the end of the school year. <b>Explanation:</b> New measure for FY2014	0	0	91	91	91
Percentage of preschool children in special education who met age level expectations in language development at the end of the year. <b>Explanation:</b> New measure for FY 2014	0	0	92	92	92
Percentage of preschool children in general education who met age level expectations in literacy development at the end of the school year. <b>Explanation:</b> New measure for FY 2014	0	0	92	92	92
Percentage of preschool children in special education who met age level expectations in literacy development at the end of the school year. <b>Explanation:</b> New measure for FY 2014	0	0	92	92	92

**Subprogram Summary**

TITLE III - OELAS

Kelly Koenig, Deputy Associate Superintendent

Phone: (602) 542-9689

A.R.S. § 15-241, 15-751-756.01-.13, 15-910, 41-1279.03, P.L. 107-110

**Mission:**

*To assist schools in providing services that support high academic success for English Language Learning (ELL) students.*

**Description:**

The Office of English Language Acquisition Services (OELAS) was formally established on September 21, 2006, pursuant to A.R.S 15-756.07. This subprogram is authorized under the federal No Child Left Behind Act of 2001 (NCLB) and the federal Civil Rights Act to provide technical assistance to local educational agencies for their English Language Learner (ELL) students. In addition, pursuant to A.R.S. § 15-751 through A.R.S. § 15-756.01, each school with enrolled ELL students must provide programs that allow these students to develop their skills in the English language and to give them the opportunity to meet Arizona Academic Standards.

The assistance the subprogram provides to LEAs consists of the following: (1) Providing notification to local educational agencies of their requirements/responsibilities for compliance under federal and state statutes; (2) Providing notification to local educational agencies of their requirements/responsibilities in regards to Arizona Department of Education policy and as described under the Flores lawsuit; (3) Providing methods/technical assistance to local education agencies for identifying, assessing, re-assessing, re-classifying, and reporting on ELL students; (4) Providing information, materials, resources, and strategies for Structured English Language Immersion models; and (5) Providing professional development opportunities for teachers and administrators to ensure ELL student attainment of English language proficiency and the academic achievement through the use of Structured English Language Immersion (SEI) models, the state Compensatory Instruction Fund, Title III funding, and providing technical assistance for SEI budget calculation and submission; (6) Review and approve continuous improvement plans in ALEAT to ensure required Title III components have been addressed; (7) Review and recommend for Arizona State Board approval of SEI Endorsement Coursework.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	12,790.6	11,477.2	11,477.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	28,178.6	24,974.8	24,974.8
<b>Total Funding</b>	<b>40,969.2</b>	<b>36,452.0</b>	<b>36,452.0</b>
<b>FTE Positions</b>	<b>22.8</b>	<b>22.4</b>	<b>22.4</b>

◆ **Goal 1** To ensure compliance with State and Federal statutes and regulations along with other contractual obligations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Conduct collaborative, targeted technical assistance sessions with at least 15 LEAs in the monitoring process to assist with compliance with state and federal guidelines by June 1, 2015.	0	0	*	15	18

**Explanation:** \*New measure

◆ **Goal 2** To increase academic gains of students reclassified as FEP

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of students reclassified as Fluent English Proficient (FEP)	22*	**	29.9	32	33

**Explanation:** \*\* AZELLA assessment significantly revised in 2013; prior comparisons no longer applicable

## Program Summary

### ACCOUNTABILITY AND ASSESSMENT

Leila Williams, Associate Superintendent

Phone: (602) 364-2811

A.R.S. § 15-241, 15-741-15-747, 15-809, P.L. 107-110

#### Mission:

*To promote attainment of high academic achievement for all students through implementation of valid and reliable assessments and accurate measurement of school and student performance.*

#### Description:

The Accountability and Assessment program focuses on improving student achievement through development and administration of valid and reliable assessments and report academic outcomes in order to make informed decisions about students, classroom practice, schools, and districts in Arizona.

This program includes Arizona's Adult Education which supports educational opportunities for adult learners who did not complete high school.

#### This Program Contains the following Subprograms:

- ▶ Assessment
- ▶ Adult Education

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,723.4	15,723.6	22,723.6
Other Appropriated Funds	368.2	7,000.0	7,000.0
Other Non Appropriated Funds	22,074.1	25,500.6	25,500.6
<b>Total Funding</b>	<b>30,165.7</b>	<b>48,224.2</b>	<b>55,224.2</b>
<b>FTE Positions</b>	<b>45.2</b>	<b>45.8</b>	<b>45.8</b>

## Subprogram Summary

### ASSESSMENT

Irene Hunting, Deputy Associate Superintendent  
Phone: (602) 542-5450  
A.R.S. § 15-741 - 15-742, P. L. 107-110

#### Mission:

*To develop and administer valid and reliable student assessment aligned to adopted state standards.*

#### Description:

The Assessment Section provides statewide assessments to students, meeting both state and federal statutory requirements. The assessments are developed using Arizona educators, following nationally accepted scientific-based methods to produce valid and reliable assessments. In addition, Student Assessment supports the administration and reporting of National Assessment of Educational Progress (NAEP) and other international assessments given to Arizona students.

- Responsible for statewide assessment of students enrolled in Arizona Public Schools. Arizona's Instrument to Measure Standards (AIMS) is a Standards Based Assessment AIMS measures student proficiency of the Arizona Content Standards in Writing, Reading, Mathematics, and Science and is required by state and federal law. A normed-referenced assessment is required by state statute in reading, language arts, and mathematics in second grade and 9th grade. It measures a student's national percentile ranking in those areas.
- Arizona's Instrument to Measure Standards Alternate (AIMS A) is a Standards Based Assessment that measures student proficiency of the Alternate Arizona Academic Content Standards in Reading, Mathematics, and Science. It meets federal requirements to assess students with significant cognitive disabilities.
- Arizona's English Language Learner Assessment (AZELLA) is a Standards Based Assessment that measures student's proficiency of the English Language Proficiency Standard. AZELLA meets both state and federal requirements in assessing the language proficiency of students identified as second language learners and determines placement for appropriate instruction.
- National Assessment of Educational Progress (NAEP) is a national assessment of academic content outlined in the NAEP Academic Frameworks. The assessments are given to a sample of students in Grades 4, 8 and 12. There are no individual student, school or district scores.

The Assessment Section continues to create support materials for use by educators, parents and students. Support for individual student needs is provided through the publishing of Student Guides and Sample Test on the ADE website. The State Board of Education adopted Arizona's College and Career Ready Standards in Mathematics and English Language Arts June 28, 2010. The State participated in a consortium of multiple states, Partnership for Assessment of Readiness for College and Careers (PARCC) which received a federal Race to the Top Assessment Grant for the development of a new computer based assessment system of Arizona's College and Career Ready Standards. The new state assessment system for Arizona's College and Career Ready Standards (AZCCRS) will be operational 2014-2015.

Assessment collaborates closely with numerous other sections within ADE: Research and Evaluation, Standards, OELAS, Exceptional Student Services, and Informational Technology.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	3,223.4	11,223.6	18,223.6
Other Appropriated Funds	368.2	7,000.0	7,000.0
Other Non Appropriated Funds	11,679.4	14,861.1	14,861.1
<b>Total Funding</b>	<b>15,271.0</b>	<b>33,084.7</b>	<b>40,084.7</b>
<b>FTE Positions</b>	<b>22.2</b>	<b>22.8</b>	<b>22.8</b>

◆ **Goal 1** To develop relevant and accurate instruments to assess all Arizona students

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of AIMS test questions without error on student assessment. <b>Explanation:</b> *New assessment in FY15	99.0	99.0	100	NA*	NA*
Percent of administered AIMS tests that result in a valid score. <b>Explanation:</b> *New assessment in FY15	99.9	99.9	99.7	NA*	NA*
Customer rating on administration of AIMS and Stanford 10 <b>Explanation:</b> *New assessment in FY15	4.48	4.5	4.52	NA*	NA*
Customer rating on administration of AIMS A <b>Explanation:</b> *New assessment in FY15	4.29	4.3	4.39	NA*	NA*
Customer rating on administration of AZELLA	3.77	4.0	4.24	4.30	4.35
Percent of administered new statewide achievement tests that results in a valid score <b>Explanation:</b> *New assessment in FY15, establish baseline	0	0	NA	*	*
Customer rating on administration of new statewide achievement test <b>Explanation:</b> *New assessment in FY15	0	0	NA	3.30	3.50
Customer rating on administration of NCSC <b>Explanation:</b> *New assessment in FY15	0	0	NA	4.08	4.25

**Subprogram Summary**

ADULT EDUCATION

Sheryl Hart, Deputy Associate Superintendent  
Phone: (602) 364-2777  
A.R.S. § 15-234, 15-702, P.L. 105-220

**Mission:**

*To be the catalyst for increasing the quality of Adult Education in Arizona by raising expectations and providing leadership, support, and resources that enable service providers and students to excel.*

**Description:**

The Adult Education subprogram ensures that adult learners who are at least 16 years of age have access to quality educational opportunities that will support them in their employment, job training, and higher education aspirations. This subprogram also assists adult learners in acquiring the knowledge and skills necessary for effective participation in society.

The adult learners are not enrolled nor required to be enrolled in secondary school when they participate in instruction in one or more of the following areas: 1) English Language Acquisition, 2) Adult Basic Education, 3) Adult Secondary Education, including ED Preparation, 4) Civics, and 5) Basic computer literacy skills.

Adult Education is a learner-centered, interactive process which values and supports the individual in defining and achieving personal goals through improvement in basic reading, writing, language and mathematics skills. Content is delivered through life skills so they can better function in their community, family and workplace environments.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4,500.0	4,500.0	4,500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,394.7	10,639.5	10,639.5
<b>Total Funding</b>	<b>14,894.7</b>	<b>15,139.5</b>	<b>15,139.5</b>
<b>FTE Positions</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>

◆ **Goal 1** To increase academic achievement of learners age 16 and over

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of learners age 16 and over increasing academic skills by two or more grade levels as measured by standardized assessments	59	59	61*	62	63
<b>Explanation:</b> *Estimate, final data available December 2014					
Percent of learners age 16 and over achieving their goal of earning a High School Equivalency diploma	58	**	60*	***	***
<b>Explanation:</b> ** Implementation of new High School Equivalency Test occurs halfway through FY2014. * Estimate, final data available Dec 2014 ***New baseline, full year for new High School Equivalency Test aligned to AZCCRS.					
Annual external customer overall satisfaction rating for Adult Education	4.0	4.21	4.06	4.16	4.21
Percent of GED transcript request fulfilled in one business day	96	96	97	97	97



## Agency Summary

### DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

Maj Gen Michael T. McGuire, Adjutant General  
 Phone: (602) 267-2616  
 A.R.S. §§ 26-101, 26-111

**Mission:**

*To promote, protect, and defend the health, safety, peace, and quality of life of the citizens of our communities, state, and nation.*

**Description:**

The Department of Emergency and Military Affairs prepares and coordinates emergency response plans for the State and manages the Army National Guard and Air National Guard, each of which develop, train, and sustain a military force for the protection of life and property, preservation of peace, maintenance of order, and public safety.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	4,294.9	4,132.8	4,132.8
➤ EMERGENCY MANAGEMENT	17,580.1	17,723.8	20,232.0
➤ MILITARY AFFAIRS	61,713.0	48,009.8	41,797.0
<b>Agency Total:</b>	<b>83,588.0</b>	<b>69,866.4</b>	<b>66,161.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	9,566.0	10,454.4	14,263.9
Other Appropriated Funds	1,873.6	132.7	132.7
Other Non Appropriated Funds	72,148.3	59,279.3	51,765.2
<b>Total Funding</b>	<b>83,588.0</b>	<b>69,866.4</b>	<b>66,161.8</b>
<b>FTE Positions</b>	<b>461.9</b>	<b>483.6</b>	<b>511.6</b>

**Issue 1** Adequate funding of Operations and Maintenance budget for Army National Guard facilities to fulfill state obligation.

**Description** The Arizona Army National Guard has Readiness Centers throughout Arizona (i.e., Armories) that house units, soldiers, and equipment which support State and Federal missions as directed by the Governor and the President. Thirty-seven (37) of these Readiness Centers (773,535 square feet) require a 25% or 50% funding match by the State with the balance matched by the federal government. According to National Guard Bureau Regulation (NGR) 5-1 and National Guard Pamphlet (NG Pam) 420-10 (Chapter 2), all "Army National Guard facilities are owned by, leased for, or licensed to the States. As a result the States, and not the Federal government, operate and maintain all ARNG facilities." Once the State provides its required match, then the Federal government is to match accordingly.

Arizona Army National Guard (AZ ARNG) Construction and Facilities Management Office (CFMO) has not received an increase in State-Match since 2002, resulting in continued deferral of required maintenance activities. The CFMO requires \$2.8 million in total funding in FY16. This will meet funding requirements in Comp Objects (COBJ) 6000 – 8500 and maximize maintenance and sustainment project completion. Full funding will improve AZARNG ability to fulfill its Defense Support of Civil Authorities (DSCA) mission across the State, serving as the Governors force in readiness for disasters and other missions as needed.

**Solutions:**

AZ ARNG CFMO will focus on addressing critical health-life-safety facility needs at Readiness Centers throughout the state, moving from a funds-availability based management process to a requirements-based management process. OSPB has been provided a list of current project requirements with totals exclusively for health, life, safety (HLS) projects and a total for all projects including HLS. The State portion of the total for all projects is \$5.2M.

Based on current requirements and capabilities, the CFMO can execute \$1.1M in state FY16 funds on the listed projects. The remaining \$1.701M critical requirement for FY16 is intended to sustain and support AZARNG operations in FY16 within the Comp Object (COBJ) codes 6000 thru 8500, and breaks down as follows:

- (1) \$511,000 Payroll and ERE funds (COBJ 6000-6500)
- (2) \$560,000 Operating fund (COBJ 7000)
- (3) \$560,000 Capital Improvement (CI)/Outlay (COBJ 8100)
- (4) \$ 35,000 Capital Equipment (CE) (COBJ 8400)
- (5) \$ 35,000 Non-Capital Equipment (NCE) (COBJ 8500)

The AZARNG will execute both of the above stated expenditure goals within FY16. Continued future year state budget support will ensure our current backlog of health, life, safety, maintenance and sustainment requirements will receive appropriate consideration.

The only alternative to an increase in State Match Funding is the closure of select Readiness Centers (RC's) to redirect funds in support of remaining facilities. This alternative is not a viable solution for a number of reasons: Inability to fund a security presence to protect the closed RC's from vandalism or further disrepair; potentially damaging the "good will" relationship that the Arizona National Guard has within affected communities; some RC's actively support the Joint Counter Narco-Terrorism Task Force (JCNTF) and other state agency personnel such as the Arizona Department of Public Safety (DPS).

Continuing to defer maintenance will only compound facilities' problems and become more expensive to address over time. Failure to address health-life-safety needs increases liability and risk to the state. If no additional funding is provided in FY16, then maintenance, liability and risk costs will continue to increase and force the Arizona National Guard to begin closing Readiness Centers impacting the readiness of units and soldiers to perform their mission and impact community relations negatively.

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**Issue 2** Adequate funding for the Division of Emergency Management to fulfill statutory requirements.

**Description** The current general fund appropriation is insufficient to support the Department of Emergency & Military Affairs, Division of Emergency Management's (DEMA/ADEM) core mission. Current resources are being fully utilized in an attempt to meet mission requirements; however additional funding is required in order to appropriately meet federal grant match requirements of which we are current deficient as per recent monitoring visit/review/audit performed by the U.S. Department of Homeland Security, Federal Emergency Management Agency (DHS/FEMA).

The Division is established in A.R.S. §26-305 and is directed to "prepare for and coordinate those emergency management activities that may be required to reduce the impact of disaster on persons or property" and "coordinate the cooperative effort of all governmental agencies including the federal government, this state and its political subdivisions to alleviate suffering and loss resulting from disaster." Increased funding would ensure our ability to provide appropriate staffing levels and operational costs to fully support local/county/tribal governments and citizens in their efforts to prepare for, respond to, recovery from and mitigate against civil disturbances and natural disasters.

**Solutions:**

The Division is authorized six and one-half (6.5) full-time employees (FTEs) to meet its core requirement. The Division's general fund appropriation is divided between salaries/ERE and operational costs, \$527,800 and \$202,100, respectfully. The Division also receives funding for four and one-half (4.5) full-time positions from the Nuclear Emergency Response Fund. Those costs are provided by the Palo Verde Nuclear Generating Station. Unfortunately the authorized amount is insufficient to appropriately meet the mission requirements as outlined within state statute.

Under new leadership this year, an analysis was requested and conducted of the Division of Emergency Management's core requirements as outlined within Arizona Revised Statute, and correlation of those requirements to position specific roles. The analysis demonstrated a requirement for thirty-nine (39) FTEs; twenty-eight (28) more than currently authorized. Total funding requirements for salary and ERE for all thirty-nine positions, is \$3,096,675; a shortfall of \$2,152,175.

An increase of the Division's appropriation is required to fund the manning structure necessary to ensure a proper level of preparedness and response mandated by statute. The Division is heavily reliant upon one (1) federal grant. Proposed future reductions in federal grant funding (which is an annual discussion on Capitol Hill) would pose a great threat to Arizona's ability to maintain appropriate levels of prevention, preparedness, response, recovery and mitigation. Increased funding to (at a minimum) adequately fund salaries for authorized positions would improve the agency's ability to better meet grant match requirements, however could still result in a reduction in force and inability to meet mission. An increase to support the full requirement of thirty-nine positions would eliminate the risk of a reduction in force and ensure sustainability of mission if federal funding were to be reduced or eliminated.

Currently the only alternative available to support this request is the Emergency Management Performance Grant (EMPG). This grant program provides federal funds to assist state, local, tribal, and territorial emergency management agencies to obtain the resources required to support the National Preparedness Goal's associated mission areas and core capabilities. This grant has a 50% match requirement. By appropriately funding, at a minimum, for personnel needed to meet mission requirements, this allows grant match dollars to support other operational costs.

Without additional funding, the Division will not be able to make mission, and the Division will lack the ability to support those actions and activities delegated by the Governor and outlined in state statute. The Division will also no longer be able to adequately prepare for and coordinate emergency management activities with state agencies and political subdivisions across the state. This means that there will be an increased impact of disaster on persons and property, which will exacerbate suffering and loss during disaster events. This is in direct conflict with state statute as outlined in A.R.S. § 26-305.

**Issue 3** Expanded State Emergency Operations Center to fulfill statutory requirements.

**Description** The Arizona Division of Emergency Management is established in A.R.S. § 26-305 and is directed to “prepare for and coordinate those emergency management activities that may be required to reduce the impact of disaster on persons or property” and “coordinate the cooperative effort of all governmental agencies including the federal government, this state and its political subdivisions to alleviate suffering and loss resulting from disaster.” An effective facility in which to conduct the statutory requirements of the Division is needed which necessitates a capital improvement of approximately \$21-25 million dollars. The existing facilities that house the Division’s functions and the Emergency Operations Center on Papago Park Military Reservation are insufficient and do not meet life-safety standards and codes.

There are two reasons this is a strategic issue for the Agency; 1) the current facility is wholly inadequate for emergency management operations and is actually unsafe and 2) the Division needs to consolidate all departments and functions into one facility to improve business practices and gain efficiencies in their daily operations.

The existing facility was originally designed in 1983, as the Offsite Nuclear Emergency Response Center. This facility evolved into the State Emergency Operations Center simply due to need and lack of alternatives. Space once identified as storage rooms, dormitory/sleeping quarters, and the building lobby have been converted to offices that lack appropriate space and privacy. For example, the Policy Room is dramatically undersized for use by the Governor, the ADEM Director, and the Public Information Officer. Throughout the building, the mechanical and electrical systems have reached the end of their useable life and there is no automatic fire protection system. Restroom facilities do not meet current building codes and do not provide required capacity for building occupancy during activation. Telecommunications and audio/visual systems that are essential to emergency management are outdated. The building has congested circulation, substandard air conditioning, an unreliable backup electrical power supply, inadequate security, and inappropriate architectural design elements. During activations for emergency/disaster events, these inadequacies found within the Emergency Operations Center are magnified.

**Solutions:**

Expansion of the State EOC would provide a cohesive space for the Arizona Division of Emergency Management (Office of the Director, Preparedness, Operations, Logistics, and Recovery) to perform both their emergency and non-emergency duties. The project would provide a safe and more efficient working environment for the occupants, improve access to the media and emergency management community, reduce utility costs, provide growth flexibility, and improve security. If the work is not completed, there would be continued inefficiencies in both operational and building systems and recurring code compliance problems.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	484.6	484.6	484.6
<b>General Fund</b>	17,112.2	17,112.2	17,112.2
<b>Other Appropriated Funds</b>	132.7	132.7	132.7
<b>Non-Appropriated Funds</b>	12,190.1	12,190.1	12,190.1
<b>Federal Funds</b>	38,319.0	38,319.0	38,319.0

**Program Summary**

ADMINISTRATION

Wendy Smith-Reeve, Deputy Director  
 Phone: (602) 464-6379  
 A.R.S. § 26-102(C)(8)

**Mission:**

*To provide leadership and support resources to all elements of the Department.*

**Description:**

Administration provides agency-wide direction, oversight and support services to all Divisions of the Department. It is responsible for providing resource management, information technology, accounting, personnel and procurement functions for the Department. In addition, it provides oversight to State Active Duty missions and is responsible for the coordination of Federal Funds with the United States Property and Fiscal Officer.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,814.7	1,806.2	1,806.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,480.2	2,326.6	2,326.6
<b>Total Funding</b>	<b>4,294.9</b>	<b>4,132.8</b>	<b>4,132.8</b>
<b>FTE Positions</b>	<b>30.9</b>	<b>41.3</b>	<b>41.3</b>

◆ **Goal 1** To provide quality and timely support services to our customers.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of weeks to process personnel actions	1	1	1	1	1

**Program Summary**

**EMERGENCY MANAGEMENT**

Wendy Smith-Reeve, Director  
Phone: (602) 464-6379  
A.R.S. § 26-305

**Mission:**

*To coordinate emergency services and the efforts of governmental agencies to reduce the impact of disasters on persons and property in Arizona.*

**Description:**

The Division of Emergency Management directs and coordinates a statewide Comprehensive Emergency Management program to minimize personal and property losses caused by natural and technological disasters. This is accomplished through numerous preparedness, response, recovery, and mitigation activities and programs.

**This Program Contains the following Subprograms:**

- ▶ Mitigation and Preparedness
- ▶ Response and Recovery

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	5,989.0	6,104.9	8,213.4
Other Appropriated Funds	1,873.6	132.7	132.7
Other Non Appropriated Funds	9,717.5	11,486.2	11,885.9
<b>Total Funding</b>	<b>17,580.1</b>	<b>17,723.8</b>	<b>20,232.0</b>
<b>FTE Positions</b>	<b>53.5</b>	<b>53.0</b>	<b>81.0</b>

**Subprogram Summary**

**MITIGATION AND PREPAREDNESS**

John Dirickson, Assistant Director  
Phone: (602) 464-6262  
A.R.S. § 26-305

**Mission:**

*To reduce or eliminate the loss of life and loss of property due to disaster and to prepare state agencies and local emergency management organizations to respond to, recover from, and mitigate disasters through planning, training, and exercise activities.*

**Description:**

The Mitigation element integrates several funding programs that reduce repetitive losses caused by disaster by managing structural and non-structural projects that eliminate losses. The mitigation group provides technical assistance to political subdivisions to develop mitigation plans, analyze vulnerabilities and to assess risks to support land use decisions.

The Preparedness element serves three main functions; technical assistance for the development of state and local emergency operations plans; training for emergency managers, elected officials and first responders; and exercising the capabilities of state and local government. These activities will increase the overall capability to respond to, recover from, and mitigate disasters and thereby reduce the impact of disasters

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,989.0	2,104.9	4,213.4
Other Appropriated Funds	112.5	132.7	132.7
Other Non Appropriated Funds	9,854.3	10,408.7	10,935.7
<b>Total Funding</b>	<b>11,955.8</b>	<b>12,646.3</b>	<b>15,281.8</b>
<b>FTE Positions</b>	<b>53.5</b>	<b>53.0</b>	<b>81.0</b>

◆ **Goal 1** To reduce loss of life and loss of property from all hazards.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of communities with sustained Disaster Resistant Community Programs	117	117	118	118	118

◆ **Goal 2** To increase local emergency management capability through training assistance programs.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of requests for contingency exercise assistance supported	100	100	100	100	100

### Subprogram Summary

#### RESPONSE AND RECOVERY

Will Schulz, Assistant Director  
 Phone: (602) 464-6310  
 A.R.S. § 26-306

**Mission:**

*To coordinate the actions of federal, state and local jurisdictions to respond to and recover from disasters.*

**Description:**

Response & Recovery coordinates the response of state agencies to emergency incidents; administers the Governor's Emergency Fund; and manages post-response recovery efforts to include the acquisition and disbursement of special state appropriations and federal disaster funds, and allocation of resources.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	4,000.0	4,000.0	4,000.0
Other Appropriated Funds	1,761.1	0.0	0.0
Other Non Appropriated Funds	-136.8	1,077.5	950.2
<b>Total Funding</b>	<b>5,624.3</b>	<b>5,077.5</b>	<b>4,950.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To reduce human suffering during disasters and enhance community recovery after disaster strikes.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Average number of months of community recovery time from declaration of emergency to termination of emergency	13.5	14	12.36	15	15
Customer satisfaction rating for communities served during disasters (Scales 1 - 8)	7.37	7	7.46	7	7

### Program Summary

#### MILITARY AFFAIRS

Brigadier General Kerry Muehlenbeck, Director, Joint Staff  
Phone: (602) 267-2836  
A.R.S. §§ 26-113, 26-102(C)(8)

#### Mission:

To provide the support functions for the Army and Air National Guard to develop, train and sustain a military force capable of supporting national, state, and community interests for the protection of life and property, preservation of peace, maintenance of order and public safety.

#### Description:

The Division of Military Affairs has a dual role of providing the support functions (personnel, resource management, procurement and facilities), leadership, and direction to the Army National Guard and Air National Guard.

#### This Program Contains the following Subprograms:

- ▶ Army National Guard
- ▶ Air National Guard

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,762.3	2,543.3	4,244.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	59,950.7	45,466.5	37,552.7
<b>Total Funding</b>	<b>61,713.0</b>	<b>48,009.8</b>	<b>41,797.0</b>
<b>FTE Positions</b>	<b>377.5</b>	<b>389.3</b>	<b>389.3</b>

### Subprogram Summary

#### ARMY NATIONAL GUARD

Brigadier General William Hall, Assistant Adjutant General, Army  
Phone: (602) 267-2961  
A.R.S. § 26-111

#### Mission:

To develop, train, and sustain a military land force capable of supporting national, state and community interests for the protection of life and property, preservation of peace, maintenance of order, and public safety.

#### Description:

The Arizona Army National Guard serves a dual mission provided for by the United States Constitution and Arizona Constitution as the militia for Arizona. The Governor is the Commander-in-Chief until mobilized by the President of the United States. During emergency operations, the Army National Guard provides logistical and personnel support to other government agencies in response to civil disturbances and natural disasters. When federalized by the President of the United States, the Army National Guard provides trained and ready units in support of any active Army contingency.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,183.8	1,886.1	3,587.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	52,788.5	38,803.7	30,778.6
<b>Total Funding</b>	<b>53,972.3</b>	<b>40,689.8</b>	<b>34,365.7</b>
<b>FTE Positions</b>	<b>273.0</b>	<b>310.8</b>	<b>310.8</b>



◆ **Goal 1** To recruit and retain highly qualified personnel.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Army National Guard soldiers re-enlisted	87.1	85	98.34	85	85

**Subprogram Summary**

AIR NATIONAL GUARD

Brigadier General Edward Maxwell, Assistant Adjutant General, Air  
 Phone: (602) 267-2660  
 A.R.S. §§ 26-113, 26-102(C)(8)

**Mission:**  
*To provide our nation's total force with highly trained expeditionary Airmen supporting national security objectives through combat readiness and training.*

**Description:**  
 The Arizona Air National Guard consists of the 161st Air Refueling Wing (ARW) and the 162nd Wing (WG). The 161st ARW is a refueling tanker task force flying KC-135E aircraft providing aerial refueling support. The 162nd WG trains fighter pilots for the Air National Guard and international student pilots and provides persistent, armed MQ-1 Predator Intelligence, Surveillance, and Reconnaissance (ISR) and Incident Awareness and Assessments (IAA) capabilities to sustain national and state interests.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	578.5	657.2	657.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,162.2	6,662.8	6,774.1
<b>Total Funding</b>	<b>7,740.7</b>	<b>7,320.0</b>	<b>7,431.3</b>
<b>FTE Positions</b>	<b>104.5</b>	<b>78.5</b>	<b>78.5</b>

◆ **Goal 1** To recruit and retain highly qualified personnel.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Air National Guard soldiers re-enlisted	92.2	90	92	90	90

## Agency Summary

### DEPARTMENT OF ENVIRONMENTAL QUALITY

Henry R. Darwin, Director  
 Phone: (602) 771-2204  
 A.R.S. §§ 49-101 et seq.

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Arizona Department of Environmental Quality protects public health and the environment by establishing and ensuring compliance with standards of quality for Arizona's air, land, and water; advancing public policy; and encouraging participation through statewide outreach.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	15,316.2	14,072.2	19,072.2
➤ AIR	37,415.7	43,826.1	43,826.1
➤ WASTE	45,806.5	49,031.6	57,948.4
➤ WATER	17,177.9	22,338.1	22,338.1
<b>Agency Total:</b>	<b>115,716.3</b>	<b>129,268.0</b>	<b>143,184.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	7,000.0	7,000.0	15,000.0
Other Appropriated Funds	55,838.0	69,241.8	75,158.6
Other Non Appropriated Funds	52,878.3	53,026.2	53,026.2
<b>Total Funding</b>	<b>115,716.3</b>	<b>129,268.0</b>	<b>143,184.8</b>
<b>FTE Positions</b>	<b>610.5</b>	<b>612.5</b>	<b>612.5</b>

## 5 Year Plan

**Issue 1** Long Permit Issuance Timeframes

**Description** Stakeholders are dissatisfied with the timeframes associated with permitting and worry about ADEQ’s ability to be responsive if economic conditions improve and the demand for permits and other services increases.

Stakeholders are dissatisfied with the timeframes associated with clean-up.

**Solutions:**

Deploy Lean

**Issue 2** Paper transactions between businesses and ADEQ are inefficient and burdensome

**Description** Stakeholders are requesting better electronic tools for permitting, reporting, and transparency.

**Solutions:**

Leverage E-Technology

**Issue 3** Limited Human Resources Capacity

**Description** A combination of reductions in force, layoffs, depleted training opportunities, static / reduced wages, a lack of viable career paths, and outdated management systems have resulted in a failure to fully leverage ADEQ’s human potential.

**Solutions:**

Unleash human potential

**Issue 4** Maintaining Core Programs

**Description** Necessity of focusing on and maintaining core programs has resulted in the reduced outreach efforts which in turn reduce our visibility and our effectiveness in release and pollution prevention.

**Solutions:**

Increase outreach

**Issue 5** Resource Instability

**Description** ADEQ’s General Fund appropriation has been eliminated. ADEQ is now funded through fees and federal grants. The current fee structure is insufficient to fully fund the Agency’s core functions.

**Solutions:**

Strengthen core programs

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	612.5	612.5	612.5
<b>General Fund</b>	15,000.0	15,000.0	15,000.0
<b>Other Appropriated Funds</b>	75,158.6	75,158.6	75,158.6
<b>Non-Appropriated Funds</b>	37,822.0	37,822.0	37,822.0
<b>Federal Funds</b>	15,204.2	15,204.2	15,204.2

**Program Summary**

ADMINISTRATION

Henry R. Darwin, Director  
 Phone: (602) 771-2204  
 A.R.S. §§ 49-101 to 49-1106

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

This program establishes overall agency policies and direction and manages administrative and business activities of the agency.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,182.4	13,410.1	18,410.1
Other Non Appropriated Funds	3,133.8	662.1	662.1
<b>Total Funding</b>	<b>15,316.2</b>	<b>14,072.2</b>	<b>19,072.2</b>
<b>FTE Positions</b>	<b>105.5</b>	<b>111.5</b>	<b>111.5</b>

◆ **Goal 1** To fully support and champion delivery of ADEQ's mission

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of statutorily set permit timelines met through License Time Frame rule.	99.9	99.5	99.4	99.5	99.5
Reduce Voluntary Attrition Rate to less than 10% in 5 years.	11.8	10.0	9.5	9.5	9.5
Generate yearly report that clearly links budget to state-wide priorities, ADEQ plans, and customer and/or citizen outcomes.	Baseline	1.0	1.0	1.0	1.0
To pay 95% of invoices payable within 30 calendar days.	99.7	95.0	99.7	95.0	95.0
Receive 90% of Accounts Receivable within 10 days of due date.	Baseline	90.0	83.8	90.0	90.0
Reduce total elapsed time from Purchase Requisition to issuance of purchase order by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	16.5	24.0	32.0
Reduce the total time from initial records request to availability of records by 30% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	70.0	75.0	80.0
99.9% availability of critical services from 7:00 a.m. to 5:00 p.m.	100.0	99.9	99.7	99.9	99.9

◆ **Goal 2** To provide value to all of Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for citizens (scale of 1-8)	7.6	7.7	8.0	7.8	7.8

**Program Summary**

AIR

Eric Massey, Air Quality Division Director  
 Phone: (602) 771-2288  
 A.R.S. §§ 49-401 to 49-593

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Air Quality Division is responsible for supporting ADEQ's mission by identifying and ensuring appropriate control of various sources of air pollution and assuring compliance with federal and state environmental laws. Major activities relied upon for protecting air quality include planning and program development, monitoring and research, issuance of permits, compliance and enforcement, legal support and vehicle emissions inspections.

**This Program Contains the following Subprograms:**

- ▶ Air Quality Management and Analysis
- ▶ Vehicle Emissions Control

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	34,051.1	39,115.4	39,115.4
Other Non Appropriated Funds	3,364.5	4,710.7	4,710.7
<b>Total Funding</b>	<b>37,415.7</b>	<b>43,826.1</b>	<b>43,826.1</b>
<b>FTE Positions</b>	<b>130.9</b>	<b>131.9</b>	<b>131.9</b>

**Subprogram Summary**

AIR QUALITY MANAGEMENT AND ANALYSIS

Eric Massey, Air Quality Division Director  
 Phone: (602) 771-2288  
 A.R.S. §§ 49-401 to 49-593

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

This subprogram supports ADEQ's mission by monitoring and assessing existing concentrations of air pollution throughout the state; conducting daily forecasts of future concentrations of air pollution in the Phoenix metropolitan area, Yuma, and Nogales; identifying sources of air pollution and developing plans and rules to remedy poor air quality and prevent unacceptable degradation of good air quality; performing inspections to ensure sources of air pollution comply with all air pollution plans, statutes, rules and permit conditions; taking timely and appropriate action to remedy and prevent noncompliance; and issuing permits to various sources of air pollution to prevent unacceptable degradation of existing air quality. This subprogram also plans, controls, and monitors expenditures of personnel and budgetary resources; provides for personnel training and evaluations; develops policies and procedures; provides input on legislative issues; develops, implements, and monitors workplans; measures and evaluates program effectiveness; and oversees delegation agreements with local jurisdictions.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	10,232.2	13,883.1	13,883.1
Other Non Appropriated Funds	3,364.5	4,710.7	4,710.7
<b>Total Funding</b>	<b>13,596.7</b>	<b>18,593.8</b>	<b>18,593.8</b>
<b>FTE Positions</b>	<b>104.9</b>	<b>105.9</b>	<b>105.9</b>

◆ **Goal 1** To enhance Arizona's unique environment

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
A net of 50% of air quality monitors demonstrating improvement over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	3.5	30.0	40.0

◆ **Goal 2** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	53.6	20.0	62.7	67.0	70.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	58.3	60.0	70.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	28.2	30.0	40.0
Present Exceptional Event documentation to EPA within 180 days of event. Measured as a cumulative percentage in each fiscal year during the planning horizon.	38.1	50.0	75.0	80.0	85.0
95% of Exceptional Event submittals approved by EPA over 5 years.	100.0	95.0	100.0	100.0	100.0

◆ **Goal 3** To improve the quality of Arizona's air, land and water

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of days per year exceeding National Ambient Air Quality Standards (NAAQS) for Ozone (O3), Carbon Monoxide (CO), or Particulates (PM10).	N/A	N/A	2.7	2.7	2.7
Number of non-attainment areas exceeding national ambient air quality standards.	N/A	N/A	16	17	17

**Subprogram Summary**

VEHICLE EMISSIONS CONTROL

Eric Massey, Air Quality Division Director  
 Phone: (602) 771-2288  
 A.R.S. §§ 49-401 to 49-593

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

This subprogram supports ADEQ's mission by overseeing a contract with a private employer that implements a basic and enhanced emissions inspection program in the Tucson and Phoenix areas respectively to reduce emissions of air pollution from vehicles, thereby reducing concentrations of air pollution in these planning areas. This subprogram also issues permits to companies to inspect their own fleets of vehicles, and performs inspections to ensure compliance with all air pollution plans, statutes, rules, permits and the contract; and takes timely and appropriate action to remedy and prevent noncompliance.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	23,818.9	25,232.3	25,232.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>23,818.9</b>	<b>25,232.3</b>	<b>25,232.3</b>
<b>FTE Positions</b>	<b>26.0</b>	<b>26.0</b>	<b>26.0</b>

◆ **Goal 1** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase the number of vehicles in compliance at the time of emissions inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	7.0	20.0	30.0
Reduce time to make VEI permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	16.2	20.0	40.2	45.0	50.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	30.6	40.0	45.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	8.6	30.0	40.0

**Program Summary**

**WASTE**

Laura Malone, Waste Programs Division Director  
 Phone: (602) 771-4567  
 A.R.S. §§ 49-701 to 49-973

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Waste Program carries out its mission by regulating solid and hazardous waste management and facilities, hazardous waste generators, waste tire management and facilities and underground storage tanks. The program issues permits; conducts inspections; approves closure activities; conducts or oversees remediation of contaminated sites; administers funds; provides grants; and encourages recycling, reuse and other forms of pollution prevention.

**This Program Contains the following Subprograms:**

- ▶ Waste Control and Management
- ▶ Underground Storage Tank
- ▶ Remediation

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,000.0	7,000.0	15,000.0
Other Appropriated Funds	3,165.2	4,367.7	5,284.5
Other Non Appropriated Funds	35,641.3	37,663.9	37,663.9
<b>Total Funding</b>	<b>45,806.5</b>	<b>49,031.6</b>	<b>57,948.4</b>
<b>FTE Positions</b>	<b>192.7</b>	<b>195.7</b>	<b>195.7</b>

**Subprogram Summary**

**WASTE CONTROL AND MANAGEMENT**

Laura Malone, Waste Programs Division Director  
 Phone: (602) 771-4567  
 A.R.S. §§ 49-701 to 49-973

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

This subprogram provides management and administrative services to the program; plans, controls and monitors staff and budgetary expenditures; provides for staff development; develops rules, policies and procedures; provides input on legislative issues; assists in developing agency strategic plans and action plans; develops, implements and monitors workplans; evaluates program effectiveness; oversees delegation agreements with local jurisdictions; implements the state waste tire program; implements the state and federal hazardous waste laws pursuant to delegation from U.S. Environmental Protection Agency (EPA); maintains an inventory of hazardous waste generators, as well as hazardous and solid waste management facilities; reviews applications for licenses, permits and plan approvals, modifications and amendments and takes appropriate action; encourages community involvement; conducts inspections, collects and maintains compliance data, provides compliance assistance and pursues enforcement actions for significant noncompliance for hazardous and solid waste management and facilities and waste tire management facilities; promotes and encourages pollution prevention, reviews and approves pollution prevention plans and reports; advocates for solid waste reduction, reuse, and recycling; and provides grant monies to selected demonstration projects.



<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,165.2	4,345.7	5,262.5
Other Non Appropriated Funds	2,174.5	2,613.2	2,613.2
<b>Total Funding</b>	<b>5,339.7</b>	<b>6,958.9</b>	<b>7,875.7</b>
<b>FTE Positions</b>	<b>68.7</b>	<b>66.6</b>	<b>66.6</b>

◆ **Goal 1** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Reduce time to make permitting decisions by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	25.7	20.0	52.1	60.0	65.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	25.3	35.0	45.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	3.3	12.0	22.0
Reduce the amount of waste per capita sent to landfills by 10% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	N/A	N/A	N/A
<b>Explanation:</b> Because no budget has been appropriated since 2008, the program has been unable to conduct any work in furtherance of this performance measure. This performance measure is proposed to be deleted in FY16.					
Reduce the percentage of natural resource consumption and hazardous waste generation in Pollution Prevention (P2) Program facilities by 20% over 5 years.	0	0	Baseline	5.0	10.0
Triple participation in the voluntary stewardship program over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	0	10	20

**Explanation:** Program has not been deployed.

◆ **Goal 2** To accelerate cleanups

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative)	89.1	88.2	71.5	74.1	77.1

**Explanation:** This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.

Reduce total time until the (brownsfield) property is determined to be available for productive use by 25% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	10.0	45.0	50.0	60.0
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**Subprogram Summary**

**UNDERGROUND STORAGE TANK**

Laura Malone, Waste Programs Division Director  
 Phone: (602) 771-4567  
 A.R.S. §§ 49-1001 to 49-1093

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The subprogram assures the proper operation and maintenance of underground storage tank (UST) systems in the state of Arizona and maintains an inventory of these systems. This program is also responsible for overseeing the cleanup of soil and groundwater contamination from leaking underground storage tanks. In addition, the subprogram provides outreach and compliance assistance to owners and operators of USTs to keep them aware of current compliance requirements. The subprogram responds to complaints regarding UST sites and fully investigates any potential violations of Arizona's underground storage tank laws. The subprogram also administers the State Assurance Fund, which covers costs associated with removal and remediation of leaking underground storage tank sites.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	22.0	22.0
Other Non Appropriated Funds	17,809.6	18,543.7	18,543.7
<b>Total Funding</b>	<b>17,809.6</b>	<b>18,565.7</b>	<b>18,565.7</b>
<b>FTE Positions</b>	<b>65.5</b>	<b>69.7</b>	<b>69.7</b>

◆ **Goal 1** To accelerate clean ups

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reduce total time to implement (begin) final remedy by 30% in UST over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	10.0	24.8	32.8	40.8
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative).	Baseline	88.2	91.9	94.7	97.5
<b>Explanation:</b> This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.					
Reduce time to make permitting decision by 40% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	9.8	20.0	43.1	51.1	59.9

**Subprogram Summary**

REMEDIATION

Laura Malone, Waste Programs Division Director  
 Phone: (602) 771-4567  
 A.R.S. §§ 49-701 to 49-973

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

This subprogram evaluates potentially contaminated sites; reviews plans for and oversees privately-funded clean up activities; investigates and remediates WQARF priority sites using state funds; identifies responsible parties; negotiates settlements with potentially responsible parties; develops evidence and data needed for cost recovery and settlement actions by the Attorney General's Office; provides funding to the Attorney General's Office, Arizona Department of Water Resources, and other governmental and political subdivisions for the purpose of assisting ADEQ with its remediation efforts; oversees remediation of RCRA sites; assists, oversees, and expedites voluntary remediation of contaminated sites; administers the state's Greenfields and Brownfields initiatives; supports Waste Program recruitment, training, data management, strategic planning, budgeting and resolution of cross programmatic issues; and responds to environmental emergencies.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	7,000.0	7,000.0	15,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	15,657.1	16,507.0	16,507.0
<b>Total Funding</b>	<b>22,657.1</b>	<b>23,507.0</b>	<b>31,507.0</b>
<b>FTE Positions</b>	<b>58.5</b>	<b>59.4</b>	<b>59.4</b>

◆ **Goal 1** To accelerate clean ups

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reduce total time to implement (begin) final remedy by 30% in WQARF over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon. <b>Explanation:</b> ADEQ revised methodology to more accurately reflect program outputs.	Baseline	10.0	N/A	10.0	20.0
Reduce document review time in the Voluntary Remediation Program by 30% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon. <b>Explanation:</b> ADEQ revised methodology to more accurately reflect program outputs.	Baseline	10.0	N/A	10.0	18.0
Percent of contaminated sites in Waste Programs Division closed requiring no further action (cumulative) versus known universe of contaminated sites in the Waste Programs Division (cumulative). <b>Explanation:</b> This performance measure was previously calculated as an aggregate of three subprograms' performance. To increase transparency and relevancy, this measure now calculates each subprogram separately.	Baseline	88.2	2.9	5.9	8.9
Improved water quality in 50% of the monitored waters of the state over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0	0	N/A	Baseline	30.0

## Program Summary

### WATER

Mike Fulton, Water Quality Division Director  
 Phone: (602) 771-2303  
 A.R.S. §§ 49-201 to 49-391

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Water Quality Program ensures that regulated water systems deliver safe drinking water to its customers; develops water quality standards; monitors and assesses the quality of surface and groundwater throughout the state; identifies water pollution problems and prepares plans to address them; regulates discharges to surface water and groundwater from wastewater treatment plants, drinking water treatment facilities, mining operations, industrial facilities and stormwater through issuance of permits; investigates complaints and violations of Arizona's water quality laws, rules and permits; and works with federal, state and local partnerships within the state's watersheds to maintain and improve water quality.

**This Program Contains the following Subprograms:**

- ▶ Underground Water Regulation
- ▶ Surface Water Regulation
- ▶ Drinking Water Regulation

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,439.3	12,348.6	12,348.6
Other Non Appropriated Funds	10,738.7	9,989.5	9,989.5
<b>Total Funding</b>	<b>17,177.9</b>	<b>22,338.1</b>	<b>22,338.1</b>
<b>FTE Positions</b>	<b>181.4</b>	<b>173.4</b>	<b>173.4</b>

## Subprogram Summary

### UNDERGROUND WATER REGULATION

Mike Fulton, Water Quality Division Director  
 Phone: (602) 771-2303  
 A.R.S. §§ 49-201 to 49-391

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Underground Water Regulation program protects groundwater which is essential to Arizona's safe drinking water supplies. The Aquifer Protection Permit program is designed to protect groundwater quality in Arizona's aquifers by issuing permits to discharging facilities, conducting compliance inspections of permitted facilities and enforcing permit conditions. This program also registers drywells, issues reclaimed water permits, reviews engineering design plans and issues construction approvals for on-site wastewater treatment facilities and sewage collections systems; and reviews subdivision plans to ensure adequate provision of water, wastewater and refuse services. The Underground Water program also manages the pesticide contamination prevention program for agricultural use pesticides, monitors groundwater basins throughout the state and provides technical assistance to industry and the public.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,851.5	7,142.0	7,142.0
Other Non Appropriated Funds	623.6	291.8	291.8
<b>Total Funding</b>	<b>4,475.1</b>	<b>7,433.8</b>	<b>7,433.8</b>
<b>FTE Positions</b>	<b>52.8</b>	<b>40.6</b>	<b>40.6</b>

◆ **Goal 1** To enhance Arizona's unique environment

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Improved water quality in 50% of the monitored waters of the state over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	N/A	N/A	N/A

◆ **Goal 2** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	52.7	20.0	59.9	70.0	75.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	78.1	80.0	85.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	-25.1	20.0	40.0

**Explanation:** Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies.

<b>Subprogram Summary</b>
SURFACE WATER REGULATION
Mike Fulton, Water Quality Division Director Phone: (602) 771-2303 A.R.S. §§ 49-201 to 49-391

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Surface Water Regulation program protects water quality in Arizona's streams, rivers, lakes and wetlands from both point and nonpoint pollution. Point source discharges include wastewater treatment plants, concentrated animal feeding operations, mining operations, industrial and commercial facilities, and stormwater discharges from construction and industrial sites. Nonpoint source pollution comes from activities including agriculture, forestry, mining and recreation. The Arizona Pollutant Discharge Elimination System (AZPDES) program issues permits to point source discharging facilities, conducts compliance inspections of permitted facilities and enforces permit conditions. The Surface Water Regulation program also develops surface water quality standards; monitors and assesses surface water quality; identifies water pollution problems and develops plans to improve water quality; and finally works with permitted facilities, local stakeholder groups and land management agencies to develop implementation plans to help these impacted waters meet their beneficial uses and attain water quality standards.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,266.8	3,172.4	3,172.4
Other Non Appropriated Funds	5,193.7	5,795.7	5,795.7
<b>Total Funding</b>	<b>7,460.6</b>	<b>8,968.1</b>	<b>8,968.1</b>
<b>FTE Positions</b>	<b>76.1</b>	<b>83.9</b>	<b>83.9</b>

◆ **Goal 1** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	0.8	20.0	-19.7	25.0	50.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	66.3	80.0	85.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	-16.0	20.0	40.0

**Explanation:** Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies.

◆ **Goal 2** To enhance Arizona's unique environment

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Improved water quality in 50% of the monitored waters of the state over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	18.5	25.0	30.0

**Subprogram Summary**

**DRINKING WATER REGULATION**

Mike Fulton, Water Quality Division Director  
 Phone: (602) 771-2303  
 A.R.S. §§ 49-201 to 49-391

**Mission:**

*To protect and enhance public health and the environment in Arizona.*

**Description:**

The Drinking Water Regulation program is federally mandated to ensure regulated public water systems provide safe drinking water to their customers. The program regulates public water systems based on state drinking water rules that are continually updated to conform to federally promulgated regulations. Staff reviews water system construction plans, conducts compliance inspections on drinking water systems, reviews water quality monitoring data, initiates enforcement actions in response to continued or significant noncompliance, and conducts outreach to educate stakeholders on regulatory requirements. The program also evaluates source waters to ascertain their susceptibility to contamination, promotes voluntary community programs aimed at protecting aquifers for drinking water use, and administers the monitoring assistance program to assist public water systems in complying with monitoring requirements under the federal safe drinking water act.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	321.0	2,034.2	2,034.2
Other Non Appropriated Funds	4,921.4	3,902.0	3,902.0
<b>Total Funding</b>	<b>5,242.3</b>	<b>5,936.2</b>	<b>5,936.2</b>
<b>FTE Positions</b>	<b>52.5</b>	<b>48.9</b>	<b>48.9</b>

◆ **Goal 1** To support environmentally responsible economic growth

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reduce time to make permitting decision by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	26.2	20.0	12.6	30.0	50.0
Reduce return to compliance timeframe by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	75.9	80.0	85.0
Increase the number of facilities in compliance at the time of inspection by 50% over 5 years. Measured as a cumulative percentage in each fiscal year during the planning horizon.	Baseline	20.0	-88.2	20.0	30.0

**Explanation:** Standard work and higher quality inspections have initially increased the number of deficiencies identified during inspections. This data will help ADEQ target outreach and tools to prevent deficiencies.



## Agency Summary

### GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY

Carolyn Pitre Wright, Director  
 Phone: (602) 542-4814  
 A.R.S. § 41-101

**Mission:**

*To prepare, revise and administer the State of Arizona Equal Opportunity (EO) Guidelines for equal employment opportunity and economic growth.*

- *To guide State Agency EO planning process and provide technical assistance and training to agency leadership, Equal Opportunity Administrators, and supervisory staff;*
- *To administer a complaint process for current and former State of Arizona employees;*
- *To promote access to State employment, procurement, and boards and commission for minorities and women.*

**Description:**

The Governor's Office of Equal Opportunity (GOEO) provides information and technical assistance to state agencies to ensure non-discrimination and equal opportunity access to employment, state contracts, and appointments. The GOEO assists state agencies/divisions in promoting equal opportunity in employment, appointments, and procurement practices conducted on behalf of the state.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	188.4	188.6	188.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.2	0.2
<b>Total Funding</b>	<b>188.4</b>	<b>188.8</b>	<b>188.8</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

## 5 Year Plan

**Issue 1** Attract and retain a highly engaged workforce

**Description**

**Solutions:**

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To ensure state agencies comply with Equal Employment Opportunity laws, regulations and policies; and to assist other non-state government entities with related Information and Referral Services

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of state agency Equal Employment Opportunity plans submitted.	105	105	105	105	105
Number of state agencies assisted in the preparation of agency-level Equal Employment Opportunity Plans, and in efforts to reach workforce parity	90	90	90	90	90
Number of calls answered providing information and assistance regarding Equal Opportunity rules and regulations	140	150	150	150	150

- ◆ **Goal 2** To avoid/reduce the State's exposure to employment related disputes and lawsuits through training of State Equal Opportunity Administrators and administrative managers and supervisors; and coordination with Equal Employment Opportunity Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of training classes provided	3	5	5	5	5
Total training hours provided to state employees	140	150	150	150	150
Number of EEOC charge notices received and monitored for organizational trends and follow-up.	54	60	60	60	60

- ◆ **Goal 3** To achieve and maintain a culturally diverse state government workforce and ensure diverse representation on state Boards and Commissions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of community organizations contacted by the Governor's Office for Equal Opportunity to help facilitate the dissemination of information regarding employment opportunities	50	200	200	200	200
Number of community organizations contacted by GOEO to help facilitate the dissemination of information regarding positions on State Boards and Commissions	50	130	130	130	130
Contact with tribes, tribal members and off-reservation native Americans regarding employment, appointment and procurement opportunities with the state	10	250	250	250	250

- ◆ **Goal 4** To enhance the growth and development of minority and women-owned business enterprises.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of minority/women-owned businesses contacted and provided with information regarding state contracting opportunities	0	200	200	200	200
Number of minority/women-owned businesses referred to DOA procurement	0	130	130	130	130

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◆ **Goal 5** To provide alternative dispute resolution services to state agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of presentations concerning mediation services	0	2	2	2	2
Number of mediation sessions conducted as a result of Governors Office of Equal Opportunity	0	4	4	4	4

## Agency Summary

### STATE BOARD OF EQUALIZATION

George Shook, Chairperson  
 Phone: (602) 364-1601  
 A.R.S. §§ 42-16151 et al.

**Mission:**

*To provide an independent appeal process for taxpayers, the county assessors, and the Department of Revenue in disputes relating to the valuation and classification of property for ad valorem tax purposes.*

**Description:**

The State Board of Equalization (SBOE) is comprised of forty-one members, twenty-one appointed by the Governor, including the Chairman, and ten members from both Maricopa and Pima counties appointed by the Boards of Supervisors. The Board's jurisdiction is primarily over locally assessed real and personal property in Maricopa and Pima counties. Under A.R.S. §§ 42-14001 et al, the Board's authority extends to centrally assessed property statewide. The State Board of Equalization also can provide hearing officer services for outlying counties. Currently, the SBOE provides services to Mohave, Pinal, Santa Cruz and Yavapai counties. The Board, formerly Division I of the State Board of Tax Appeals, was created on August 1, 1995 through a consolidation of the property valuation and classification appeals process.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	520.4	641.8	641.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>520.4</b>	<b>641.8</b>	<b>641.8</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

- ◆ **Goal 1** To maintain sufficient funding in order for the State Board of Equalization to be prepared for annual changes in caseloads. This will also ensure that the SBOE is able to adequately staff all hearings in Maricopa and Pima Counties and meet statutory deadlines.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Cost per appeal (in dollars)	60.98	71.95	117.74	74.10	74.10

**Explanation:** Statutory increase in member compensation.

Appeals received	8,173	8,750	5,430	8,658	8,658
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**Explanation:** Petitions received by the SBOE may contain multiple parcels.

- ◆ **Goal 2** To reduce the cost attributed to petitions and hearings.
- ◆ **Goal 3** To enhance the Board's computer system to handle the greatly increased caseloads and computerize tasks that are still done manually. To continue the growth in electronic filing and transmit a statement of changes made to the valuation of any property in Maricopa or Pima County. In addition, expand our electronic capabilities to include the "client" counties (currently, La Paz, Mohave, Pinal, and Yavapai Counties).
- ◆ **Goal 4** To update and obtain necessary approvals of the State Board of Equalization's Rules

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- ◆ **Goal 5** To obtain legislation that will reduce the number of unnecessary appeals by, among other things, encouraging resolution of disputes at the assessor level, to ensure taxpayers will receive competent representation by tax agents and to ensure prompt, thorough and fair treatment of taxpayers by the Board by obtaining adequate resources and conducting expanded Board member training.

### Agency Summary

#### BOARD OF EXECUTIVE CLEMENCY

Brian Livingston, Chairman/Executive Director  
Phone: (602) 542-5656  
A.R.S. §§ 31-401 et. seq.

#### Mission:

*To ensure public safety by considering and granting parole, work furlough, home arrest, and absolute discharge to inmates certified eligible by the Department of Corrections and who appear not to pose a threat to society, and by recommending to the Governor only those executive clemency actions which are in the best interest and safety of the citizens of Arizona.*

#### Description:

Each month the Board conducts parole hearings for inmates who have committed offenses prior to January 1994. Hearings include consideration for home arrest, work furlough, parole release, absolute discharge, rescission, modification, revocation (of both parole and community supervision), and absolute discharge from parole supervision. The Board also conducts clemency hearings which include commutation, pardon, and reprieve.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	824.7	958.6	1,026.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>824.7</b>	<b>958.6</b>	<b>1,026.6</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>13.0</b>	<b>14.0</b>

## Agency Summary

### EXPOSITION AND STATE FAIR BOARD

Don West, Executive Director  
 Phone: (602) 252-6771  
 A.R.S. § 3-1001

**Mission:**

*To provide unlimited opportunity to celebrate Arizona's heritage, youth, industry, traditions, and future by bringing the entire community together.*

**Description:**

The Arizona Exposition and State Fair (AESF) is a 96-acre entertainment facility that showcases a variety of events, including one of the preeminent state fairs in the country. The AESF, which owns the property and buildings it occupies, rents its facilities to a variety of tenants and promoters, such as the Arizona National Livestock Show and the Maricopa County Fair. The AESF provides a location to showcase industry, agriculture, education, and entertainment for the enjoyment of Arizona citizens.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ INTERIM EVENTS	5,141.0	4,715.3	4,715.3
➤ STATE FAIR	6,410.8	6,905.5	6,905.5
<b>Agency Total:</b>	<b>11,551.8</b>	<b>11,620.8</b>	<b>11,620.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,551.8	11,620.8	11,620.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>11,551.8</b>	<b>11,620.8</b>	<b>11,620.8</b>
<b>FTE Positions</b>	<b>184.0</b>	<b>184.0</b>	<b>184.0</b>

## 5 Year Plan

**Issue 1** Funding facility improvements

**Description** Given a large, aging facility, the Arizona Exposition and State Fair (AESF) must constantly perform building renewal and capital improvement projects on the Fairgrounds in order to maintain functionality, keep it viable for rental, and ensure the safety of the visiting public. AESF has 26 structures and approximately 80 acres of parking lot/grounds to maintain, covering a total of 96 acres.

**Solutions:**

AESF plans to tackle large projects in a multi-phase method, as it can afford over the next five years. Projects will be prioritized by health, safety and welfare of guests, stakeholders and employees, then by business operational needs. AESF contracts with ADOA’s General Services Division for large project management. Projects will then be broken into phases based on financial resources available and the greatest priority within each project on a case-by-case basis. AESF’s capital maintenance and improvement plan’s execution is contingent upon available funds and sufficient appropriation.

**Issue 2** Improve the Fair’s product

**Description** Given a land-locked location at 19th Avenue between Grand, McDowell, Encanto and 19th Avenue, the Arizona State Fair (ASF) is limited in ways it can expand its current operations to offer more entertainment and better entertainment to our customers. As a self-funded state agency, and to ensure future operation, the Fair must continue to innovate to maintain the existing customer base, as well as appeal to a new generation of Arizonans to add them as new customers. Innovation at the current location requires investment in the Fair product.

**Solutions:**

The most effective way to currently grow the Fair’s offerings is to increase revenues so ASF can afford better quality entertainment and more entertainment overall. The strategy to increase Fair revenues involves increasing overall attendance, which has a positive effect on parking, gate admissions, food percentage, and ride revenue streams. AESF intends to increase attendance by attracting new visitors, increasing repeat visits with current guests, creating attractive promotions, and offering exciting entertainment options. In addition, ASF plans to continue to identify new revenue streams and partner with local businesses in sponsorship and vendor opportunities.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	184.0	184.0	184.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	13,000.0	13,500.0	14,000.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0



**Program Summary**

**INTERIM EVENTS**

Wanell Costello, Deputy Director  
 Phone: (602) 252-6771  
 A.R.S. §§ 3-1001 to 3-1013, 5-113

**Mission:**

*To maximize incremental income during the non-fair period by providing quality facilities and services.*

**Description:**

The Arizona Exposition and State Fair provides rental opportunities during the non-fair period for events such as antique markets, gun shows, livestock shows, youth activities, sporting events, and community activities.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,141.0	4,715.3	4,715.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>5,141.0</b>	<b>4,715.3</b>	<b>4,715.3</b>
<b>FTE Positions</b>	<b>71.8</b>	<b>71.8</b>	<b>71.8</b>

◆ **Goal 1** To increase the number of non-fair rental days.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Non-fair rental days over previous year	-33	5	23	5	5
New promoters requesting space	10	5	6	5	5
Repeat promoters annually	22	25	23	25	25

◆ **Goal 2** To maximize the use of existing parking space.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Parking lot rentals	80	81	13	10	10
New strategic partners renting parking lots	1	1	0	1	1

**Program Summary**

STATE FAIR

Wanell Costello, Special Projects Manager  
 Phone: (602) 252-6771  
 A.R.S. §§ 3-1003 to 3-1013, 11-258

**Mission:**

*To produce the preeminent state fair in the country, showcasing industry, business, entertainment, and agriculture.*

**Description:**

AESF produces the annual Arizona State Fair which brings together a wide range of participants representing industry, business, and agriculture. The Fair showcases a variety of activities including agriculture, 4-H, and educational and community exhibits. The Fair also features entertainment such as motorized events, rodeos, midway rides, attractions, community groups, and national entertainers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,410.8	6,905.5	6,905.5
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>6,410.8</b>	<b>6,905.5</b>	<b>6,905.5</b>
<b>FTE Positions</b>	<b>112.2</b>	<b>112.2</b>	<b>112.2</b>

◆ **Goal 1** To develop partnerships with business, industry, community, and volunteer groups.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New partners acquired	30	20	17	25	30
Exhibit space used by partners for business showcase (square feet)	99,400	75,000	80,000	80,000	85,000

◆ **Goal 2** To maximize all fair revenue sources.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New revenue streams identified	3	1	4	7	5
New revenue received from alternative sources (in dollars)	48,000	20,000	99,476	20,000	20,000

◆ **Goal 3** To increase midweek fair attendance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase Wednesday attendance	(2663)	10,000	24,014	10,000	10,000
Fair attendance (in thousands)	1,154.3	1,175	1,178.5	1,175	1,175

◆ **Goal 4** To maximize the satisfaction of fair guests.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of guest service contacts	234	246	346	355	365
Improvements implemented	31	34	23	28	25

## Agency Summary

### STATE DEPARTMENT OF FINANCIAL INSTITUTIONS

Lauren W. Kingry, Superintendent of Financial Institutions

Phone: (602) 771-2800

A.R.S. §§ 6-110 et. seq.

**Mission:**

*To license, examine, and supervise Financial Institutions, in compliance with State law, to ensure safety for the Arizona consumer and soundness for the Arizona business.*

**Description:**

The Department licenses, supervises, and regulates state-chartered financial institutions and enterprises to ensure the safety and soundness of these financial entities, and verify compliance with state and federal laws. The Department also investigates complaints that are filed by consumers against licensed individuals and entities and directs appropriate remedial action if the violations are substantiated.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ OFFICE OF SUPERVISION	3,216.7	3,777.3	4,544.8
➤ OFFICE OF REGULATORY AFFAIRS	1,562.7	1,542.6	1,703.1
➤ RECEIVERSHIPS	645.5	948.0	74.0
<b>Agency Total:</b>	<b>5,424.9</b>	<b>6,267.9</b>	<b>6,321.9</b>

  

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	3,011.2	3,020.2	3,982.5
Other Appropriated Funds	882.5	1,247.4	1,213.1
Other Non Appropriated Funds	1,531.2	2,000.3	1,126.3
<b>Total Funding</b>	<b>5,424.9</b>	<b>6,267.9</b>	<b>6,321.9</b>

  

<b>FTE Positions</b>	<b>59.1</b>	<b>61.1</b>	<b>61.7</b>
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**Issue 1** Modernize the Agency’s Information Technology system for efficiency, accuracy, while providing the confidentiality required in the Financial Industry.

**Description** The Agency is currently dependent on a database that has been in use since 1996. The system is slow, antiquated and generally behind the technology used by all licensed industries for DFI. Licensing records are maintained in a hardcopy format. Due to the system weaknesses, current work practices involve many undocumented “shadow” systems for tracking work items and creating reports. The current system does not support efficient processes or allow for web based applications.

**Solutions:**

- 1.1 Document, standardize, and streamline work processes throughout the Agency.
- 1.2 Purchase and implement an information management system.
- 1.3 Implement an e-Licensing system.
- 1.4 Establish web based services where applicable.

**Issue 2** Meeting the requirements to conduct statutory examinations of Banks, Credit Unions, and Non-Depository Licensees.

**Description** The Department continues to face appropriated funding shortfalls, based on the resources required to perform the number of examinations and other regulatory activities required by Arizona statutes. DFI’s revenue streams come exclusively from Arizona financial industry sources (i.e., licensing, examination, and annual assessments). The revenue generated from banks, credit unions, and licensees' fees and assessments should be used to underwrite the Department's operations. The intensifying complexities of the licensed industries and the increasing number of licensees have significantly out-paced funds provided to DFI for coverage of required examinations.

**Solutions:**

- 2.1 The Agency will continue to pursue the self-funding structure to provide a better resource allocation structure.
- 2.2 Continue to establish efficiencies and conduct limited scope or electronic examinations to the extent possible.
- 2.3 Continue to supplement the examiner staff, by utilizing qualified contractors to augment examination teams.

**Issue 3** Retaining, attracting, educating and retaining qualified and key Agency personnel.

**Description** The Agency has been unsuccessful in its past efforts to obtain additional funding to provide examiners and other key personnel, promotional opportunities and more competitive salaries. In addition, although ongoing professional development is necessary for DFI staff to support the financial industry, lack of funding for affordable training has prevented DFI staff from timely and effective training programs to advance their knowledge base and career path. Examiner turnover causes inefficiencies and can reduce DFI effectiveness, but experienced examiners are easily recruited elsewhere with higher salaries. Retention of trained and experienced examiners is essential to the overall effectiveness of the Department's examination and supervisory responsibilities. With properly trained personnel, efficiencies can be met, employee satisfaction improves, and attracting replacement staff is more successful.

**Solutions:**

- 3.1 The Agency will seek funding for all promotional opportunities when earned.
- 3.2 Provide tiered career laddering in all departments within the Agency.
- 3.3 Pursue all appropriate training strategies within budget confines.
- 3.4 Develop and implement all aspects of the Performance Management and Compensation Pay Systems.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	64.7	68.7	72.7
<b>General Fund</b>	4,132.5	4,282.5	4,432.5
<b>Other Appropriated Funds</b>	1,363.1	1,513.1	1,663.1
<b>Non-Appropriated Funds</b>	1,086.3	1,086.3	1,086.3
<b>Federal Funds</b>	0.0	0.0	0.0

### Program Summary

OFFICE OF SUPERVISION

Lauren W. Kingry, Superintendent of Financial Institutions

Phone: (602) 771-2800

A.R.S. §§ 6-101 et. seq.

#### Mission:

*To provide a regulatory program that fosters efficient, safe, sound, and lawful operations of state-regulated financial institutions and enterprises.*

#### Description:

This area is primarily responsible for administering the general program of examination, supervision, and financial analysis of over 11,000 licensees (including over 7,800 loan originators) spread among 18 different types of regulated entities. Responsibilities include conducting examinations (pursuant to statutory requirements), reporting results of examinations, and taking appropriate formal or informal regulatory enforcement action where necessary.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,993.8	2,053.8	2,895.3
Other Appropriated Funds	323.4	647.9	573.9
Other Non Appropriated Funds	899.5	1,075.6	1,075.6
<b>Total Funding</b>	<b>3,216.7</b>	<b>3,777.3</b>	<b>4,544.8</b>
<b>FTE Positions</b>	<b>36.3</b>	<b>38.3</b>	<b>38.3</b>

- ◆ **Goal 1** To conduct a professional, efficient and effective examination program, meeting statutory requirements and ensuring licensees operate in a safe and sound manner and comply with all applicable laws.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of licensees scheduled to be examined annually that are examined	100	100	100	100	100
Percent of licensees scheduled to be examined biannually that are examined	71	50	75	75	75
Percent of licensees scheduled to be examined every third year that are examined	23	20	31	55	15
Percent of licensees scheduled to be examined every fourth year that are examined	0	0	24	25	25
<b>Explanation:</b> New measure added for FY 2014.					
Percent of licensees scheduled to be examined every fifth year that are examined	12	10	25	20	20
Percent of licensees examined with no examination schedule requirement	2.1	2.0	1.5	2.0	2.0
Percent of examinations receiving a satisfactory composite rating	69	80	86	80	80

- ◆ **Goal 2** To respond in a timely manner and take appropriate remedial and/or enforcement action to resolve supervisory concerns and protect the public from illegal conduct by licensees.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Supervisory actions taken based on examination findings	32	35	63	65	70
Formal/informal supervisory actions taken	99	105	110	115	120

- ◆ **Goal 3** To improve relations with licensees through the examination process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of examination reports mailed within 25 days of completion of all examination procedures	87	90	87	85	85
Percent of licensees indicating they receive good or better service from the Department	96	98	100	98	98

**Program Summary**

OFFICE OF REGULATORY AFFAIRS

Lauren W. Kingry, Superintendent of Financial Institutions  
 Phone: (602) 771-2800  
 A.R.S. §§ 6-101 et. seq.

**Mission:**

*To ensure qualified entities are licensed in accordance with statute and to promote high standards of compliance, quality, and ethical behavior among entities licensed by the Department.*

**Description:**

The primary function of this area is to license entities to conduct business in this State based on statutory requirements. In addition, the program receives and investigates complaints against licensees and issues administrative orders to those found who have violated statutes or administrative code. Regulatory Affairs is also charged with educating consumers, licensees, and other government agencies on statutory provisions relating to state-regulated financial entities. The program is divided among two units: Licensing and Consumer Affairs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,003.6	943.1	1,063.9
Other Appropriated Funds	559.1	599.5	639.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,562.7</b>	<b>1,542.6</b>	<b>1,703.1</b>
<b>FTE Positions</b>	<b>22.3</b>	<b>22.3</b>	<b>22.9</b>

- ◆ **Goal 1** To administer a licensing program that ensures licenses/permits are only granted to competent professionals who meet the criteria set by statute for each license type.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Applications processed (home office and branch)	3,864	3,500	3,440	3,375	3,425
Total applications processed (including renewals)	11,500	14,300	12,661	14,275	15,975
Licenses/renewals issued	11,164	14,300	12,551	14,275	15,975

◆ **Goal 2** To implement and administer a new licensing program to license all mortgage loan originators, effective July 1, 2010.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of licensed loan originators	6,925	8,825	7,572	9,200	10,800
Total number of all licensees	9,952	11,925	10,697	12,450	14,175

◆ **Goal 3** To expedite licensing of qualified applicants in accordance with licensing time frames approved by the Governor's Regulatory Review Council and Title 20 of the Arizona Administrative Code, while maintaining applicant satisfaction levels.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days from receipt to approval of license applications (Excluding Banks and Credit Unions)	6	8	8	8	9
Average days from receipt to approval of license applications (Excluding Banks, Credit Unions & Loan Originators)	25	30	30	30	35
Average days from receipt to approval of Loan Originator license applications.	3	4	4	4	4
Percent of license applications approved within 45 days of receipt (excluding Banks and Credit Unions)	98	95	97	95	95
Percent of surveyed applicants who respond they received 'good' or better overall service	97	95	99	95	95

◆ **Goal 4** To receive and investigate consumer complaints/unlicensed activity and resolve disputes in a prompt and professional manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of calendar days from receipt to resolution of regular complaint	68	75	29	50	50
Regular complaints filed	489	650	531	550	575
Complaints received and forwarded	179	200	192	200	200
Complaints closed (reg and forwarded)	896	900	685	700	725
Unlicensed activity identified	300	200	248	150	150
Percent of complainants indicating they receive good or better overall service from the Department	79	75	70	75	75

**Program Summary**

**RECEIVERSHIPS**

Lauren W. Kingry, Superintendent of Financial Institutions  
 Phone: (602) 771-2800  
 A.R.S. §§ 6-101 et. seq.

**Mission:**

*To administer and ultimately liquidate all court ordered receiverships in a professional and effective manner.*

**Description:**

This area is responsible for the management, orderly liquidation, and closure of all receiverships where the Superintendent of Financial Institutions has been named by the Court as Receiver.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	13.8	23.3	23.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	631.7	924.7	50.7
<b>Total Funding</b>	<b>645.5</b>	<b>948.0</b>	<b>74.0</b>
<b>FTE Positions</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

◆ **Goal 1** To promptly marshal and liquidate the assets of assigned receiverships.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Open receiverships (at any point in fiscal year)	1	1	1	1	0
Receiverships closed in period	0	1	0	1	0

◆ **Goal 2** To expedite the closure of all assigned receiverships while maximizing the recovery dollars for injured parties.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Close 'Landmarc Capital' receivership	0	1	0	1	N/A

**Explanation:** Receivership action against Landmarc Capital commenced in June 2009



### Agency Summary

#### BOARD OF FINGERPRINTING

Dennis Seavers, Executive Director  
Phone: (602) 265-0135  
A.R.S. § 41-619.52

#### Mission:

*To fairly, expeditiously, and responsibly determine good cause exceptions and central registry exceptions.*

#### Description:

The Arizona Board of Fingerprinting evaluates good cause exceptions for people who require a fingerprint clearance card and whose fingerprint clearance card has been denied or suspended by the Department of Public Safety. The Board also determines central registry exceptions for individuals who fail to clear a background check.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	508.0	571.9	571.9
<b>Total Funding</b>	<b>508.0</b>	<b>571.9</b>	<b>571.9</b>
<b>FTE Positions</b>	<b>5.8</b>	<b>5.8</b>	<b>5.8</b>

**Issue 1** Timeliness and statutory time frames

**Description** The Board's statutes require portions of the application process to be completed within specific time frames. A.R.S. § 41-619.55 requires the Board to comply with the following time frames.

- 20 days from receipt of application (which is defined in A.A.C. R13-11-104) to expedited review (which is the initial review by the Board of the application without the applicant being present)
- 45 days from expedited review to administrative hearing
- 80 days from administrative hearing to Board decision

Due to the economic decline in recent years, the Legislature swept funds from the Board to help cope with the state's budget deficit. As a result, the Board conducted a reduction in force in 2010 that affected the Board's ability to comply with the statutory time frames. In FYs 2013 and 2014, the Board took steps to return to full or nearly full statutory compliance.

In upcoming fiscal years, the Board will continue to take steps to reduce the time for processing applications and achieve full statutory compliance. Reducing processing time will help return eligible applicants to work more quickly.

**Solutions:**

- Database improvements to reduce the amount of time spent entering data
- Cross-training hearing officers to help cover the investigator's caseload during high-caseload periods
- Scheduling hearings more frequently to decrease applicant wait time

**Issue 2** Improve e-government services

**Description** Government agencies have increasingly used new technology to improve the accessibility and ease of use of government services. Although there are some obstacles unique to the Board—for example, it receives documents from numerous agencies, especially in rural areas, that still rely on paper—the Board nonetheless believes that opportunities exist for electronic services.

The Board believes that improving e-government services is necessary not just for the purpose of keeping up with dominant business-process trends but also to increase accessibility to applicants. The Board does not have the resources to establish field offices or to travel extensively, but some applicants live far from Phoenix and would benefit from the ability to attend meetings and hearings by videoconference. Expanding these services would limit the disproportionate impact on applicants who live far from Phoenix.

**Solutions:**

- Identify security and legal issues and, as necessary, receive ASET approval
- Approve funding in budgets for fiscal years 2016 and 2017

**Issue 3** Review of statutes

**Description** A.R.S. §§ 41-1758.03 and 41-1758.07 identify the crimes that require the Department of Public Safety to deny or suspend a fingerprint clearance card. These lists of crimes were developed and modified primarily through collaboration among several state agencies: the Board, the Department of Public Safety, and the agencies that require fingerprint clearance cards. On occasion, these agencies have reviewed the lists to identify new needs and changes to the criminal code and have requested legislative changes and to identify areas where the statutes are not working well.

In 2012, the Legislature established a new function at the Board—central-registry exceptions. In 2013, the Legislature added new programs to the system of using Central Registry background checks. Since the central-registry exception is a relatively new function, it may be necessary to modify statutes after the application process has been in place

**Solutions:**

- Hold regular meetings of stakeholders to discuss the appropriate statutes

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	5.8	5.8	5.8
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	572,000.0	572,000.0	572,000.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To make fair and consistent determinations on good-cause-exception applications.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of investigator recommendations for expedited reviews accepted.	98.39	96	99.12	96	96
Percent of applications approved.	97.16	96	97.69	96	96
<b>Explanation:</b> Excludes applications that are closed administratively.					
Percent of approvals by expedited review.	95.76	95	95.35	95	95
Percent of approvals by administrative hearing.	4.24	5	4.65	5	5

- ◆ **Goal 2** To provide applicants with timely decisions on their good-cause-exception applications.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of good-cause-exception applications received.	2644	2600	2,697	2,600	2,600
Number of applications disposed.	2611	2600	2,715	2,600	2,600
Ratio of cases opened to cases closed.	1:99	1:1	1:1.01	1:1	1:1
Average number of days to dispose.	32.6	30	33.5	30.0	30.0
Average number of days spent processing application.	20.49	20	19.73	20	20
Average number of days spent processing application from receipt to expedited review.	12.59	12	12.83	12	12
Percent of applications that undergo an expedited review within 20 days (processing time).	99.96	100	99.96	100	100
Average days from expedited review to hearing.	37.89	35	34.54	34	34
Percent of applications heard within 60 days of expedited review.	100	100	100	100	100
Percent of applications decided within 80 days of hearing.	63.52	100	97.66	100	100

- ◆ **Goal 3** To develop fair and comprehensible rules, policies, and procedures for determining good cause exceptions.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of applications complete on initial submission.	82.17	85	79.61	85	85

## Agency Summary

### DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

Gene Palma, Director  
 Phone: (602) 364-1003  
 A.R.S. § 41-2141

**Mission:**

*To provide consumer protection and public safety by maintaining and enforcing standards of quality and safety for manufactured/mobile homes, factory-built buildings, and by reducing hazards to life and property through enforcement of the State Fire Code.*

**Description:**

The Department of Fire, Building and Life Safety enforces safety standards for public buildings, manufactured homes, mobile homes, and factory-built buildings. The Department is comprised of the Office of Manufactured Housing and the State Fire Marshal.

The Office of Manufactured Housing licenses and regulates the production and ownership of manufactured housing; administers funds paid by manufacturers, mobile home park owners and residents; and administers funds reserved for claims filed against the payers or for involuntary relocation. Additionally, it acts on behalf of the Federal Department of Housing and Urban Development in the implementation and enforcement of regulations regarding manufactured and mobile homes in Arizona.

The State Fire Marshal enforces the State Fire Code through the inspections of schools and public buildings and enforces the Fire Safety Complaint Cigarettes and Fireworks Sales laws.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	357.7	704.8	704.8
➤ MANUFACTURED HOUSING	1,477.9	1,368.2	1,368.2
➤ STATE FIRE MARSHAL	919.5	665.8	665.8
<b>Agency Total:</b>	<b>2,755.1</b>	<b>2,738.8</b>	<b>2,738.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,945.2	2,205.3	2,205.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	809.9	707.7	707.7
<b>Total Funding</b>	<b>2,755.1</b>	<b>2,913.0</b>	<b>2,913.0</b>
<b>FTE Positions</b>	<b>20.0</b>	<b>28.0</b>	<b>28.0</b>

**Issue 1** Develop and implement an Employee Enhancement System

**Description** The Department of Fire, Building and Life Safety (“Department”) is statutorily responsible for many public safety issues including but not limited to life, fire and building safety. In 2010, the Department endured a large budget cut causing a vast decrease in staff without reducing the Department’s statutory responsibilities. Because this Department is responsible for public and consumer safety, the importance of building and maintaining a strong group of employees is emphasized. Training and experience is vital to the successful operation of the Department. Therefore, developing and maintaining a system to hire, train, and retain committed employees is a strategic management priority. As a significant portion organizational knowledge and experience advances toward retirement age, systems must be in place to create a dependable and capable succession planning process.

**Solutions:**

- 1.Support a culture of leadership and continuous learning.
  - a.Identify tools and processes to define the competencies that the Department must develop and retain to ensure that the Department has the right skills it needs to meet organizational goals.
  - b.Conduct an annual training assessment to ensure there is training in place, designed to improve organizational and individual performance.
  - c.Develop a leadership succession plan that includes a leadership gap analysis.
  - d.Pilot the implementation of at least one knowledge management tool to support knowledge sharing across the Department.
- 2.Sustain a productive workforce and achieve results by recognizing performance in an environment in which all employees are encouraged to contribute.
  - a.Develop, in conjunction with the new personnel reform policies, a performance management system and ward program using a new performance evaluation method. (MAPS).
  - b.Design, test and implement at least one reward based program which will encourage employees to share ideas that with further and strengthen the agency’s mission and vision.
- 3.Maximize employee talent through recruitment, outreach, hiring and retention.
  - a.Conduct a formal review of the Departments orientation process and develop and implement a plan to streamline and improve employee on-boarding.
  - b.Review the classification and qualification standards for mission critical positions within the Department.
  - c.Provide ongoing human resource training to administration personnel to build experience and knowledge within the statewide HRIS and MAPS system.
- 4.Evaluate and monitor results relating to the MAPS and the Department’s management policies, practices, and programs.
  - a.The Department will work to develop an employee accountability system in line with the HRIS personnel rules.
  - b.The Department will proactively engage external customers in the analysis of our workforce and ID weaknesses and will address concerns

**Issue 2** Use technology to streamline and improve efficiency and effectiveness of the Department

**Description** Use of technology such as tablets and databases, can improve the Department’s effectiveness and streamline processes such as issuing permits, for inspections. It will allow employees to maximize their time while out in the field also, and ensure fast delivery time to customers.

**Solutions:**

- 1.Complete development and implementation of new OMH & OFM databases.
  - a.Complete design of forms and databases
  - b.Test and evaluate modules in real world test environment.
  - c.Implement transition to new databases & forms

**Issue 3** Deliver excellent customer service to customers

**Description** Customer service is an important part of every section of the Department of Fire, Building & Life Safety. Our employees deliver services to state agencies, municipal and county governments, Dealers, Installers, and Manufacturers.

**Solutions:**

1. Strengthen customer service survey process to include all division touch points related to customer service.
  - a. Develop and complete a meaningful survey of customers on an annual basis that measures customer satisfaction.
  - b. Use survey to establish baseline and continual improvement annually.
2. Improve the Department's website so there is more transparency and easier access of information for customers.
  - a. Ensure information created by the office is posted timely and in a manner easily understood by the general public.
  - b. Improve the design of the website in general, and ease of access.

**Resource Assumptions**

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	31.0	32.0	33.0
<b>General Fund</b>	2,465.6	2,756.5	3,081.7
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	608.6	521.0	446.0
<b>Federal Funds</b>	342.5	387.8	438.9

Program Summary	
ADMINISTRATION	
MaryAnn Knight, Deputy Director Administration	
Phone: (602) 364-1003	
A.R.S. § 41-2171 to 41-2196	

**Mission:**

*To provide administrative services necessary to support the operations of the Office of Manufactured Housing and the Office of the State Fire Marshal.*

**Description:**

The purpose of the Office of Administration is to provide the administrative services necessary to facilitate the operation of the Office of Manufactured Housing and the Office of the State Fire Marshal, including procedures to ensure compliance with laws and rules relating to the offices.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	223.1	617.5	617.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	134.6	87.3	87.3
<b>Total Funding</b>	<b>357.7</b>	<b>704.8</b>	<b>704.8</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

◆ **Goal 1** To be responsive and accurate in response to internal and external requests for administrative services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Relocation forms received	22	100	41	265	265
Relocation claims paid	10	95	39	250	250
Customer satisfaction rating (Scale 1-5)	0	0	0	0	0

**Program Summary**

**MANUFACTURED HOUSING**

Debra Blake, Deputy Director of OMH  
 Phone: (602) 364-1003  
 A.R.S. § 41-2151 to 41-2157

**Mission:**

*To protect the public while maintaining and enforcing standards of quality and safety.*

**Description:**

The purpose of the Office of Manufactured Housing is to maintain standards of quality and safety for manufactured/mobile homes, and accessory structures and factory-built buildings. The standards are maintained by ensuring that the responsibilities for the Office of Manufactured Housing are conducted consistently with minimum standards of the U.S. Department of Housing and Urban Development so as to be designated the "state inspector" for manufactured homes and related industries. The Office implements all existing laws and regulations mandated by the federal government, its agencies and the State for such purposes.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	881.1	819.7	819.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	596.8	548.5	548.5
<b>Total Funding</b>	<b>1,477.9</b>	<b>1,368.2</b>	<b>1,368.2</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

◆ **Goal 1** To rapidly and accurately investigate alleged illegal conduct within the manufactured housing industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of licenses revoked or suspended	38	38	43	43	43
Total investigations conducted	650	350	364	364	364
Percent of licensees with disciplinary action	12	12	22	22	22
Average calendar days per investigation from start to final adjudication	45	45	30	30	30
Percent of investigations resulting in convictions	0	0	30	30	30
Percent of investigations resulting in disciplinary enforcement action	39	39	30	30	30
Trust account audits	72	72	89	89	89
Background investigations	260	260	225	225	225
Cease and desist orders issued	17	17	38	38	38
Administrative hearings held	2	5	13	13	13
Citations and complaints issued	145	145	114	114	114

◆ **Goal 2** To expedite licensing of qualified applicants.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days from receipt of complete application to granting of license	2	2	2	2	2
Licenses issued	194	194	214	214	214
Renewals issued	765	765	769	769	769
Total individuals or facilities licensed	1,190	1,190	1,177	1,177	1,177
Tests administered	34	34	71	71	71

◆ **Goal 3** To ensure safe products for consumers of manufactured/mobile homes and factory-built buildings.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of complaints closed vs. complaints filed	77	85	87	87	87

**Explanation:** Lower percentages due to change in definition and process

**Program Summary**

STATE FIRE MARSHAL

Robert Barger, State Fire Marshal  
Phone: (602) 364-1003  
A.R.S. § 41-2161 to 41-2169

**Mission:**

*To protect the public while reducing hazards to life and property through enforcement of the State Fire Code.*

**Description:**

The Office of the State Fire Marshal establishes a regularly scheduled fire safety inspection program for state and county owned buildings, public and private schools and other occupancies, as well as the review of plans and specifications for construction or remodeling.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	841.0	593.9	593.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	78.5	71.9	71.9
<b>Total Funding</b>	<b>919.5</b>	<b>665.8</b>	<b>665.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>7.0</b>	<b>7.0</b>

◆ **Goal 1** To increase life safety and property conservation through fire code enforcement.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of enforcement inspections for new construction	886	1,450	776	1,000	1,250
Scheduled - State, County, DOC, school buildings inspections	424	600	1081	1000	1000

◆ **Goal 2** To ensure public safety by the review of plans for construction, and issuing permits for the installation or removal of underground flammable liquid storage tanks under Arizona Department of Environmental Quality requirements..

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total tank inspections	103	200	98	120	120

**Explanation:** OFM will be required to increase inspections

Average number of days from receipt of plan submittal to initial plan review	40	40	32	40	40
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**Explanation:** An increase in turnaround time is expected.

◆ **Goal 3** To reduce hazards to life and property through firefighter training.(As of 2010, the Department no longer offers firefighter training, this performance measure cannot be deleted however due to an issue with the database.)



## Agency Summary

STATE FORESTER

Scott Hunt, State Forester  
 Phone: (602) 771-1400  
 A.R.S. §§ 37-621 to 37-644

**Mission:**

*To provide for the prevention and suppression of wildland fire on 22 million acres of State and private property located outside incorporated communities. Provide cooperative fire and forest management assistance for the protection and stewardship of State and private lands.*

**Description:**

The Forestry Division provides for the prevention and suppression of wildfires on 22.4 million acres of state and private unincorporated lands through the use of local fire departments, state and federal agencies and other persons organized to prevent and suppress wildfires. The division also maintains in-house firefighting capabilities through the qualifications of its own employees.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ STATE FORESTER	41,345.9	35,950.6	36,946.9
➤ EASTERN COUNTIES ENVIRONMENT GRANTS	175.0	275.0	275.0
<b>Agency Total:</b>	<b>41,520.9</b>	<b>36,225.6</b>	<b>37,221.9</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	7,179.6	9,103.8	10,100.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,341.3	27,121.8	27,121.8
<b>Total Funding</b>	<b>41,520.9</b>	<b>36,225.6</b>	<b>37,221.9</b>
<b>FTE Positions</b>	<b>63.0</b>	<b>68.0</b>	<b>72.0</b>

**Program Summary**

**STATE FORESTER**

Scott Hunt, State Forester  
 Phone: (602) 771-1400  
 A.R.S. §§ 37-621 to 37-644

**Mission:**

*To provide for the prevention and suppression of wildland fire on 22 million acres of State and private property located outside incorporated communities. Provide cooperative fire and forest management assistance for the protection and stewardship of State and private lands.*

**Description:**

The Forestry Division is responsible for providing fire protection and prevention to 22 million acres of state and private lands, and to other lands in the State under cooperative agreement. The Division dispatches resources statewide to wildland fires and other all-risk incidents. The Division maintains in-house firefighting capabilities through the qualifications of its own employees and an inmate fire crew program. The Division also maintains cooperative agreements with over 220 local and rural fire departments, other State and Federal agencies, and private companies to respond to wildfires. The Division delivers State and Private Forestry Programs for community wildfire hazardous fuel reduction, wildfire suppression response capacity building, forest insect and disease prevention, forest industry assistance, invasive plant management, forest land management planning, and urban forest management.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,004.6	8,828.8	9,825.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,341.3	27,121.8	27,121.8
<b>Total Funding</b>	<b>41,345.9</b>	<b>35,950.6</b>	<b>36,946.9</b>
<b>FTE Positions</b>	<b>63.0</b>	<b>68.0</b>	<b>72.0</b>

◆ **Goal 1** To enhance wildland firefighting response.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of fires controlled at 100 acres or less.	96.1	97.1	96.3	97	97
Percentage of fire departments under cooperative agreement for wildfire response.	95	96	93.2	94	94
Number of fire departments with issued wildland fire equipment.	95	110	84	88	90
Number of State and local NWCG qualified firefighting positions in State Forestry ROSS/IQS database.	2,725	2,755	2865	2900	2935
Number of hours deployed on wildfires by state inmate fire crews	71,000	80,000	70.803	70,000	70,000

◆ **Goal 2** To strengthen wildfire prevention, community preparedness, and fuel mitigation programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of acres of state and private land treated to protect communities from wildfire and increase forest health.	8,500	9,000	1649	3000	3000
Number of acres of non-federal and federal land treated by State inmate fire crews	10,000	11,000	2835	4200	4200
Number of communities with Firewise Recognition	51	60	58	63	65
Number of State qualified Firewise Assessors and Advisors	92	188	290	360	400
Number of available NWCG qualified State and local wildland investigators.	3	6	5	6	6

◆ **Goal 3** To enhance fire business efficiencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of local agency and private contractor fire invoices processed with 30 days.	95	96	97	97	98
Number of trained State Forester agency representatives available for large fire cost share management.	20	35	38	40	40

◆ **Goal 4** To effectively deliver cooperative forest and fire programs to enhance protection and stewardship of State, community, and private forest lands.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of forest landowners receiving technical assistance.	210	245	115	125	125
Number of forest management plans (Stewardship or related) completed or revised.	15	18	20	20	20
Number of communities recognized as Tree City USA by National Arbor Day Foundation.	24	25	25	26	27
Number of urban forestry training sessions	21	23	5	6	10
Number of technical assists provided to forest industry.	65	70	24	27	29
Number of forestry related technical bulletins and threat advisories produced.	15	19	15	13	13

◆ **Goal 5** To Improve Organizational Excellence and Improved Efficiencies

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Agency turnover rate in percent.	13	14	17	13	10
Customer satisfaction surveys percent	0	75	N/A	75	78

**Program Summary**

EASTERN COUNTIES ENVIRONMENT GRANTS

Scott Hunt, State Forester

Phone: (602) 771-1400

Ch 255, HB 2781, 48th Legislature, 1st Session, 2007, An Act

**Mission:**

*To approve and distribute funds for implementation and planning of environmental programs.*

**Description:**

The Division is instructed to distribute funding equally to Greenlee, Graham, Gila, Navajo, and Apache Counties for planning and implementation of specific environmental programs impacting economic development in these counties.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	175.0	275.0	275.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>175.0</b>	<b>275.0</b>	<b>275.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To represent and advocate for Greenlee, Graham, Gila, Navajo, and Apache Counties in natural resource issues, including planning and regulatory endeavors with local, state, and federal agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Participation in regional natural resource meetings	35	35	125	125	125

**Explanation:** Number of forest health/environmental policy groups requesting representation from members of five eastern counties

Comments provided on natural resource proposed actions, including NEPA	10	10	75	75	75
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**Explanation:** Number of invitations rendered to assist assessment of Environmental Impact Statements

## Agency Summary

### BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Rodolfo R. Thomas, Executive Director  
 Phone: (602) 542-3095  
 A.R.S. §§ 32-1301 et. seq.

**Mission:**

*To maintain and enforce a set of standards that provides protection for the health, safety, and welfare of Arizona citizens by educating the consumer and by actively and impartially regulating those licensed to provide funeral goods and services.*

**Description:**

The Board of Funeral Directors and Embalmers examines and licenses individuals that provide funeral goods and services. The Board also receives complaints against licensees, investigates allegations, and administratively adjudicates complaints. The Board oversees approximately 1,600 licensees practicing in the state and serves all Arizona citizens who receive funeral goods and services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	339.2	353.7	353.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>339.2</b>	<b>353.7</b>	<b>353.7</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

- ◆ **Goal 1** To ensure that licenses are only granted and renewed to competent individuals with high standards of professional and ethical conduct.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Applications received	1,669	1,730	1,630	1,645	1,650
Licenses issued	1,669	1,710	1,621	1,640	1,650
Average days to process license	30	30	30	30	30
Number of investigations	22	20	23	20	25
Number of inspections	182	100	35	150	50
Number of complaints received	22	25	23	25	25
Average number of days to investigate	30	30	30	30	30
Average number of days to renew license	5	5	2	2	2

- ◆ **Goal 2** To ensure and enforce that information is made available to both the consumer and the licensee that educates them to the standards of practice relating to providing funeral goods and services.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of consumers receiving pamphlet determined through information received through complaint investigations.	99	99	99	99	99
Number of complaints received as a measure to determine the effectiveness of boards education efforts for both licensee and consumer.	22	25	23	25	25

- ◆ **Goal 3** To actively and impartially investigate allegations and complaints and provide enforcement to protect the public from incompetent services and unprofessional, unethical, and illegal conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints processed	4	8	10	12	14
Average days to renew license	1	1	2	2	2
Average days to investigate complaint	30	30	30	30	30
Number of licenses	1,669	1,710	1,601	1,680	1,690

## Agency Summary

### GAME AND FISH DEPARTMENT

Larry Voyles, Director

Phone: (623) 236-7279

A.R.S. §§ 17-101 et seq; 5-311 et seq; 28-1176 et seq

**Mission:**

*To conserve Arizona's diverse wildlife resources and manage for safe, compatible outdoor recreation opportunities for current and future generations.*

**Description:**

The Arizona Game and Fish Department is the state agency charged with the conservation, enhancement and restoration of Arizona's wildlife resources and habitats; the regulation and enforcement of watercraft and off-highway vehicles; and with promoting shooting sports activities. The Department manages Arizona's wildlife populations through the operation of hunting and fishing license programs, enforcement actions for the unlawful taking of game, and wildlife habitat protection and development.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ CENTRAL ADMINISTRATIVE	19,479.6	16,286.0	17,440.0
➤ WILDLIFE CONSERVATION	55,391.8	72,604.6	74,337.8
➤ RECREATION	16,684.4	18,314.2	19,374.2
<b>Agency Total:</b>	<b>91,555.8</b>	<b>107,204.8</b>	<b>111,152.0</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	33,259.0	40,474.2	44,421.4
Other Non Appropriated Funds	58,296.7	66,730.6	66,730.6
<b>Total Funding</b>	<b>91,555.8</b>	<b>107,204.8</b>	<b>111,152.0</b>
<b>FTE Positions</b>	<b>635.2</b>	<b>635.2</b>	<b>635.2</b>

**Issue 1** Wildlife management in a state that is diverse, culturally and in wildlife-related interests

**Description** The ability of the Department to adequately represent current public interests is being tested by an ongoing societal shift in the way people value and interact with wildlife. The Department conserves game, sport fish and nongame wildlife species, primarily using revenues from discretionary spending of customers relating to hunting and fishing license sales. Increasingly, fewer people are participating in hunting and fishing, yet there has been growth in other forms of wildlife-related recreation, such as wildlife viewing. Although valuable and contributory to local economies, these activities (e.g. wildlife viewing) provide little direct revenue for the Department. Tied to these trends is the increasing interest in providing input in how wildlife is managed. People have many different preferences for wildlife-related programs and services. Greater diversity in viewpoints has contributed to increased conflict, as well as contradictory social values among stakeholders. Because of these challenges, the Department will continue to endure challenges to its authority through mechanisms such as legislation, ballot initiatives and public referenda.

Adding to the challenges are demographic changes that have led to greater ethnic diversity and a more urbanized society. Given the growing influence of minorities, engaging those communities in the Department's management is important to the Department's future. The long-term success of the Department is contingent upon its ability to reach and provide services for audiences that are diverse, both in terms of their cultural heritage as well as their wildlife-related interests.

**Solutions:**

- Encourage partner-hosted wildlife recreation events.
- Pursue funding to enhance wildlife viewing opportunities.
- Identify and reduce the barriers to participation in wildlife-related recreation.
- Encourage greater participation in commission meetings by holding them in various regions of the state and offer electronic means to participate for those that cannot attend.
- Perform social science research to achieve a greater understanding of the Department's constituency.
- Execute programs designed to engage ethnically diverse audiences.
- Ensure broad-based public input into hunt guidelines and recommendations, and Commission Orders.

**Issue 2** Maintain and improve wildlife habitats

**Description** There are extensive demands on natural resources. The State is not out of its long-term drought yet, and severe wildfires over the past decade have significantly impacted wildlife habitats. Arizona is also still one of the fastest growing states, and urban sprawl, leap frog development, and associated infrastructure is negatively impacting wildlife. This trend is expected to continue. Invasive species are increasingly causing problems (quagga mussels in the Colorado River Lakes and Lake Pleasant; bufflegrass; and other invasive species). Habitat loss, fragmentation, and continued threats to the health and diversity of these habitats create challenges for the Department's wildlife management efforts. The Department must use its limited resources efficiently to maintain and improve habitats for Arizona's wildlife through habitat enhancements, sustainable land-use, water catchment development, wildlife translocations, and other means. Partnerships and cooperation with federal, state, tribal and local governments, conservation and recreational organizations, private landowners, and individual citizens will be crucial to future success.

**Solutions:**

- Maintain an enhanced statewide Geospatial representation of crucial habitats and wildlife resources.
- Seek to avoid, minimize or mitigate impacts to wildlife resources.
- Actively conserve statewide wildlife corridors and habitats through partnerships, policy, and direct conservation actions.
- Collaborate with private, federal, state, municipal, and other land and water management interests to ensure that the needs of wildlife and wildlife habitats are considered during long and short range planning processes.
- Develop plans, recommendations, and guidelines for mitigating losses or for enhancement of fish and wildlife populations and their habitats.
- Develop wildlife water sources to alleviate this limiting factor of wildlife in arid portions of Arizona.
- Reduce the impacts of introduced invasive species.
- Encourage landowners to utilize their land that is compatible with wildlife.
- Limit the impacts of off-highway vehicles on habitat.
- Reduce the transference of aquatic invasive species between water bodies.



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**Issue 3** Long-term, stable funding for the future

**Description** Funding received by the Department to support wildlife management and recreation, and shooting sports, watercraft and OHV management is linked to expenditures of the public's discretionary funds. Revenues, whether from the purchase of licenses, tags or stamps, lottery tickets, gaming, watercraft registrations or off-highway vehicle decals are a result of discretionary purchases by the public. As a result, many revenue sources have decreased, yet overall operational costs have increased (e.g. health care benefits, fuel, trout production, etc). Because the Department must manage operations consistent with revenue, a reduction in management, educational programs, or enforcement may cause a decline in public satisfaction with ongoing work efforts.

**Solutions:**

- Research potential sources of new funding.
- Ensure compliance with eligibility of expenditures by fund.
- Foster a culture of individual fiscal responsibility and accountability.
- Use knowledge of fund eligibilities to enhance financial agility.
- Improve systems to enhance monitoring of budget and expenditures, and to ensure transparency.
- Recruit and Retain hunters and anglers to continue to generate revenue from this established revenue source.
- Simplify the Department's license structure to remove barriers to new hunters and anglers.
- Enforce the public use of off-highway vehicle decals.

**Issue 4** Recruitment and retention of hunters and anglers

**Description** Despite a recent, modest rebound in participation in hunting and angling, overall trends of the past two decades show a decline in these activities. Moreover, the American Sportfishing Association in partnership with the Association for Fish and Wildlife Agencies recently completed research into license buying habits of anglers, and revealed that loyal anglers are not buying licenses as frequently as thought. Together, the data suggest that people are increasingly turning to alternative forms of recreation. Changing lifestyles, urbanization, competition for time and alternative recreational activities are factors in those declines. Hunting and fishing traditions have long promoted family values, and it was hunters and anglers that comprised the economic, political, and social driving forces for massive and historic wildlife conservation efforts in North America over the past century. More people are engaging in wildlife viewing activities, which validates that wildlife and appreciation for the natural world still has immense intrinsic value. It will be hunters and anglers that continue to promote the model of wildlife conservation into the future.

**Solutions:**

- Encourage partner-hosted recruitment and retention events.
- Evaluate, and refine hunter, angler and wildlife viewer recruitment and retention practices.
- Cross-promote other wildlife recreation opportunities to customers who participate in Department programs.
- Encourage independent participation by youth and families after participating in Department sport fish, hunting and wildlife recreation introductory camps or programs.
- Identify and reduce the barriers to participation in hunting and angling.
- Increase programs designed to facilitate public participation in low-cost wildlife-related recreation.
- Improve communication with the public through emergent technology.
- Increase the number of waters open to public fishing.
- Simplify license structure and regulations to reduce obstacles to participation.
- Expand the Community Fishing Program.
- Maintain support for shooting sports.

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**Issue 5** Wildlife management in a constantly changing physical environment

**Description** Issues listed above (wildlife habitats) are intrinsically tied to wildlife species abundance. Wildlife stressors associated with habitat loss or fragmentation, and continued threats to the health and diversity of habitats through development associated with population growth, introduction and expansion of invasive species, increased demands from the public, wildland fires, illegal immigration traffic, increased off-highway vehicle use, and long-term drought are some of the issues that create challenges for the Department’s wildlife management efforts. The above-mentioned factors can markedly change species abundance. Keeping common species common in a changing environment will be a challenge. Moreover, the Department lacks sufficient funding to develop and implement projects needed to recover less common, or extremely rare (endangered and threatened species), and to conserve others that are imperiled or at risk of imperilment. As a result, the rate at which species are recovered and then dropped from the federal endangered species list is below potential, and new species are propose for addition to the threatened and/or endangered species list.

**Solutions:**

- Retain the Department’s wildlife management authority.
- Provide science-based information to guide the decisions of partners with regards to wildlife.
- Integrate Comprehensive Game Management Planning and Statewide Wildlife Action Planning efforts.
- Use the State Wildlife Action Plan to inform and engage partners in the conservation of Arizona’s biodiversity.
- Manage wildlife populations to provide diverse wildlife recreation opportunities.
- Ensure wildlife is abundant in balance with competing societal expectations.
- Manage human-wildlife conflicts.
- Enhance understanding of wildlife recreation as an economic driver in many Arizona communities.
- Remain financially agile to maintain the fiscal resiliency of the Department.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	635.2	635.2	635.2
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	40,474,200.0	40,474,200.0	40,474,200.0
<b>Non-Appropriated Funds</b>	58,496,200.0	58,496,200.0	58,496,200.0
<b>Federal Funds</b>	34,275,800.0	34,275,800.0	34,275,800.0

**Program Summary**

CENTRAL ADMINISTRATIVE

Ty Gray, Deputy Director  
 Phone: (623) 236-7279  
 A.R.S. Title 17, A.R.S. Title 5

**Mission:**

*To effectively manage the Department, and ensure accountability for all Department activities.*

**Description:**

Under the provisions of A.R.S. § 17-211 the Arizona Game and Fish Director is responsible for the supervision and control of all activities, functions, and employees of the Department and shall enforce all provisions of this title including all Commission rules and orders.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,305.7	9,458.2	10,612.2
Other Non Appropriated Funds	10,173.9	6,827.8	6,827.8
<b>Total Funding</b>	<b>19,479.6</b>	<b>16,286.0</b>	<b>17,440.0</b>
<b>FTE Positions</b>	<b>87.0</b>	<b>87.0</b>	<b>87.0</b>

◆ **Goal 1** To provide administrative support for wildlife conservation and compatible outdoor recreation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complete 100% of required rule items impacting the Department's ability to manage wildlife.	100	100	100	100	100
Percent of customers who use online DRAW self-service features	76.8	78	82	85	100
<b>Explanation:</b> Agency plans to convert to 100% online draw in 2016					
Percent of customers who use online LICENSE self-service features	24	25	32.2	33	33
Percent of customers who use online WATERCRAFT self-service features	31.2	33	36	36	36

### Program Summary

#### WILDLIFE CONSERVATION

Jim DeVos, Assistant Director  
Phone: (623) 236-7302  
A.R.S. §§ 17-101 et seq;

#### Mission:

*To conserve Arizona's diverse wildlife resources for current and future generations.*

#### Description:

The Wildlife Conservation Program conserves wild mammals, birds, fish, reptiles, amphibians, mollusks and crustaceans. The Department organizes these types of wildlife into game, nongame and sportfish, each represented in its own subprogram. Additionally, this program houses the wildlife conservation subprogram that provides essential functions to enable other wildlife conservation subprograms. These support services include: enforcing of laws meant to conserve wildlife, providing governance, conserving habitat, conducting research, and providing public education.

#### This Program Contains the following Subprograms:

- ▶ Wildlife Conservation
- ▶ Game Wildlife Program
- ▶ NonGame Program
- ▶ Sportfish Program

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,834.9	25,529.9	27,263.1
Other Non Appropriated Funds	35,556.8	47,074.7	47,074.7
<b>Total Funding</b>	<b>55,391.8</b>	<b>72,604.6</b>	<b>74,337.8</b>
<b>FTE Positions</b>	<b>419.7</b>	<b>419.7</b>	<b>419.7</b>

### Subprogram Summary

#### WILDLIFE CONSERVATION

Jim DeVos, Assistant Director  
Phone: (623) 236-7302  
A.R.S. §§ 17-101 et seq;

#### Mission:

*To conserve Arizona's diverse wildlife resources for current and future generations.*

#### Description:

The wildlife conservation subprogram provides support services to the other subprograms within the Wildlife Conservation Program. Specifically this subprogram enforces laws meant to conserve wildlife, provides governance, conserves habitat, conducts research, and provides public education.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,280.1	22,151.5	22,151.5
Other Non Appropriated Funds	2,520.6	4,982.4	4,982.4
<b>Total Funding</b>	<b>14,800.7</b>	<b>27,133.9</b>	<b>27,133.9</b>
<b>FTE Positions</b>	<b>170.1</b>	<b>170.1</b>	<b>170.1</b>

◆ **Goal 1** To enforce laws designed to promote wildlife conservation

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Maintain at least 95% compliance rate for hunting contacts	97.2	95	91	95	95

**Explanation:** This percent is based on the number of total contacts made by Department officers versus the number of citations issued

Maintain at least 90% compliance rate for fishing contacts	89.4	90	91.8	90	90
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**Explanation:** This percent is based on the number of total contacts made by Department officers versus the number of citations issued

◆ **Goal 2** To conserve wildlife while complying with environmental laws and regulations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Ensure 100% of Department activities are in compliance with State and Federal environmental laws and regulations.	98.9	100	96	100	100

◆ **Goal 3** To conserve wildlife habitats

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Redevelop or construct at least 8 wildlife water developments per year.	10	8	5	20	20

**Explanation:** Crew numbers depleted in 2014; agency expects this number to increase greatly in 2015

◆ **Goal 4** To provide science-based wildlife research

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Disseminate research findings and scientific expertise via at least 4 peer-reviewed publications annually	8	4	5	4	4
Contribute to the body of scientific knowledge by presenting in regional and national scientific meetings.	24	10	12	10	10
Respond to at least 80% of reported fish and wildlife mortalities and investigate those from which samples are available when further investigation is warranted	80	80	93	80	80

**Explanation:** For FY14, this performance measure only includes wildlife mortalities, and not fish mortalities. In future years, this measure will also include fish mortalities.

◆ **Goal 5** To educate Arizonans about wildlife

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase the number of participants attending outreach events and education classes by 5%.	129,760	136,248	163,278	140,000	140,000

**Subprogram Summary**

**GAME WILDLIFE PROGRAM**

Brian Wakeling, Game Branch Chief  
 Phone: (623) 236-7385  
 A.R.S. §§ 17-101 et seq;

**Mission:**

*To manage game wildlife populations and their habitats to maintain the natural diversity of Arizona, and to manage for game wildlife oriented recreation opportunities.*

**Description:**

Arizona is host to many species of wildlife. Those mammals and birds which are actively hunted are considered game animals. Hunting can be a management tool for the Department and is an important recreational past-time and valued heritage for those who participate. Management of game includes inventory of game populations and regulation of harvest to provide sustained recreational opportunities. Management also includes assessing habitat conditions, evaluating formerly occupied habitat for potential re-introduction of species, enforcing regulations, and providing input on land management actions that potentially impact game habitats. The program also emphasizes the need to recruit and retain hunters so that the Department has managed hunts available as a management tool.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,490.2	2,177.7	3,060.9
Other Non Appropriated Funds	13,683.1	17,198.7	17,198.7
<b>Total Funding</b>	<b>20,173.4</b>	<b>19,376.4</b>	<b>20,259.6</b>
<b>FTE Positions</b>	<b>103.0</b>	<b>103.0</b>	<b>103.0</b>

◆ **Goal 1** To maintain healthy game populations for the benefit of Arizonans

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
On an annual basis, provide the hunting public with at least 550,000 big game hunting days	561,389	550,000	609,900	550,000	550,000
On an annual basis, provide the hunting public with at least 375,000 small game hunting days.	380,382	375,000	521,800	375,000	375,000

**Explanation:** Number of small game hunting days is variable from year to year. Small game population numbers are sensitive to timing and amount of precipitation.

The number of all hunting and combination licenses sold	144,614	151,845	283,457	283,000	283,000
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**Subprogram Summary**

NONGAME PROGRAM

Mike Rabe, Nongame Branch Chief  
 Phone: (623) 236-7507  
 A.R.S. §§ 17-101 et seq;

**Mission:**

*To conserve nongame and endangered wildlife as part of the natural diversity of Arizona.*

**Description:**

Most of the wildlife species in Arizona are nongame. Nongame wildlife includes all reptiles, amphibians, mollusks and crustaceans, some of which can be legally harvested. Additionally, nongame includes those fish, birds and mammals which cannot be legally harvested. Management of nongame includes inventory of nongame populations, recovery efforts to restore populations of extirpated species, and coordination of efforts to develop endangered species recovery plans. Nongame management also includes assessing habitat conditions, distributing information about nongame and watchable wildlife species, and providing input on land management actions that potentially impact wildlife habitats, has an outdoor recreation impact, or has potential for economic impact.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	326.2	491.0	841.0
Other Non Appropriated Funds	10,354.9	13,301.7	13,301.7
<b>Total Funding</b>	<b>10,681.1</b>	<b>13,792.7</b>	<b>14,142.7</b>
<b>FTE Positions</b>	<b>68.9</b>	<b>68.9</b>	<b>68.9</b>

◆ **Goal 1** To maintain healthy nongame populations for the benefit of Arizonans

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Nongame activities are 100% in compliance with the Arizona State Wildlife Action Plan	100	100	100	100	100
Number of statewide nongame species managed	123	123	531	531	531

**Subprogram Summary**

SPORTFISH PROGRAM

Chris Cantrell, Fisheries Branch Chief  
 Phone: (623) 236-7259  
 A.R.S. §§ 17-101 et seq;

**Mission:**

*To maintain, manage, and enhance the quality, availability, and diversity of sportfishing opportunities; and disseminate information about Arizona's sportfish and sportfishing opportunities.*

**Description:**

The sportfish subprogram is contained within the Fisheries Branch. This subprogram is responsible for sportfish management, production at hatcheries, community fishing opportunities, monitors water quality, and maintaining compliance with federal regulations.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	738.4	709.7	1,209.7
Other Non Appropriated Funds	8,998.2	11,591.9	11,591.9
<b>Total Funding</b>	<b>9,736.6</b>	<b>12,301.6</b>	<b>12,801.6</b>
<b>FTE Positions</b>	<b>77.7</b>	<b>77.7</b>	<b>77.7</b>

◆ **Goal 1** To maintain healthy sportfish populations for the benefit of Arizonans

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Stock 610,000 pounds of sportfish annually.	571,260	610,000	632,000	610,000	610,000
Number of all fishing and combination licenses sold	408,897	429,342	402,937	403,000	403,000

#### Program Summary

#### RECREATION

Tony Guiles, Assistant Director

Phone: (623) 236-7280

A.R.S. §§ 17-101 et seq; 5-311 et seq; 28-1176 et seq

#### Mission:

*To manage for safe, compatible outdoor recreation opportunities for current and future generations.*

#### Description:

The Recreation Program assists Arizonan's as they enjoy wildlife compatible outdoor recreation. This is accomplished by activities within each subprogram, in addition to a recreation subprogram that provide essential functions such as enforcing public safety laws, providing governance, ensuring access to recreation, and providing public information.

#### This Program Contains the following Subprograms:

- ▶ Recreation
- ▶ Wildlife Recreation
- ▶ Shooting Sports
- ▶ Watercraft
- ▶ Off highway Vehicle

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,118.4	5,486.1	6,546.1
Other Non Appropriated Funds	12,566.0	12,828.1	12,828.1
<b>Total Funding</b>	<b>16,684.4</b>	<b>18,314.2</b>	<b>19,374.2</b>
<b>FTE Positions</b>	<b>128.5</b>	<b>128.5</b>	<b>128.5</b>



**Subprogram Summary**

RECREATION

Tony Guiles, Assistant Director

Phone: (623) 236-7280

A.R.S. §§ 17-101 et seq; 5-311 et seq; 28-1176 et seq

**Mission:**

*To manage for safe, compatible outdoor recreation opportunities for current and future generations.*

**Description:**

The recreation subprogram provides support to the other subprograms within the Recreation Program. Specifically, this subprogram provides support services such as enforcing public safety laws, providing governance, ensuring access to recreation, and providing public information.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	65.3	65.3
<b>Total Funding</b>	<b>0.0</b>	<b>65.3</b>	<b>65.3</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To ensure Arizonans have access to their wildlife

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Maintain the percentage of Arizona lands available for recreational access.	42.2	42.2	43.5	43.5	43.5

**Explanation:** 43.5% of Arizona equals 31,736,053 Acres

**Subprogram Summary**

WILDLIFE RECREATION

Scott Lavin, Wildlife Recreation Branch Chief

Phone: (623) 236-7188

A.R.S. §§ 17-101 et seq;

**Mission:**

*To provide a wide range of wildlife-related recreational opportunities to accommodate the diverse wildlife interests of Arizonans.*

**Description:**

The Wildlife Recreation subprogram seeks to create wildlife-related recreation opportunities and develop wildlife recreationists. The Wildlife Recreation subprogram accomplishes this by guiding agency operations and developing partnerships with external organizations. It also provides progressive, incremental, effective programs to recruit, develop, and retain hunters, recreational shooters, anglers, and wildlife viewers in Arizona.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,060.8	1,168.1	1,168.1
Other Non Appropriated Funds	3,723.3	6,480.8	6,480.8
<b>Total Funding</b>	<b>4,784.1</b>	<b>7,648.9</b>	<b>7,648.9</b>
<b>FTE Positions</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>

◆ **Goal 1** To increase participation in hunting, fishing, and other wildlife recreation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase number of annual participants at Department Recreation Branch events and programs by 5%.	86,415	90,736	56,179	49,090	49,090

**Explanation:** These events are focused on recruiting hunter and anglers. 49,090 participants is a 5% increase over FY2013

Increase all license sales 5% annually.	486,416	510,736	466,000	466,000	466,000
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**Explanation:** The Department implemented a license simplification process in 2014. FY2014 should be the new baseline.

<b>Subprogram Summary</b>	
SHOOTING SPORTS	
Marty Fabritz, Shooting Sports Branch Chief	
Phone: (623) 236-7229	
A.R.S. §§ 17-241 et seq;	

**Mission:**

*To support the development and operations of safe shooting facilities and programs that will provide a quality experience for a variety of shooting sports activities and events.*

**Description:**

The Shooting Sports subprogram manages the statewide shooting ranges program and commission-owned ranges. The statewide shooting ranges program works with organizations, governments, and unaffiliated shooting ranges to improve shooting experiences, foster public safety, and increase accessibility of shooting opportunities for Arizonans. Commission-owned ranges including the Ben Avery Shooting Facility, the Ben Avery Clay Target Center, and several others are managed, operated, or supported by Department personnel, partners, and volunteers.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	328.2	368.2	368.2
Other Non Appropriated Funds	5,420.2	2,602.2	2,602.2
<b>Total Funding</b>	<b>5,748.4</b>	<b>2,970.4</b>	<b>2,970.4</b>
<b>FTE Positions</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>

◆ **Goal 1** To increase participation in shooting sports

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase number of shooter days per year at Commission-owned ranges by 5%	332,778	349,417	366,877	385,000	404,000

**Subprogram Summary**

WATERCRAFT

Gene Elms, Law Enforcement Branch Chief  
 Phone: (623) 236-7307  
 A.R.S. §§ 5-311 et seq;

**Mission:**

*To promote safe and responsible recreational use of the state's waterways.*

**Description:**

The Watercraft subprogram makes the rules required to carry out all provisions of A.R.S. Title 5, Chapter 3. The Department regulates the registration and operation of watercraft; provides law enforcement, boating-safety education, boating access, and has jurisdiction for a uniform waterway-marking system; and through partners oversees the use of aids-to navigation, hazard and regulatory markers on the waters of Arizona.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,729.4	3,949.8	5,009.8
Other Non Appropriated Funds	1,908.2	1,752.2	1,752.2
<b>Total Funding</b>	<b>4,637.6</b>	<b>5,702.0</b>	<b>6,762.0</b>
<b>FTE Positions</b>	<b>36.0</b>	<b>36.0</b>	<b>36.0</b>

◆ **Goal 1** To increase participation in safe boating recreation

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Increase annual boating safety education course attendance by 5%	1,148	1,205	1,778	1,200	1,200
<b>Explanation:</b> 1,200 course attendees is a 5% increase over FY2013					
Maintain at least 70% compliance rate for watercraft contacts	80.4	70	82.1	75	75
<b>Explanation:</b> Goal has been increased to 75% compliance for FY2015					
Number of boat registrations in Arizona	130,038	127,088	129,182	129,182	129,182

**Subprogram Summary**

OFF HIGHWAY VEHICLE

Gene Elms, Law Enforcement Branch Chief  
 Phone: (623) 236-7307  
 A.R.S. §§ 17-456 et seq; A.R.S. §§ 28-1176 et seq;

**Mission:**

*To protect habitat and ensure safe and responsible recreational use of Off Highway Vehicles.*

**Description:**

The Off-Highway subprogram ensures public safety and conservation of wildlife resources related to OHV issues. This is primarily addressed through actions such as informational and educational programs and administering off-road vehicle law enforcement pursuant to Title, 17, Chapter 4, Article 3 and Title 28, Chapter 3, Article 20.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,514.3	1,927.6	1,927.6
<b>Total Funding</b>	<b>1,514.3</b>	<b>1,927.6</b>	<b>1,927.6</b>
<b>FTE Positions</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

◆ **Goal 1** To ensure the safety of the off-highway recreating public

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Maintain at least 70% compliance rate for OHV contacts	81.0	70	87	75	75
Increase compliance with OHV decal requirements.	91.8	80	93.5	85	85

**Explanation:** Relatively new program so still calculatiing baseline of compliance

## Agency Summary

### DEPARTMENT OF GAMING

Daniel H. Bergin, Director  
Phone: (602) 771-4263  
A.R.S. § 5-601

#### Mission:

*To protect the public, enforce Arizona's gambling laws, ensure compliance with the gaming compacts, and regulate the gaming industry.*

#### Description:

The Department of Gaming is responsible for enforcing Arizona's gambling laws. This includes enforcement of Arizona's illegal gambling laws (A.R.S. Section 5-602.J); regulating and monitoring tribal compliance with the Tribal-State gaming compacts including their responsibilities concerning the nature, extent, and conduct of gaming activities; public health, safety, and welfare, and other operational requirements. The Department also conducts background investigations of all prospective gaming employees, management contractors, providers of gaming services, and manufacturers and distributors of gaming devices in order to ensure that unsuitable individuals or companies are not involved in Arizona's gaming industry.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ ENFORCEMENT	9,935.3	11,411.3	10,569.5
➤ CERTIFICATION	1,938.7	2,104.9	2,104.9
<b>Agency Total:</b>	<b>11,874.0</b>	<b>13,516.2</b>	<b>12,674.4</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	11,874.0	13,516.2	12,674.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>11,874.0</b>	<b>13,516.2</b>	<b>12,674.4</b>
<b>FTE Positions</b>	<b>115.3</b>	<b>115.3</b>	<b>115.3</b>

**Issue 1** Department Objective 1: Enforcing the Arizona Tribal-State Gaming Compact

**Description** Part of the Department's stated mission is to protect the public welfare and safety by ensuring the integrity of the Indian gaming industry and seeking to prevent corrupt influences from infiltrating Indian gaming. To that end, the Department monitors and enforces compliance by the Tribal gaming operations of all Compact requirements, including those governing the nature, extent, and conduct of gaming activities; public health, safety, and welfare; and other operational requirements.

**Solutions:**

Steps to achieve the Department's First Objective:

1. Inspection of Slot Machines:

The Department inspects and certifies more than 1,000 slot machines and gaming devices each month during on-site visits to casinos. The Department inspects the machines, software, and electronic slot monitoring systems, and reviews casino records to make sure that the machines pay their required payout percentages and are operating properly. In connection with that responsibility, the Department conducts random spot checks at approximately 10 to 12 casinos each month. Technicians arrive unannounced at a casino and may test up to 50 randomly selected machines.

2. Certification of Gaming Employees:

As part of the certification process, the Department is authorized to conduct background investigations in order to ensure that unsuitable individuals or companies are not involved in Arizona's Indian gaming industry. With respect to Tribal members seeking employment in Indian casinos, the Department also makes recommendations to the Tribes based on background checks.

3. Certification of Gaming Vendors:

The Department is responsible for issuing State certification for companies seeking to provide gaming services to Indian casinos in an amount greater than \$10,000 in any given month. The Department conducts detailed background investigations. Companies must complete a detailed recertification process every two years.

4. Tribal Investigations & Inspections:

The Department:

- Performs on-site inspections of casinos and monitors gaming operations.
- Assures public safety through continual oversight of gaming facilities to ensure use of appropriate security and surveillance procedures.
- Investigates suspected Compact violations and criminal or suspicious activities.

5. Audits:

The Department conducts annual on-site audits of each casino to review compliance with the Compact and its appendices. A Compact Compliance Review team typically includes 10 to 12 Department employees. A review lasts from one to two weeks. During a Compliance review, the Department audits casino books and records, and electronic slot accounting and monitoring systems. The Department also evaluates casino minimum internal control standards and procedures and checks hundreds of items ranging from cash handling procedures to video surveillance to casino giveaways of free meals.

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**Issue 2** Department Objective 2: Enforcing Arizona Gaming Laws Off The Reservation

**Description** The Department protects the public safety and welfare by enforcing Arizona’s gambling laws. The Department is explicitly authorized to investigate violations of A.R.S. § 13-3306 that occur on non-Indian lands in the state and to cooperate with appropriate law enforcement authorities and prosecutorial agencies in the investigation and prosecution of such violations. A.R.S. § 5-602(J). Section 13-3306 prohibits the possession of a gambling device when the person in possession knowingly intends to use for illegal gambling purposes.

**Solutions:**

Steps to achieve the Department's Second Objective:

1. The Department is authorized to and employs certified peace officers. Every peace officer is statutorily authorized to exercise his/her authority to investigate and make arrests for misdemeanor or felony violations of A.R.S., Title 13 in any jurisdiction where he/she has been authorized by the person having primary responsibility for law enforcement within the relevant jurisdiction or territory. A.R.S. §§ 13-3871 and 13-3883. That authority encompasses all of the criminal gambling statutes set forth in A.R.S., Title 13, Chapter 33 (A.R.S. §§ 13-3301 through 13-3312).
2. The Department works throughout the state with law enforcement and prosecutorial authorities, including the Office of the Arizona Attorney General to investigate and enforce Arizona’s laws that prohibit illegal gambling.
3. The Department is working to increase its relationship with law enforcement and prosecutorial agencies not only in Arizona but throughout the world and to continue to foster local law enforcement agencies.

**Issue 3** Department Objective 3: Mitigating the effects of problem gambling in Arizona

**Description** The Department accomplishes its mission to protect the public safety and welfare in part through its Office of Problem Gambling (“OPG”). The OPG is charged with funding and supporting problem gambling prevention, education and treatment programs throughout Arizona. It works with other state agencies and private organizations to promote the message that help and hope are available for people with or affected by problem gambling.

**Solutions:**

Steps to achieve the Department's Third Objective:

1. Providing and supporting problem gambling programs that include prevention, treatment, and education.
2. Overseeing a 24/7 crisis and referral helpline: 1.800 NEXT STEP.
3. Contracting with behavioral health treatment professionals to provide programs for treating and educating individuals with gambling problems, and preventing further gambling problems.
4. Contracting with behavioral health treatment professionals skilled in problem gambling program training to provide training and education to other behavioral health treatment professionals to enable them to provide quality counseling and training to those needing help with gambling problems.
5. Monitoring all behavioral health treatment providers and trainers to ensure that they meet the requirements outlined in their respective contracts. (With respect to monitoring, OPG regularly conducts audits of the treatment providers.).
6. Representing the state in conferences and symposia in order to educate the public that help and hope are available to problem gamblers and those affected by problem gambling.
7. Supporting the efforts of casinos, race tracks, and the Lottery to implement and carry out responsible gaming policies and programs.
8. Working with state and private agencies to build awareness of problem gambling and to promote prevention programs.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	115.3	115.3	115.3
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	12,674.4	12,674.4	12,674.4
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

### Program Summary

#### ENFORCEMENT

John Briney, Assistant Director, Administration  
 Phone: (602) 771-4263  
 A.R.S. § 5-601

#### **Mission:**

*To enforce Arizona's gambling laws, assure compliance with the provisions of the tribal-state gaming compacts, support and provide programs for the prevention and treatment of and education concerning problem gambling.*

#### **Description:**

The Department of Gaming enforces the State's gambling laws including ensuring Tribal compliance with the compact provisions, including those governing the nature, extent and conduct of gaming activities. This is accomplished through coordination with State and local law enforcement agencies and through inspections of the gaming facilities and records, surveillance, monitoring of card games, testing of gaming devices during both scheduled and random inspections, and testing internal controls. The Department of Gaming's enforcement functions are funded by tribal contributions established in Proposition 202, codified in A.R.S. § 5-601.02, and the Tribal-State Compacts. The Department's Office of Problem Gambling contracts with a helpline provider and with treatment providers to provide services concerning problem gambling.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	9,935.3	11,411.3	10,569.5
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>9,935.3</b>	<b>11,411.3</b>	<b>10,569.5</b>
<b>FTE Positions</b>	<b>87.3</b>	<b>87.3</b>	<b>87.3</b>

◆ **Goal 1** To enforce Arizona's gambling laws and assure compliance with compact provisions and internal control requirements

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of compact compliance reviews accomplished	15	15	16	16	16
Percentage of facilities reviewed for compact compliance reviews	100	100	100	100	100

◆ **Goal 2** To maintain communication with tribal officials

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average visits per casino each month	12	12	8.6	12	12

**Explanation:** Goal is to visit each gaming facility at least twice per month.



◆ **Goal 3** To monitor and enforce technical standards for gaming devices

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of machines inspected and certified	13,407	14,000	13338	14,000	14000
Percent of all gaming devices certified	90	100	87	90	90

◆ **Goal 4** To provide problem gambling treatment and education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of individuals receiving treatment services	884	884	892	884	900
Number of awareness materials distributed	26,280	26,280	21,599	26,280	24000

**Program Summary**

CERTIFICATION

John Briney, Assistant Director, Administration  
 Phone: (602) 771-4263  
 A.R.S. § 5-601

**Mission:**

*To investigate and evaluate the suitability of applicants for state certification within time frames set by Tribal-State Compacts.*

**Description:**

The Department of Gaming receives applications of persons seeking state certification or a tribal gaming license. Within 20 days of receiving a completed application for state certification of a non-tribal member, the Department issues temporary certification, unless there is evidence of criminal history sufficient to disqualify the applicant. Following the completion of a background investigation, if the applicant is found suitable, state certification is granted. At the conclusion of the background investigation of a tribal member, a recommendation is made to the Tribe as to whether the person should receive a tribal license. The Department also conducts background investigations and audits to certify corporations or other entities that provide gaming services to tribal gaming facilities in an amount that exceeds \$10,000 per month. This program is funded through certification fees and investigative costs established in Section 5(l) of the Tribal-State compacts.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,938.7	2,104.9	2,104.9
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,938.7</b>	<b>2,104.9</b>	<b>2,104.9</b>
<b>FTE Positions</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

◆ **Goal 1** To Ensure the Suitability of Individuals Employed by the Tribal Casinos

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of individual applications received	9,062	10,000	9,009	10,000	10,000
Total number of days elapsed from receipt of completed application to the issuance of temporary certification	3	5	3	5	5
Percentage of applicants granted certification or renewal	99	99	99	99	99
Percentage of applicants who had their certification, denied, revoked or suspended	1	1	1	1	1

◆ **Goal 2** To Ensure the Suitability of Businesses that Provide Goods and Services to the Tribal Casinos

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of new or initial applications received	96	100	79	100	100
Total number of certifications issued	87	90	77	90	90
Total number of renewals issued	262	200	253	230	230
Total number of denials, revocations, and suspensions	2	2	1	2	2
Percent of temporary certifications issued within 20 days	96	95	97	95	95
Level of satisfaction by applicants regarding process (percent)	99	99	99	99	99

## Agency Summary

### GEOLOGICAL SURVEY

M. Lee Allison, Ph.D., Director and State Geologist  
Phone: (520) 770-3500  
A.R.S. § 27-103

#### Mission:

*To inform and advise the public about the geologic character of Arizona to help meet societal needs for water, energy, and mineral resources and assist in prudently managing the state's land and natural resources.*

#### Description:

The Arizona Geological Survey maps and describes the bedrock and related geologic materials and processes in Arizona; provides objective, scientific information about the geologic character of the state; operates and maintains a central repository for reports, books, maps and other publications regarding the geology, mining and mineral resources and associated technologies; operates and maintains a central repository for rock cores, well cuttings and samples; and provides administrative support for the Arizona Oil and Gas Conservation Commission.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	941.4	941.7	1,990.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,532.3	5,760.6	1,688.6
<b>Total Funding</b>	<b>8,473.7</b>	<b>6,702.3</b>	<b>3,679.0</b>
<b>FTE Positions</b>	<b>39.9</b>	<b>35.5</b>	<b>34.7</b>

**Issue 1** Adequate resources to carry out AZGS mission and goals

**Description** Since 2008, State Appropriations to the agency decreased a net 45%. However, even with this significant reduction in funding, the Survey has not only maintained its services and functions, it has taken on additional duties for the State. We have done this by aggressively seeking external (mostly federal) grants from a growing array of funding sources, covering a wide range of subjects related to the Survey mission. Some of these grants directly support AZGS missions, but the administrative overhead (Indirect Costs) with the grants helps underwrite the Survey's basic operations. In contrast with federal funds received by many other state agencies, the AZGS grants are usually highly competitive with success rates often running below 25% and as low as 8%. The grants typically run 1-3 years and new ones found to replace expiring ones. It is rare to find ones that can be renewed. In recent years, 80-90% of the total Survey budget is grant funded. For FY12-14, state appropriations accounted for less than 9% of the agency's total budgets. It may also take 6-12 months before the results of grant applications are known, so the uncertainty is high about continuity of staff members funding for their positions.

In the past twenty years, AZGS has merged with two other state agencies: the Oil & Gas Conservation Commission (OGCC, 1991) and the Arizona Department of Mines and Mineral Resources (ADMMR, 2011). In the latter situation AZGS provided the primary financial support from internal funds to maintain staff and services of the agencies. With the loss of ADMMR, this makes AZGS the primary agency dealing with mineral resources in Arizona, which is the #1 or #2 mining state (non-fuel minerals) in the U.S. A mandate following the merger of the agencies was to digitize the vast number of paper records, maps, and reports of the ADMMR files; this is addressed further in Issue 6. The Oil and Gas Commission continues as an independent body appointed by and reporting to the Governor. However, AZGS provides all administrative, financial, and technical support to the Commissioners, including paying Arizona's annual dues to the Interstate Oil & Gas Compact Commission, in which the Governor is Arizona's representative.

Challenge: Continuing to successfully compete for external grants, especially from federal sources, to maintain the current level of subsidy for state services.

**Solutions:**

Strategy 1: Maintain our ability to carry out state mandates independent of state's ability to fund them

- Diversify funding sources among federal agencies
- Seek opportunities with state, local, and tribal agencies
- Pursue Foundation support
- Increase retail and wholesale revenues from publications and products

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**Issue 2** Mitigation and response to natural hazards.

**Description** AZGS geologic mapping provides the basis for many natural hazards identification and mitigation strategies including debris flow, landslides, floods, rock falls, subsidence, and natural contamination of ground waters. In addition, AZGS set up and manages the Arizona Broadband Seismic Network (ABSN), which for the first time in history can detect any magnitude 3.0 earthquake or larger anywhere in the state. AZGS receives no federal, state, or industry funding to support the network monitoring and evaluation of earthquakes. The Nuclear Regulatory Commission considers this monitoring a critical function to evaluating the seismic risk to Palo Verde Nuclear Generating Station. AZGS has also staffed the Burn Area Emergency Response (BAER) teams for emergency response and mitigation for the past several fire seasons. AZGS currently participates in the USGS StateMap program, competing for federal matching funds to produce 4-6 geologic maps per year at the 1:24,000 scale for quadrangles across the state. Arizona has a total of over 1,900 quadrangles, of which about one-quarter have now been mapped. Priority areas and criteria for mapping are determined by an external Geologic Mapping Advisory Committee on an annual basis. The Survey expects to complete the first statewide mapping and characterization of earth fissures in late 2014. These maps are in high demand by real estate developers and agents, home buyers, and local planning agencies. The focus will move to updating maps as new fissures form or existing ones grow. Some resources are being reallocated to starting a statewide inventory of landslide hazards as they constitute the highest risk to life and property that is not being systematically addressed.

Challenge: Finding resources to adequately identify, respond to, and mitigate natural hazard impacts on Arizonans, which are increasing especially as a growing population moves into areas previously avoided.

**Solutions:**

Strategy 1: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
  - Ensuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
  - Pursue a statewide hazards assessment
  - Initiate a statewide landslide hazards assessment and seek creation of a national federal-state cooperative program to support continued efforts
  - Respond effectively to disasters
- Complete mapping of all known Earth fissures and investigate techniques to predict the locations and growth of fissures, and methods to mitigate them
- Seek resources to map each of the geologic hazards statewide at an initial scale of 1:500,000, starting with landslide hazards.

Strategy 2: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoe

Strategy 3: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols
- Develop USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

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**Issue 3** Characterization of mineral resources of the state.

**Description** As stated in Issue 1, Arizona is routinely the #1 or #2 mining state of non-fuel minerals in the nation (Nevada generally our main competitor). 1:24,000 scale maps help in identifying natural resource plays throughout the state. In 2008 AZGS published "Potash and Related Resources of the Holbrook Basin, Arizona" identifying the largest accessible potash play in the United States. Since 2008 AZGS has permitted private industry exploration drill holes for AZOGCC, preparing the way for two or more multi-billion dollar potash mine(s) in northeast Arizona. This type of characterization is only possible from well-trained geologic staff and accessible data and mapping.

AZGS participates as a cooperating agency on federal Environmental Impact Statements and other land management activities to provide unbiased objective scientific information and advice regarding geologic and mineral resource issues.

Since the merger with ADMMR in 2011, AZGS is the primary source of mineral resource information to companies interested in exploring in Arizona. AZGS is digitizing the extensive records held by ADMMR and putting them online for free viewing and downloading. We estimate 400,000 pages of reports, 10,000 maps, and 7,000 historical photographs are in the collections. All of the primary ADMMR paper records have been scanned, digitized, georeferenced and placed online for free downloading. The mining industry considers this a valuable resource for discovering potential new deposits that would add to the state's economy. We are now digitizing the nearly two dozen collections of files and records donated to ADMMR and now to AZGS.

AZGS maintains a geologic sample repository of cores and cuttings that are available for examination and testing. The primary users are mineral exploration companies, followed by researchers attempting to evaluate the nature and origin of Arizona mineral and energy resources.

Challenge: Arizona receives no state funding for the legislatively mandated duties acquired with the ADMMR merger limiting our ability to characterize mineral deposits that could lead to new economic development; Arizona invests the least by far of all states surveyed in geological surveys of mineral resources.

#### **Solutions:**

Strategy 1: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
  - Assessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
  - Represent resource potential to agencies and industry (response to inquiries)
  - Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
  - Assist in fraud investigations
- Assist counties in planning for aggregate resource development; a new prototype map of the Phoenix metropolitan area that planners can use, is expected to be released in October 2014
- Support industrial minerals assessment for resource assessment and to assist local government planning agencies to meet state requirements
- Expand the AZGS Sample Repository by seeking federal and industry support in order to accept and curate the most critical geological samples
- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

Strategy 2: Deploy a full-service Phoenix Branch Office

- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

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- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols

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- Develop USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

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**Issue 4** Information resources to adequately inform federal, state, and local agencies, the general public, and industry of mineral and energy resource potential and impacts of the state

**Description** As part of the digitization efforts discussed in Issue 6, we are scanning and digitizing all of our reports, studies, and maps and making them accessible over the internet. There are currently over 1,000 of such items available in our searchable online digital document repository. In addition, AZGS consistently publishes reports and studies throughout the year to help inform stakeholders. Hardcopies are sold for the cost of reproduction but digital copies are generally freely available online.

Challenge: The funding for these efforts comes largely from federal contracts and grants, which are at risk due to federal budget cuts and increasing competition.

**Solutions:**

Strategy 1: Maintain our ability to carry out state mandates independent of state's ability to fund them

- Diversify funding sources among federal agencies
- Seek opportunities with state, local, and tribal agencies
- Pursue Foundation support
- Increase retail and wholesale revenues from publications and products

Strategy 2: Define and characterize potential geologic hazards and limitations

- Create a more coordinated and strategic approach to natural hazards, including:
  - oEnsuring continued operation of the state earthquake monitoring network – the Arizona Broadband Seismic Network (ABSN)
  - oPursue a statewide hazards assessment
  - oInitiate a statewide landslide hazards assessment and seek creation of a national federal-state cooperative program to support continued efforts
  - oRespond effectively to disasters
- Complete mapping of all known Earth fissures and investigate techniques to predict the locations and growth of fissures, and methods to mitigate them
- Seek resources to map each of the geologic hazards statewide at an initial scale of 1:500,000, starting with landslide hazards.

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- Create a more coordinated and strategic approach to mineral resources, including:
  - oAssessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
  - oRepresent resource potential to agencies and industry (response to inquiries)
  - oProvide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
  - oAssist in fraud investigations
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- Expand the AZGS Sample Repository by seeking federal and industry support in order to accept and curate the most critical geological samples
- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

Strategy 4: Deploy a full-service Phoenix Branch Office

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- Add a geologist staff position in industrial minerals in Phoenix

Strategy 5: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN)



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– a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols

- Develop USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

Strategy 6: Deploy AZGS national expertise in data integration to other state agencies

- Seek opportunities where AZGS data integration capabilities can be utilized by other state agencies including the Natural Resources Review Council.

Strategy 7: Take advantage of new technologies for enhanced cost-effective deployment of communication with stakeholders

- Continue digitization efforts for all major AZGS and ADMMR records and files
- oSubmit to the State Archives paper records once they have been digitized, documented, and stored for preservation and curation
- Establish the Arizona Experience store as a high visibility one-stop shop for government resources and Arizona products and make it a profit center(Goal 4)

**Issue 5** Fraudulent description or misrepresentation of mineral properties, harming residents and commerce in the state

**Description** Since taking over ADMMR, AZGS has assisted state (Arizona and other states) and federal authorities continually in cases of fraudulent sales of purported Arizona mineral properties and claims and financial securities. Such acts not only harm our states residents, but may also harm the mineral industry as investors will be wary of fraudulent sales. Unfortunately, this will be an ongoing issue.

Challenge: AZGS receives no state or federal funding for these activities; we support it entirely with external funds we raise that subsidize state mandates and services; there are serious concerns about the sustainability of this approach.

**Solutions:**

Strategy 1: Further the emphasis on mineral resources

- Create a more coordinated and strategic approach to mineral resources, including:
  - Assessing mineral potential on lands subject to withdrawal (publish reports/studies, respond effectively to federal proposals to limit access)
  - Represent resource potential to agencies and industry (response to inquiries)
  - Provide critical information on exploration, land management, environmental impacts, and economic development (mapping, published reports/studies, online digital repository)
  - Assist in fraud investigations
- Assist counties in planning for aggregate resource development; a new prototype map of the Phoenix metropolitan area that planners can use, is expected to be released in October 2014
- Support industrial minerals assessment for resource assessment and to assist local government planning agencies to meet state requirements
- Expand the AZGS Sample Repository by seeking federal and industry support in order to accept and curate the most critical geological samples
- Assess the potential for undiscovered mineral deposits and identify geologic indicators for the discovery of new mineral resources

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- AZGS relocated Phoenix staff into space sublet from the AZ Dept. of Water Resources in July 2014, to house the former ADMMR (now AZGS) and existing home-based AZGS staff in Phoenix that is publicly accessible
- Add a geologist staff position in industrial minerals in Phoenix

**Issue 6** AZGS policy of “everything digital, online, and interoperable”

**Description** AZGS has become a global leader in cyberinfrastructure or digital data integration (often referred to as “Big Data”) which is transforming the business and scientific world. Grants in this field have led to a dramatic increase of the agency staff even while state appropriations have effectively decreased by 45%. We are using these skills to inventory and digitize the ADMMR collections and assist other state agencies in data integration programs (state funding on these efforts is leveraged with grant funding). Also, AZGS took over the design and creation of the virtual Arizona Experience website ([www.arizonaexperience.org](http://www.arizonaexperience.org)) as part of the Centennial, creating an award-winning, interactive, multi-media online site that is unique in the nation and is pushing the boundaries of what can be done with today’s technology. AZGS is applying this expertise to support Arizona’s Natural Resources Review Council (NRRC) with its requirement to establish a coordinated GIS and document clearinghouse to facilitate state review of federal natural resource and land management actions.

Challenge: These activities are funded by one-time external grants. Continuity of them is threatened by federal budget cuts and increasing competition for grants.

**Solutions:**

Strategy 1: Everything Digital, Online, and Interoperable

- Complete digitization of AZGS data and integrate them using the globally accepted U.S. Geoscience Information Network (USGIN) – a collaboration between the AZGS, Association of American State Geologists, and the U.S. Geological Survey) – standards and protocols
- Develop USGIN and the National Geothermal Data System as a sustainable stand-alone entity(ies), or a combined system.

Strategy 2: Deploy AZGS national expertise in data integration to other state agencies

- Seek opportunities where AZGS data integration capabilities can be utilized by other state agencies including the Natural Resources Review Council.

**Resource Assumptions**

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	19.5	19.5	19.5
<b>General Fund</b>	941.4	941.4	941.4
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	319.6	319.6	319.6
<b>Federal Funds</b>	1,672.5	1,672.5	1,672.5

◆ **Goal 1** To serve as the primary source of information about Arizona geology.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New maps/reports released by AZGS staff	68	18	19	20	20
Number of geologic and related maps of Arizona	21	15	8	8	8
Number of reports that describe geologic hazards and resources in Arizona	18	6	10	8	8
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	5	2	3	3	3
Number of reports published by other groups	6	8	9	5	5
Number of talks given or fieldtrips led	97	50	70	50	50
Number of state agencies and bodies for whom AZGS serves as a science support provider	17	15	17	15	15

◆ **Goal 2** To inform the public about geologic processes, natural hazards, and natural resources in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of reports released to inform citizens not trained in geology (Down-to-Earth Series)	5	2	3	3	3
Number of seminars and workshops presented to non-technical audiences	43	5	15	15	15
Number of interviews and presentations through the news media	20	60	35	40	40

◆ **Goal 3** To distribute geologic maps, reports, and data efficiently with high customer satisfaction.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent increase (decrease) in number of publications sold	(30)	10	(15)	15	15
<b>Explanation:</b> More info is available via the internet and, less of the technical and topographic maps are needed in hard copy. We will adjust to this change in the market.					
Total number of geologic maps and reports and topographic maps sold	2,423	4,000	2511	2500	2500
<b>Explanation:</b> Hard copy maps are less popular because people use internet downloads.					
Technical maps and reports sold	1,156	2,300	980	1200	1200
<b>Explanation:</b> More information is available online now.					
Percent increase (decrease) in sales of technical maps and reports	(32)	5	(15)	5	5
<b>Explanation:</b> The market is changing as more things are available to be downloaded.					
Number of non-technical reports sold	3,655	3,000	2,089	3,000	3,000
<b>Explanation:</b> We carry more general interests books on Arizona now.					
Percent increase (decrease) in sales of non-technical reports	(30)	8	(43)	5	5
<b>Explanation:</b> Less technical things are selling, more interest in general use/recreation.					
Quality of products sold, 1-5 (highest) scale	4.8	4.8	4.9	4.8	4.8
Number of products released or Number of digital maps/reports downloaded	125,000	125,00	152,000	145,000	145,000
<b>Explanation:</b> 4mb = 400 updates to databases. 5,000 = # of files downloaded					
Percent of orders filled the same day received	98	95	95	100	100
Satisfaction with mail order service provided, 1-5 (highest) scale	4.9	4.9	4.9	4.9	4.9

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◆ **Goal 4** To effectively assist the Arizona Oil and Gas Conservation Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days to issue a permit	4	5	5	5	5
Number of Permits issued to drill a well	30	25	44	25	25
Compliance and safety inspections made	30	28	28	28	28
Number of gas-storage wells	14	14	14	14	14
Number of deficiencies found during inspections	0	2	0	2	2

## Agency Summary

### OFFICE OF THE GOVERNOR

Janice K. Brewer, Governor

Phone: (602) 542-1371

Constitution Art. 5, Part 1, Section 1

#### Mission:

*To provide leadership for the State of Arizona and to manage the Executive branch of state government to ensure that it efficiently and effectively serves Arizona's citizens.*

#### Description:

The Governor serves as the Chief Executive Office of the Arizona state government. The Constitution provides that the Governor shall be the Commander-in-Chief of Arizona's military forces and authorizes the Governor to grant reprieves, commutations, and pardons, pursuant to law. The Governor is also responsible for making appointments to positions in state government pursuant to law, representing Arizona in official dealings with other governmental entities, taking action on bills approved by the Legislature, and informing the public on issues affecting the state.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,673.0	6,920.1	6,920.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	38,967.7	30,052.9	30,052.9
<b>Total Funding</b>	<b>43,640.7</b>	<b>36,973.0</b>	<b>36,973.0</b>
<b>FTE Positions</b>	<b>97.6</b>	<b>121.4</b>	<b>121.4</b>

## Agency Summary

### GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

John Arnold, Executive Director  
Phone: (602) 542-5383  
35-113, et. al.

#### **Mission:**

*To facilitate the effective and efficient allocation of resources in accordance with fiscally sound principles that will enable the Governor and state government to provide quality services to the citizens of Arizona.*

#### **Description:**

This office provides a central Executive branch resource for the compilation, analysis, and investigation of state fiscal matters. It advises the Governor in preparation of the Executive budget and advocates for that budget through the legislative process. The office assists and advises all entities of state government in budget development and execution. It also coordinates the process of defining state government programs, developing strategic plans, and measuring program performance to achieve desired results.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,919.9	1,994.0	1,994.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,919.9</b>	<b>1,994.0</b>	<b>1,994.0</b>
<b>FTE Positions</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>

## Agency Summary

### DEPARTMENT OF HEALTH SERVICES

Will Humble, Director  
 Phone: (602) 542-1140  
 A.R.S. §§ 36-101 et seq.

**Mission:**

*To promote, protect, and improve the health and wellness of individuals and communities in Arizona*

**Description:**

The Arizona Department of Health Services is a state government agency dedicated to promoting, protecting, and improving the health and wellness of individuals and communities in Arizona. In 1974 The Arizona Department of Health Services (ADHS) was created by consolidating several agencies into a single department with a variety of responsibilities. These areas included maternal and child health programs, communicable disease control, laboratory services, environmental health, behavioral health services and other programs to protect public health and safety.

Today ADHS is responsible for state-wide public health services, including the Arizona State Laboratory, epidemiology & disease control, emergency medical services/trauma, public health emergency preparedness & response, public health statistics, vital records, border health, children with special health care needs, health systems development, minority health, chronic disease prevention & nutrition, oral health, tobacco education, and women's & children's health; behavioral health services, including general mental health services, substance abuse treatment & prevention services, services for the seriously mentally ill, title XIX/XXI adults and children, non-Title XIX/XXI adults and children, contract compliance, consumer rights, and quality management; the Arizona State Hospital, including adult civil services, adult forensic services, and the Arizona Community & Protection Treatment Center; and the licensing and certification of health care and child care facilities.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	136,980.9	71,798.6	72,403.6
➤ BEHAVIORAL HEALTH SERVICES	1,766,046.1	2,071,057.6	2,405,920.2
➤ ARIZONA STATE HOSPITAL	1,713.4	1,102.8	1,102.8
➤ PUBLIC HEALTH SERVICES	1.0	300.0	300.0
<b>Agency Total:</b>	<b>1,904,741.3</b>	<b>2,144,259.0</b>	<b>2,479,726.6</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	437,283.7	424,536.3	483,580.8
Other Appropriated Funds	72,156.0	65,154.7	65,759.7
Other Non Appropriated Funds	1,395,301.6	1,654,568.0	1,930,386.1
<b>Total Funding</b>	<b>1,904,741.3</b>	<b>2,144,259.0</b>	<b>2,479,726.6</b>
<b>FTE Positions</b>	<b>706.7</b>	<b>706.7</b>	<b>706.7</b>

**Program Summary**

ADMINISTRATION

Janet Mullen, PhD, MBA, Deputy Director  
 Phone: (602) 542-1030  
 A.R.S. § 36-132

**Mission:**

*To provide the leadership, direction and resources to ensure the Agency's mandated responsibilities, mission, and goals are met*

**Description:**

The program ensures fiscal integrity and adequate resources to conduct business; coordinates all internal and external activities through comprehensive strategic planning; and promotes service excellence through staff training and process improvement. In addition, the program provides overall management and direction to the Department; develops and administers policy; responds to, investigates and resolves consumer complaints; coordinates and promotes various health-related activities for information and educational consumer needs; and maintains and supports relationships with the legislature, community, and other health agencies.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	81,754.0	23,920.2	23,920.2
Other Appropriated Funds	37,388.0	30,087.7	30,692.7
Other Non Appropriated Funds	17,838.9	17,790.7	17,790.7
<b>Total Funding</b>	<b>136,980.9</b>	<b>71,798.6</b>	<b>72,403.6</b>
<b>FTE Positions</b>	<b>685.7</b>	<b>685.7</b>	<b>685.7</b>

◆ **Goal 1** To maximize ADHS effectiveness

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Arizona Department of Health Services Administration as a percent of total Agency costs.	1	1	1	1	1
Percent of all prerequisites completed for public health national accreditation.	100	100	67	100	100
Percent of agency staff turnover	18.92	19.29	15.33	15	15
Percent of new e-government applications implemented on schedule	100	100	100	100	100

◆ **Goal 2** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of child care license renewals granted within licensing timeframes	NA	NA	100	100	100
Percent of child care complaint investigations initiated within investigative guidelines	100	100	100	100	100
Percent of health care licensure renewals granted within licensing timeframes	100	100	100	100	100
Percent of health care complaint investigations initiated within investigative guidelines	55	55	53	60	60



## Program Summary

### BEHAVIORAL HEALTH SERVICES

Cory Nelson, Deputy Director  
Phone: (602) 364-4566  
A.R.S. § 36-3402

#### Mission:

*To ensure a comprehensive, unified behavioral health system for Arizonans*

#### Description:

Behavioral Health Services coordinates, plans, administers, regulates, and monitors all facets of the public behavioral health prevention and treatment systems, and contracts with four Regional Behavioral Health Authorities (RBHAs) to ensure the availability of and accessibility to an adequate provider network to meet the needs of people with behavioral health problems. Additionally, the program monitors financial viability of RBHAs and ensures compliance with contract standards through review of financial statements and the annual independent certified audit, and review of medical records to identify areas where quality of service could be improved.

#### This Program Contains the following Subprograms:

- ▶ Administration
- ▶ Services for Persons with Serious Mental Illness
- ▶ Child and Adolescent Services

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	355,529.7	400,616.1	459,660.6
Other Appropriated Funds	34,767.0	34,767.0	34,767.0
Other Non Appropriated Funds	1,375,749.3	1,635,674.5	1,911,492.6
<b>Total Funding</b>	<b>1,766,046.1</b>	<b>2,071,057.6</b>	<b>2,405,920.2</b>
<b>FTE Positions</b>	<b>21.0</b>	<b>21.0</b>	<b>21.0</b>

## Subprogram Summary

### ADMINISTRATION

Cory Nelson, Deputy Director  
Phone: (602) 364-4566  
A.R.S. § 36-3402

#### Mission:

*To provide effective oversight of RBHA services and contract compliance.*

#### Description:

The subprogram provides administration to the division and reviews various areas of RBHAs to identify where quality of service could be improved; and ensures compliance with contract program and financial standards.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	24,507.3	23,732.0	24,497.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	29,810.6	30,242.1	38,954.7
<b>Total Funding</b>	<b>54,317.9</b>	<b>53,974.1</b>	<b>63,451.7</b>
<b>FTE Positions</b>	<b>30.8</b>	<b>30.8</b>	<b>30.8</b>

◆ **Goal 1** To ensure that the behavioral health needs of Arizonans are met through standards set in ADHS/RBHA contracts

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of eligible Title XIX population enrolled in behavioral health treatment programs	17	18	13	13	13

<b>Subprogram Summary</b>					
SERVICES FOR PERSONS WITH SERIOUS MENTAL ILLNESS					
Cory Nelson, Deputy Director					
Phone: (602) 364-4566					
A.R.S. § 36-503.02					

**Mission:**  
*To provide leadership, policy direction and administration for a state-wide system of behavioral health care services for persons who are Title XIX and Title XXI eligible, and for prioritized persons who are not eligible for Title XIX or Title XXI funded services.*

**Description:**  
 The subprogram contracts with the RBHAs to offer a comprehensive continuum of mental health intervention and treatment services to meet the needs of prioritized Title XIX and non-Title-XIX individuals with a serious mental illness.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	95,643.4	98,312.8	98,312.8
Other Appropriated Funds	2,250.0	2,250.0	2,250.0
Other Non Appropriated Funds	0.0	73,805.9	42,854.2
<b>Total Funding</b>	<b>97,893.4</b>	<b>174,368.7</b>	<b>143,417.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To integrate physical and behavioral health services

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Behavioral Health seriously mentally ill clients on anti-psychotics receiving new generation psychotropic medications.	56	60	53	60	60

<b>Subprogram Summary</b>					
CHILD AND ADOLESCENT SERVICES					
Cory Nelson, Deputy Director					
Phone: (602) 364-4566					
A.R.S. Title 36, Ch. 29, 34					

**Mission:**  
*To provide leadership, policy direction and administration for a state-wide system of behavioral health care services for children who are Title XIX and Title XXI eligible and for prioritized persons who are not eligible for Title XIX or Title XXI funded services.*

**Description:**  
 The subprogram contracts with the RBHAs to offer a comprehensive continuum of intervention and treatment services to meet the needs of prioritized Title XIX and non-Title-XIX individuals under the age of 18.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,645.0	899.5	899.5
<b>Total Funding</b>	<b>9,645.0</b>	<b>899.5</b>	<b>899.5</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To strengthen the quality of publicly funded behavioral health services to children and their families through continued enhancement of comprehensive quality management programs

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Regional Behavioral Health Authority Title XIX families (with children ages 0-17) reporting they are satisfied according to an annual satisfaction survey.	82.1	85	82	82	82

<b>Program Summary</b>	
ARIZONA STATE HOSPITAL	
Donna Noriega, Chief Executive Officer	
Phone: (602) 220-6000	
A.R.S. § 36-202	

**Mission:**  
*To provide specialized psychiatric services to support people in achieving mental health recovery in a safe and respectful environment.*

**Description:**  
 The Arizona State Hospital, a component of the state-wide continuum of behavioral health services, provides inpatient treatment and rehabilitation services for the most severely mentally disabled citizens of Arizona, including individuals referred under the provisions of the judicial system. Therefore, the Hospital must provide a comprehensive range of intensive interventions in a secure and safe environment.

**This Program Contains the following Subprograms:**

- ▶ Clinical and Program Services

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,713.4	1,102.8	1,102.8
<b>Total Funding</b>	<b>1,713.4</b>	<b>1,102.8</b>	<b>1,102.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

CLINICAL AND PROGRAM SERVICES

Donna Noriega, Chief Executive Officer  
 Phone: (602) 220-6006  
 A.R.S. § 36-202

**Mission:**  
*To provide specialized psychiatric services to support people in achieving mental health recovery in a safe and respectful environment*

**Description:**  
 The Arizona State Hospital, a component of the state-wide continuum of behavioral health services, provides inpatient treatment and rehabilitation services for the most severely mentally disabled citizens of Arizona, including individuals referred under the provisions of the judicial system. Therefore, the Hospital must provide a comprehensive range of intensive interventions in a secure and safe environment.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	52,049.8	61,274.8
Other Appropriated Funds	0.0	6,316.4	6,316.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>0.0</b>	<b>58,366.2</b>	<b>67,591.2</b>
<b>FTE Positions</b>	<b>587.5</b>	<b>587.5</b>	<b>587.5</b>

◆ **Goal 1** To maintain a stable and competent workforce

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of staff turnover during the first 12 months of employment	30	22	33.5	30	30

◆ **Goal 2** To implement strategies to promote non-violent behavior

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of direct care staff trained in non-violent crisis intervention	100	100	100	100	100

**Program Summary**

**PUBLIC HEALTH SERVICES**

Cara Christ, Deputy Director  
Phone: (602) 364-3064  
A.R.S. 36-132

**Mission:**

*To promote and protect the health of Arizona's children and adults*

**Description:**

The program ensures public safety through public health policy and leadership, public health preparedness services, and public health prevention services. These subprograms enhance collection, analysis, and dissemination of public health data; build and protect public health infrastructures that detect, control, and protect Arizonans from infectious and environmental threats and enhance the state's ability to respond to emergencies; improve Arizonans' health outcomes by preventing disease, reducing disability, and increasing access to care; strengthen the family and community by promoting and improving health status through leadership, collaboration and partnership; and recognize, involve, and communicate with public health constituencies.

**This Program Contains the following Subprograms:**

- ▶ Administration and Local, Border and Native American Health Offices
- ▶ Public Health Statistics
- ▶ Arizona Poison Control
- ▶ State Laboratory Services
- ▶ Epidemiology and Disease Control
- ▶ Health Systems Development
- ▶ Women's and Children's Health
- ▶ Children with Special Health Care Needs
- ▶ Nutrition and Physical Activity
- ▶ Biomedical Research Commission
- ▶ Emergency Medical Services

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1.0	300.0	300.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1.0</b>	<b>300.0</b>	<b>300.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Subprogram Summary

#### ADMINISTRATION AND LOCAL, BORDER AND NATIVE AMERICAN HEALTH OFFICES

Cara Christ, Deputy Director  
 Phone: (602) 364-3064  
 A.R.S. §§ 36-132, 36-110, 36-189A

**Mission:**

*To provide leadership, coordination and support for state-wide public health and to strengthen the family and community by recognizing, involving, and communicating with public health constituencies*

**Description:**

The subprogram consists of the Offices of the Deputy and Assistant Directors of the Division of Public Health Services, the Public Health Services, the Preventive Health and Health Services Block Grant Administration, the Office of Border Health, and the liaisons for local health, and Native American health. The subprogram coordinates internal programs and resources, provides accountability, and develops and maintains linkages with private, federal, state, and local organizations and agencies. The Office of Border Health coordinates and integrates public health program efforts to identify, monitor, control, and prevent adverse health events in border communities, and strengthens cross-border public health collaboration with Mexico. The Local Health liaison provides consultation, technical assistance and advocacy for local health departments and other agencies to develop and maintain programs that improve the public's health. The Native American liaison serves as an advocate, resource, and communication link between the Department and the Native American health care community for the purpose of enhancing health care services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	310,936.4	323,061.9	323,061.9
<b>Total Funding</b>	<b>310,936.4</b>	<b>323,061.9</b>	<b>323,061.9</b>
<b>FTE Positions</b>	<b>481.6</b>	<b>481.6</b>	<b>481.6</b>

◆ **Goal 1** To strengthen state-wide public health system

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of Native Health partners technical assistance requests that are completed.	100	100	100	100	100

### Subprogram Summary

#### PUBLIC HEALTH STATISTICS

Cara Christ, Deputy Director  
 Phone: (602) 364-3064  
 A.R.S. §§ 36-132, 36-136, 36-301 to 36-347

**Mission:**

*To collect, analyze and report public health statistics and information that guide actions and policies to improve the health of Arizonans*

**Description:**

This subprogram provides epidemiological and statistical public health data to support the Department and public. In addition, the subprogram provides health registries, vital statistics reporting, tobacco primary care evaluation, hospital cost reporting, statistical evaluation and epidemiological technical assistance.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	125.0	1,375.0	1,375.0
Other Appropriated Funds	1,000.0	1,000.0	1,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,125.0</b>	<b>2,375.0</b>	<b>2,375.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To maximize ADHS effectiveness

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent accuracy in the collection and maintenance of cancer incidence data.	93	95	96	95	95
Average turnaround time in days for mail in requests to vital records.	95	95	5	3	3

<b>Subprogram Summary</b>
ARIZONA POISON CONTROL
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. § 36-1163

**Mission:**

*To provide a 24-hour, seven-days-a-week state-wide poison and drug information system for doctors, medical institutions, and citizens*

**Description:**

The subprogram, made up of the Arizona Poison and Drug Information Center at the University of Arizona (UA) and the Banner Poison Control Center, is a statewide system of poison information, education and treatment services. The call centers provide general information about poisons or specific information when there is a certain or suspected exposure to poison to callers throughout the state. Both centers follow-up on human exposures and track medical outcomes.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	742.5	990.0	990.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>742.5</b>	<b>990.0</b>	<b>990.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of calls made to the University of Arizona and Banner Poison Control centers to provide 24 hours a day, seven days a week, statewide poison and drug information to doctors, medical institutions and citizens.	129,633	177,419	111,625	115,000	115,000
Number of follow-up calls made by University of Arizona and Banner Poison Control centers to track medical outcomes of human exposures.	178,338	232,255	163,630	160,000	160,000

**Subprogram Summary**

STATE LABORATORY SERVICES

Cara Christ, Deputy Director  
 Phone: (602) 364-3064  
 A.R.S. §§ 36-451 to 36-479, 36-495, 36-15

**Mission:**

*To ensure that essential laboratory services are available to support public health activities in Arizona*

**Description:**

The State Laboratory provides environmental, clinical and reference analytical lab services to diagnose, prevent, and treat infectious and communicable diseases, epidemics, and biological and chemical threats. Conditions caused by environmental contamination, chronic conditions, and inherited disorders are also priority services. The State Laboratory monitors and evaluates the quality of state-wide environmental and clinical laboratories, and enhances environmental and clinical capabilities through training and consultation.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	6,008.3	6,307.7	6,307.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>6,008.3</b>	<b>6,307.7</b>	<b>6,307.7</b>
<b>FTE Positions</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>

◆ **Goal 1** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of microbiology performance testing samples that are correct.	99.82	99	100	98	98
Number of environmental labs licensed	139	139	142	148	148

**Subprogram Summary**

EPIDEMIOLOGY AND DISEASE CONTROL

Cara Christ, Deputy Director  
 Phone: (602) 364-3064  
 A.R.S. §§ 36-132, 36-136

**Mission:**

*To monitor, investigate, prevent, and control diseases in Arizona through programs in infectious disease control, environmental health, HIV/AIDS prevention, and immunizations*

**Description:**

Provides epidemiological and medical support, guidance, and evaluation to program areas within the Bureau and to other State and local agencies and the general public. Collects, maintains, and analyzes data to monitor and assess the impact of diseases in Arizona; conducts routine and epidemic disease investigations; coordinates disease prevention and control activities within the State; and maintains a state-wide epidemic detection and response capability. Programs reduce morbidity, disability and premature death due to communicable diseases; prevent and control adverse health effects due to environmental factors including sun, lead exposure, pesticide poisoning, infectious agents in food and water, and exposure to unsanitary conditions; monitor and reduce HIV/AIDS; and prevent and control the occurrence of human disease and disability due to infectious agents by the administration of vaccines.



<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,425.0	1,590.7	1,590.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,425.0</b>	<b>1,590.7</b>	<b>1,590.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Immunization rate among 2-year old children	80	82	79	79	79
Percent of infectious disease trainings provided to county health departments conducted on schedule.	100	100	100	100	100
Percent of diagnosed urgent infectious diseases reported to ADHS within legally mandated timeframes	53	70	64	70	75
Percent of communicable and infectious disease lab reports submitted electronically.	52	70	62	70	75

**Explanation:** FY 2014 is reported for the calendar year.

<b>Subprogram Summary</b>	
<b>HEALTH SYSTEMS DEVELOPMENT</b>	
Cara Christ, Deputy Director	
Phone: (602) 364-3064	
A.R.S. §§ 15-1721, 36-2921	

**Mission:**

*To optimize the health of Arizona residents by developing and strengthening systems and services to expand access to primary care and other services with emphasis on the health needs of underserved people and areas and by promoting and protecting the health and well-being of Arizona's minority and vulnerable populations*

**Description:**

Health Systems Development was established in 1995 and is the Primary Care Office for the state of Arizona. Health Systems Development administers the Arizona Department of Health Services Primary Care Program, Well Woman HealthCheck Program and the Colorectal Cancer Control Program and provides a complementary focus on improving access to primary health care through workforce recruitment, retention programs and the designation of medically under-served areas.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	44.3	198.0	198.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>44.3</b>	<b>198.0</b>	<b>198.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To strengthen state-wide public health system

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of areas redesignated as an HPSA within the federally mandated timeline.	100	100	100	100	100

<b>Subprogram Summary</b>
WOMEN'S AND CHILDREN'S HEALTH
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. § 36-132

**Mission:**  
*To strengthen the family and the community by promoting and improving the health and safety of women and children*

**Description:**  
The Bureau of Women's and Children's Health supports efforts to improve the health of Arizona's women and children. Activities focus on assessment of health status and identification of health issues, development of partnerships and planning to address health issues, and provision of "safety net" services.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,410.9	3,568.0	3,568.0
Other Appropriated Funds	341.4	450.0	450.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,752.3</b>	<b>4,018.0</b>	<b>4,018.0</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

◆ **Goal 1** To impact Arizona's winnable battles

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of high school youth who smoked in the last month	17.4	15	14.1	13	12

<b>Subprogram Summary</b>
CHILDREN WITH SPECIAL HEALTH CARE NEEDS
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. §§ 36-132

**Mission:**  
*To continuously improve comprehensive systems of care which enhance the health, future, and quality of life for children and youth with special health care needs, their families, and the communities in which they live*

**Description:**  
The Office for Children with Special Health Care Needs (OCSHCN) oversees systems, programs and policies related to children and youth with special health care needs and their families. These responsibilities are carried out through direct serve programs, community development, systems development, education, advocacy, data analysis, quality improvement activities, and public/private partnerships. OCSHCN seeks to develop systems of care for these children/youth and their families and communities that are family-focused, comprehensive, timely and responsive, culturally competent, and directed toward allowing a child/youth to achieve their fullest potential.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,431.8	889.1	889.1
<b>Total Funding</b>	<b>1,431.8</b>	<b>889.1</b>	<b>889.1</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To strengthen state-wide public health system

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of Arizona families of Children with special health care needs partnering in decision making that are satisfied with services per the State and Local Area Integrated Telephone (SLAITS) Survey.	66.2	66.2	NA	65	65

**Explanation:** This survey will not be conducted again until FY 2015

<b>Subprogram Summary</b>	
NUTRITION AND PHYSICAL ACTIVITY	
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. § 36-132	

**Mission:**

*To improve health and well-being through nutrition education and promotion of physical activity along with passionate support for people and programs to reduce hunger, increase breastfeeding, and decrease obesity throughout Arizona*

**Description:**

This subprogram directs the continued promotion, planning, implementation, assurance and evaluation of nutrition and physical activity program and services. The subprogram collaborates with the public and private sectors and coordinates community education activities on risk factors for general and high-risk population groups. It responds to inquiries and referrals from the public and community resources. Nutrition services are made available through contractual agreements. The subprogram oversees several federal nutrition programs and surveillance systems.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	407.5	400.0	400.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>407.5</b>	<b>400.0</b>	<b>400.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To impact Arizona’s winnable battles

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Arizona adults reporting they eat the recommended amount of fruits and vegetables each day.	NA	NA	11	11.5	12
Percent of Arizona adults reporting that they get the recommended amount of physical activity.	NA	NA	24	24.5	25

<b>Subprogram Summary</b>
BIOMEDICAL RESEARCH COMMISSION
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. 36-271 to 36 -278

**Mission:**  
*To advance medical research within the State of AZ*

**Description:**  
The Biomedical Research Commission awards contracts for medical research projects studying the causes of disease, epidemiology and diagnosis of disease, the formulation of cures, medically accepted treatment, and prevention of diseases. The Commission oversees research projects to ensure contract compliance, and serves as the technology transfer agent for discoveries made using State funding. The Commission also administers special projects and awards and manages contracts designed to advance biotechnology in the academic, non-profit, and for-profit sectors in Arizona.

◆ **Goal 1** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Arizona Biomedical Research Commission grant contractors submitting grant deliverables submitted on time.	90	95	90.75	90	90

<b>Subprogram Summary</b>
EMERGENCY MEDICAL SERVICES
Cara Christ, Deputy Director Phone: (602) 364-3064 A.R.S. §§ 36-2201 to 36-2246

**Mission:**  
*To protect the health and safety of people requiring emergency medical and trauma services (EMS), and promote improvements in Arizona’s EMS and trauma system through research and education of the public and EMS providers*

**Description:**  
The subprogram provides direction for all statutorily-mandated components of Arizona's EMS and trauma system including certification of Emergency Medical Technicians (EMT), certification and auditing of EMT training programs; testing of EMT applicants; certification and auditing of advanced life support base hospitals; inspection and registration of air and ground ambulances operating in Arizona; issuance of Ambulance Certificates of Necessity and determination of rates for certified ambulance services; licensing of air ambulance services; and investigation of complaints against individuals and entities regulated by the Bureau of EMS. The subprogram has developed a state-wide EMS/trauma system including a trauma registry and trauma center designation and continues to build a system of data linkages between hospitals and the trauma registry.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	300.0	0.0	0.0
Other Appropriated Funds	0.0	50.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>300.0</b>	<b>50.0</b>	<b>0.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote and protect public health and safety

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of public health and emergency response professionals on Health Alert Network	13,500	13,906	14,670	14,963	15,262
Percent of trauma centers granted designation within Arizona Administrative Rule established time frames.	100	100	100	100	100

## Agency Summary

### GOVERNOR'S OFFICE OF HIGHWAY SAFETY

Alberto C. Gutier, Director  
Phone: (602) 255-3216  
A.R.S. § 28-602

#### **Mission:**

*To be the focal point for highway safety issues in Arizona, to provide leadership by developing, promoting, and coordinating programs relating to highway safety, to influence public and private policy regarding highway safety, and to increase public awareness of highway safety.*

#### **Description:**

The Governor's Office of Highway Safety develops the Arizona Highway Safety Plan (HSP) through annual problem identification and analysis of traffic records, citations, convictions, judicial outcome, incarcerations, assessments, screening, treatment, prevention, and surveys. The Office serves as a means for the reduction of traffic crashes, deaths, injuries, and property damage resulting from accidents on public roads by developing, promoting, and implementing effective education and enforcement programs geared towards ending preventable crashes and reducing economic costs associated with vehicle use and highway travel.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	14,881.2	6,677.2	6,677.2
<b>Total Funding</b>	<b>14,881.2</b>	<b>6,677.2</b>	<b>6,677.2</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

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## 5 Year Plan

**Issue 1** Decrease the fatality rate per 100 million vehicle miles traveled (VMT).

**Description** The fatality rate per 100 million VMT:

In 2014 GOHS set a fatality goal of 820. Due to an increase in fatalities in 2013, GOHS has revised the 2014 goal to be 836 fatalities with a goal for 2015 of 828 fatalities.

**Solutions:**

GOHS will analyze statewide/local traffic data and develop a Highway Safety Plan (HSP), which serves as a means for the reduction of traffic crashes, deaths, injuries, and property damage resulting from the accidents on public roads.

GOHS develops, promotes, and implements effective education and enforcement programs geared towards ending preventable crashes and reducing economic costs associated with vehicle use and highway travel. This includes requesting grant proposals from jurisdictions for highway safety projects. These proposals will be reviewed by GOHS staff to determine performance during enforcement periods, past grant award expenditures and crash data provided from the jurisdiction that indicates a serious problem.

The HSP also promotes safety belt and child safety seat use through strong, cohesive statewide enforcement and education campaigns under the banner of "Buckle Up Arizona...It's the Law!" Arizona is a secondary safety belt violation state, but the law enforcement agencies implement a zero-tolerance policy when they encounter safety belts not being used when they stop for another traffic infraction.

**Issue 2** Reduce the alcohol involvement in crashes.

**Description** To combat the prevalence of impaired driving, GOHS devotes significant resources to overtime enforcement, equipment, and training for law enforcement officers statewide.

Arizona's impaired driving program utilizes enforcement, education, training, and public awareness to reduce the number of fatalities and injuries resulting from alcohol- and drug-impaired collisions.

**Solutions:**

To combat the prevalence of impaired driving, GOHS devotes significant resources to overtime enforcement, equipment, and training for law enforcement officers statewide. GOHS will pursue the following strategies to reduce impaired driving on our roadways:

1. DUI enforcement program (overtime);
2. Funding for equipment and supplies (Portable Breath Testing Devices (PBT), phlebotomy supplies, PBT and Intoxilyzer mouthpieces, drug testing kits, urine and blood kits, and gas cylinders used to calibrate PBTs, Intoxilyzers, and Livescan Instruments);
3. Training (Standardized Field Sobriety Test (SFST) Drug Recognition Expert (DRE) Horizontal Gaze Nystagmus (HGN) DUI report writing and testimony, law enforcement phlebotomy, Advanced Roadside Impaired Driving Enforcement (ARIDE), and Drug Impairment Training for Educational Professionals (DITEP);
4. Traffic Safety Resource Prosecutor; and
5. Public awareness activities.

GOHS will continue to fund these proven effective strategies to reduce the number of alcohol and drug driving-related fatalities by increasing the number of DUI arrests, training law enforcement on effective tools and techniques, and regularly informing the public about the danger associated impaired driving and the threat of arrest for those who break the laws.

**Issue 3** Decrease serious traffic injuries.

**Description** The economic recovery that began in 2010 resulted in higher employment, rising home values, and increasing business activity and created new demand for automobiles and motorcycles and increased VMT along with a corresponding number of injuries.

Speeding is the number one contributing factor in the State’s fatal crashes. Countless tragedies are caused by excessive speed crashes, which injure and kill innocent people. Arizona’s wide thoroughfares are conducive to driving far in excess of the posted speed limit, changing lanes, tailgating, and passing dangerously on the daily commute. Some drivers ignore the most important rules of safe driving, which are common sense and courtesy.

**Solutions:**

GOHS supports several strategies to reduce speeding, aggressive driving, and red light running. They include:

1. Law enforcement (overtime for sustained traffic enforcement campaigns conducted throughout the year);
2. Equipment purchases (speed trailers, Laser and Radar guns);
3. Materials and support for public information and media campaigns;
4. Training for project and program managers (Lifesavers Conference);
5. An annual public opinion survey

**Resource Assumptions**

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	12.0	12.0	12.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	1,497.5	1,497.5	1,497.5
<b>Federal Funds</b>	11,814.3	11,814.3	11,814.3

◆ **Goal 1** To decrease the fatality rate per 100 million vehicle miles traveled (VMT) to 1.35 by December 31, 2015.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Grant Proposals received from jurisdictions.	300	300	400	300	300
Contracts negotiated, written, and executed.	373	350	400	300	300
Miles traveled fatality rate (prior calendar year).	1.25	1.25	1.36	1.35	1.35

**Explanation:** Crash data compiled on calendar year

Total statewide fatalities (prior calendar year).	823	820	844	836	828
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**Explanation:** Actual data represents the prior year calendar data. Performance measures will now be calculated using a calendar year base average.



◆ **Goal 2** To reduce the number of fatalities from year 2013 of 844 to 828 in 2015.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Contracts for any type of alcohol-detection devices.	150	150	40	30	30
Agencies funded for DUI enforcement.	118	61	84	59	60
<b>Explanation:</b> Includes contracts for new federal funds, Section 164.					
Officers receiving standardized field sobriety/horizontal gaze nystagmus/drug recognition expert/phlebotomy training. (Based on a calendar year)	899	900	870	900	900
Alcohol-related fatalities (prior calendar year).	281	270	262	245	238
<b>Explanation:</b> Actual represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					
Law enforcement, prosecutors and judges attending GOHS Summit training on DUI, Speed, Seat Belt, etc.	70	70	216	200	200

◆ **Goal 3** To decrease serious traffic injuries by December 31, 2014 to 50,000 and a 2015 goal of 50,000.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Agencies participating in public information & education/enforcement projects.	40	40	18	15	15
Public information & education campaigns developed each calendar quarter.	4	4	4	4	4
Enforcement/training/public information & education events.	10	10	18	15	15
Percent of seat belt use (prior calendar year).	82.2	83.1	84.7	85.0	85.0
<b>Explanation:</b> Actual data represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					
Percent of child safety belt use.	82.2	83.1	84.8	85.0	85.0
<b>Explanation:</b> Actual data represents prior calendar year actual. Performance measures will now be calculated using a calendar year base average.					
To decrease serious traffic injuries to 50,000	N/A	N/A	50,284	50,000	50,000

## Agency Summary

### ARIZONA HISTORICAL SOCIETY

Anne I. Woosely, Ph. D., Executive Director  
Phone: (520) 628-5774  
A.R.S. § 41-821(A)

#### Mission:

*To collect, preserve, interpret, and disseminate the history of Arizona, the West, and northern Mexico, as it pertains to Arizona.*

#### Description:

The Arizona Historical Society (AHS) is a membership and government supported, nonprofit, state agency. It is governed by a membership-elected board representing each county in the state. Museums are located in Flagstaff, Tempe, Tucson, and Yuma. The Society museums maintain extensive library and archival collections used by a diverse general audience. The Society produces the Journal of Arizona History and various historical books. The AHS Board develops the biennial budget and authorizes and approves all expenditures. The Administrative Division provides finance, budget, personnel, and management support to each of the divisions. AHS certifies and supports 63 local historical societies in preserving and disseminating Arizona history. The Society also supports other board-approved community activities.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,155.0	3,156.0	3,774.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,173.2	1,319.2	1,166.0
<b>Total Funding</b>	<b>4,328.2</b>	<b>4,475.2</b>	<b>4,940.8</b>
<b>FTE Positions</b>	<b>42.9</b>	<b>60.3</b>	<b>63.5</b>

**Issue 1** Administrative Planning

**Description** AHS strives to develop and strengthen its human resources and organizational management knowing that the most important part of keeping the Society operational is the people and their collective energy, knowledge and enthusiasm.

**Solutions:**

Strategic Goal 1.1: Create a healthy climate and culture, efficient operations, and performance targets to increase the effectiveness of our mandate delivery.

Objective1.1.1: Establish and use effective communication among staff and administration.

Objective1.1.2: Involve staff in identifying and implementing strategies to create and maintain a climate and culture that will make working at AHS satisfying, meaningful, and effective in providing public value.

Objective 1.1.3: Develop a culture and incentive system that promotes effective internal and external customer service and teamwork.

Strategic Goal 1.2: Provide for continuous improvement and efficient allocation of resources.

Objective 1.2.1: Assess human resource skill/ allocation needs based upon external environmental factors and develop human resource recruitment and succession plan to optimize agency long-term performance.

Objective 1.2.2: Assess and recruit for specific skills sets for staff, and boards.

Objective 1.2.3: Organize the Divisions as needed to take advantage of skills and opportunities and effectively provide mandated functions.

Objective1.2.4: Identify needed training and development and ensure staff is adequately trained for present and future needs.

Objective 1.2.5: Ensure that policies and procedures meet current and future needs.

Objective 1.2.6: Recruit and develop a diverse workforce so that we can better serve a diverse public.

Strategic Goal 1.3: Help staff reach full potential and meet stakeholder expectations.

Objective 1.3.1: Create and implement new hire orientations.

Objective 1.3.2: Implement professional development for AHS Board, agency leadership and department staff.

Objective 1.3.3: Provide strategic training opportunities for individuals based on annual plan, agency need, individual goals and work group resources.

Objective 1.3.4: Ensure that staff have the skills, competencies, training, and tools they need to support their customers in a changing environment.

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**Issue 2** Financial Planning

**Description** Define and develop financially responsible fiscal management

**Solutions:**

Strategic Goal 2.1: Identify and Secure Additional Funding Sources.

Objective 2.1.1: Develop and strengthen every avenue of public support to secure future public funding.

Objective 2.1.2: Plan and mount major capital and endowment campaigns.

Objective 2.1.3: Increase earned income from fees and services in accordance with revenue enhancement tactics.

Objective 2.1.4: Develop private sector partnerships to leverage rental potential of agency sites and commercial use of collections.

**Issue 3** Capital Planning

**Description** Maintain and Improve the care of the interior and exterior of its museums. The integrity of museum buildings directly impacts the visitor experience and public safety, as well as the collections housed within their walls.

**Solutions:**

Strategic Goal 3.1: Create a plan for realizing the usage potential of AHS real estate holdings that anticipates needs and opportunities in using space to achieve organizational goals.

Objective 3.1.1: Evaluate properties and plan for optimal financial productivity and strategic applications.

Strategic Goal 3.2: Address deferred maintenance needs and create a schedule of necessary maintenance.

Objective 3.2.1: Develop plan to prioritize and subsequently mitigate deferred maintenance issues in museum buildings.

Objective 3.2.2: Engage in open dialog with State pertaining to fund allocations and maintenance of state owned facilities.

Strategic Goal 3.3: Develop, fund, and implement a capital improvement plan that takes into account AHS's needs up to the next 25 years.

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**Issue 4** I.T. Infrastructure

**Description** AHS is a 21st century information agency. AHS will be instrumental in shaping Arizona's identity for the next 100 years. How the world will understand Arizona, will largely be determined by historical documents and objects we keep. That, in turn, will be determined by technology and technology informs all aspects of what we do. We now seek, identify, capture, store, transmit and deliver information in all formats. We will support an information technology infrastructure that is flexible, robust, secure and scaleable, and that serves AHS' customers, both internal and external. Having the ability to manage, use, find, share and appropriately dispose of electronic records is vital for the effective functioning of AHS and it is central to an agency that strives to be transparent, participatory and collaborative.

**Solutions:**

Strategic Goal 4.1: Maintain a high-quality technological infrastructure that is capable of supporting all of our internal operations and the website.

Objective 4.1.1: Conduct internal assessment of current and future IT needs for the agency.

Objective 4.1.2: Conduct external assessment of current agency infrastructure.

Objective 4.1.3: Pursue the recruitment of a Digital Manager to oversee implementation of strategic IT Infrastructure goals.

Objective 4.1.4: Write grants for acquiring hardware & software.

Strategic Goal 4.2: Using a coordinated, division-wide approach, meet the educational, technical, and cultural needs of diverse customers through enhanced delivery of information.

Objective 4.2.1: Provide needed data effectively and efficiently.

Objective 4.2.2: Facilitate the dissemination of information effectively and efficiently.

Strategic Goal 4.3: Optimize online publications for effective use by customers.

**Issue 5** Online Presence

**Description** Develop and Implement a plan for strategic web development that makes arizonahistoricalsociety.org the primary online resource for people to connect with Arizona's history.

**Solutions:**

Strategic Goal 5.1: Develop and implement a plan for strategic web development that makes arizonahistoricalsociety.org the primary online resource for people to connect with Arizona's history.

Objective 5.1.1: Develop a team-based approach to improving our technological infrastructure to include our web properties.

Objective 5.1.2: Develop an educator's portal on AHS's website that utilizes new media to create accurate, engaging, and standards-based materials to disseminate AHS's resources.

Objective 5.1.3: Develop and implement a social network plan that makes it easy for individuals and organizations to more easily access AHS resources.

Strategic Goal 5.2: Facilitate online purchase of retail items and payment for AHS services and programs.

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**Issue 6** Collection Stewardship

**Description** The asset that distinguishes AHS from its peers is its rich and irreplaceable collection of historical artifacts, natural history specimens, manuscripts and printed material.

**Solutions:**

Strategic Goal 6.1: Develop strategies for storage, preservation, and collections security.

Objective 6.1.1: Prioritize and address the preservation needs of all AHS collections, regardless of format.

Objective 6.1.2: Proactively adapt our security measures for our staff, collections and infrastructure to meet changing threats and vulnerabilities.

Objective 6.1.3: Develop and implement a comprehensive Collections Management Manual including Collections Development plans for each collecting Division and development of a comprehensive collections management plan.

Objective 6.1.4: Adopt and implement a collections disaster plan.

Objective 6.1.5: Establish effective physical control over all collections: launch inventory process and develop target for data entry.

Objective 6.1.6: Create a plan for cataloging and processing backlog and incorporate the plan into division level manuals.

Strategic Goal 6.2: Manage the Collections using appropriate technological tools for more complete understanding, greater public access, and enhanced public programming

Objective 6.2.1: Develop integrated plan for gathering collections info, identify data to share with public, create front-end searchable database.

Objective 6.2.2: Develop plan for exponential database growth and access.

Strategic Goal 6.3: Assist customers in surveying, preserving, developing, interpreting, and utilizing heritage resources to facilitate economic development, community improvement, heritage tourism, and quality of life.

Objective 6.3.1: Provide individuals and groups with ease of access through a variety of channels – including online catalogs and finding aids, on-site databases, school tours, educational programs, exhibitions, and off-site programs, exhibitions, and partnerships.

Strategic Goal 6.4: Maximize AHS's existing collections storage capacity to meet its current needs and expected growth.

Objective 6.4.1: Evaluate all of AHS's existing properties for space use and environmental appropriateness for collections storage purposes.

Objective 6.4.2: Identify criteria of appropriate collections storage spaces.

Objective 6.4.3: Develop plans for reclaiming or re-purposing spaces for additional collections storage.

Objective 6.4.4: Deaccession materials inappropriate to the mission and remove those items from AHS collections storage spaces.

Objective 6.4.5: Strategic Goal: Improve curatorial workspace for accessioning and preservation.

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**Issue 7** Collections Access

**Description** In decades to come, the expectation of easy online access to AHS holdings will grow. The breadth of information available on the internet has increased public demand for faster access to more information.

**Solutions:**

Strategic Goal 7.1: Provide convenient access to collections for customers and public.

Objective 7.1.1: Develop a comprehensive integrated and automated collections records system.

Strategic Goal 7.2: Equip these facilities and staff with the tools to help researchers locate records at any AHS facility.

Strategic Goal 7.3: Provide statewide leadership through leveraging partnerships to preserve and provide access to the evidence of Arizona's past.

Strategic Goal 7.4: Address the challenges of electronic records to ensure success in fulfilling AHS's mission in the digital era.

Objective 7.4.1: Identify permanently valuable electronic records wherever they are, capture them, and make them available in usable form as quickly as practical.

Objective 7.4.2: Partner with agencies, research institutions, and private industry to develop, implement, manage, and promote our electronic records program both within AHS and for the public at large.

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**Issue 8** Education and Public Programming

**Description** Improve the quality of interpretive services statewide.

**Solutions:**

Objective 8.1.1: Assess all interpreters (Amazing Arizonans, guides, docents, suitcase presenters, speakers bureau, etc.).

Objective 8.1.2: Evaluate, reorganize, eliminate, and/or rename current programs.

Objective 8.1.3: Design and implement school tours with thematic approach.

Objective 8.1.4: Recruit and train guides for AHS museums and programs.

Objective 8.1.5: Implement Arizona History Forum guide training program.

Objective 8.1.6: Continue development of interpretive products to be used in all AHS museums.

Objective 8.1.7: Work with regional Division Directors in planning of programs, exhibits, and fundraisers.

Objective 8.1.8: Extend reach into local schools with targeted outreach and improved onsite and in school programming.

Objective 8.1.9: Develop onsite programming that is focused on enhancing the museum visitor experience.

Objective 8.1.10: Plan for the next generation of exhibits and programming.

Strategic Goal 8.2: Engage and educate the public in Arizona history by creating high-quality programs that demonstrate the relevance of the past, reach across the state, and rely on strong partnerships.

Objective 8.2.1: Foster skills in historical inquiry, analysis, critical thinking and information literacy to explore ideas, respect the diversity of human experience and make informed judgments about issues that affect our lives.

Objective 8.2.2: Create statewide teaching programs using current national models in the ways they use historic resources and the ways they form partnerships with other groups.

Objective 8.2.3: Develop and implement an overall strategy for reaching key educational target markets that includes leveraging partnerships.

Objective 8.2.4: Create relevant, vibrant exhibits and public programs that educate, entertain and engage the public in meaningful conversations about Arizona's past and how it shaped the present, and serves as inspiration for the future.

Objective 8.2.5: Expand market awareness of exhibits, programs, and educational opportunities through partnerships and co-marketing.

Objective 8.2.6: Investigate and establish a strategy that employs web-based platforms to share collections, educate students and the public, increase visibility, augment publications and exhibits, and grow meaningful collaborations.

Objective 8.2.7: Establish working relationships with area historical societies and heritage organizations, educational institutions, cultural organizations, and groups representing ethnic communities.

Objective 8.2.8: Improve upon the quality of current location-based education programs by conveying unique messages and stories about Arizona History not currently told in other museums.

Strategic Goal 8.3: Expand science education programming statewide.

Objective 8.3.1: Design and implement science education programs.

Objective 8.3.2: Use current and future exhibits to connect science education programs to exhibition themes and content.

Strategic Goal 8.4: Expand National History Day in Arizona program.



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Objective 8.4.1: Increase awareness and participation in National History Day by increasing teachers, students, and regional museums participation.

Objective 8.4.2: Increase fundraising efforts around the state.

Objective 8.4.3: Work with regional coordinators in planning of programs, competitions, materials, and fundraisers.

Strategic Goal 8.5: Coordinate to provide meaningful, effective opportunities for lifelong learning.

Objective 8.5.1: Use resources effectively by establishing a institution-wide philosophy/policy on our role in lifelong learning.

Objective 8.5.2: Identify training needs of our mandated customers and create a plan to more effectively provide this training.

Objective 8.5.3: Work toward putting staff presentations and trainings online.

Objective 8.5.4: Utilize a variety of delivery mechanisms: Individuals learn in different ways.

Objective 8.5.5: Organize an experience-based approach, overseeing planning and assuring excellent quality, facilities, and customer service.

Objective 8.5.6: Create a better understanding of target market needs and interests as a foundation for better relationships and realignment of activities that will foster greater participation in AHS programs.

Objective 8.5.7: Develop and implement an interpretive plan for the entire organization that focuses on programs and exhibits that incorporate empowering intergenerational audiences with personally and culturally relevant history experiences.

Strategic Goal 8.6: Strengthen web and other media delivery of content for an education audience. (See Strategic Priority 4)

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**Issue 9** Audience Reach

**Description** AHS's future success depends on our ability to identify, please, serve, cultivate, and build our audiences. These include our members and donors, volunteers, school groups and teachers, researchers and learners of all ages (scholars, professionals, collectors, media writers and staff), family historians and genealogists, history buffs, heritage visitors, and the interested public.

**Solutions:**

Strategic Goal 9.1: Expand the audience for AHS publications through electronic publication and distribution

Objective 9.1.1: Digital publication of books and The Journal of Arizona History.

Objective 9.1.2: Increase accessibility of existing publications through digital conversion.

Strategic Goal 9.2: Assist customers in surveying, preserving, developing, interpreting, and utilizing heritage resources to facilitate economic development, community improvement, energy and other projects, heritage tourism, and quality of life.

Objective 9.2.1: Through services and relationships with partners and customers, strengthen all parties, create synergy, multiply outcomes, and further economic development.

Objective 9.2.2: Enable communities to develop and use their heritage resources to strengthen their economies.

Strategic Goal 9.3: Strengthen partnerships to more efficiently provide outreach to the general public.

Objective 9.3.1: Work with partners to identify ways to provide outreach and learning opportunities through partnerships and cooperation.

Objective 9.3.2: Strengthen and form partnerships to make events more effective, using fewer staff resources.

Objective 9.3.3: Expand our partnerships with the professional communities and state agencies that share our goals and mission.

Objective 9.3.4: Foster strategic alliances to increase access to collections, expand digital assets and research tools, and generate new revenues.

Objective 9.3.5: Develop strong brand identity and messaging for changing exhibits and their accompanying programs for Arizona Historical Society.

Strategic Goal 9.4: Create an organization that innovates naturally and frequently, adapts to the need for change, and is responsive to the community it serves.

Objective 9.4.1: Reorganize membership classifications to reflect new perceptions of membership. Include youth membership and teacher membership, for example.

Strategic Goal 9.5: Increase public awareness and support for historical records preservation and access.

Objective 9.5.1: Personalize the history experience and connect in new ways to the communities it serves.

Objective 9.5.2: Engage state and local legislative stakeholders, learning more about their goals and increasing public awareness of, and investment in, the Society's operations.

Strategic Goal 9.6: Promote AHS as a leader in the community for historical events of significant, statewide importance, teaching the lessons and legacies from these events.

Strategic Goal 9.7: Communicate effectively with our audiences both in person and virtually to provide educational, relevant, and engaging experiences in a variety of formats (lectures, family programs, special events, virtual and long- and short-term exhibitions, shopping opportunities, off-site statewide outreach, and dedicated staff and volunteers assisting researchers).

Objective 9.7.1: Target those experiences to specific audiences, focusing our resources on maximizing the value we provide to

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win support for our future.

Objective 9.7.2: Use targeted statewide marketing to reach our audiences, cultivate those supportive of our mission, and invite them to invest in AHS' future.

Objective 9.7.3: Optimize public awareness and participation in agency services through enhanced brand identity, web-site, marketing and outreach.

Strategic Goal 9.8: Raise AHS profile in the community.

Objective 9.8.1: Develop products/programs to be used in all AHS museums.

Objective 9.8.2: Continue regular updates of AHS Webpage with new design/structure.

Objective 9.8.3: Administer AHS Social Media networks.

Objective 9.8.4: Provide support and collaborations in the community.

Objective 9.8.5: Continue production of educational publications.

Objective 9.8.6: Create teacher curricular resources.

Objective 9.8.7: Provide workshop supplements.

Objective 9.8.8: Create textbooks and children's books.

Objective 9.8.9: Continually monitor and evaluate programs and change accordingly.

Objective 9.8.10: Develop new programs.

Objective 9.8.11: Continue professional presentations at conferences.

Objective 9.8.12: Encourage staff to attend professional development opportunities.

Objective 9.8.13: Continue presence in university classes at ASU, UA, and NAU.

Objective 9.8.14: Develop partnerships and collaborations with professional organizations and businesses.

Objective 9.8.15: Participate in professional organizations such as the American Association for State and Local History, Museum Association of Arizona, Central Arizona Museum Association, Tucson Association of Museums, Arizona Council for the Social Studies, Western Museum Association, etc.

Objective 9.8.16: Increase grant applications through professional partnerships.

Objective 9.8.17: Recruit and mentor college interns.

### Resource Assumptions

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	44.0	47.0	50.0
<b>General Fund</b>	4,000,000.0	4,250,000.0	4,500,000.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	1,250,000.0	1,400,000.0	1,500,000.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To collect and preserve the physical materials pertaining to the history of Arizona from A.D. 1540 to the present.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of linear feet of archives processed sufficiently to provide public access in the fiscal year	29,250	29,500	30,000	31,000	31,500
Percent of three dimensional collections available to the public	90	90	90	90	90

◆ **Goal 2** To interpret and disseminate the history of Arizona for a broad general audience.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of public programs	900	1,000	986	1,000	1000
Public program attendance	95,000	100,000	96,000	100,000	100,000
Number of public inquiries	10,865,716	17,500,000	14,478,065	15,000,000	16,000,000
On-site public attendance at local certified historical societies and museums.	550,000	550,000	567,000	550,000	550,000
Number of museum visitors and researchers	46,457	70,000	41,100	45,000	48,000
Number of volunteer hours	32,000	35,000	33,600	35,000	35,000
Administration as a percent of total cost	10	10	10	10	8.2

## Agency Summary

### PRESCOTT HISTORICAL SOCIETY

Fred Veil, Executive Director  
Phone: (928) 445-3122  
A.R.S. § 41- 831

#### Mission:

*To: serve as an educational and cultural center, which fosters public and community understanding and appreciation of historical, social, cultural and natural aspects of Arizona, with emphasis on the Central Highlands, and which promotes involvement in and support for research, collections, conservation, exhibits, and related programs.*

#### Description:

The Prescott Historical Society operates the Sharlot Hall Museum, which was founded in 1928 and is located on the grounds of the first territorial governor's residence and offices. The nearly four acre landscaped campus features ten exhibit buildings, including four restored historic structures-- the territorial Governor's Mansion (1864), Fort Misery (1864), the Fremont House (1875), and the Victorian-era Bashford House (1877). The Lawler Exhibit Center (1977) hosts both permanent and changing exhibits, an historic theater, and storage of extensive historic and prehistoric objects. A large Archive Library (1993), houses approximately 100,000 images and documents. A new, approximately, million dollar facility constructed with non-State of Arizona funds was completed in March 2013, and a new admissions building, also financed entirely with privately-donated funds was added in April, 2014. The Bob Stump VA Medical Center hosts a branch museum which interprets the history of Fort Whipple. Public programs include the annual Folk Arts Fair, Prescott Indian Art Market, Folk Music Festival, Frontier Christmas, Western History Symposium, peridocial musical and theaterical historical productions, living history interpretations in both indoor and outdoor settings, heritage gardens, lecture series, education tours, and outreach opportunities for children and adults.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	751.8	826.3	928.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	746.3	550.1	550.1
<b>Total Funding</b>	<b>1,498.1</b>	<b>1,376.4</b>	<b>1,478.5</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

## 5 Year Plan

### **Issue 1** Excellence in Education

**Description** Sharlot Hall Museum is dedicated to excellence in exhibitions, programs, and preservation of its collections for public benefit. As the top priority of the institution, comprehensive plans for both internal and traveling exhibits and programs, and wide use of websites and other means will offer patrons opportunities that excite, enrich, and educate a broad range of ages and a diverse public. As an overarching goal, efforts in this area will be based on appropriate Arizona curriculum standards where possible.

#### **Solutions:**

- ☑ Fund and continue implementation of the Museum's long-range exhibit plan
- ☑ Continue to implement and improve the Museum's education plan, with increased emphasis on school tours and youth oriented activities.
- . Explore opportunities to expand the Museum's collections, including its archival materials
- . Develop a plan designed to increase public awareness of the research opportunities offered by the Museum's Library & Archives.

### **Issue 2** Long-Range Financial Planning

**Description** Sharlot Hall Museum is committed to sound and responsible stewardship of the public resources to ensure that we can continue to provide our members and visitors with an educational and cultural experience consistent with our mission.

#### **Solutions:**

- ☑ Provide a solid development plan to obtain funds for both short term and long term needs
- ☑ Develop investment strategies for maximum return within fiscally prudent guidelines
- ☑ Employ cost effective management principles in administering operational funds
- ☑ Resource development focused upon these sectors:
  1. Endowments/planned giving/major gifts/naming opportunities;
  2. Annual giving and membership base expansion;
  3. Corporate and institutional connections/support opportunities;
  4. Governmental relations; and
  5. Fund raising events with a focus on those which minimize impact on the Museum staff.

### **Issue 3** Long-Range Facilities Planning

**Description** A Sharlot Hall Museum Master Plan describes the facilities changes, renovations, and required upkeep to accommodate the present physical plan and future growth. This initiative ensures that facilities will meet the needs of the Museum campus and community.

#### **Solutions:**

- ☑ Revise the former Master Plan to reflect current needs and projected resources/sustainability to include proper space utilization
- ☑ Produce a Five-Year Capital Improvement Plan

### **Issue 4** Economic and Political Support

**Description** This initiative is designed to assist Sharlot Hall Museum in its dual efforts to provide quality of life experiences for the community and to serve as a regional economic generator through civic tourism

#### **Solutions:**

- ☑ Maintain a high profile with state, county, and local government to assure tax base funding
- ☑ Develop partnerships with community businesses, leaders, and others
- ☑ Develop partnerships with complementary institutions/entities which offer learning and coalition building opportunities, facilities and event production sharing, etc.:
  1. Indigenous tribal entities
  2. Arizona Historical Society
  3. Local historical museums/entities/events (Phippen, Smoki, Westerners Corral, etc.)
  4. Service clubs
  5. Educational institutions

**Issue 5** Public and Media Relations

**Description** Wide ranging efforts to publicize the unique nature and extensive quality offerings of the Sharlot Hall Museum is the foundation of sustainability. The Museum can only fulfill its mission if the public is aware of existence, and the many rewards it offers.

**Solutions:**

- ☑ Develop solid public relations and promotion plan;
- .Continue to foster strong relationships with local media;
- ☑ Develop progressive membership plan, with increased emphasis on corporate memberships;
- ☑ Develop visitor surveys and other means to obtain audience input

**Resource Assumptions**

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	12.0	13.0	13.0
<b>General Fund</b>	950.0	970.0	990.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	725.0	800.0	850.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To increase museum visitation annually.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of people served (includes museum, festival, and theatre attendees; and researchers)		35,000	30,000	32,000	34,000
Percent of museum clients pleased with service		90	90	95	95
Number of volunteer hours		1,650	20,000	21,000	22,000
Number of museum researchers		1,150	2,000	2,100	2,200

**Explanation:** In FY2008 Library closed for one month to relocate to new facility

Number of web site unique visitors		4,200	40,000	41,000	42,000
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◆ **Goal 2** To continue phased facility expansion and modification, bringing needed square footage for exhibits and other uses to support goal 1 above.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Capital campaign dollars raised to build new square footage (in thousands)		200,000	86	225	50
Increase in number of dues-paying members		1,275	1,250	1,300	1,350

◆ **Goal 3** To increase the private, non-state funding support for expansion and operations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollars of supplemental non-state funds per annum in thousands		800,000	678	850	700

## Agency Summary

### DEPARTMENT OF HOMELAND SECURITY

Gilbert M Orrantia, Director  
Phone: (602) 542-7013  
A.R.S. § 41-4252

#### Mission:

*To enhance Arizona's preparedness and provide strategic direction for securing Arizona.*

#### Description:

The Department administers federal grants to State and local agencies to prevent or reduce Arizona's vulnerability from terrorist attacks.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	1,958.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,865.1	34,680.8	12,983.0
<b>Total Funding</b>	<b>23,865.1</b>	<b>34,680.8</b>	<b>14,941.5</b>
<b>FTE Positions</b>	<b>16.0</b>	<b>17.0</b>	<b>17.0</b>



**Issue 1** MAINTAINING THE SAFETY AND SECURITY OF ARIZONA'S CITIZENS WITH SIGNIFICANTLY REDUCED FUNDING**Description** POTENTIAL IMPACT TO ARIZONA'S ENHANCEMENT OF BORDER SECURITY AND THE CAPABILITY AND CAPACITY TO PREVENT, PROTECT, MITIGATE, RESPOND TO AND RECOVER FROM TERRORIST ATTACKS AND ALL HAZARDS.

In 2001, as a result of the terrorist attacks of 9/11, the former Governor's Office of Homeland Security and the current AZDOHS have led the homeland security initiatives to ensure the safety and security of Arizona's citizens.

There is a considerable challenge to maintain and sustain the capabilities and capacity levels achieved over the past several years with continued reductions in Federal funding. One of the major elements that is key to the capability and capacity to prevent, protect, mitigate, respond to and recover from terrorist attacks and all hazards is the collaborative partnerships that have been developed and fostered through the homeland security program.

Based upon the information regarding the future of homeland security grant funds disseminated from the FEMA Administrator at a recent National Homeland Security Symposium, it is anticipated that the U. S. Department of Homeland Security (USDHS) grant funds will continue to diminish. The FFY 2013 grant funds are 63.4% lower than the FFY 2007 funding level. Yet, there will be an ongoing requirement and expectation that Arizona will continue to assure border security operations are enhanced and sustained; and that the capabilities and capacity (built with Homeland Security funds) to address the ever-present and ongoing threats of terrorism, illegal border crossings, human and drug trafficking along the Arizona/Mexico border, and information-sharing among law enforcement entities (local, State, Tribal, Federal) to prevent adversarial attacks are sustained.

To provide safety and security to Arizona's citizens; the capability and capacity to conduct border security operations, maintain emergency response plans, operable and interoperable communications, and equipment to respond to acts of terrorism or other critical hazards is a priority for the well-being of all residents. It is also imperative that training and exercise continue to maintain and sustain a capable response force.

To be a recipient of USDHS grants, there are numerous requirements and reports that must be maintained and submitted on a quarterly and annual basis. The State Homeland Security Strategy is just one of those requirements. Additionally, the Director of the AZDOHS serves as the Homeland Security Advisor to the Governor.

AZDOHS is responsible for the development and implementation of the State Homeland Security Strategy. This guiding document is developed in coordination with stakeholders for various disciplines such as emergency management, law enforcement and fire as well as the private sector, nonprofit, civic, faith-based and volunteer organizations.

In addition, content in the document is derived from the THIRA and the SPR. These are comprehensive analysis and assessments of State, local and Tribal capabilities.

Reduced or dissipated funding has a calamitous impact on Arizona's border security operations by reducing State, local and Tribal high-visibility uniformed patrols along the Arizona/Mexico border and also affects the ability to prevent and protect Arizona's citizens from terrorism and other critical hazards. It is essential to maintain the strategic direction, capabilities and capacity to prevent, protect, mitigate, respond to and recover from an incident for the safety, well-being and economic security of Arizona.

**Solutions:**

MAINTAINING THE SAFETY AND SECURITY OF ARIZONA'S CITIZENS WITH SIGNIFICANTLY REDUCED FUNDING - POTENTIAL IMPACT TO ARIZONA'S ENHANCEMENT OF BORDER SECURITY AND THE CAPABILITY AND CAPACITY TO PREVENT, PROTECT, MITIGATE, RESPOND TO AND RECOVER FROM TERRORIST ATTACKS AND ALL HAZARDS.

AZDOHS will continue to focus on border security, maintaining and sustaining the capabilities and capacities to prevent, protect, mitigate, respond to and recover from threats or acts of terrorism and all critical hazards with the grant funds awarded to Arizona through the FFY 2013 funding cycle.

To address this issue, AZDOHS will focus on the furtherance of enhancing regional partnerships and collaborative information-sharing activities. These efforts will aid in minimizing any potential impact should leadership efforts be transitioned to another agency or assumed by the participating entities.

A general fund budget request will be submitted for FFY 2015 and subsequent fiscal years to support the ongoing efforts to maintain and sustain the efforts previously described.

It is the goal of AZDOHS to manage and administer the available funds while maintaining compliance with the USDHS National Preparedness Goal and the National Preparedness System to sustain capabilities that can be regional and federally deployed.

Although deployment is coordinated through the mutual aid compacts at the local, State and regional level, the State Administrative Agency is the designated entity eligible to apply for and receive homeland security grant funds.

As Federal funds diminish, State agencies and local jurisdictions will be encouraged to seek maintenance and sustainment support through their local governing body.

Annual reviews and assessments will be conducted to determine viability of staff levels to maintain ongoing department responsibility requirements with subsequent recommendations provided to the Director.

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As Federal grant funds diminish and limited resources are available to the Department, the Department will develop a strategic initiative to consider options to transfer or consolidate Department responsibilities to another State agency or office as well as determine the appropriate legislative action to address the statuses.

**Issue 2** SUSTAINING THE VIABILITY OF AZDOHS SECURITY WITH DRASTICALLY REDUCED FUNDING

**Description** IMPACT TO AZDOHS TO EFFECTIVELY PROVIDE HOMELAND SECURITY STRATEGIC DIRECTION, ENHANCE COLLABORATIVE EFFORTS AND ADMINISTER AND MANAGE GRANT FUNDS AWARDED TO THE STATE OF ARIZONA. AZDOHS is the State Administrative Agency (SAA) responsible for the management and administration of the suite of grant programs available from the USDHS.

As the SAA, there is a myriad of roles, responsibilities and reporting requirements to maintain eligibility to receive and maintain compliance with all of the grant guidance and award conditions.

Since 2007, Arizona has experienced over a 63.4% decrease in Homeland Security grant funds awarded to the State. As mentioned in Issue 1, it is anticipated that the USDHS grant funds will continue to diminish at a significant rate.

Regardless of any reductions or the potential elimination of the grant programs, the SAA must still maintain compliance and meet all reporting requirements well after the end of a grant performance period. To further exacerbate the issue, the 2012 grant performance period has been reduced from 36 to 24 months.

While AZDOHS has made every effort to be exemplary stewards of the funds awarded to the State, the department will be severely impacted by a reduction of funds.

A reduction in funds will directly result in a reduction of current AZDOHS staffing levels. A reduction in current staffing levels obviously will affect the Department's ability to sustain the collaborative efforts that have brought together and built working relationships across the various disciplines. The collaborative relationships built have served as a cornerstone involving collective efforts to share information, leverage resources, and increase the level of prevention and response capabilities.

Reduced staffing would impede the ability to efficiently and effectively manage and administer the grant programs as well as meet all of the reporting requirements for the State and the USDHS. Failure to maintain compliance with the reporting requirements could result in Arizona being ineligible to receive homeland security grant funds or a reimbursement being held until such time compliance is achieved.

Reimbursement requests to stakeholders would be significantly delayed thus imposing unintended budgetary consequences on local jurisdictions to be able to accept and utilize any potential grant funds that may have been awarded. Accordingly, stakeholder relationships and collaborative efforts will be affected.

Should Federal homeland security grant funding cuts continue at the present rate, the overarching impact to the State of Arizona will be one which will negatively affect border security and counter-terrorism efforts. In addition, emergency management, preparedness and response efforts will also be negatively impacted as grant funding diminishes. If this trend of diminished Federal homeland security grant funding were to continue, the sustainment of Arizona's current levels of security, preparedness and emergency response will prove difficult.

**Solutions:**

SUSTAINING THE VIABILITY OF AZDOHS WITH DRASTICALLY REDUCED FUNDING - IMPACT TO AZDOHS TO EFFECTIVELY PROVIDE HOMELAND SECURITY STRATEGIC DIRECTION, ENHANCE COLLABORATIVE EFFORTS AND ADMINISTER AND MANAGE GRANT FUNDS AWARDED TO THE STATE OF ARIZONA.

To address reduction of funding to maintain and sustain AZDOHS, the Department has and will continue to analyze and assess the internal budget.

A general fund budget request will be submitted for FFY 2015 and subsequent fiscal years to support the ongoing efforts to maintain and sustain the current level of staffing.

Annual reviews and assessments will be conducted to determine viability of staff levels to maintain ongoing department responsibility requirements. As reduction in funds is experienced, reduction in force recommendations will be made to the Director accordingly.

With limited resource options, it will be extremely difficult to sustain the standards of excellence this Department has attained to be good stewards of the homeland security funds awarded to Arizona.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	17.0	17.0	17.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	21,697.8	21,697.8	21,697.8

◆ **Goal 1** To improve regional collaboration on homeland security issues within Arizona.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Conduct at least four Regional Advisory Council meetings within each region each fiscal year	20	20	20	20	20

**Explanation:** 4 Regional Advisory Council Meetings in each of 5 Regions

◆ **Goal 2** To provide strategic direction for enhancing regional preparedness.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Obligate funds from federal grants within 45 days of receipt of grant award	100	100	100	100	100

**Explanation:** Result expressed as percentage.

Review and update the State Homeland Security Strategy annually	Y	Y	Y	Y	Y
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**Explanation:** Result expressed as yes (Y) or no (N).

◆ **Goal 3** To effectively manage Federal homeland security funds.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Comply with all federal mandates for the efficient allocation of federal dollars in advance of suspense dates	100	100	100	100	100

**Explanation:** Results expressed as a percentage.

Conduct 28 sub-grantee site visits per year	28	24	28	28	28
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**Explanation:** Sub-grantee site visits review equipment, reimbursements, & compliance

Total amount of unexpended grant funds reverted to the Federal Government	710,066	0	185,000	0	0
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### Agency Summary

#### BOARD OF HOMEOPATHIC AND INTEGRATED MEDICINE EXAMINERS

Christine Springer, Executive Director  
Phone: (602) 542-8154  
A.R.S. 32-2901

#### Mission:

*To protect the public health, safety, and welfare by regulating Allopathic and Osteopathic physicians who apply for a homeopathic medical license and registering homeopathic medical assistants that work under the supervision of licensed homeopathic physicians that practice within the State of Arizona. Beginning January 1, 2015 the Board shall also regulate licensees who graduate from an approved school of homeopathic medicine and who become licensed by the Board to practice as a Doctor of Homeopathy.*

#### Description:

The Board of Homeopathic and Integrated Medicine Examiners regulates the practice of homeopathic medicine in Arizona. The Board reviews and examines the education, experience, and background of applicants to determine if they possess the qualifications required by law to practice homeopathic medicine and any of the subspecialties within the scope of practice. The Board conducts investigations into complaints against physicians and holds hearings, taking disciplinary action as necessary to protect the public safety. The Board also registers homeopathic medical assistants.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	81.0	102.1	97.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>81.0</b>	<b>102.1</b>	<b>97.6</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## 5 Year Plan

**Issue 1** Seek Legislative Approval to Revise Fees to Support Board Operations

**Description** Fees remain capped by statute and have not been changed since 1995. The Board unsuccessfully sought legislative changes in 2013 to raise some of its fee caps and to add new fees to support the cost of reviewing continuing education, providing re-examinations, and re-couping the true cost of holding an annual license. Staff hours were reduced to support operations at a base level. The rising cost of rental space, the new mandate to train board members, and ongoing costs relating to rulemaking for the new homeopathic doctor licensing necessitate another effort to request legislative approval to adjust fees.

**Solutions:**

Continue Cost saving measures with reduced staff time  
 Enlist help from a legislative sponsor familiar with the cost of running a board and commission

**Issue 2** Anticipated Availability and Costs of Required Board Member Training

**Description** Availability of training that will meet the intent of House Bill 2087 is not yet in place. Costs are variable depending on the provider of the training. The number of hours offered by the training entities varies by provider. The mandate is not funded and payment for the training must be provided by each individual health board. Ultimately the training should be made available as an on-line class so that each board member can attend based on their individual schedules.

Costs currently range from \$250/attendee for an 8 hour class, plus travel and per diems. In this particular scenario the board member would have to attend another class to obtain an additional 4 hours of the required 12 hours of training which would ultimately require additional travel costs and time away from their professions. Estimated costs :

- \$3000 for 2 days of training - 6 members
- 400 Travel (2 members )
- 500 Meals (6 members, 3 meals on first day , 2 meals on second)
- 300 Lodging (2 members) - 1 night each
- \$4200 Estimated Training Costs (conservative figures)

**Solutions:**

Board's actual cash fund will not support training costs. Homeopathic doctors will come on-line for licensure 1-1-15. Currently board is attempting to write rules, prepare an examination and maintain staffing at 28 hours per week. The additional training costs will effectively create a negative cash flow on an already tight budget.

The board may seek supplemental funding to afford the required board member training.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	1.0	1.0	1.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	102.1	102.1	102.1
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To issue, renew, or deny applications and renewals for licenses, permits, and registrations in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Applications received (includes physicians, assistants, and dispensing permits filed with an initial application)	24	17	12	20	20
<b>Explanation:</b> FY 2014 : 7 medical assistants, 3 dispensing permit, 2 physicians					
New licenses issued (physicians and medical assistants and dispensing permits)	6	11	11	15	15
<b>Explanation:</b> FY 2014 : 7 medical assistants, 1 physicians,3 dispensing permits					
Licenses eligible for renewal (physicians, dispensing permits, and medical assistants) FY14 Note: chelation permits are no longer part of this calculation	207	211	141	141	145
<b>Explanation:</b> Eligible FY14 Renewal: Dispensing=35; Physicians=85; Assistants=21					
Number of licenses renewed	170	173	124	128	132
<b>Explanation:</b> FY 2014: Total includes 82 physicians,31 dispensing permits, 11 assistants.					
Average number of days from receipt of completed application to issuance or denial of certification	24	35	69.25	45	50
<b>Explanation:</b> This figure is an average of 12 applications divided into a total of 831 calendar days					

◆ **Goal 2** To receive, investigate, and adjudicate complaints consistent with the performance objectives of the board.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of complaints resolved within 180 days.	50	80	60	70	70
<b>Explanation:</b> Measure is a percentage of the total resolved complaints in the fiscal year divided into the number of complaints closed within 180 days or less (2 closed out of 4 total complaints)					
Number of complaints or inquiries received	7	10	5	5	5
<b>Explanation:</b> The number represented indicates total number of complaints whether or not resolved in the fiscal year					
Complaints resolved by taking disciplinary action against licensee (includes Suspension and Consent agreements)	1	4	1	3	4
Suspension/Revocation	1	2	1	2	2
Average number of days per investigation from start to final adjudication	191	125	136	130	150
<b>Explanation:</b> Based on the total number of calendar days (683) accrued in adjudicating the closed complaints divided by total number of closed complaints (5)					
Percent of licensees with disciplinary action	4 Percent	2 Percent	2 Percent	1 Percent	2 Percent
<b>Explanation:</b> 82 licenses and of that total 1 on probation, 1 revoked; statistic reflects current fiscal year actions					
Total number of investigations conducted	12	12	7	13	12
<b>Explanation:</b> Note: statistic reflects both ongoing and closed cases					

- ◆ **Goal 3** To collect, update, and deliver information in a timely manner concerning licensees' location, practice modalities, and status for the public record.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of information inquiries responded to within 24 hours	87	93	88	94	94

**Explanation:** Includes email, packet requests, phone messages

## Agency Summary

### ARIZONA DEPARTMENT OF HOUSING

Michael Traylor, Director  
 Phone: (602) 771-1000  
 A.R.S. §§ 41-3951 to 41-3953

**Mission:**

*To provide housing and community revitalization to benefit the people of Arizona.*

**Description:**

The Arizona Department of Housing provides housing and community revitalization to benefit the people of Arizona by addressing unique and changing housing needs in this state. When adequately housed, individuals, families, and communities flourish; without adequate housing, every aspect of life suffers as a result, including health, education, and the entire welfare of the community. Many of society's ills begin with and are exacerbated by poor housing choices and deteriorated neighborhoods. As Arizona continues to grow and the economic and housing needs of its population evolve, the Department is in a position to recognize changing market conditions and to respond throughout the state. Creative solutions are developed to be responsive to both rural and urban housing issues, and much of the Department's focus is on assisting Arizona's most vulnerable populations, who through no fault of their own, are challenged with finding decent, suitable housing. The Department is working toward sustaining current initiatives and simultaneously maintaining the flexibility to respond to new demands for affordable housing. The Department primarily administers federal funding to promote housing and community development activities as well as provides expertise and technical assistance to address these issues. The Department works as a funding and financing pass-through agency, with community partners providing the bulk of the hands-on assistance in actually delivering the programs and resources entrusted to the agency. ADOH's partners include local governments, including counties, cities, and towns, tribal governments, public housing authorities, non-profit social service agencies, and for-profit and non-profit housing developers.

With a Federal budget of close to \$100 million annually, as well as hundreds of millions of dollars worth of Federal tax credits and bonding authority in its tool belt, the Department and its rural bonding partner, the Arizona Housing Finance Authority ("AzHFA"), are available to assist with many of the most pressing housing and community development needs in the state. The agency receives no State General Fund monies for its operations and only a small amount of State Housing Trust Funds (\$2.5 million annually) helps provide its required Federal match.

In 2010, the agency added a third entity to its partnership – when the Arizona Home Foreclosure Prevention Funding Corporation ("AHFPFC"), a non-profit corporation, was established to meet the requirements for accepting the U.S. Department of the Treasury's mortgage foreclosure assistance award of \$267 million, which is available to the state through 2017. While the day-to-day administration of the non-profit's mortgage foreclosure program is handled by the Department, its resources are not a part of the state's budget per requirements of the U.S. Department of the Treasury.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ HOUSING DEVELOPMENT AGENCY	91,911.6	88,550.2	92,896.8
➤ HOUSING FINANCE AUTHORITY	379.5	346.4	304.6
<b>Agency Total:</b>	<b>92,291.1</b>	<b>88,896.6</b>	<b>93,201.4</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	313.8	314.6	314.6
Other Non Appropriated Funds	91,977.3	88,582.0	92,886.8
<b>Total Funding</b>	<b>92,291.1</b>	<b>88,896.6</b>	<b>93,201.4</b>
<b>FTE Positions</b>	<b>61.0</b>	<b>64.0</b>	<b>64.0</b>



**Issue 1** Creating better living environments for Arizona's citizens and communities

**Description** After experiencing both state and federal budget cuts to its core programs, the Department is streamlining and targeting its resources in order to continue to meet its goals of increasing the availability and sustainability of safe, decent, affordable housing in Arizona under increasingly difficult circumstances. While the Department has always taken a conservative approach to the utilization of its resources, it has had to increase its efforts to target its resources in order to demonstrate the greatest impact in Arizona with fewer resources. With an end goal of aiding in the creation of conditions that create and promote more productive living amongst all Arizonans, the Department is narrowing its focus and targeting like never before, projects that can provide a stronger foundation to assist households and neighborhoods to improve their productivity as citizens through improved living conditions.

Activities that are financed through Department resources that create better living environments include: the development of affordable rental housing units through new construction or acquisition and rehabilitation; rehabilitation of dilapidated owner-occupied housing stock with a priority for seniors; monthly rental subsidy assistance for Arizona's lowest income households who otherwise would be homeless; development and support of transitional housing opportunities for Arizona's most vulnerable special needs populations, including those transitioning out of homelessness, victims of domestic violence, recovering substance abusers, and others; improved infrastructure and community facilities in Arizona's 13 rural counties; and other community development and revitalization activities.

**Solutions:**

The Department's strategies to create better living environments includes: (1) targeting resources that promote development of affordable housing opportunities along the light rail and other public transportation hubs to increase transportation to jobs, education, and shopping to provide location efficient housing for low-income households; (2) tying financial assistance through the Department to projects that will create the highest economic impact in the shortest term; (3) requiring the incorporation of energy efficiency and green building practices for long-term energy savings and sustainability for Department-financed projects; (4) continuing to limit Department investments to only those projects that require a public subsidy to achieve viability; and (5) collaborating with community partners to end homelessness by providing permanent supportive housing.

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**Issue 2** Reducing the occurrence of mortgage foreclosures to aid in Arizona's economic recovery

**Description** Throughout the past few years of economic crisis and until just recently, Arizona was one of the states at the top of the list in experiencing foreclosure problems. While Arizona's foreclosure rate has returned to normal levels, today at least 20 percent of Arizona's mortgage holders continue to pay on mortgages that are significantly underwater. Many homeowners are also struggling to pay mortgages that are unaffordable due to the loss of employment with higher paying wages. Unaffordable mortgages and negative equity issues, along with lagging job recovery in general has continued to put a noticeable damper on Arizona's economic recovery. Because Arizona's economy is heavily influenced by the housing industry and because so many homeowners are hesitant to spend money given their negative equity or unaffordable mortgages, the state's economic recovery is heavily tied to the stabilization and recovery of the housing market.

Prior to 2008, the Department had provided little in the way of mortgage foreclosure assistance. Beginning in 2008, the Federal government provided some significant resources to help address related problems, although most of those programs were exhausted by 2013. Those programs included programs that assisted with moving foreclosed homes off the market by providing incentives for first-time homebuyers to purchase empty homes. Under this program the Department used more than \$30 million to assist over 900 first-time homebuyers to purchase vacant, foreclosed homes, thereby reducing the inventory glut throughout the state. Another program provided \$7 million which provided short-term foreclosure and eviction assistance to thousands of Arizonans experiencing trouble paying mortgages and rents during tough economic times. The Department has also received continued Federal funding to support a toll-free hotline that directly links troubled homeowners to mortgage foreclosure counseling, although future funding for this service is not guaranteed past 2014.

The primary source of mortgage foreclosure assistance that the Department has received to date comes from a grant of \$267 million made available through the U.S. Department of the Treasury. While the day-to-day operation of the program has been entrusted to ADOH, under federal regulations, the funding is required to funnel through a non-public entity. Thus the Department and the AzHFA, partnered through an Intergovernmental Agency Agreement to establish the Arizona Home Foreclosure Prevention Funding Corporation (AHPFC), which is a non-profit corporation that was established for the sole purpose of receiving these federal grant monies.

The AHPFC established a program which it contracted with the Department to administer under which it distributes these resources, called the Save Our Home AZ Program. The program is authorized to make commitments of resources through December 31, 2017, and to continue to expend committed funds beyond that date. It is important to note that even though program funds are not a part of the state's budget, we include this issue here because it is one of the most significant undertakings of the Department, as nearly one-third of agency employees' work directly on this program.

**Solutions:**

The Department's strategies to address the utilization of this significant resource over the short term has been to: (1) increase marketing efforts to create better awareness of the assistance through paid advertising which is an eligible use of administrative funds available through the program; (2) continue to work with the servicing and lending community to identify new and improved opportunities to help adjust mortgage payments and reduce outstanding, underwater principal; and (3) continue to work with Treasury and the Arizona Governor's Office to address policies that hamper utilization of the resource.

**Issue 3** Retooling programs to keep assistance flowing under current market conditions

**Description** Due to market conditions, the issuance of mortgage revenue bonds to finance and promote first-time homebuyer opportunities in rural Arizona is currently infeasible. However, the market for first-time homebuyer programs which offer downpayment and closing cost assistance to make homeownership attainable to Arizona's young, rural families is still very much in demand and continuing to create homeownership opportunities for responsible homeowners is something that the AzHFA was specifically created to address.

**Solutions:**

In 2013 the Department and the AzHFA implemented a privately financed pipeline of loan products which will allow the utilization of these resources to include downpayment and closing cost assistance under some of the same affordable terms as a mortgage revenue bond-financed product. This will allow the AzHFA to continue to promote homeownership in Arizona's 13 rural counties during a time when traditional bonding products are not available. AzHFA expects that it will be able to continue to offer up to \$40 million in loans and down payment and closing cost assistance through a TBA (To Be Announced) program for the next several years or until the bond market is once again a viable option to consider.

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**Issue 4** Addressing the challenge associated with a lack of resources to address some of Arizona's most critical housing problems.

**Description** Prior to the economic and ensuring state budget crises, the Department was the beneficiary of excess funding from the State's Unclaimed Property Fund, through a legislated formula of 55 percent of the fund, which was annually deposited into the State Housing Trust Fund. This resource amounted to approximately \$30 million a year that the state was dedicating to helping address affordable housing needs throughout the state. This was an important resource, in that it allowed the Department to address housing problems that no federal funding resource addresses. These types of activities included the development and support of homeless shelters, tribal housing issues, disaster-related housing assistance, emergency repairs for low-income homeowners such as roof and heat and air conditioning repairs, emergency eviction prevention programs, and other desirable activities for which no other resources exist.

**Solutions:**

As the state economy recovers and the state budget improves, with the Rainy Day Fund fully funded, the Department would like to explore the possibility of the restoration of some of the resources lost to the Department during this past economic downturn. Arizona's most vulnerable citizens, who have no other place else to turn to meet their emergency housing needs, have relied on the programs of the Housing Trust Fund over the past two decades. The Department's budget assumptions (below) do not currently contemplate additional resources for the Housing Trust Fund, but it is certainly a consideration that the Department will want to explore when the time is appropriate.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	64.0	54.0	54.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	314.6	314.6	314.6
<b>Non-Appropriated Funds</b>	9,760.7	8,168.8	8,344.9
<b>Federal Funds</b>	81,364.8	83,805.7	85,481.8

**Program Summary**

HOUSING DEVELOPMENT AGENCY

Carol L. Ditmore, Assistant Deputy Director of Operations

Phone: (602) 771-1062

A.R.S. §§ 41-1505; 41-1512; 41-1518

**Mission:**

*To provide housing and community revitalization to benefit the people of Arizona.*

**Description:**

The Agency was established to provide housing and community revitalization to benefit the people of Arizona, by addressing the unique and changing housing needs in Arizona. As Arizona grows and the economic and special needs of its population change, the Agency will be positioned to recognize those needs and respond throughout the State. Creative solutions will be developed to be responsive to rural and urban areas as well as to special populations. The Agency will work toward sustaining current initiatives and simultaneously respond effectively to new demands for affordable housing.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	313.8	314.6	314.6
Other Non Appropriated Funds	91,597.8	88,235.6	92,582.2
<b>Total Funding</b>	<b>91,911.6</b>	<b>88,550.2</b>	<b>92,896.8</b>
<b>FTE Positions</b>	<b>59.5</b>	<b>62.5</b>	<b>62.5</b>

◆ **Goal 1** To provide homeownership opportunities and a mix of rental options for Arizonans.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Total number of households assisted with eviction or foreclosure in order to prevent homelessness 4,020 4,425 3,137 3,074 2,920

**Explanation:** Number of households assisted with eviction or foreclosure assistance.

Total funds committed to homeownership programs 6,716.4 4,500.0 2,977.9 6,891.1 3,159.2

**Explanation:** Includes construction and acquisitions, rehabilitation of new and existing units, and first-time buyers.

Total number of households assisted with homeownership assistance 259 175 115 266 117

**Explanation:** Includes households assisted through down payment and closing cost assistance, acquisition and rehabilitation of units for new homebuyers, construction of new units or rehabilitation of currently occupied units.

Total funds committed to affordable rental units. 89,894.6 265,190.6 309,216.8 195,247.7 205,752.5

**Explanation:** Total funds expected to be committed to development of affordable rental units. Includes the 10 year value of federal tax credits, HOME and Housing Trust Fund resources for development as well as resources utilized for rental assistance payments.

Total number of affordable rental units assisted/produced 10,416 13,305 10,953 10,001 9,816

**Explanation:** Total number of affordable rental units expected to be assisted or produced.

Total number of individuals assisted with information on available affordable rental units through the agency's website 303,083 312,176 128,772 132,635 136,614

**Explanation:** The Department sponsors a web-based search engine through socialserve.com which provides information on affordable rental units.

Total number of publicly funded rental units monitored for health and safety issues 4,472 5,786 2,851 2,936 3,025

**Explanation:** The number of Department-assisted rental units that will be monitored.

◆ **Goal 2** To recruit, retrain and maintain a qualified, professional work force.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of agency turnover 11 13 11 13 13

◆ **Goal 3** To maintain and further improve quality working relationships with our partners.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Results of customer satisfaction survey (7=excellent; 4=satisfactory; 1=poor) 5.5 5.66 5.74 5.79 5.85

**Explanation:** FY2014's "Overall Satisfaction" ranking for the agency was the highest it has received in the last 11 years.

**Program Summary**

HOUSING FINANCE AUTHORITY

Carol L. Ditmore, Assistant Deputy Director of Operations

Phone: (602) 771-1062

A.R.S. §§ 41-3901 through 41-3912

**Mission:**

*To serve as a tool to augment the affordable housing goals of the Arizona Department of Housing for rural Arizona.*

**Description:**

The Arizona Finance Authority serves as a tool to augment the affordable housing goals of the Arizona Department of Housing, primarily through bond issuances to finance the development and sustainability of affordable rental units and promote homeownership opportunities in rural Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	379.5	346.4	304.6
<b>Total Funding</b>	<b>379.5</b>	<b>346.4</b>	<b>304.6</b>
<b>FTE Positions</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

- ◆ **Goal 1** To augment the programs of the Arizona Department of Housing by further providing homeownership opportunities and a mix of rental options for Arizonans in rural parts of the state.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total funds utilized for homeownership program through bond issuances for Mortgage Revenue Bonds (MRB) and/or Mortgage Credit Certificates (MCC).	16,337.0	44,928.0	37,590.2	40,000.0	40,000.0
<b>Explanation:</b> Total funds utilized for AzHFA-sponsored homeownership programs.					
Total number of low-income households assisted into homeownership through the homeownership program	132	364	291	310	310
<b>Explanation:</b> Total number of first-time homebuyers assisted through AzHFA programs.					
Total number of rental projects approved	0	0	0	1	1
<b>Explanation:</b> No AzHFA issued multi-family bond-financed mortgages are expected until market conditions improve.					
Total number of rental units created in approved rental projects	0	0	0	60	60
<b>Explanation:</b> No new rental units are expected to be financed with AzHFA bond issuances until market conditions improve.					

## Agency Summary

### INDEPENDENT REDISTRICTING COMMISSION

Raymond Bladine, Executive Director  
Phone: (602) 542-5221  
Constitution Art. 4, Part 2, Section 1

#### Mission:

*To administer the fair and balanced redistricting of congressional and legislative districts for the State of Arizona.*

#### Description:

The Independent Redistricting Commission was established with the approval of Proposition 106 by voters in November 2000. The Commission has five members, four of whom are selected by the House and Senate majority and minority leadership. The final number is selected by the other four members and cannot be registered with a political party already represented on the Commission. The five-member Commission is responsible for redrawing Arizona's congressional and legislative district boundaries based on the decennial census.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,394.3	1,115.3	1,115.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,394.3</b>	<b>1,115.3</b>	<b>1,115.3</b>
<b>FTE Positions</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>

## Agency Summary

### COMMISSION OF INDIAN AFFAIRS

Kristine M. FireThunder, Executive Director  
Phone: (602) 542-4421  
A.R.S. §§ 41-541 to 41-545

**Mission:**

*To enhance communication and build sustainable relationships between tribal entities and the State of Arizona.*

**Description:**

The Arizona Commission of Indian Affairs (ACIA) has a legislative mandate to assist and support state and federal agencies in assisting Indians and Tribal councils to develop mutual goals; design projects for achieving goals and implement their plans; encourage a spirit of cooperation to guide the continuing government-to-government relationship between the State of Arizona and Tribal Nations and communities located in Arizona; ensure meaningful and timely consultation with Tribal Leaders to facilitate better understanding, informed decision making, and intergovernmental cooperation; establish a spirit of cooperation and collaboration among state agency tribal liaisons in order to share ideas, address needs and effectively implement the mandates outlined in EO 2006-14 and; ensure that state services and resources are available to all eligible citizens residing in Arizona tribal communities to the same extent that such services are available to all other eligible citizens.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	54.0	56.9	56.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	11.0	22.4	22.4
<b>Total Funding</b>	<b>65.0</b>	<b>79.3</b>	<b>79.3</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>



## 5 Year Plan

**Issue 1** Turnover in Commission vacancies leaves the agency without institutional knowledge

**Description** The commission is staffed by one-half of a full time employee who is appointed by the Governor to serve as the executive director. Plans are being made to ensure the continuity of operations by filling vacancies with persons with a background in law enforcement and/or public safety.

**Solutions:**

Partner with the Indian Country Intelligence Network (ICIN) to identify potential nominations to serve on the Commission.

**Issue 2** Limited resources impact the Commission’s ability to offer a AZ Indian Town Hall authorized by statute.

**Description** Historically, the Commission has hosted a three-day event to host a plenary sessions to resolve a mutual concern. The event was documented in a report full of recommendations for tribes to consider. The Commission no longer has the capacity to plan and implement a large scale event.

**Solutions:**

Consolidate the event into a one-day format with an invite-only to key players within an identified industry to participate. Once the recommendations are documented, request a community to volunteer to implement specific plan with the assistance of the Commission to track the results and the impact on quality of life for community members.

**Issue 3** Limited opportunities exist to visit tribal councils to provide a structured visit to gain tribal input on state activities.

**Description** Members of tribal council seek to pursue such conversation with key decision makers. The Governor conducts similar meetings on a regular basis with tribal leaders.

**Solutions:**

Offer 3 of 4 meetings in rural areas to create an opportunity for rural tribal community members to attend commission meetings.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	3.0	3.0	3.0
<b>General Fund</b>	56.9	56.9	56.9
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	10.0	10.0	10.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To Facilitate communication between tribal entities (both public and private), elected state officials, and other state agencies

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of meetings facilitated between stakeholders, tribal officials and state officials to communicate and/or collaborate on administrative and legislative issues	39	20	12	12	12
Issue an annual report describing Commission activities to state policymakers	1	1	1	1	1
<b>Explanation:</b> Required by A.R.S. 41-542 C					
Conduct 4 meetings with the Tribal Liaisons and subcommittees per fiscal year	20	7	4	4	4
Number of projects and activities of each Tribal Liaison subcommittee advertised/publicized	14	7	0	7	0

**Explanation:** This Measure should be deleted due to the duplication of effort in services performed by other state agencies

◆ **Goal 2** To establish and maintain relationships between the State of Arizona and the 22 Indian Tribes

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of structured visits with each tribe on their respective tribal communities to obtain tribal input about state activities. <b>Explanation:</b> Based on invitations received from tribal communities	2	2	0	1	1
Plan and implement Indian Nations and Tribes Legislative Day <b>Explanation:</b> Required by A.R.S. 41-544	1	1	1	1	1
Plan and implement AZ Indian Town Hall <b>Explanation:</b> Authorized by A.R.S. 41-541 G, and A.R.S. 41-545	0	1	0	1	1
Electronic annual reports distributed to tribal leaders <b>Explanation:</b> Distributed per Executive Order 2006-14	1	1	1	1	1

◆ **Goal 3** To act as an informational clearinghouse and reference desk

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of website updates. Update the website at least once a month to ensure relevant data is consistently available. <b>Explanation:</b> The website enables ACIA to obtain, retain, and share information about: state and federal policies that impact tribes; grants (and other monies available for tribal use) and national Indian issues	147	45	97	50	50
Distribute a Newsletter 2 times a month which highlight tribal-state initiatives	0	4	13	24	24
Produce and Publish a State-Tribal Resource Directory	0	0	1	2	2
Phone, walk-in, email and standard mail inquiries processed	500	500	500	500	500

◆ **Goal 4** To enhance growth and development among low income and minority populations

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of community organizations and individuals contacted to join the state government workforce by contacting community organizations and individuals to help facilitate the dissemination of information regarding employment opportunities and vacancies on state boards/commissions	600	105	1211	800	800
Number of minority/women-owned businesses contacted to provide information regarding state contracting opportunities and referral to the state procurement office and ADOT DBE program	0	250	300	300	300
In partnership with the Department of Education and Inter Tribal Council of Arizona, attend one workshop to assist in evaluating, consolidating and coordinating all activities relating to the education of native American Pupils	0	1	1	1	1

**Explanation:** Required by A.R.S. 15-244

## Agency Summary

### INDUSTRIAL COMMISSION OF ARIZONA

Laura McGrory, Director  
 Phone: (602) 542-4411  
 A.R.S. § 23-108.01

**Mission:**

*To efficiently and effectively administer and enforce all applicable laws, rules, and regulations not specifically delegated to others relative to the protection of life, health, safety, and welfare of Arizona employees.*

**Description:**

The Industrial Commission of Arizona (“ICA”) is a regulatory agency that was created in 1925 to oversee the state workers' compensation system. While the ICA is still responsible for its original charge, its role over the years has been expanded to include the authority to regulate other labor-related issues, including minimum wage laws, occupational safety and health, youth employment laws, resolution of wage related disputes, licensing of employment counseling and talent agencies, vocational rehabilitation of injured workers, and providing workers' compensation benefits to claimants of uninsured employers, insolvent carriers, and bankrupt self-insured employers.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATIVE SERVICES	4,497.9	4,470.2	4,470.2
➤ WORKERS COMPENSATION CLAIMS ASSURANCE	3,369.9	3,454.4	3,835.1
➤ ADJUDICATION OF DISPUTES	5,096.6	5,145.6	5,145.6
➤ LABOR LAW ADMINISTRATION	791.2	795.8	795.8
➤ OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION	9,075.0	9,562.4	10,330.4
➤ SPECIAL FUND CLAIMS PROCESSING	789.5	773.6	773.6
➤ LEGAL COUNSEL	1,298.7	1,582.3	1,582.3
<b>Agency Total:</b>	<b>24,918.8</b>	<b>25,784.3</b>	<b>26,933.0</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	19,562.9	19,994.8	21,092.3
Other Non Appropriated Funds	5,355.9	5,789.5	5,840.7
<b>Total Funding</b>	<b>24,918.8</b>	<b>25,784.3</b>	<b>26,933.0</b>
<b>FTE Positions</b>	<b>270.0</b>	<b>270.0</b>	<b>281.0</b>

**Issue 1** PRIORITY STRATEGIC ISSUES-STRATEGIC ISSUE 1: ESTABLISHMENT OF WORKERS' COMPENSATION MEDICAL RESOURCES UNIT

**Description** Medical costs represent a significant cost driver in the Arizona workers' compensation system. According to the most recent data published by the National Council on Compensation Insurance ("NCCI"), the average medical cost per workers' compensation claim in Arizona is approximately \$42,500, which is significantly higher than the country wide average of \$28,500 per claim. Medical costs have (with few exceptions) steadily increased in Arizona over the years and is expected to continue to do so. In most years, medical costs have increased in workers' compensation at a higher rate than the medical CPI. While Arizona continues to have one of the strongest workers' compensation programs in the country, offering an average premium rate that is 86% of the countrywide median, controlling and managing these medical costs is critical to the overall continued stability of the system.

To this end, the ICA and participants in the Arizona workers' compensation system continue to look for, develop, and implement practices and processes that are intended to control and manage these costs, while ensuring the claimants continue receive timely access to quality care. The adoption of A.R.S. § 23-1062.03, which became effective on August 2, 2012, after being enacted in the Second Regular Session of the Fiftieth Legislature, represents one of the more recent efforts to address escalating medical costs. Under this statute, the ICA is required to develop and implement a process for the use of evidence-based treatment guidelines, where appropriate, to treat injured workers (no later than December 31, 2014). On May 24, 2014, the ICA Commissioners unanimously approved the adoption of the ODG Guidelines for the treatment of chronic pain and in the use of opioids for all stages of pain management. The ICA continues work on the process for the use of these guidelines.

Medical costs are also impacted by the fees that are paid under the Arizona Physician's and Pharmaceutical's fee schedule, which is established under A.R.S. § 23-908. Under this statute, the ICA is required to "fix a schedule of fees to be charged by physicians, physical therapists or occupational therapists attending injured employees, and subject to subsection C of this section, for prescription medicines required to treat an injured employee." The ICA is required to review this schedule of fees on an annual basis. This review process is complex and requires an understanding of medical CPT codes, medical procedures, and medical coding and billing procedures. It requires a minimum of 6 months to complete the process, which includes a public hearing. The process requires hundreds of hours of staff time, which is presently performed solely by the Director and Executive Secretary of the ICA. Over time, this process and the associated issues have become more complex, demanding, and time-consuming. Additionally, in response to stakeholder input, the ICA is developing and implementing a strategy to increase the frequency of review of the applicable codes and to change the methodology under which fees are calculated.

The implementation of a process for the use of treatment guidelines and the increasing complexity and changes to the fee schedule process will require additional resources. If approved, the ICA would leverage these additional resources to support other related ancillary ICA processes, which are described below.

**Solutions:**

**STRATEGIC ISSUE 1: STRATEGY**

The ICA request funding for the establishment of additional positions to create a Medical Resource Unit (or similar name) to provide the necessary support and resources in the areas described. This proposal would be funded from the ICA Administrative Fund. No General Fund monies are required.

1. Implementation of treatment guidelines under A.R.S. § 23-1062.03: This process is anticipated to include administrative oversight and review by the ICA. Additionally, implementation of this process is anticipated to result in an increase of disputes related to the authorization of medical care, which will substantially impact processes in multiple divisions of the agency, most significantly the Claims Division and the Administrative Law Judge Division. Lastly, the ICA will be required to develop strategies to manage the processes, collect and report important data, and educate stakeholders. The Medical Resource Unit would assume most of the responsibility for the administrative oversight and review of this process, including managing of the strategies and processes to handle the expected increase in disputes, collection and reporting of program data and metrics, and educating of stakeholders.

2. Fee Schedule Authority under A.R.S. § 23-908. The Medical Resource Unit would also assume the responsibility to manage and oversee the fee schedule process, which would include providing informal opinions and assistance regarding the issues arising under the fee schedule (e.g. resolution of disputes related to the payment of services covered under the fee schedule). In FY14,

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over 90 fee schedule inquires and disputes were handled by staff. The Medical Resource Team would assume responsibility for this function as well.

3. Workers' Compensation Claims Oversight and Claims Processing: Through its Claims Division, the ICA has regulatory oversight of the workers' compensation system and is actively involved in the processing of Arizona workers' compensation claims to ensure that these claims are processed in accordance with the law. This active involvement of the Claims Division includes making determinations in individual workers' compensation claims. Numbering in the thousands per year, these determinations can include a variety of matters that involve complex medical issues. The most significant and complex medical issues would be associated with the issuance of Loss in Earning Capacity ("LEC") Awards. In FY 14, the Claims Division issued 2,314 LEC Awards. The Medical Resource Team would provide in-house support to Claims staff related those claims involving complex medical issues.

**Issue 2** STRATEGIC ISSUE 2: ADOSH OPERATIONS – ESTABLISHMENT OF SUPERVISOR POSITION OF ADOSH DISCRIMINATION UNIT

**Description** Arizona Revised Statute § 23-425(A) states: "No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this article or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any right afforded by this article." This statute, commonly referred to as the "whistleblower" or "discrimination" statute of the Arizona Occupational Safety and Health Act (Act), provides protection against discrimination to an employee who files a safety and health complaint against their employer, or otherwise engage in activity or rights afforded to the employee under the Act. The statute requires an employee to file a complaint with the ICA within 30 days of the alleged violation (e.g., discriminatory act). If, upon investigation, the ICA determines that the provisions of the statute have been violated, then the ICA is required to bring an action in the appropriate superior court against the person who has committed the violation. Finally, the statute instructs the ICA to notify the complainant of its determination within 90 days of receipt of the complaint.

The ICA conducts discrimination investigations through ADOSH. For those cases that are investigated (as opposed to being administratively dismissed for jurisdictional reasons), ADOSH staff will make a recommendation to the ICA's board regarding the determination required to be made A.R.S. § 23-425. The authority to investigate allegations of workplace discrimination is limited in scope. The ICA only has jurisdiction over those complaints where the employee alleges discrimination for engaging in what is commonly referred to as "protected activity." Protected activity includes an employee's workplace safety or health complaint made to either ADOSH, to another agency which regulates aspects of employee safety (i.e., fire department) or to a member of management at the employee's workplace. Protected activity also includes the activity defined in Arizona Administrative Code R20-5-680.

Discrimination investigations can be very complex and take several weeks, even months, to complete. A typical investigation will include: 1) Interviewing the complainant, employer representatives, and witnesses; 2) Reviewing and analyzing information provided by both the complainant and the employer; and 3) Preparing a detailed investigative report. The number of discrimination complaints received by ADOSH in any given fiscal year varies, but has substantially increased since FY98, when ADOSH received only 12 discrimination complaints. In the last ten years, ADOSH has averaged 72 complaints per year. In FY 2014, ADOSH received 76 discrimination complaints, an increase of 533% since 1998.

The ICA's practice has been to utilize Compliance Safety and Health Officers (CSHOs) to perform the investigations of discrimination complaints. In the early 90's, when the number of complaints received was small, the practice of using CSHOs to perform the investigations worked well. As the number of complaints has increased, it has become increasingly difficult to complete investigations and issue determinations within the statutory time frame (90 days) under this model. In an attempt to respond to this issue, two investigator positions were transferred to ADOSH from another ICA Division and recently filled. A Discrimination unit was then created in ADOSH with these two positions, along with other CSHO staff who are currently performing discrimination investigations. Currently, there is no position to supervise and manage this unit. Supervision and management of this newly created unit has been temporarily assigned to the Phoenix Assistant Director of ADOSH.

**Solutions:**

STRATEGIC ISSUE 2: STRATEGY

The ICA proposes to add one new position to supervise and manage the ADOSH discrimination program and staff. This proposed solution will be funded under the 23(g) program with fifty percent by grant funds provided by federal OSHA and fifty percent from the ICA's Administrative Fund. No General Fund monies are required.

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**Issue 3** STRATEGIC ISSUE 3: ADOSH OPERATIONS – ESTABLISHMENT OF BOILER INSPECTOR POSITION

**Description** Except for boilers and lined hot water storage heaters (LHWS) that are inspected by special inspectors authorized under A.R.S. § 23-485, ADOSH is required under A.R.S. § 23-475 to inspect boilers and LHWS under A.R.S. Title 23, Chapter 2, Article 11. ADOSH is also required to enforce all standards and regulations adopted by the ICA under Article 11. Unlike the Arizona Occupational Safety and Health Act, the Boiler program is equipment oriented and is designed to protect the general public and employees within business establishments from injury or death resulting from unsafe boilers or LHWS. As a result, cease and desist orders are utilized without monetary penalties. Once violations are corrected, certificates of operation are issued allowing the employer to utilize the boiler or LHWS.

Overseen by a Boiler Inspector Chief, there are currently two state boiler inspectors conducting inspections in Arizona. These two inspectors conducted 2,010 inspection in FY14 and 1,814 inspections in FY13. Currently, there is a small backlog with 28 units overdue for inspection by state inspectors.

To stay current with ongoing technological changes, and to ensure that the general public and employees continue to be protected from unsafe boilers and LHWS, the ADOSH Boiler Advisory Board (established under A.R.S. §§ 23-474 and 23-476) is recommending that the current boiler rules be updated to incorporate by reference nationally recognized standards for the installation, operation and maintenance of boilers and LHWS. The ADOSH Boiler Advisory Board is also recommending that the inspection schedule for certain boilers and LHWS be changed from an initial one-time inspection that is conducted at the time of installation, to an inspection every four years. Currently, there are approximately 9,000 objects that would fall into this cycle. This will result in an additional 900 to 1000 inspections that would need to be conducted by a state boiler inspector.

**Solutions:****STRATEGIC ISSUE 3: STRATEGY**

The ICA requests funding for the establishment of one state boiler inspector position. This position would be paid from the ICA's Administrative Fund. No General Fund monies are required.

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**Issue 4** STRATEGIC ISSUE 4: ADOSH OPERATIONS – ESTABLISHMENT OF ELEVATOR INSPECTOR POSITIONS

**Description** Similar to the Boiler inspection program described above, the elevator inspection program is also equipment oriented and designed to protect the general public from injury or death resulting from unsafe elevators. To this end, A.R.S. § 23-491.07 prohibits the operation of an elevator or conveyance (“elevator”) without an annual certificate of inspection issued by ADOSH, on behalf of the ICA. It is the elevator owner/operator’s duty to ensure that the necessary inspections are performed. While the law permits annual inspections to be conducted by a private elevator inspector under A.R.S. § 23-491.16, there are no private elevator inspectors registered with the ICA. The result is that all of the required annual inspections have been, and are being performed, by ADOSH elevator inspectors.

Currently, there are over 10,200 elevators that require an annual inspection by an elevator inspector. As the following numbers demonstrate, the number of elevators requiring an inspection has steadily increased over the years:

- 1984: 2,500 elevators (4 inspectors, requiring 625 inspections per inspector on average to meet the statutory requirement).
- 1994: 3,766 elevators (7 inspectors, requiring 539 inspections per inspector on average to meet the statutory requirement).
- 2004: 6,335 elevators (8 inspectors, requiring 791 inspections per inspector on average to meet the statutory requirement).
- 2014: 10,298 elevators (11 inspectors, requiring 936 inspections per inspector on average to meet the statutory requirement).

During FY13, the elevator division completed 6,797 inspections with an average inspection rate of 617 per inspector. During FY14, the division completed 6,620 inspections with an average rate of 602 inspections per inspector. With a staff of only 11 elevator inspectors, ADOSH is unable to timely perform inspections on all of these elevators. Currently, ADOSH is completing approximately half of the annual inspections of elevators within the required 12 month period (with a backlog of required annual elevator inspections of approximately 5,182).

In addition to the increasing numbers of elevators, renewed growth in multi-rise buildings has also resulted in an increased frequency of inspections to accept newly installed elevators. This also results in an increase in the number of elevator inspections required each year. Construction of new multi-rise buildings has increased the demands placed on the division to provide consultation and new construction acceptance inspections as required under the applicable statutes (in FY13/14 the division conducted 1,015 new elevator consultation and acceptance consultation inspections).

The elevator division has also experienced significant increases in elevators in many smaller towns outside of Maricopa County, such as in northern and western Arizona. This has placed increased demands upon division staff. Lastly, a majority of new elevators coming online are of a new “traction-type” design, the inspection of which significantly increases the complexity and time of the required inspections. Instead of a mechanical room that is easily accessed with more conventional hydraulic elevators, each traction elevator carries its own mechanicals and requires an individual inspection. For example, the acceptance inspection of a traditional hydraulic elevator takes 6 to 12 hours to complete in contrast to traction elevators, which require 18 hours on average.

**Solutions:**

## STRATEGIC ISSUE 4: STRATEGY

To timely conduct the required inspections of the over 10,200 elevators in the state (a number which continues to rise), the ICA requests funding for the establishment of five state elevator inspector positions. No general fund monies are required.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	246.1	246.1	246.1
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	21,092,300.0	21,092,300.0	21,092,300.0
<b>Non-Appropriated Funds</b>	19,527,300.0	19,527,300.0	19,527,300.0
<b>Federal Funds</b>	5,736,300.0	5,736,300.0	5,736,300.0



**Program Summary**

ADMINISTRATIVE SERVICES

Sylvia Simpson, Chief Financial Officer  
 Phone: (602) 542-4541  
 A.R.S. § 23-101, et seq.

**Mission:**

*To provide support services necessary to ensure the efficient and effective operation of the Industrial Commission.*

**Description:**

Administrative Services comprises the following five departments or divisions: Director’s Office, which provides executive management and Commission support services; Accounting which provides financial accounting, investment management, tax assessment and collection, budgeting, strategic planning, insolvent carrier and workers’ compensation self-insurance program services; Management Information Services; Human Resources; and Special Services, which provides facilities management, procurement, and printing/mail services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,302.6	4,455.2	4,455.2
Other Non Appropriated Funds	195.3	15.0	15.0
<b>Total Funding</b>	<b>4,497.9</b>	<b>4,470.2</b>	<b>4,470.2</b>
<b>FTE Positions</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>

◆ **Goal 1** To process all personnel actions in an effective manner on a timely basis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Actions processed	17,162	17,500	18,783	18,000	18,000
Percent of Agency staff turnover	10.0	10.0	12.0	14.0	14.0
Administration as a percent of total cost	10.6	9.7	10.0	10.0	10.0

◆ **Goal 2** To process all accounting transactions correctly on a timely basis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Invoices processed	44,694	69,475	51,650	59,398	59,398
Warrants, checks and ACH payments completed	16,255	36,504	14,480	14,500	14,500
Purchase orders processed	333	390	369	380	380

◆ **Goal 3** To process all self-insurance new applications and renewal applications efficiently and in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Self-Insurance licenses issued	89	90	84	90	90

**Program Summary**

**WORKERS COMPENSATION CLAIMS ASSURANCE**

Kathleen McLeod, Manager  
 Phone: (602) 542-6689  
 A.R.S. § 23-901, et seq.

**Mission:**

*To ensure that all workers' compensation claims are processed in accordance with the rules and laws of Arizona.*

**Description:**

This program regulates activities of insurance carriers, self-insured employers and third party processors to ensure the proper processing and payment of workers' compensation claims, which includes assessing penalties for bad faith or unfair claims processes and ensuring that claims are accepted or denied within 21 days of receipt of notices of claim. The Claims Division also issues awards for facial scarring and loss of teeth, approvals or denials of requests to leave the State, approvals or denials of requests to change physicians, average monthly wage awards and loss of earning capacity awards. This Division also includes the Ombudsman's office, which provides informational assistance to injured workers'.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,187.4	3,298.8	3,679.5
Other Non Appropriated Funds	182.5	155.6	155.6
<b>Total Funding</b>	<b>3,369.9</b>	<b>3,454.4</b>	<b>3,835.1</b>
<b>FTE Positions</b>	<b>63.0</b>	<b>63.0</b>	<b>67.0</b>

◆ **Goal 1** To ensure that permanent disability awards are issued in timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Awards issued	2,349	2,225	2,314	2,500	2,750
Percent of awards issued within 75 days	61.0	85.0	87.0	85.0	85.0

◆ **Goal 2** To complete injured worker average monthly wage determinations in most effective, efficient manner possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of wage determinations issued	13,881	14,297	12,953	13,500	14,175
Percent determined within 75 days	95.0	90.0	97.0	95.0	95.0

◆ **Goal 3** To process lump sum commutation requests in the most efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Lump sum requests processed	10	22	12	15	18
Percent of lump sum decisions issued within 15 business days	100.0	100.0	100.0	100.0	100.0

◆ **Goal 4** To process initial filing of Workers Compensation Claims on timely basis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of claims for workers' compensation processed	97,730	100,662	94,798	100,000	100,500
Percent of claims established within five days	99.0	99.0	91.0	99.0	99.0

◆ **Goal 5** To ensure that workers' compensation claims are processed in a timely and efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for workers' compensation program (Scale A=Excellent, B=Above Average, C= Average, D=Below Average, F=Fail)	B	B	A	A	A

◆ **Goal 6** To provide information and assistance to injured workers in an efficient manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of claimants contacted	2,781	2,864	3,115	3,200	3,360

<b>Program Summary</b>					
ADJUDICATION OF DISPUTES					
Melinda Poppe, Chief Judge					
Phone: (602) 542-5247					
A.R.S. § 23-941					

**Mission:**  
*To adjudicate legal disputes in the areas of workers' compensation, occupational safety and health (OSHA), youth employment and minimum wage.*

**Description:**  
 The Division resolves disputes in workers' compensation cases arising out of decisions made by insurance carriers, self-insured employers or the Industrial Commission. The Division also hears other matters arising under A.R.S. Title 23, including OSHA, youth employment labor, and minimum wage cases.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,096.6	5,145.6	5,145.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>5,096.6</b>	<b>5,145.6</b>	<b>5,145.6</b>
<b>FTE Positions</b>	<b>44.0</b>	<b>44.0</b>	<b>44.0</b>

◆ **Goal 1** To process and set hearings so that they are heard in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of petitions for hearing received: workers compensation	7,052	7,300	7,134	7,300	8,040
Petitions for hearing received: OSHA	52	70	72	75	80
Awards issued: Workers' Compensation	6,687	6,800	6,611	6,800	7,450
Average number of days to resolve a case by the administrative law judge division	116.5	110	108	110	110

◆ **Goal 2** To process requests for hearing in the most efficient, cost effective manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Awards issued without hearing	2,919	3,000	2,769	3,000	3,000
Number of hearings conducted by the administrative law judge division	5,190	5,300	5,577	5,500	6,200

**Program Summary**

LABOR LAW ADMINISTRATION

Karen Axsom, Director  
Phone: (602) 542-4515

A.R.S. §§ 23-230 et seq., 23-350 et seq., 23-363 et seq., 23-521 et seq.

**Mission:**

*To enforce and provide administration of labor laws regarding the protection of wage claimants, youth employees and users of employment agencies.*

**Description:**

The program shall enforce all statutes and rules concerning the resolution of wage complaint disputes, the licensing and regulation of private employment agencies, the enforcement of youth employment laws which involve the issuing of penalties for violations, and the enforcement of minimum wage laws.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	791.2	795.8	795.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>791.2</b>	<b>795.8</b>	<b>795.8</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

◆ **Goal 1** To efficiently enforce the Child Labor Laws in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of injury reports reviewed	451	400	457	400	400
Child labor law violations investigated	9	20	47	20	20
Violations confirmed	1	5	2	5	5
Turnover time (time violations known to Labor to time violation confirmed in days)	20	45	35	40	40

◆ **Goal 2** To efficiently process and investigate wage claims in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of claims filed	2,729	2,800	2,896	2,800	2,800
Average months to complete investigation	3.0	2.5	3.0	3.0	3.0

◆ **Goal 3** To efficiently process and monitor the licensing of private employment agencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average months to complete investigation	1.0	1.5	1.0	1.5	1.5
Percent of licenses processed within 90 days	100.0	100.0	100.0	100.0	100.0
License applications processed	3	5	3	5	5
Complaints investigated	3	5	1	5	5

◆ **Goal 4** To efficiently process, investigate minimum wage claim complaints and enforce minimum wage laws.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints filed	28	30	33	30	30
Average months to complete investigation	2.0	2.0	2.0	2.0	2.0
Inquires	375	500	286	400	400
Complaints resolved through administrative determinations	0	5	1	5	5
Complaints mediated and resolved	20	30	13	20	20
Audit of Payroll Records & Compliance investigations completed	20	30	5	5	5

**Program Summary**

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

William Warren, Director  
 Phone: (602) 542-5795  
 A.R.S. § 23-405

**Mission:**

*To ensure the safety of employees in the State of Arizona covered by the Arizona Occupational Safety and Health Act.*

**Description:**

The Division administers the Arizona Occupational Safety and Health Act. The Division is responsible for enforcing the occupational safety and health standards in all industries in Arizona except mining, establishments located on Indian reservations, and federal agencies. The division is also responsible for elevator and boiler safety. ADOSH focuses its efforts on both compliance and consultation/training.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,260.4	4,112.3	4,829.1
Other Non Appropriated Funds	4,814.6	5,450.1	5,501.3
<b>Total Funding</b>	<b>9,075.0</b>	<b>9,562.4</b>	<b>10,330.4</b>
<b>FTE Positions</b>	<b>75.0</b>	<b>75.0</b>	<b>82.0</b>

◆ **Goal 1** To effectively enforce all OSHA standard in safety compliance and industrial hygiene.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of health compliance inspections	315	450	230	300	300
Health violations	669	1,300	560	650	650
Number of safety compliance inspections	903	900	804	900	900
Safety violations found	1,789	2,250	1,389	2,000	2,000

◆ **Goal 2** To provide effective and timely voluntary consultation services to aid employers in recognizing and abating work place hazards.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Safety consultation surveys	200	250	250	250	250
Hazards	515	650	650	700	700
Health consultation surveys	129	155	155	155	155
Hazards	435	650	650	650	650

- ◆ **Goal 3** To provide statewide training programs to employees concerning specific safety related functions that are timely and effective.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Programs	309	310	310	310	310
Employers trained	2,625	2,700	2,700	2,700	2,700
Employees trained	3,600	4,000	4,000	4,000	4,000

- ◆ **Goal 4** To ensure that there is no danger to employees or the general public from Arizona boilers or elevators.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Boilers inspected	3,358	4,000	3,434	4,000	4,000
Deficiencies identified	1,772	2,000	1,625	2,000	2,000
Elevators inspected	6,178	6,200	6,532	6,500	6,500
Deficiencies identified	3,048	3,100	3,475	3,250	3,250

- ◆ **Goal 5** To effectively investigate OSHA Discrimination Cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Discrimination Complaints Received	76	85	73	80	90
Number of complaints where initial decision was reached within 90 days (includes cases administratively dismissed without investigation)	54	50	46	45	50

**Program Summary**

**SPECIAL FUND CLAIMS PROCESSING**

David Sosa, Special Fund Manager  
 Phone: (602) 542-3294  
 A.R.S. §§ 23-907, 23-966, 23-1065

**Mission:**

*To provide benefits to all injured employees not covered by regular workers' compensation insurance coverage or by self-insurance coverage in Arizona.*

**Description:**

The program processes all claims for injured workers where the employer failed to provide workers compensation insurance; provides continual workers' compensation benefits for claimants of insolvent carriers and bankrupt self-insured employers; provides partial coverage of workers' compensation benefits for second injury claims; provides vocational rehabilitation benefits; and provides continuing medical benefits for pre-1973 workers' compensation claimants.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	789.5	773.6	773.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>789.5</b>	<b>773.6</b>	<b>773.6</b>
<b>FTE Positions</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>

◆ **Goal 1** To process claims of injured Special Fund claimants in timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days between receipt of claims notice and issuance of award	21.0	21.0	20.0	21.0	21.0
Pre-1973 Supportive care awards issued	24	45	13	12	11
Open Pre-1973 supportive care claims	259	246	246	234	222
Open No Insurance claims	689	758	657	690	725
No insurance determinations issued	1,618	1,740	1,303	1,380	1,450
Rehabilitation awards issued for scheduled and unscheduled injury types	136	150	170	196	225
Reimbursement request processed on second injury claims	632	664	601	631	663
A.R.S. § 23-966 Determinations made	98	244	264	204	10
Open A.R.S. 23-966 claims	924	970	921	984	37

**Program Summary**

LEGAL COUNSEL

Andrew Wade, Chief Counsel  
 Phone: (602) 542-5781  
 A.R.S. § 41-192 (G)

**Mission:**

*To represent the Industrial Commission of Arizona in all legal matters affecting the Agency.*

**Description:**

The program represents the Special Fund Division, the OSHA Division, and the Labor Department in all legal matters affecting or involving these Divisions. The program promulgates rules for the Agency, provides legal advice as requested by Commission and agency staff, represents the Agency in personnel matters, initiates collection of no-insurance accounts receivables and third party liens, and operates a program for processing and collecting of other delinquent accounts. The program also operates a compliance program that targets by Arizona employers who are operating without workers' compensation insurance.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,135.2	1,413.5	1,413.5
Other Non Appropriated Funds	163.5	168.8	168.8
<b>Total Funding</b>	<b>1,298.7</b>	<b>1,582.3</b>	<b>1,582.3</b>
<b>FTE Positions</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

◆ **Goal 1** To provide quality legal representation to the Agency in contested legal matters.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
No Insurance cases referred for hearing	150	165	157	165	170
OSHA cases referred for hearing	50	70	72	75	80
Apportionment/Supportive Care Matters	72	70	98	100	100
Number of wage claim appeals	7	5	2	5	5
Litigation investigations completed	39	50	51	50	55
Civil Penalty Cases referred to hearing	28	20	39	40	45
Matters related to assignment of claims under A.R.S. § 23-966	49	119	48	100	10
Legal opinions & other miscellaneous	109	100	170	150	150
Rulemaking/Regulatory/Compliance/Legislation	9	12	26	25	25
Writs	77	80	71	75	75
Mandates	77	80	83	75	75

◆ **Goal 2** To effectively collect debts owed to the state and the Industrial Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Collection investigations initiated	7	10	76	85	110
Collection files opened	148	220	324	350	380
Subrogation files opened	11	10	9	10	10



◆ **Goal 3** To effectively enforce compliance by Arizona employers with Arizona Workers' Compensation Insurance requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of compliance referrals	2,243	2,500	2,819	2,800	3,000
Employers identified as uninsured	983	1,200	884	1,000	1,100
Compliance investigations completed	1,724	1,100	896	900	900
Civil penalties issued	183	190	241	250	250
Employers insured through our efforts	258	320	426	400	400
Injunctive proceeding initiated	59	70	95	80	80

## Agency Summary

### DEPARTMENT OF INSURANCE

Germaine L. Marks, Director

Phone: (602) 364-3471

A.R.S. Title 20; AZ Const. Art. 15, § 5

**Mission:**

*To promote a strong insurance marketplace through consumer protection, sound financial regulation, and economic development.*

**Description:**

The Arizona Department of Insurance ("ADOI") is Arizona's state government agency dedicated to overseeing the financial solvency of insurance companies and protecting insurance consumers through administering insurance laws, responding to the needs of insurance purchasers, and stimulating the insurance market by encouraging competition. ADOI was established as an independent agency in 1954. Continued positive economic development of the insurance market through insurers and licensed insurance professionals depends upon Arizona insurance consumers having confidence in the industry's strength. The ADOI licenses insurance companies ("insurers"), insurance professionals (such as insurance producers, adjusters, surplus lines brokers), and a variety of other insurance-related entities, ensuring that only individuals and business entities that meet qualifications established in Arizona law are allowed to engage in insurance business in Arizona; monitors and promotes the financial soundness of insurers operating in Arizona and makes sure that insurers deliver on the promises they make in their insurance contracts with consumers; protects insurance consumers against unfair and illegal marketing, underwriting, and claims handling; assists consumers with insurance-related questions and problems; investigates insurance fraud (which inflates the cost of insurance); oversees the development of the captive insurance industry; and, annually collects over \$440 million in insurance premium taxes, license fees, and other revenues that benefit the General Fund.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ POLICY AND ADMINISTRATION	1,449.2	1,447.0	1,447.0
➤ SOLVENCY REGULATION	7,408.1	8,309.6	19,309.6
➤ CONSUMER SUPPORT	4,755.4	5,088.1	4,950.8
➤ FRAUD INVESTIGATION AND DETERRENCE	661.3	669.1	1,185.1
➤ LICENSING	655.7	653.4	653.4
➤ PREMIUM TAX COLLECTIONS AND ANALYSIS	213.5	259.9	259.9
➤ CAPTIVE INSURER PROGRAM	199.5	331.3	331.3
<b>Agency Total:</b>	<b>15,342.7</b>	<b>16,758.4</b>	<b>28,137.1</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	5,334.5	5,366.7	5,882.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	10,008.2	11,391.7	22,254.4
<b>Total Funding</b>	<b>15,342.7</b>	<b>16,758.4</b>	<b>28,137.1</b>
<b>FTE Positions</b>	<b>136.6</b>	<b>138.5</b>	<b>143.5</b>

**Issue 1** Renewed Federalism - State-based Insurance Regulation

**Description** One of the most critical issues facing Arizona and all other states is the modernization and preservation of state-based insurance regulation. State officials have successfully regulated the insurance industry for nearly 150 years, promoting the public interest, ensuring competitive markets, facilitating fair and equitable consumer protections, and maintaining the financial strength and solvency of the insurance industry.

**Solutions:**

STRATEGY 1.1: Work cooperatively with industry and consumer groups, the ADOI, and other state insurance regulators to continuously improve the efficiency and effectiveness of state-based regulatory system to foster a sound, competitive, and market-responsive insurance industry, both nationally and globally.

STRATEGY 1.2: Work with Arizona policymakers and insurance industry representatives to propose and enact legislation that makes Arizona laws consistent with standards developed with other state insurance regulators through the National Association of Insurance Commissioners (“NAIC”).

STRATEGY 1.3: Effectively direct and manage ADOI’s resources to ensure ADOI continues to meet NAIC accreditation standards, and continues to satisfy the needs and expectations of its customers and stakeholders.

STRATEGY 1.4: Communicate and coordinate with industry, other state regulators, federal entities and international supervisors to ensure effective and cooperative oversight of global insurance market.

**Issue 2** Economic Competitiveness - A Vibrant, Competitive, and Financially Sound Insurance Industry

**Description** Arizona’s economy and its citizens benefit from conditions that attract insurance business in Arizona and from other appropriate measures designed to increase competition, keep insurance prices down, make a wide array of insurance products and services available to individuals and businesses, and encourage investment in related business products, which generate tax revenue.

**Solutions:**

STRATEGY 2.1: Administer solvency oversight responsibilities with resources and practices that meet or exceed NAIC accreditation standards.

STRATEGY 2.2: Enforce Arizona insurance laws in a reasonable and consistent manner that promotes fair and strong competition among industry participants and in a manner that minimizes bureaucracy and red tape.

STRATEGY 2.3: Vigorously investigate, prosecute and otherwise deter insurance fraud.

**Issue 3** Modernizing State Government - Operational Efficiency and Effectiveness

**Description** Like any other enterprise, ADOI must update its equipment, software and systems, must train employees on new insurance laws, products and approaches, and should encourage innovation, in order to provide better service at lower costs.

**Solutions:**

STRATEGY 3.1: Continue to update technology systems and to automate processes to allow ADOI to manage a growing workload while minimizing resource requirements.

STRATEGY 3.2: Actively engage employees in ADOI’s mission by demonstrating ADOI’s commitment to them.

STRATEGY 3.3: Cross train employees, where practicable, to reduce risks associated with employee attrition.

STRATEGY 3.4: Regularly communicate with customers, stakeholders, and policymakers concerning ways to improve the efficiency, effectiveness and focus of insurance industry oversight.

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**Issue 4** Education Reform –Industry Competency, and Consumer Education and Awareness

**Description** Education is important to ensure that Arizonans are being served by insurance professionals who have sufficient knowledge and understanding of insurance and financial instruments, and to help Arizonans make informed insurance-related decisions.

**Solutions:**

STRATEGY 4.1: Routinely evaluate the quality of pre-license examinations and the availability of insurance continuing education opportunities.

STRATEGY 4.2: Continually improve ADOI’s internet web site, publications, and other resources to inform and educate Arizona’s insurance industry and insurance consumers.

STRATEGY 4.3: Provide insurance policyholders affected by catastrophes with literature and assistance with claims issues.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	137.0	134.7	134.7
<b>General Fund</b>	5,882.7	5,882.7	5,882.7
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	21,375.4	21,375.4	21,375.4
<b>Federal Funds</b>	150.0	0.0	0.0

**Program Summary**

**POLICY AND ADMINISTRATION**

Germaine L. Marks, Director

Phone: (602) 364-3471

A.R.S. Title 20; A.R.S. Title 20; AZ Const. Art. 15, § 5

**Mission:**

*To provide leadership, direction, coordination and support, enabling ADOI to achieve its overall mission.*

**Description:**

This program develops and implements administrative and regulatory policies and procedures; advises and supports the Governor's Office; provides technical support and advice to state legislators and the U.S. Congressional delegation; develops, recommends and implements insurance-related legislation; develops and promulgates appropriate rules and substantive policy statements; renders ultimate decisions in administrative proceedings necessary to enforce and administer the Insurance Code; coordinates legal representation provided by the Attorney General's Office; coordinates interaction with other state and federal agencies; coordinates with fellow state insurance regulators through participation in the National Association of Insurance Commissioners; interfaces with and coordinates outreach to major constituencies including the industry, licensees, consumers and the media; coordinates and participates in numerous task forces and advisory groups related to insurance regulation; develops the Agency's Operational Plan, Budget Request, Information Technology Plan, Business Continuity Plan, Efficiency Review and Disaster Preparedness Plan; develops the Agency's operational policies; coordinates and directs the activities of the Agency and its divisions, including continually improving the quality of customer service delivery; oversees the administration of boards and other public bodies within the Agency; oversees the preparation and distribution of regulatory information to the public, including consumer oriented literature, statutorily required reports, the agency newsletter and the agency website; coordinates responses to public records requests and subpoenas; oversees the development of the Agency's workforce; and provides agency accounting, budgeting, payroll, personnel, facilities management, risk management, telecommunication, information technology, mail processing and courier services.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,360.1	1,370.1	1,370.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	89.1	76.9	76.9
<b>Total Funding</b>	<b>1,449.2</b>	<b>1,447.0</b>	<b>1,447.0</b>
<b>FTE Positions</b>	<b>15.4</b>	<b>15.4</b>	<b>15.4</b>

◆ **Goal 1** To efficiently and effectively coordinate, facilitate and support accomplishment of department-wide and divisional goals and objectives.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Insurance Department employees surveyed who agree that agency management efficiently and effectively supports accomplishment of agency-wide and division goals and objectives.	73.9	75.0	57.9	75.0	75.0

◆ **Goal 2** To provide a satisfying work environment for agency employees.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of employee separations to average filled FTE positions	12.1	12.5	13.2	12.5	12.5
Percentage of Insurance Department employees surveyed who responded they were "satisfied" with their jobs	88.4	80.0	75.4	80.0	80.0

◆ **Goal 3** To provide quality accounting, budgeting, personnel and procurement services to internal customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Business Services Section	91.2	85.0	84.2	85.0	85.0

◆ **Goal 4** To provide quality information technology support to internal customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Insurance Department employees surveyed who responded they were "satisfied" or better with the Information Services Division	82.4	80.0	64.9	80.0	80.0

◆ **Goal 5** To promptly fulfill appropriate public records requests and subpoenas.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days to fulfill a public records request or respond to a subpoena from date received	5.9	8.0	4.3	5.0	5.0

**Program Summary**

**SOLVENCY REGULATION**

Germaine L. Marks, Director

Phone: (602) 364-3471

A.R.S. Title 20; AZ Const. Art. 15, § 5 and Art. 14, § 16

**Mission:**

*To oversee and promote the ability of authorized insurers to perform their financial obligations under insurance policies.*

**Description:**

The program monitors the solvency of insurers doing business in Arizona through field examination and analysis of financial and transactional filings, administers the estates of Arizona insurer receiverships, and pays certain claims owed by insolvent insurers to Arizona residents.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	231.1	227.7	227.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,177.0	8,081.9	19,081.9
<b>Total Funding</b>	<b>7,408.1</b>	<b>8,309.6</b>	<b>19,309.6</b>
<b>FTE Positions</b>	<b>28.6</b>	<b>28.6</b>	<b>28.6</b>

◆ **Goal 1** To efficiently and effectively analyze financial filings of insurers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of priority domestic insurer annual financial reports analyzed by April 30	100.0	95.0	33.3	100.0	100.0

**Explanation:** During FY 2015, ADOI prioritized annual financial reports from three domestic insurers, reviewed one before April 30, and reviewed the other two in the first half of May.

Percentage of priority domestic insurer supplemental filings analyzed within 45 days after receipt	58.0	95.0	86.7	95.0	95.0
Percentage of non-priority domestic insurer annual financial reports analyzed by June 30	90.0	95.0	94.4	95.0	95.0
Percentage of non-priority domestic insurer supplemental filings analyzed within 90 days after receipt	92.0	95.0	90.9	95.0	95.0

◆ **Goal 2** To timely, efficiently and effectively examine domestic insurers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of domestic insurers examined within statutory timeframes	100.0	100.0	100.0	100.0	100.0
Number of new domestic receiverships	0	0	0	0	0

**Explanation:** No one can predict the number or timing of insurance company receiverships.

◆ **Goal 3** To efficiently and effectively administer the Guaranty Funds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage by which investment earnings of the Guaranty Funds exceeded the 90-day T-bill rate	-0.08	0.10	0.11	0.10	0.10
Claims handling audit score for claims handled by the Guaranty Funds office (perfect score = 100)	N/A	95.0	N/A	N/A	N/A

**Explanation:** Because of the low volume of claims, the small total of loss payments and the small total of loss adjustment expenses, the ADOI determined it inefficient to have a claims audit performed in FY 2014.

<b>Program Summary</b>	
CONSUMER SUPPORT	
Germaine L. Marks, Director Phone: (602) 364-3471 A.R.S. Title 20	

**Mission:**

*To assist, inform, and protect Arizona insurance consumers.*

**Description:**

This program provides information and assistance to the public on a broad range of insurance-related issues; administers health care appeals; and performs investigations, examinations, and market surveillance in furtherance of consumer interests.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,323.8	2,290.6	2,290.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,431.6	2,797.5	2,660.2
<b>Total Funding</b>	<b>4,755.4</b>	<b>5,088.1</b>	<b>4,950.8</b>
<b>FTE Positions</b>	<b>59.1</b>	<b>61.1</b>	<b>61.1</b>

◆ **Goal 1** To efficiently and effectively evaluate and secure corrective action to deficiencies in health care service organization network adequacy, plan management, member services, quality improvement systems, utilization management and timely pay and grievance law compliance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of major medical health insurers that submitted timely pay and grievance reports that complied with the requirements of ARS § 20-3102(F).	0	0	81.0	95.0	100.0

◆ **Goal 2** To efficiently and effectively evaluate and secure corrective action to deficiencies in prepaid dental plan network adequacy, plan management, member services, and quality improvement systems.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of prepaid dental plan organization quarterly reports reviewed for compliance with laws and regulations	100.0	90.0	100.0	90.0	90.0



◆ **Goal 3** To efficiently and effectively analyze and examine insurers' marketing, claims, underwriting, and rating practices.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of market conduct examination reports filed within one year after exit from company for reports filed during the year	81.0	90.0	100.0	85.0	100.0
Amount of restitution recovered through market conduct examinations (in thousands of dollars)	204.8	125.0	60.8	100.0	100.0
Percentage of market conduct examination draft reports sent to the company within 60 days after exit	100.0	100.0	100.0	100.0	100.0

◆ **Goal 4** To efficiently and effectively monitor the competitiveness of the property and casualty insurance markets.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days to complete market analysis monitoring reports from the date market monitoring surveys are sent to insurers, for market monitoring reports completed during the fiscal year	66.0	135.0	68.5	135.0	135.0

◆ **Goal 5** To efficiently and effectively review Property and Casualty rate filings to determine compliance with Arizona law.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of targeted open-competition rate filings (Article 4.1) reviewed within 90 days from date filing received	100.0	95.0	100.0	95.0	95.0
Percentage of file-and-use rate filings (Article 4) reviewed by the effective date of the rates	100.0	95.0	100.0	95.0	95.0
Average days to complete substantive review of file-and-use rate filings	8.3	15.0	9.0	15.0	15.0
Percentage of Property and Casualty rate filings submitted electronically	98.0	90.0	98.4	95.0	95.0

- ◆ **Goal 6** To efficiently and effectively review policies, contracts and related form filings to verify they contain all provisions and coverages required by law and are not misleading or unfairly discriminatory.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Property and Casualty form filings for which review was completed within the prescribed substantive review period	100.0	95.0	100.0	95.0	95.0
Average calendar days to complete substantive review of Property and Casualty form filings	4.6	20.0	3.6	5.0	5.0
Percentage of Life and Health form filings for which review was completed within the prescribed substantive review period	93.0	90.0	93.6	90.0	90.0

**Explanation:** FY 2015 and FY 2016 figures assume ADOI receives funding from federal grants for review of form filings with associated rate filings from health care insurers seeking to offer qualified health plans through the Health Insurance Marketplace.

Average days to complete substantive review of Life and Health form filings	20.9	25.0	20.4	25.0	25.0
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**Explanation:** FY 2015 and FY 2016 figures assume ADOI receives funding from federal grants for review of form filings with associated rate filings from health care insurers seeking to offer qualified health plans through the Health Insurance Marketplace.

Percentage of form filings submitted electronically	99.4	99.5	99.2	99.0	99.0
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**Explanation:** Includes life, health, and property and casualty form filings.

- ◆ **Goal 7** To efficiently and effectively investigate apparent violations of the insurance code by insurers, professional service licensees and unauthorized parties, and to refer apparent violations for prosecution or administrative action.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average calendar days to complete an investigation after receipt of complaint warranting an investigation	98.5	100.0	100.7	100.0	100.0

**Explanation:** The measurement only includes complaints that were investigated and closed and excludes complaints that warrant investigation but cannot be investigated due to resource limitations.

- ◆ **Goal 8** To efficiently and effectively administer health insurance external appeals process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of health care appeals administered within statute-prescribed timeframes for health care appeal cases completed during the fiscal year	100.0	100.0	100.0	100.0	100.0

◆ **Goal 9** To efficiently and effectively render assistance to consumers and other constituents on insurance-related matters.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of success in locating liability coverage for difficult-to-place risks	100.0	90.0	100.0	90.0	90.0
Percent of survey respondents indicating satisfied or better with assistance rendered	75.0	60.0	72.3	75.0	75.0
Average days to resolve request for assistance	193.8	200.0	317.4	250.0	180.0

**Explanation:** FY 2016 estimate assumes the agency receives funding from the US Department of Health and Human Services for "US9401 Grants to States for Health Insurance Rate Review and Increase Transparency in Health Care Pricing: Cycle 3 - FY 2014/2015," which will provide for an additional consumer services specialist FTE position to assist in resolving complaints and requests for assistance arising from the Health Insurance Marketplace.

◆ **Goal 10** To efficiently and effectively make insurance-related information available to the public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of insurance-related public education events conducted during the fiscal year that had 10 or more attendees	12	10	3	5	5

**Program Summary**

**FRAUD INVESTIGATION AND DETERRENCE**

Charles Gregory, Special Agent Supervisor  
Phone: (602) 364-2140  
A.R.S. §§ 20-466 et seq.

**Mission:**

*To deter, investigate, and facilitate conviction for insurance fraud.*

**Description:**

This program receives investigative referrals from insurers and other sources. It conducts criminal investigations of individuals, businesses and organizations alleged to be involved in submitting intentionally misleading claim-related information to insurers or alleged to be engaged in other forms of insurance fraud. The program also provides education and promotes awareness within the industry, law enforcement and the community concerning the deleterious effects of insurance fraud.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	661.3	669.1	1,185.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>661.3</b>	<b>669.1</b>	<b>1,185.1</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>14.0</b>	<b>19.0</b>

◆ **Goal 1** To efficiently and effectively investigate fraud referrals.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigations completed from referrals	99	100	142	125	200
<b>Explanation:</b> Excludes major cases, which are large-scale investigations involving multiple referrals and a common set of suspects. FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Number of fraud referrals received from insurers	2,074	2,000	2,211	2,200	2,200
<b>Explanation:</b> Excludes major cases.					
Number of insurer-referred cases submitted for prosecution (including citations in lieu of detention)	47	45	94	25	60
<b>Explanation:</b> Excludes major cases. FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Number of convictions from insurer-referred cases	22	25	52	25	50
<b>Explanation:</b> Excludes major cases. FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Average days to complete investigation of insurer-referred cases for cases completed during the year	239.8	250.0	143.4	200.0	125.0
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Number of citation-in-lieu-of-detention cases submitted for prosecution	0	0	0	0	10
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Number of citations in lieu of detention resulting in conviction or consent decree	0	0	0	0	6
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					
Total restitution ordered from investigations of insurer-referred cases (in thousands of dollars)	993.6	950.0	924.0	900.0	1,400.0
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to investigate a larger proportion of referrals warranting investigation.					

◆ **Goal 2** To efficiently and effectively target and investigate major fraud cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of major case investigations completed	2	2	2	2	4
<b>Explanation:</b> Major cases are large-scale investigations involving multiple referrals and a common set of suspects. FY 2016 estimate assumes the agency receives additional appropriated funding to be able to launch and investigate a greater number major cases.					
Number of major cases submitted for prosecution.	2	2	2	2	3
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to launch and investigate a greater number major cases.					
Number of major cases that resulted in convictions	1	2	2	2	3
<b>Explanation:</b> FY 2016 estimate assumes the agency receives additional appropriated funding to be able to launch and investigate a greater number major cases.					
Total restitution ordered from major case investigations (in thousands of dollars)	768.5	500.0	621.0	500.0	800.0
<b>Explanation:</b> 2016 estimate assumes the agency receives additional appropriated funding to be able to launch and investigate a greater number major cases.					

**Program Summary**

LICENSING

Scott B. Greenberg, Chief Operating Officer  
 Phone: (602) 364-3764  
 A.R.S. Title 20; AZ Const. Art. 15, § 5

**Mission:**  
*To provide efficient, effective and quality insurance licensing services and to restrict license issuance and renewal to qualified candidates.*

**Description:**  
 This program analyzes applications for licensure by entities regulated under A.R.S. § 20 and grants licenses to those satisfying statutory prerequisites to provide insurance products and services in Arizona. The program also oversees the administration of related activities, such as producer continuing education and pre-license examinations.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	544.7	549.3	549.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	111.0	104.1	104.1
<b>Total Funding</b>	<b>655.7</b>	<b>653.4</b>	<b>653.4</b>
<b>FTE Positions</b>	<b>10.6</b>	<b>10.6</b>	<b>10.6</b>

◆ **Goal 1** To efficiently and effectively process insurer license applications.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Average Licensing Time Frames Days from the date an application for initial license is received to the date that the license decision is rendered, for insurers, reinsurers, service corporations, health care services organizations and prepaid dental plan organizations	24.0	25.0	19.5	25.0	25.0

**Explanation:** Licensing Time Frames days are the Overall Time Frame days, as defined in A.R.S. § 41-1072(2), minus the days that the Overall Time Frame is suspended in accordance with A.R.S. § 41-1074(B).

◆ **Goal 2** To provide quality service to professional service license customers.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percentage of insurance professionals surveyed who reported they were "satisfied" or better with licensing services	98.1	98.0	97.7	98.0	98.0

◆ **Goal 3** To efficiently and effectively process professional service license applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average licensing time frames days required to render a decision on an insurance professional license application or renewal application from the date it was received	2.1	3.0	3.0	3.0	3.0

**Explanation:** Licensing Time Frame Days are the overall time frame days, as defined in A.R.S. § 41-1072(2), minus the days that the overall time frame is suspended in accordance with A.R.S. § 41-1074(B).

Producer license and renewal applications received	56,357	55,858	61,528	54,236	59,364
Total producers licensed at June 30	185,168	192,502	196,072	199,836	207,170
Percentage of new license applications and fee payments received electronically	79.6	80.0	82.3	80.5	81.0
Percentage of license renewal applications and fee payments received electronically	89.5	91.0	90.7	91.0	91.5

**Program Summary**

PREMIUM TAX COLLECTIONS AND ANALYSIS

Scott B. Greenberg, Chief Operating Officer

Phone: (602) 364-3764

A.R.S. §§ 20-224 et. seq.

**Mission:**

*To collect, efficiently deposit and accurately forecast insurance premium tax revenues.*

**Description:**

This program develops and provides tax report forms and information to taxpayers, collects and deposits premium tax revenues, audits premium tax reports and communicates with taxpayers concerning discrepancies, assesses late payment penalties and interest, and forecasts premium tax revenues.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	213.5	259.9	259.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>213.5</b>	<b>259.9</b>	<b>259.9</b>

**FTE Positions**

**4.4**                      **4.3**                      **4.3**

◆ **Goal 1** To fully collect the premium tax required by law.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Amount of tax, interest and penalties recovered through audits (in millions of dollars)	0.9	1.0	2.0	1.0	1.0

◆ **Goal 2** To efficiently deposit premium tax revenues.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of premium tax (installment and annual) reports and payments received electronically	14.7	15.0	18.6	25.0	30.0



◆ **Goal 3** To accurately forecast premium tax revenues.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Difference (absolute value) between tax revenue forecast and actual fiscal-year tax revenues collected	0.1	3.0	3.1	3.0	3.0

◆ **Goal 4** To provide quality service to premium taxpayers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of insurance premium taxpayers surveyed who reported they were "satisfied" or better with the Premium Tax Unit.	16.7	50.0	18.8	50.0	50.0

**Explanation:** FY 2014 results are based on 16 responses to the survey, of which 56.3% responded with "neither satisfied nor dissatisfied."

<b>Program Summary</b>	
CAPTIVE INSURER PROGRAM	
Kurt A. Regner, Assistant Director	
Phone: (602) 364-3999	
A.R.S. Ch. 4, Art. 14, Title 20; AZ Const. Art. 15, § 5	

**Mission:**

*To provide a regulatory environment that enables development of the domestic captive insurance industry, and to oversee the soundness of domestic captive insurers.*

**Description:**

This program licenses Arizona captive insurers. Through analysis and examination as warranted, the program monitors each captive insurer's performance to confirm compliance with applicable laws, to detect potentially hazardous conditions and to appropriately intervene. The program also interacts with public and private stakeholders to foster an environment conducive to the development of a sound domestic captive insurance industry.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	199.5	331.3	331.3
<b>Total Funding</b>	<b>199.5</b>	<b>331.3</b>	<b>331.3</b>
<b>FTE Positions</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>

◆ **Goal 1** To enable growth of the domestic captive insurance industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new captive insurers licensed	6	6	10	7	7

◆ **Goal 2** To efficiently and effectively process captive insurer license applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of captive insurer license applications reviewed within 30 days of receiving an administratively complete application	100.0	100.0	100.0	100.0	100.0

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◆ **Goal 3** To efficiently and effectively oversee the soundness of domestic captive insurers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of captive insurer annual reports analyzed within 120 calendar days of receipt	45.7	50.0	33.3	75.0	75.0

**Explanation:** Estimates for FY 2015 and FY 2016 assume the availability of independent contract examiners to analyze reports.

## Agency Summary

### JUDICIAL SYSTEM

Hon. Rebecca White Berch, Chief Justice  
 Phone: (602) 452-3307  
 See Individual Programs

#### Mission:

*To provide Arizona citizens with an independent, accessible, and integrated judicial system that maintains a high degree of public trust and confidence; serves as an asset by dispensing justice, resolving human disputes, and conducting its administrative functions in a fair, equitable, and just manner; and operates efficiently and expeditiously.*

#### Description:

The Arizona Judicial Branch is an integrated, but decentralized, judicial system implementing its constitutional and statutory responsibilities throughout all levels of government - state, county, and city. The Judicial Branch consists of the Supreme Court, Court of Appeals, Superior Court, and limited jurisdiction (municipal and justice of peace) courts. The Arizona Constitution provides for the administrative supervision over all courts to rest with the Chief Justice of the Supreme Court. The Administrative Office of the Courts is charged with assisting the Chief Justice in discharging his/her administrative duties. The Arizona Judicial Council, created in 1990, assists the Supreme Court and the Chief Justice in developing and implementing policies and procedures designed to accomplish the integration of the court system pursuant to the Court's constitutional mandate.

#### Agency Summary: (\$ Thousands)

Program	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
➤ ADJUDICATION	4,375.3	4,413.9	4,422.3
➤ ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)	5,488.3	5,517.7	5,517.7
➤ REGULATORY ACTIVITIES	2,908.6	3,277.0	3,277.0
➤ COURT ASSISTANCE	42,120.7	45,256.2	45,256.2
➤ FAMILY SERVICES	6,852.1	7,502.2	7,502.2
➤ JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW	427.6	428.5	428.5
➤ COMMISSION ON JUDICIAL CONDUCT	522.0	522.5	522.5
➤ JUDICIAL COMPENSATION	8,369.2	7,834.0	8,482.8
➤ ADULT PROBATION SERVICES	29,980.5	37,652.3	39,155.1
➤ JUVENILE PROBATION SERVICES	48,140.8	54,700.1	54,700.1
➤ COURT OF APPEALS DIVISION I	9,875.1	10,039.9	10,065.4
➤ COURT OF APPEALS DIVISION II	4,289.8	4,340.3	4,427.0
➤ ADULT AND JUVENILE DRUG COURT	1,286.7	1,224.8	1,224.8
<b>Agency Total:</b>	<b>164,636.7</b>	<b>182,709.4</b>	<b>184,981.6</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	109,495.2	110,495.6	110,495.6
Other Appropriated Funds	33,610.2	41,107.4	41,107.4
Other Non Appropriated Funds	21,531.3	31,106.4	33,378.6
<b>Total Funding</b>	<b>164,636.7</b>	<b>182,709.4</b>	<b>184,981.6</b>
<b>FTE Positions</b>	<b>523.0</b>	<b>526.4</b>	<b>526.4</b>

**Program Summary**

ADJUDICATION

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Section 2; A.R.S. § 12-101

**Mission:**

*To dispense justice in a fair and equitable manner and to provide judicial and administrative supervision over the Arizona Judicial Department as mandated by Arizona law and the Constitution.*

**Description:**

The Supreme Court may choose to review decisions of the intermediate appellate courts when a petition for review is filed; hears direct criminal appeals in cases with a death sentence imposed; hears direct appeals in election cases; may accept direct special actions brought in the Supreme Court against state officials; regulates activities of the State Bar of Arizona and oversees admission of new attorneys to the practice of law; reviews charges of misconduct against attorneys, and has authority to suspend or disbar an attorney; serves as the final decision-making body when disciplinary recommendations are filed against Arizona judges by the Commission on Judicial Conduct; adopts rules of procedures for all courts of the state; provides administrative supervision over all courts of the state; and chairs the Commissions on Appellate and Trial Court Appointments.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,375.3	4,413.9	4,422.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>4,375.3</b>	<b>4,413.9</b>	<b>4,422.3</b>
<b>FTE Positions</b>	<b>39.5</b>	<b>40.0</b>	<b>40.0</b>

- ◆ **Goal 1** To provide fair and expeditious determination of cases. (Supreme Court activity is difficult to predict; estimates are based on FY 2008 activity level. Cases pending are as of 6/30.)

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
All cases on file	1,479	1,479	1,374	1,374	1,374
All cases terminated	1,145	1,145	976	976	976
Cases pending	334	334	398	398	398
New case filings	1,054	1,054	1,037	1,037	1,037
State Bar matters on file	72	72	62	62	62
State Bar matters terminated	65	65	55	55	55
State Bar activity reports	2,323	2,323	2,323	2,323	2,223
All other cases on file	15	15	12	12	12
All other cases terminated	11	11	9	9	9

**Program Summary**

**ADMINISTRATIVE SUPERVISION (COURTS AND AOC SUPPORT)**

Dave Byers, Administrative Director

Phone: (602) 452-3307

AZ Constitution, Article VI, Sections 3, 7

**Mission:**

*To assist the Chief Justice in carrying out the constitutionally prescribed responsibility for providing administrative supervision over the integrated Arizona court system and to support the Chief Justice and the Supreme Court in providing quality administrative leadership and assistance to Arizona's courts.*

**Description:**

Court Administration is responsible, through nine operating divisions and the Office of the Administrative Director, for providing administrative support to the Chief Justice and Supreme Court; for liaison activities with executive and legislative branch agencies and other judicial departments; for coordinating strategic projects that have potential to change the way courts do business; and, for providing internal and external administrative support for the judicial department. The divisions are Administrative Services; Adult Services; Certification and Licensing; Court Services; Dependent Children's Services; Education Services; Human Resources; Information Technology; and Juvenile Justice Services. Court Administration is also responsible for facilities management and security for the Arizona Courts Building.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	5,488.3	5,517.7	5,517.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>5,488.3</b>	<b>5,517.7</b>	<b>5,517.7</b>
<b>FTE Positions</b>	<b>43.4</b>	<b>42.9</b>	<b>42.9</b>

◆ **Goal 1** To identify operational and administrative problems and recommend solutions and to uphold the integrity and independence of the judiciary.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Operational reviews completed	20	20	23	24	24
Average days to complete an operational review report	176.7	180	285.09	204	204
Average reviews per specialist	4	4	4.6	6	6

◆ **Goal 2** To ensure that automation services are provided that support statewide programs and systems.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Internal and external users connected to the Arizona Judicial Information Network	7,664	8,000	4,685	8,000	8,000
Infrastructure cost per user (dollars)	808	863	739	863	800
Uptime of network availability during normal operating hours (percentage)	99.9	99	99.9	99	99.9
Uptime of systems availability during normal operating hours (percentage)	99.9	99	99.98	99	99.98
% of courts with automated accounting and case management systems	100	100	100	100	100
% of courts using COT approved and/or standard case management systems	97	97	97	97	97
% of users with AJIN access (percentage)	100	100	100	100	100

- ◆ **Goal 3** To provide accurate, prompt and professional responses to questions or problems concerning court operations, procedures and/or other technological issues received by the AOC Support Center.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Number of Questions/Issues Received	49,053	55,000	49,814	55,000	50,000
Number of Questions/Issues Received - Urgent Priority	81	100	99	100	100
Percent of Questions/Issues Resolved Within 1 Business Day - Urgent Priority	88	90	94	90	90
Number of Questions/Issues Received - High Priority	760	800	690	800	700
Percent of Questions/Issues Resolved Within 2 Business Days - High Priority	83	85	83	85	85
Number of Questions/Issues Received - Medium Priority	23,403	30,000	22,355	30,000	25,000
Percent of Questions/Issues Resolved Within 3 Business Days - Medium Priority	96	95	89	95	95

<b>Program Summary</b>	
REGULATORY ACTIVITIES	
Mark Wilson, Division Director	
Phone: (602) 452-3362	
A.R.S. §§ 32-4001; 28-3391 to 28-3399; 14-5651; 8-134	

**Mission:**

*To train, certify and monitor regulatory activities placed under the oversight of the Arizona Supreme Court.*

**Description:**

The program is responsible for oversight of certification, testing, training, compliance and discipline of regulatory programs under the jurisdiction of the Arizona Supreme Court.

**This Program Contains the following Subprograms:**

- ▶ Court Reporters
- ▶ Confidential Intermediary
- ▶ Private Fiduciary
- ▶ Defensive Driving School Regulation

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	863.2	1,190.6	1,190.6
Other Non Appropriated Funds	2,045.4	2,086.4	2,086.4
<b>Total Funding</b>	<b>2,908.6</b>	<b>3,277.0</b>	<b>3,277.0</b>
<b>FTE Positions</b>	<b>34.0</b>	<b>34.7</b>	<b>34.7</b>

## Subprogram Summary

### COURT REPORTERS

Mark Wilson, Division Director  
 Phone: (602) 452-3362  
 A.R.S. §§ 32-4001 et. seq.

**Mission:**  
*To certify individuals in the state who engage in the stenographic or voice writing reporting of proceedings in any Court and who take depositions for use in any Arizona court.*

**Description:**  
 A.R.S. Title 32, Chapter 40, requires individuals who engage in stenographic or voice writing reporting of proceedings for use in any court in this state be certified by the Board of Certified Reporters. The Board administers examinations for the certification of reporters and recommends to the Arizona Supreme Court rules to implement and enforce the provisions of the law. The Board also has authority to investigate alleged violations of certified reporters and to take appropriate disciplinary action. The program began during FY 2000; effective January 1, 2007, voice writer reporters must be certified, in addition to stenographic reporters.

\*Funding includes Regulatory Activities from all non appropriated funds in addition to certified reporter.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,045.4	2,086.4	2,086.4
<b>Total Funding</b>	<b>2,045.4</b>	<b>2,086.4</b>	<b>2,086.4</b>
<b>FTE Positions</b>	<b>20.3</b>	<b>21.0</b>	<b>21.0</b>

◆ **Goal 1** To promptly process and review certification applications and reports for issuance, renewal or denial of certification

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Applications received (new and renewal)	15	462	442	20	440
Certifications granted	15	461	170	270	440
Certifications denied	0	1	0	0	1
Average number of days from receipt of application to decision regarding certification	60	60	60	60	60
Number of certified reporters (end of year)	464	440	432	440	440

◆ **Goal 2** To investigate and process complaints against certified court reporters to ensure compliance with Arizona law and administrative orders and rules adopted by the Arizona Supreme Court.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Complaints received	11	10	4	7	7
Complaints closed	8	15	5	13	7
Disciplinary action	4	2	2	2	2
Average number of days from receipt of complaint to resolution by dismissal or disciplinary action	720	300	321	275	220
Complaint closure rate (percent)	62	150	125	186	150
Percent of cases closed within 22 month standard	25	98	100	95	100

## Subprogram Summary

CONFIDENTIAL INTERMEDIARY

Mark Wilson, Division Director  
 Phone: (602) 452-3362  
 A.R.S. § 8-134

### Mission:

*To train, certify and monitor Confidential Intermediaries to facilitate contact between adoptees or adoptive parents and birth parents and biological siblings while protecting court and agency records and anonymity of those who desire it.*

### Description:

The Board certifies Confidential Intermediaries (CIs), as specified by the court, to act as a liaison between an adoptive parent, guardian or an adoptee or a birth parent or birth sibling in establishing contact. The CI has statutory authority to access confidential court and agency adoption records to facilitate the search. The program facilitates voluntary contact, while protecting the confidentiality of those who desire their adoption records to remain sealed. The Arizona Supreme Court has adopted rules and procedures to implement and operate the program, and established fees, training, and standards of conduct for CIs with appropriate disciplinary action as necessary. Effective January 1, 2008, CIs have the statutory authority to facilitate contact between siblings who have been separated as the result of dependency/foster care.

### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	89.6	170.0	170.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>89.6</b>	<b>170.0</b>	<b>170.0</b>
<b>FTE Positions</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

◆ **Goal 1** To promptly process and review applications for initial certification.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applicants for certification	16	10	8	20	20
Average number of days from receipt of complete application requirements to decision regarding certification	90	90	75	90	90
Number of individuals granted certification	15	10	7	20	8

**Explanation:** No applications received

Number of individuals denied certification	1	0	1	0	0
CIs certified (end of year)	43	45	52	55	55

◆ **Goal 2** To promptly process and review applications for biennial renewal of certification. Pursuant to ACJA 7-203, confidential intermediaries renew every other year, in October, of the even-numbered year.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applications received	27	NA	NA	50	NA
Number of individuals granted recertification	27	NA	NA	50	NA
Number of individuals denied recertification	0	NA	NA	0	NA
Number of days from submission of complete renewal application to decision regarding renewal	90	NA	NA	90	NA



◆ **Goal 3** To provide initial training to individuals eligible for certification and renewal training for certified CIs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of individuals receiving initial training	32	30	15	30	20

◆ **Goal 4** To assist CIs to provide high quality service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cases closed	57	45	1	45	45

**Explanation:** As of 1/1/08, CI's no longer required to get permission to open a case

◆ **Goal 5** To investigate and process complaints against certified confidential intermediaries to ensure compliance with Arizona law and administrative orders and rules adopted by the Arizona Supreme Court.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received	0	0	1	0	1
Complaints closed	0	0	1	0	1
Disciplinary action	0	0	1	0	1

**Subprogram Summary**

PRIVATE FIDUCIARY

Mark Wilson, Division Director  
 Phone: (602) 452-3362  
 A.R.S. § 14-5651

**Mission:**

*To certify, audit and discipline licensed fiduciaries and fiduciary businesses who are court appointed to serve as guardians for incapacitated persons, conservators for persons in need of protection and personal representatives for decedent estates.*

**Description:**

A.R.S. § 14-5651 requires persons, who serve for a fee and are unrelated to a person or not nominated by will, and are appointed by the Superior Court, to be licensed by the Arizona Supreme Court. The program licenses individuals who meet the statutory requirements and serve by court appointment as guardians, conservators, and personal representatives. The program develops and enforces the rules and policies necessary to implement A.R.S. § 14-5651. The program provides initial and renewal licensure for public and private fiduciaries. The program investigates alleged misconduct by fiduciaries and takes appropriate disciplinary action as necessary. The program conducts random compliance audits of licensed fiduciaries.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	231.0	318.2	318.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>231.0</b>	<b>318.2</b>	<b>318.2</b>
<b>FTE Positions</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>

◆ **Goal 1** To promptly process and review licensure applications and reports for issuance or denial of initial licensure.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of applications received	24	30	30	30	30
Number of individuals licensed	20	30	21	25	25
Number of applications denied	1	1	2	5	2
Number of days from receipt of complete application requirements to decision regarding licensure	60	60	90	60	90
Number of fiduciaries licensed at end of year	292	275	290	275	275

◆ **Goal 2** To promptly process and review applications for biennial renewal of certification.

\*Fiduciaries renew licensure every other year, in the even numbered year. Therefore, there is no renewal in FY11 or FY13.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of applications received	NA	280	290	NA	290
Number of individuals granted recertification	NA	270	0	290	NA
Number of applications denied recertification	NA	1	0	0	NA
Number of days from submission of complete renewal application to decision regarding renewal	NA	60	NA	NA	NA

◆ **Goal 3** To receive complaints, conduct impartial investigations and take appropriate action, ranging from dismissal of complaint to license revocation, in accordance with Arizona Revised Statutes and the code of conduct, administrative rules and orders adopted by the Arizona Supreme Court.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of complaints received	12	20	8	15	15
Number of complaints closed	29	20	22	22	15
Number of disciplinary actions	1	5	14	5	10
Number of days from receipt of complaint to resolution by dismissal or disciplinary action	882	350	516	275	275
Complaint case closure rate (percent)	264	100	275	147	150
Percent of complaints resolved within 22 month standard	41	98	73	90	90

◆ **Goal 4** To conduct audits of licensed fiduciaries and their businesses to insure compliance with statutes, administrative code sections and court orders.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of notice of engagement letters	3	9	4	10	10
Fieldwork completed	3	9	4	10	10
Corrective Action Plans in Place	1	3	0	2	2
Number of final reports completed	4	9	1	10	10

## Subprogram Summary

### DEFENSIVE DRIVING SCHOOL REGULATION

Mark Wilson, Division Director  
 Phone: (602) 452-3362  
 A.R.S. §§ 28-3391 to 28-3399

**Mission:**

*To train, certify and monitor the use of defensive driving schools and defensive driving instructors by the Arizona courts.*

**Description:**

The program certifies and monitors defensive driving schools and instructors that may be used by the Arizona courts for diversion of traffic offenses and provides information to courts on the operation of the program. A statewide database is maintained to record defensive driving course completion and to verify eligibility for participation in the diversion program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	542.6	702.4	702.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>542.6</b>	<b>702.4</b>	<b>702.4</b>
<b>FTE Positions</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>

◆ **Goal 1** To ensure defensive driving schools and instructors meet established standards for administrative and educational quality.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Operational reviews of schools completed	1	5	0	5	5
Percent of instructors rated that are in compliance with Arizona Code of Judicial Administration (ACJA 7-205) and Statutes.	98	95	91	98	95
Instructors monitored	68	50	76	50	75

◆ **Goal 2** To ensure the statewide database provides accurate and timely information for eligibility and fee payment verification.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Average days to complete error change requests from schools	1	1	1	1	1
Percent of student completions reported by schools on time	98	98	99	98	98
Court information change requests processed	1,335	1,300	382	400	400

◆ **Goal 3** To provide continuing training opportunities for instructors to improve the quality of the defensive driving classes.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Current instructors receiving ongoing training	121	120	117	120	120
Percent of instructors indicating training programs are responsive to their needs	98	98	98	98	98

- ◆ **Goal 4** To ensure reporting procedures are established and followed for courts and schools to verify accurate fee payment, reporting and processing of defensive driving program traffic dismissals.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of bi-monthly school reports/fee payments reconciled monthly	99	99	99	99	99

- ◆ **Goal 5** To investigate and process complaints against certified defensive driving schools and instructors to ensure compliance with Arizona law and administrative orders and rules adopted by the Arizona Supreme Court.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received	8	10	13	10	10
Complaints closed	20	15	13	10	10
Complaint case clearance rate (percent)	250	150	260	200	200
Disciplinary actions	4	3	4	5	5
Average number of days from receipt of complaint to closure	468	200	209	180	180
Percentage of complaint cases closed within 22 month standard	75	98	90	75	90

- ◆ **Goal 6** To promptly process and review applications for certification.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Applications received	37	20	22	28	25
Certifications granted	35	20	18	25	25
Certifications denied	2	0	3	3	3
Average number of days from receipt of complete application to decision regarding certification (Instructors)	60	60	90	60	60
Number of certified schools (end of year)	70	80	86	85	85

**Program Summary**

**COURT ASSISTANCE**

Kevin Kluge, Division Director/CFO  
Phone: (602) 452-3395  
See Individual Programs

**Mission:**

*To aid Arizona courts in protecting children, families, and communities while providing swift, fair access to justice.*

**Description:**

Various divisions within the Administrative Office of the Courts provide support throughout the Arizona Judicial Department by administering and monitoring various statutorily created funds and Arizona Supreme Court established programs to assist in the improvement of Arizona court processes.

**This Program Contains the following Subprograms:**

- ▶ Judicial Education
- ▶ Domestic Relations
- ▶ State Grand Jury
- ▶ Post Conviction Relief
- ▶ Judicial Assistance
- ▶ State Aid to the Courts
- ▶ Judicial Collection Enhancement
- ▶ Defensive Driving
- ▶ Drug Enforcement
- ▶ Alternative Dispute Regulation
- ▶ Case Processing Assistance

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	941.0	1,212.8	1,212.8
Other Appropriated Funds	24,902.0	23,444.1	23,444.1
Other Non Appropriated Funds	16,277.7	20,599.3	20,599.3
<b>Total Funding</b>	<b>42,120.7</b>	<b>45,256.2</b>	<b>45,256.2</b>
<b>FTE Positions</b>	<b>73.5</b>	<b>70.8</b>	<b>70.8</b>

## Subprogram Summary

### JUDICIAL EDUCATION

Jeffrey Schrade, Division Director  
Phone: (602) 452-3000  
ACJA 1-302, 1-108

#### Mission:

*To improve the service the judiciary provides to the public and internal customers by increasing the expertise, skills and abilities of all judicial personnel through a comprehensive, relevant, accessible and high-quality system of judicial education.*

#### Description:

In support of the division's mission, staff have an obligation to provide mandated training for certain categories of court personnel. This includes orientation for new limited and general jurisdiction judges; a certification academy and testing component for new probation officers; and offerings in required programs for judicial staff, including programs on the court system, communication skills, dealing with the public and current issues in the court. In these and other programs, the division strives to involve individuals in the court system in the planning and implementation of programs for their respective positions; to fairly provide programs for all categories of judicial personnel; and to utilize a variety of delivery mechanisms to assure the availability of programs for individuals of all job categories and geographic locations.

This program supports and maintains a statewide system of judicial education and manages oversight of personnel compliance with judicial education standards; maintains, staffs and facilitates a comprehensive system of curriculum and program development committees; maintains a statewide system of local training coordinators to sponsor and monitor local training; conducts and/or facilitates curriculum, program and faculty development programs/processes for statewide judicial education; coordinates and produces conferences, workshops, seminars, videos and broadcasts for judges and non-judge staff; and implements directives of the Committee on Judicial Education and Training and its subcommittees: the Judicial College of Arizona, the Committee on Probation Education, and the Judicial Staff Education Committee and the Court Leadership Institute of Arizona.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	119.0	119.3	119.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>119.0</b>	<b>119.3</b>	<b>119.3</b>
<b>FTE Positions</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>

◆ **Goal 1** To provide continuing education to all members of the judiciary.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of sessions offered to judges (limited, general and appellate jurisdictions)	315	225	408	250	255
Number of sessions offered to probation, detention and surveillance officers	902	500	891	600	655
Number of sessions offered to judicial staff	318	200	354	300	325
Number of judges participating in Education Services Division sponsored programs	1,091	1,000	1,010	1,000	1,000

**Explanation:** These are duplicated counts of judges, probation staff and judicial staff.

Number of probation, detention and surveillance officers participating Education Services Division sponsored programs	1,451	1,000	1,361	1,000	1,000
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**Explanation:** Probation participant numbers jumped significantly due to addition of Defensive Tactics, Firearms Training, Officer Safety Train the Trainer, and Faculty Skill Development for Officer Safety Instructors statewide.

Number of judicial staff participating in Education Services Division sponsored	892	1,800	1,534	1,800	1,050
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◆ **Goal 2** To assure a comprehensive system of judicial education for all categories of personnel

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of educational hours offered to judges (limited general and appellate jurisdictions)	455	375	624	400	500
Number of educational hours offered to probation, detention and surveillance officers	2,221	1,250	2,333	1,500	1,500
Number of educational hours offered to judicial staff	647	360	686	500	500
Percent of judges in compliance with annual continuing education mandate	99.8	100	99	100	100
Percent of probation, detention and surveillance officers in compliance with annual continuing education mandate	97.9	100	99	100	100
Percent of judicial staff in compliance with annual continuing education mandate	99.5	100	99	100	100

◆ **Goal 3** To assure appropriate use of available resources to support a comprehensive system of judicial education

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of faculty used to train judges	320	300	385	300	300
Number of faculty used to train probation, detention and surveillance officers	597	355	601	400	450
Number of faculty used to train judicial staff	281	200	309	200	200
Percent of total faculty used paid for services to train judges	5	10	4	10	10
Percent of total faculty used paid for services to train probation, detention and surveillance officers	4	10	3	10	10
Percent of total faculty used paid for services to train judicial staff	6	10	6	10	10
Cost per participant hours from total budget to train judges	15	20	14	20	20
Cost per participant hours from total budget to train probation, detention and surveillance officers	7	15	6	15	15
Cost per participant hours from total budget to train judicial staff	2	15	3	15	10

◆ **Goal 4** To assure the accessibility of judicial education programs through various delivery mechanisms, including seminars/workshops, conferences, residential programs, broadcasts, computer-based and other distance learning formats

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of seminars/workshops	85	50	68	50	60
Total number of conferences	7	6	7	6	6
Total number of residential programs	46	30	45	30	10
Total number of broadcasts	30	5	28	25	25
Total number of computer based programs	27,593	2,500	28,745	3,000	5,800
Total number of publications	41,609	73,000	62,856	74,000	75,000
Total number of WENDELL website "hits"	135,831	75,000	81,105	90,000	100,000
Total number of materials checked out of resource library	NA	100	NA	100	100

**Subprogram Summary**

**DOMESTIC RELATIONS**

Theresa Barrett, Program Manager  
 Phone: (602) 452-3364  
 A.R.S. § 25-323.01

**Mission:**

*To provide leadership, coordination, and technical support for the development of family law and child support enforcement programs and policies and to improve the administration of justice in Arizona communities on issues of domestic violence.*

**Description:**

This program coordinates and supports the activities of Supreme Court committees/commissions/subcommittees/workgroups established to evaluate best practices in the areas of family law and child support; to identify possible changes in court rules or business practices; and, to make recommendations aimed at facilitating access and efficient processing of family law cases. In addition, this program provides staff support for the Committee on the Impact of Domestic Violence and the Courts, established by Administrative Order of the Supreme Court.



<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	634.1	655.6	655.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>634.1</b>	<b>655.6</b>	<b>655.6</b>
<b>FTE Positions</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>

- ◆ **Goal 1** To provide timely and effective administrative and technical support to domestic relations education on children's issues program administrators, to review standards and evaluate statewide domestic relations education on children's issues programs in accordance with statute and Supreme Court administrative order.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percentage of annual reports received and analyzed from prior fiscal year.	0	0	100	100	100
Number of alternative format programs reviewed.	0	0	2	2	1

- ◆ **Goal 2** To provide timely, effective administrative and technical support to all judges and court personnel and the Committee on the Impact of Domestic Violence and the Courts.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of time minutes were provided in 20 days & notice 48 hours prior to meeting	100	100	100	100	100

- ◆ **Goal 3** To provide on site monitoring and assessment of state and local proceedings and services related to domestic violence issues.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Monitoring and evaluation contacts made with state and local contacts to ensure proceedings and services follow statutes and court rules.	96	50	115	100	100

- ◆ **Goal 4** To maintain the competence of judicial officers in the appropriate determination and effective management of domestic violence cases.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of necessary annual updates done for the Bench Book for Orders of Protection and Injunctions Against Harassment in Domestic Violence Cases and related court policies	100	100	100	100	100
Percent of conducting at least one bi-annual statewide training conference specifically devoted to domestic violence issues	100	NA	NA	100	NA
Appropriate judicial officers and court personnel educated in policies and procedures that help counties effectively address the needs of domestic violence victims	459	200	185	200	200

**Subprogram Summary**

STATE GRAND JURY

Kevin Kluge, Division Director/CFO  
Phone: (602) 452-3395  
A.R.S. § 21-428(B)

**Mission:**

*To provide for reimbursement of grand jury expenses as required by law.*

**Description:**

The program provides the mechanism for reimbursement of the direct costs incurred by a county for impaneling a grand jury and the related costs associated with the grand jury's function and duties. Expenses that are reimbursed include juror fees, lodging, meals and mileage, attorneys, interpreters, investigators and expert witnesses appointed to a particular case and transcript preparation.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	97.9	97.9	97.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	623.1	613.0	613.0
<b>Total Funding</b>	<b>721.0</b>	<b>710.9</b>	<b>710.9</b>
<b>FTE Positions</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

◆ **Goal 1** To provide for reimbursement of valid grand jury expenses, in accordance with Constitutional mandates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Claims processed	7	7	7	7	7

**Subprogram Summary**

POST CONVICTION RELIEF

Kevin Kluge, Division Director/CFO  
Phone: (602) 452-3395  
A.R.S. § 13-4041

**Mission:**

*To provide reimbursement to counties for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings.*

**Description:**

Laws 1996, Chapter 7, 7th Special Session provides that all indigent prisoners under a capital sentence are entitled to the appointment of counsel to represent them in the state PCR proceeding and requires the Supreme Court to appoint this counsel after the mandate affirming the defendant's conviction and sentence is issued. This legislation establishes a flat fee of \$7,500 to be paid to appointed counsel in a first state PCR proceeding unless the counsel is employed by a publicly funded office. The Supreme Court is required to reimburse the county, upon certification by the county that the amount is owed.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	90.0	90.0	90.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To provide for reimbursement of valid post-conviction relief proceedings.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Claims processed	23	20	21	20	20

**Subprogram Summary**

JUDICIAL ASSISTANCE

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Const., Art. VI, Section 19, 20, A.R.S. §§ 12-143, 38-813

**Mission:**  
To provide for reimbursement of judges pro tempore and retired judges called to serve in the superior and appellate courts of Arizona.

**Description:**  
The program provides the funding mechanism for payment of salaries of judges pro tempore when serving in the Superior Court, payment of retired judges' differential pay, and payment of travel expenses.

- ◆ **Goal 1** To provide reimbursement as required for judges pro tempore and retired judges called to serve in the superior and appellate courts of the state. <=Funding for this program has been eliminated through budget cuts.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reimbursement provided	0	0	0	0	0

**Subprogram Summary**

STATE AID TO THE COURTS

Amy Wood, Program Manager

Phone: (602) 452-3337

A.R.S. § 12-102.02

**Mission:**  
To improve the processing of criminal cases in the Arizona Superior Court and Justice Courts.

**Description:**  
The Arizona Supreme Court is required to administer the monies in the State Aid to Courts Fund. In addition to administering the fund, this program distributes monies to the Superior Court, including the Clerk of Court, and the Justices Courts in each county based on a composite index formula using Superior Court felony filings and county population.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	0.0	250.0	250.0
Other Appropriated Funds	2,338.1	2,944.6	2,944.6
Other Non Appropriated Funds	13,280.6	17,822.3	17,822.3
<b>Total Funding</b>	<b>15,618.7</b>	<b>21,016.9</b>	<b>21,016.9</b>
<b>FTE Positions</b>	<b>46.8</b>	<b>44.1</b>	<b>44.1</b>

◆ **Goal 1** To reduce felony case processing delays to improve public protection and to provide swift, fair justice for victims and those accused of crimes. (Target is to have 90% of all felony cases processed within 100 days.)

- Performance Measure 1 for FY09 reflects 10 of the 15 Arizona counties including the 2 largest counties, Maricopa and Pima. The 5 counties that were unable to report within the time allotted are undergoing a period of transition related to a new court case management system.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of counties' criminal cases processed within the 100 day target	49	60	52	60	60
Percent of counties conducting criminal case processing improvement projects	87	80	80	80	80

**Subprogram Summary**

JUDICIAL COLLECTION ENHANCEMENT

Marcus Reinkensmeyer, Division Director  
 Phone: (602) 452-3334  
 A.R.S. § 12-116

**Mission:**  
*To improve, maintain, and enhance the ability of the courts to collect and manage monies assessed or received by the courts and to improve court automation projects likely to improve case processing or the administration of justice.*

**Description:**  
 The Judicial Collection Enhancement Fund (JCEF) is used to improve, maintain and enhance the judiciary's ability to collect and manage monies, including child support, restitution, fines and civil penalties. Funds are used for automation of courts, projects to improve case processing and the administration of justice, and to educate courts about revenue enhancement techniques and technology.

\*Total FTEs do not include Grant Funded or Field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,252.5	14,002.4	14,002.4
Other Non Appropriated Funds	690.5	675.2	675.2
<b>Total Funding</b>	<b>17,943.0</b>	<b>14,677.6</b>	<b>14,677.6</b>
<b>FTE Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

◆ **Goal 1** To improve, maintain and enhance the ability of the courts to collect and manage monies assessed or received by the courts, pursuant to A.R.S. 12-116.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of annual increase in court revenue in prior fiscal year	-2.7	0	-2.9	0	0
Difference in percentage change from previous fiscal year in court revenue collections and case filings	2.1	2.0	3.7	3.7	3.7

◆ **Goal 2** To fund court automation projects likely to improve case processing or the administration of justice.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all of the courts that have automated case and cash management systems	100	100	100	100	100
Percent of annual increase in overall court dispositions at all court levels in prior fiscal year.	-5.3	-3.0	-3.3	-3.0	-3.0
Clearance rate (dispositions/filings) for all cases at all court levels in prior fiscal year.	1.07	1.03	1.09	1.03	1.05

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Mean cycle days receipt of request to court notification of approval/denial	8.19	12	4.85	12	12
Grant management budget as percent of total budget	1	1	1.1	1.0	1.0

**Subprogram Summary**

**DEFENSIVE DRIVING**

Marcus Reinskensmeyer, Division Director  
 Phone: (602) 452-3334  
 A.R.S. § 28-493

**Mission:**

*To assist courts in enhancing case processing.*

**Description:**

This program oversees the funds in excess of those needed to administer the Defensive Driving Regulation program. These excess funds are placed into the Traffic Case Processing Fund to aid courts. This is done by establishing new and better automation systems that will improve case management, fine collections, paperwork processing and Motor Vehicle Division reporting, and will reduce traffic case backlogs.

\*Total FTEs do not include Grant Funded or Field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,995.8	3,492.3	3,492.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,995.8</b>	<b>3,492.3</b>	<b>3,492.3</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

◆ **Goal 1** To develop automation systems to process all court cases.

Note: Program proposes deleting this goal and corresponding measure.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of courts with a uniform statewide automation system	81	81	81	81	81

**Subprogram Summary**

## DRUG ENFORCEMENT

JL Doyle, Program Manager  
 Phone: (602) 452-3465  
 A.R.S. § 41-2402

**Mission:**

*To support the court and its components in furtherance of the federal and state war on drugs.*

**Description:**

Monies from the Drug and Gang Enforcement Account are distributed by the Arizona Criminal Justice Commission to courts and probation departments for local efforts to deter, investigate, prosecute, adjudicate, and punish drug offenders and members of criminal street gangs.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,362.4	1,258.1	1,258.1
<b>Total Funding</b>	<b>1,362.4</b>	<b>1,258.1</b>	<b>1,258.1</b>
<b>FTE Positions</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

- ◆ **Goal 1** To enhance the ability of the courts and probation departments to process drug related cases more expediently and effectively.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days drug case processing	137	125	126	125	122
Percent of quarterly financial and progress reports submitted according to schedule	75	100	94	100	100
Cases that are over 361 days to disposition	1,059	1,059	1,044	1,050	1,035

**Subprogram Summary**

## ALTERNATIVE DISPUTE REGULATION

Amy Wood, Program Manager  
 Phone: (602) 452-3337  
 A.R.S. § 12-135

**Mission:**

*To promote the use of court-related alternative dispute resolution programs to increase access to the court system.*

**Description:**

The Alternative Dispute Resolution (ADR) Fund is used for local, regional or statewide projects to create, improve, maintain or enhance alternative dispute resolution programs in the superior or justice courts. Alternative dispute resolution provides disputing parties alternatives to litigation. Examples of alternative dispute resolution methods include mediation and arbitration. Funds are used to develop educational programs (scholarships and conferences).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	321.1	230.7	230.7
<b>Total Funding</b>	<b>321.1</b>	<b>230.7</b>	<b>230.7</b>
<b>FTE Positions</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

- ◆ **Goal 1** To create, improve, maintain, or enhance alternative dispute resolution programs in superior court and justice of the peace courts.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of volunteer mediators trained	127	128	116	128	130
Number of volunteer mediator training sessions held	8	10	7	10	10

<b>Subprogram Summary</b>					
<b>CASE PROCESSING ASSISTANCE</b>					
Amy Wiood, Program Manager					
Phone: (602) 452-3337					
A.R.S. § 41-2401.(D)(8)					

**Mission:**

*To enhance the ability of the courts to process criminal and delinquency cases.*

**Description:**

The Case Processing Assistance Fund (CPAF) is used to enhance the courts' ability to process criminal and juvenile delinquency cases and to process orders of protection. Monies are used to fund judges pro tempore and support staff, and to purchase necessary equipment and supplies that courts are unable to obtain through their local funding sources. CPAF also is used to fund innovative projects to improve criminal and delinquency case processing and processing orders of protection.

\*Total FTEs do not include grant funded and field FTEs.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,315.6	3,004.8	3,004.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,315.6</b>	<b>3,004.8</b>	<b>3,004.8</b>
<b>FTE Positions</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

- ◆ **Goal 1** To enhance the ability of courts to process juvenile delinquency cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent growth in filings in prior fiscal year	3.3	3	-14.6	-14.6	-14.6
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	.91	.9	1.0	1.0	1.0
Months for disposition of pending cases in prior fiscal year	12	12	7.2	7.2	7.2

- ◆ **Goal 2** To enhance the ability of the courts to process criminal cases.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent growth in filings in prior fiscal year	2.1	2.0	-6.7	-6.7	-6.7
Prior fiscal year clearance rate (dispositions/filings) of 1.00 or greater annually	1	1	1	1	1
Months for disposition of pending cases in prior fiscal year	13	12	13	13	13

◆ **Goal 3** To expedite the processing of grant requests in a cost-effective manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Mean cycle days receipt of request to court notification of approval/denial	6.6	10	5.33	10	10
Grant management budget as percent of total budget	1.4	1.4	1.4	1.4	1.4

<b>Program Summary</b>	
FAMILY SERVICES	
Caroline Lutt-Owens, Director	
Phone: (602) 452-3408	
A.R.S. § 8-515.01	

**Mission:**

*To administer programs that are designed to ensure that the best interests of dependent children are served by providing a system of information, advocacy and review.*

**Description:**

The Dependent Children's Services Division interacts with the courts, a variety of non-court agencies and organizations and the public throughout Arizona. The division administers three major programs: Foster Care Review Board, Court-Appointed Special Advocate and the Court Improvement Program. Other services include operating a parent assistance hotline program that provides court and other related information to parents and guardians whose children have been removed from the home by Child Protective Services.

**This Program Contains the following Subprograms:**

- ▶ Foster Care Review Board
- ▶ Court Appointed Special Advocate
- ▶ Model Court - Court Improvement Project

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4,166.4	4,167.5	4,167.5
Other Appropriated Funds	2,550.7	2,941.1	2,941.1
Other Non Appropriated Funds	135.0	393.6	393.6
<b>Total Funding</b>	<b>6,852.1</b>	<b>7,502.2</b>	<b>7,502.2</b>
<b>FTE Positions</b>	<b>42.5</b>	<b>48.5</b>	<b>48.5</b>



## Subprogram Summary

### FOSTER CARE REVIEW BOARD

Caroline Lutt-Owens, Director  
 Phone: (602) 452-3408  
 A.R.S. § 8-515.01

**Mission:**

*To ensure, through local volunteer review boards and a state advisory board, that children involved in dependency proceedings have a permanent placement plan consistent with their best interest.*

**Description:**

The Foster Care Review Board is designed to assist the juvenile court judges. The boards are comprised of volunteer members who receive initial as well as on going training. The boards are responsible for reviewing, within six months of placement and every six months thereafter, the case of each child who remains in out-of-home placement and who is the subject of a dependent action. The case review determines what efforts have been made by the social services agency with whom the child has been placed, to carry out the plan for the permanent placement of the child. Review boards submit recommendations to the presiding juvenile court judge in each county to assist their court review and decision making process. The State Foster Care Board is statutorily required to review and coordinate the activities of the local boards. In addition, the State Board is mandated to make annual recommendations to the Supreme Court, the Governor, and the Legislature on the state's foster care statutes, policies, and procedures. Also included in this subprogram is the Parent Assistance Hotline. The hotline provides accurate information, education and referrals when children are involved with Child Protective Services (CPS), enabling parents and guardians to work more effectively with CPS and the juvenile court.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,617.0	3,617.9	3,617.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	135.0	393.6	393.6
<b>Total Funding</b>	<b>3,752.0</b>	<b>4,011.5</b>	<b>4,011.5</b>
<b>FTE Positions</b>	<b>37.0</b>	<b>43.0</b>	<b>43.0</b>

- ◆ **Goal 1** To ensure that each child in out-of-home placement, for 6 months or more, is reviewed by the FCRB at least once every 6 months and is making progress towards permanency.

<u>Performance Measures</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Children eligible for review during the fiscal year	20,134	23,154	22,001	24,201	26,621
Number of child reviews held during the fiscal year	24,079	27,690	25,689	28,257	31,082
Total number of reviews conducted within the fiscal year	14,084	16,196	15,041	16,845	18,199
Percent of reviews during fiscal year for which the board found that progress was being made towards establishing permanency	58	64	58.10	63.91	70.29

◆ **Goal 2** To establish, maintain and train sufficient volunteers to perform high quality case reviews.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
FTEs to support volunteers (Does not include Support Pool)	37.8	42.8	44.70	42.8	44.70
Number of active volunteers during the fiscal year	609	639	600	630	660
Average length of volunteer service during the fiscal year	5.85	5.85	6.00	6.00	6.00
Number of volunteers meeting or exceeding the yearly training requirement	300	330	261	287	315
Number of active Removal Review volunteers during the fiscal year	77	0	NA	NA	NA

**Explanation:** The removal review function was eliminated as of August 2, 2012.

Number of Removal Review volunteers meeting or exceeding the yearly training requirement	0	0	NA	NA	NA
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**Explanation:** The removal review function was eliminated as of August 2, 2012.

◆ **Goal 3** To provide accurate information to families in a caring, respectful manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Hotline Calls	1,081	1,400	653	700	750

◆ **Goal 4** To increase public and agency awareness of the Parent Assistance Hotline

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Yellow Page referrals	1	0	1	0	0
Agency Referrals	142	240	281	200	200
Calls attributable to brochures (DES)	306	220	44	350	150
Calls attributable to other advertising	627	940	327	700	340

◆ **Goal 5** To ensure that each child who is removed from home receives a review of his or her removal

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of Removal Reviews facilitated during the fiscal year	143	0	NA	NA	NA

**Explanation:** The removal review function was eliminated as of August 2, 2012.

Total number of children reviewed by Removal Review Team during the fiscal year	423	0	NA	NA	NA
Number of removals in which the majority of the Removal Review team did not agree with the removal	0	0	NA	NA	NA

### Subprogram Summary

#### COURT APPOINTED SPECIAL ADVOCATE

Nancy Molever, Program Manager  
 Phone: (602) 452-3583  
 A.R.S. § 8-522

**Mission:**

*To administer and monitor a community-based volunteer advocacy program in the Juvenile Court System for abused and neglected children.*

**Description:**

The Arizona CASA Program is comprised of the state office, county programs, and volunteers who serve abused and neglected children. The state office administers the program by monitoring county programs to ensure compliance with all relevant statutes, orders, policies and procedures, and funding agreements. In addition, the state office provides services, including recruiting tools, training opportunities, and technical assistance and support to county programs and volunteers. County programs educate communities in order to recruit, maintain, and supervise qualified volunteers to advocate for children involved in juvenile court proceedings as required by A.R.S. §§ 8-522 to 8-523, and Arizona Rules of Court, Rules 22 and 22.1.

CASA volunteers are specially trained citizens who are appointed to an individual dependency case by presiding juvenile judges and function as independent advocates for children who are wards of the court. Volunteers help ensure that a child's right to a safe, permanent home is actively pursued. The CASA volunteer has three main roles: 1) to conduct an independent assessment of the case and advocate for needed services for the child and family; 2) to provide written reports and testimony to the juvenile court judge to enable the judge to make the best decision possible; and 3) to be a consistent presence in the child's life, acting as an advocate throughout the court proceedings.

The Court Appointed Special Advocate Fund receives 30 percent of unclaimed state lottery prize money pursuant to A.R.S. § 5-518 and 8-524.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	102.0	102.0	102.0
Other Appropriated Funds	2,550.7	2,941.1	2,941.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,652.7</b>	<b>3,043.1</b>	<b>3,043.1</b>
<b>FTE Positions</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>

◆ **Goal 1** To maintain an adequate number of certified volunteer advocates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Children eligible for CASA assignment during the year	20,134	23,154	22,001	25,469	24,076
Children with CASA assigned as of 6/30	1,381	1,442	1,345	1,503	1,224
Total Number of volunteers as of 6/30	861	911	916	961	825
Volunteers serving during the year	1,087	1,185	1,143	1,283	1,041
Number of Assigned CASAs as of 6/30	735	766	714	797	650
Number of volunteers during the year completing the required number of hours	638	665	440	697	488
Percent of number of volunteers serving during the year completing the required number of hours	70	81	48	82	58
Average number of in-service training hours volunteers received	24.3	28.4	31.03	28.8	34.5

- ◆ **Goal 2** To ensure compliance by performing an operational review of county program activities. Working closely with other Administrative Office of the Court divisions, monitoring is now done on a cycle. Monitoring is not done in all 15 counties each year.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of volunteer files reviewed	190	250	168	200	128
Percent of required items reviewed and found to be in compliance	81	92	98	90	95
Total number of case files reviewed	216	250	152	220	134
Percent of required items reviewed and found to be in compliance	95	98	91	98	95

<b>Subprogram Summary</b>	
MODEL COURT - COURT IMPROVEMENT PROJECT	
Rob Shelley, Program Coordinator	
Phone: (602) 452-3416	
A.R.S. § 8-824	

**Mission:**

*To evaluate and improve Arizona's dependency case management in order to reduce the amount of time children spend in out of home placement.*

**Description:**

In 1998, based upon a federal dependency court improvement initiative and the Pima County Model Court pilot, new laws governing dependency case time lines and processing were passed. The Court Improvement Program oversees the implementation of this re-engineering of the dependency court process. Program responsibilities include providing technical assistance, training and funding to juvenile courts as they implement the new and revised statutes and improve their handling of dependency petitions. This also includes the implementation of dependency operational reviews and expanding dependency data collection through the use of the Arizona Juvenile On-Line Tracking System, JOLTS.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	447.4	447.6	447.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>447.4</b>	<b>447.6</b>	<b>447.6</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To reduce the time frame from removal to permanency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of petitions that met preliminary protective hearing requirements (within 5-7 days of removal)	75	82	61	82	90
Average number of days to adjudication	59	45	76	75	70
Percent of petitions for which a permanency hearing was completed within required timeframe (six months for children under 3 years old and 12 months for children ages 3 and older).l	94	94	92	90	92

**Program Summary**

**JUDICIAL NOMINATIONS AND PERFORMANCE REVIEW**

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Sections 36, 42

**Mission:**

*To nominate highly qualified individuals for appointment to the Supreme Court, the Court of Appeals, and the Superior Court in Maricopa, Pima and Pinal counties and to evaluate the performance of all justices and judges who stand for retention and provide the results of those evaluations to the voters before each retention election.*

**Description:**

Vacancies on the Supreme Court or the Court of Appeals are filled by appointment by the Governor from a list of not less than three nominees for each vacancy submitted by the 16-member Commission of Appellate Court appointments. Vacancies on the Superior Court for Maricopa, Pima and Pinal Counties are filled by appointment by the Governor from a list of not less than three nominees for each vacancy as submitted by the 16-member Commission on Trial Court Appointments for Maricopa, Pima and Pinal Counties. The four commissions operate under Rules of Procedure adopted by the Supreme Court.

Judicial Performance Review provides a mechanism for surveying attorneys, litigants/witnesses, jurors, peers, court staff, and administrative contacts about the performance of all merit retention justices and judges. The surveys are conducted twice during each term of office. The "pre-election" includes public hearings and the opportunity to comment on a specific judge in writing. Information is disseminated to the public before each general election as part of the Secretary of State's "Voter Information Guide." This program complies with the Americans with Disabilities Act and Federal Minority Rights Voting Act requirements. The information is also reviewed with the judge as a tool for professional growth and improvement. The Commission operates under Rules of Procedure adopted by the Supreme Court.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	427.6	428.5	428.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>427.6</b>	<b>428.5</b>	<b>428.5</b>
<b>FTE Positions</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>

◆ **Goal 1** To ensure the nominating commissions candidate submissions meet the constitutional requirements on considering the diversity of the state's or county's population and nominee submission time line.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Applications received from minorities and women as a percent of all applications	10	50	59	50	50
Nominations of minorities and women as a percent of all nominations	38	50	50	50	50
Percent of nomination lists submitted to the Governor within the 60 day constitutionally set time line	100	100	100	100	100

◆ **Goal 2** To efficiently meet their constitutional duties.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cost per appellate court vacancy (dollars)	4,189	4,000	0	4,000	2,000
Cost per trial court vacancy (dollars)	2,200	1,000	3,400	2,000	4,000

◆ **Goal 3** To provide survey forms during each survey period for distribution to individuals who interact with a merit/retention judge.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Survey forms distributed	6,654	62,000	59,873	7,000	60,000
Survey forms returned	1,442	17,000	12,479	2,000	12,000

◆ **Goal 4** To widely disseminate the results of the survey and review process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Pamphlets distributed (in thousands)	40	0	0	50	50

**Explanation:** Pamphlets are not distributed in a non-election year.

Telephone Contacts	160	50	60	100	200
Website Hits	118,000	2,000	20,431	120,000	20,000

**Program Summary**

**COMMISSION ON JUDICIAL CONDUCT**

George Riemer, Executive Director  
 Phone: (602) 452-3200  
 AZ Constitution, Article VI.I

**Mission:**

*To investigate and resolve all complaints of judicial misconduct.*

**Description:**

The Commission, comprised of 11 members, is an independent agency that has jurisdiction over all judges in the state, including Supreme Court justices, Court of Appeals judges, Superior Court judges, Justices of the Peace and municipal judges. It also has jurisdiction over commissioners, hearing officers, judges pro tempore, retired judges with temporary assignments, and all other judicial officers serving within the judicial branch of government. When all are taken into account, the Commission's jurisdiction extends to more than 570 judges and judicial officers throughout the state.

The Commission is required to investigate all complaints of judicial misconduct and may resolve them in one of several ways. Complaints that are frivolous or unfounded may be dismissed for lack of jurisdiction, insufficient grounds to justify investigation or no evidence of judicial misconduct. Cases involving serious misconduct are decided in formal hearings, similar to trials, that are open to the public. At the conclusion of a hearing, the Commission can formally recommend to the Supreme Court that a judge be publicly censured, suspended, removed or retired. Discipline in less serious cases may be handled informally.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	522.0	522.5	522.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>522.0</b>	<b>522.5</b>	<b>522.5</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

◆ **Goal 1** To investigate and resolve all complaints of judicial misconduct in accordance with Constitutional mandates. (These numbers are based on Fiscal-year data from July 1, 2011 through June 30, 2012)

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints processed	357	330	376	360	400
Formal and Informal Advisory Opinions	174	150	232	200	230
Preliminary investigations	263	225	92	100	100
Motions for reconsideration	25	25	47	40	40
Sanctions and other warnings	40	50	27	30	30

**Program Summary**

**JUDICIAL COMPENSATION**

Kevin Kluge, Division Director/CFO

Phone: (602) 452-3395

AZ Constitution, Article VI, Section 9, A.R.S. § 12-120

**Mission:**

*To fund the state portion of the salary and employee related expenses of Superior Court judges.*

**Description:**

The Arizona Superior Court, which has at least one judge in every county, is the state's only general jurisdiction court. Additional Superior Court judges may be authorized in each county having a census greater than 30,000 inhabitants and upon petition by the Board of Supervisors to the Governor. A Superior Court judge may be authorized for each 30,000 inhabitants or majority fraction thereof. Superior Court judges hear all types of cases except small claims, minor offenses or violations of city codes and ordinances. One-half of the Superior Court judges' salaries are provided by the state as required by A.R.S. § 12-128.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	8,274.1	7,834.0	8,482.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	95.1	0.0	0.0
<b>Total Funding</b>	<b>8,369.2</b>	<b>7,834.0</b>	<b>8,482.8</b>
<b>FTE Positions</b>	<b>82.0</b>	<b>82.0</b>	<b>82.0</b>

- ◆ **Goal 1** To provide fair and expeditious determination of cases. (Court activity is difficult to predict; projections are based on FY 2004 activity level, which also is an estimate. Cases pending are as of 6/30.)

\* The 2008 actual total reflects an estimated figure.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
All cases on file in prior fiscal year	422,315	420,000	408,932	410,000	410,000
All cases terminated in prior fiscal year	212,735	210,000	204,438	204,000	204,000
Cases pending in prior fiscal year	210,786	210,000	205,011	205,000	205,000
New filings (includes transfer in cases) in prior fiscal year	211,350	210,000	200,038	200,000	200,000
Other proceedings in prior fiscal year	41,596	40,000	42,608	42,000	42,000



**Program Summary**

**ADULT PROBATION SERVICES**

Kathy Waters, Division Director  
Phone: (602) 452-3468  
A.R.S. § 13-901

**Mission:**

*To foster the continued development and effective implementation of a balanced approach to Adult Community Corrections, including protection of the public through offender accountability and rehabilitation, and restoration of the community primarily through the collection of restitution and completion of community service.*

**Description:**

Arizona's adult probation system is decentralized, with each of the fifteen county probation departments reporting directly to either the presiding judge of the Superior Court in their respective county or the Court Administrator. The Adult Services Division of the Administrative Office of the Courts administers and oversees nine major state programs/funds which help support the adult probation system: Intensive Probation Supervision (IPS); Adult Standard Probation; Community Punishment Program (CPP); Criminal Justice Enhancement Fund (CJEF); Drug Enforcement Account (DEA); Interstate Compact (ISC); the Drug Treatment and Education Fund (DTEF); Transferred Youth (TY); and the Judicial Collection Enhancement Fund (JCEF). The Division works with the county probation departments to ensure adequate resources are available for them to meet required operational standards based upon applicable statutes, administrative orders and funding requirements. The Division also coordinates approximately 300 state vehicles provided for adult and juvenile probation and surveillance officers, facilitates training events, conducts research and statistical compilation, and provides technical assistance on a variety of probation related matters.

\* Beginning with FY 2004, Maricopa County is not included in the statewide result.

**This Program Contains the following Subprograms:**

- ▶ Standard Probation
- ▶ Intensive Probation
- ▶ Community Punishment
- ▶ Interstate Compact
- ▶ Drug Treatment and Education
- ▶ Global Positioning Systems (GPS)

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	24,718.0	25,196.0	26,698.8
Other Appropriated Funds	1,451.4	8,189.5	8,189.5
Other Non Appropriated Funds	3,811.1	4,266.8	4,266.8
<b>Total Funding</b>	<b>29,980.5</b>	<b>37,652.3</b>	<b>39,155.1</b>
<b>FTE Positions</b>	<b>29.6</b>	<b>29.1</b>	<b>29.1</b>

**Subprogram Summary**

STANDARD PROBATION

Kathy Waters, Division Director  
 Phone: (602) 452-3468  
 A.R.S. § 12-261

**Mission:**

*To provide financial assistance to probation departments to promote public safety by the responsible supervision of probationers in the community.*

**Description:**

The program provides funding in an effort to maintain the statutory caseload average of 60 adult probationers per probation officer (60:1) and creates the availability of state funding to supplement county funds in order to achieve or maintain that 60:1 ratio. The funding must be used primarily for the payment of probation officer salaries to attain the caseload average.

\* Beginning with FY 2004, Maricopa County is not included in the statewide result.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	13,421.0	13,793.3	14,672.6
Other Appropriated Funds	0.0	4,115.7	4,115.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>13,421.0</b>	<b>17,909.0</b>	<b>18,788.3</b>
<b>FTE Positions</b>	<b>10.4</b>	<b>10.4</b>	<b>10.4</b>

◆ **Goal 1** To ensure that each county probation department is provided with adequate resources to meet required operational standards based upon applicable statutes, administrative orders and funding requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Operational reviews conducted	4	4	2	4	4
Percent of operational reviews completed within prescribed time frame	100	100	100	100	100
Percent of follow-up reviews on non-compliance issues completed within prescribed time frame	67	100	100	100	100

◆ **Goal 2** To promote victim and community restoration and hold adult standard probationers accountable while providing opportunities for behavioral change consistent with the needs of public safety.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of court-ordered restitution paid by active standard probationers	56	60	42	45	48
Percent of community service hours completed	56	65	52	55	58
Percent of probationers exiting standard probation and not committed to county jail or DOC	80	85	78	80	83

- ◆ **Goal 3** To assist in enhancement of education and training of probation officers and staff by providing regionalized and statewide training.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Certification Academies conducted	4	4	4	4	4
Regional training events	124	110	128	125	125
Percent of probation personnel in compliance with COJET requirements	99.75	100	98.5	100	100

- ◆ **Goal 4** To promote public safety by providing each county probation department with adequate resources to meet required operational standards based upon applicable statutes, administrative orders and funding requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of probation departments in compliance with 65:1 mandate	71	100	82	100	100
Percent of probation departments whose funding is primarily used for payment of probation officer salaries	100	100	100	100	100
Percent of probationers successfully completing probation	78	81	76	80	83
Average annual state cost per probation slot (in dollars) in prior fiscal year	1,310	1,376	1,065	1,376	1,376

**Subprogram Summary**

INTENSIVE PROBATION

Kathy Waters, Division Director

Phone: (602) 452-3468

A.R.S. § 13-913 et. seq.

**Mission:**

*To provide a highly structured and closely supervised probation alternative which emphasizes the payment of restitution.*

**Description:**

The program provides intensive supervision, through the use of probation officer/surveillance officer teams, to offenders who would otherwise have been incarcerated in the Department of Corrections at initial sentencing or as a result of a technical violation of standard probation. Pursuant to statute, supervision teams of one probation officer and one surveillance officer can supervise a maximum of 25 intensive probationers and a team consisting of one probation officer and two surveillance officers can supervise no more than 40 probationers. In small counties, one probation officer is authorized to supervise up to 15 intensive probationers. Intensive probationers are required to: maintain employment or full-time student status or perform community service at least six days per week; pay restitution and monthly probation fees; establish residency at a place approved by the probation team; remain at their place of residence except when attending approved activities; allow the administration of drug and alcohol tests; perform at least forty hours (with good cause the court can reduce to twenty hours) of community service work each month except for full-time students, who may be exempted or required to perform fewer hours; and meet any other conditions set by the court.

\* Beginning with FY 2004, Maricopa County is not included in the statewide results. Beginning in FY 2007, Maricopa and Graham Counties not included.

\* Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	10,649.4	10,754.6	11,378.1
Other Appropriated Funds	0.0	1,663.0	1,663.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>10,649.4</b>	<b>12,417.6</b>	<b>13,041.1</b>
<b>FTE Positions</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>

- ◆ **Goal 1** To promote victim and community restoration and hold accountable adult intensive probationers while also providing opportunities for behavioral change consistent with the needs of public safety.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of eligible IPS probationers participating in a treatment program	47	50	45	50	53
Percent of IPS probationers maintaining full-time employment	44	50	45	50	53
Percent of IPS probationers not testing positive for illegal drug use	70	72	70	72	75
<b>Explanation:</b> 14 of 15 counties reporting					
Percent of court-ordered restitution paid by active IPS probationers	38	50	33	50	50
<b>Explanation:</b> 14 of 15 counties reporting					
Percent of community service hours completed	61	70	66	70	75
Percent of probationers exiting IPS and not committed to county jail or DOC	46	50	44	50	53

- ◆ **Goal 2** To promote public safety by providing each county probation department with adequate resources to meet required operational standards based upon applicable statutes, administrative orders, and funding requirements.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of probation departments in compliance with statutorily prescribed caseload	43	100	79	100	100
Percent of probation departments provided sufficient operating motor vehicles	100	100	100	100	100
Percent of probationers successfully completing probation	42	50	70	70	70
Average annual state cost per probation slot (in dollars) in prior fiscal year	8,366	8,370	7,356	8,370	8,370

- ◆ **Goal 3** To provide an advanced training program (Arizona Institute for Intensive Probation ) and technical assistance to IPS officers to ensure compliance with program direction.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
IPS institutes conducted	2	2	2	2	2
Percent of IPS officers completing the institute	100	100	100	100	100

**Subprogram Summary**

COMMUNITY PUNISHMENT

Mark Stodola, Program Manager  
 Phone: (602) 452-3814  
 A.R.S. § 12-299

**Mission:**  
*To enhance both intensive and standard probation services in an effort to divert offenders from prison or jail and promote public safety through locally designed treatment and control-oriented programming.*

**Description:**  
 The Community Punishment Program (CPP) provides funds which augment general probation conditions and community-based programs emphasizing supervision, surveillance, control, public protection, community work service, restitution, and victims' rights, as well as opportunities for rehabilitation and treatment.

\* Beginning with FY 2004, Maricopa County is not included in the statewide results.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,451.4	2,310.3	2,310.3
Other Non Appropriated Funds	630.3	564.4	564.4
<b>Total Funding</b>	<b>2,081.7</b>	<b>2,874.7</b>	<b>2,874.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To promote victim and community restoration and hold accountable adult community punishment probationers while also providing opportunities for behavioral change consistent with the needs of public safety.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of active probationers who received CPP funded services	2,962	3,000	3,769	3,500	3,600

**Subprogram Summary****INTERSTATE COMPACT**

Dori Ege, Program Manager  
 Phone: (602) 452-3324  
 A.R.S. § 31-461

**Mission:**

To provide supervision to probationers transferring to Arizona and monitor the supervision of probationers transferred to other states from Arizona.

**Description:**

The program provides for the supervision of probationers transferring to Arizona from other states, and probationers transferring from Arizona to other states. County probation departments investigate requests of probationers sentenced in other states who wish to transfer their probation supervision to Arizona. After investigation, these requests are either denied or accepted. If accepted, county probation departments provide supervision for transferred probationers. Arizona probation officers monitor compliance with probation conditions and initiate corrective action, if deemed necessary, through the state Compact Office. Arizona probation departments also maintain contact with probationers transferred from Arizona to other states and collect court-ordered monetary assessments, including restitution and fines.

\* Beginning with FY04, Maricopa County is not included in the statewide result. Beginning in FY 2007, Maricopa and Graham Counties are not included

\*Total FTEs do not include grant funded and field FTEs.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	647.6	648.1	648.1
Other Appropriated Funds	0.0	100.5	100.5
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>647.6</b>	<b>748.6</b>	<b>748.6</b>
<b>FTE Positions</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

◆ **Goal 1** To facilitate the transfer and supervision of probation cases through the interstate compact.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of transfer investigation requests completed within forty-five days of receipt, as required	97	98	98	99	99
Percent of victim assistance fund payments collected	57	57	59	60	60
Average satisfaction rating by states participating in the interstate compact (Scale 1-8)	N/A	N/A	N/A	N/A	N/A

### Subprogram Summary

#### DRUG TREATMENT AND EDUCATION

Susan Alameda, Treatment Manager  
Phone: (602) 452-3558  
A.R.S. § 13-901.02

#### Mission:

To provide treatment and education services to substance abusing probationers.

#### Description:

The Drug Treatment and Education Fund provides funding to augment treatment and education services for substance abusing offenders convicted of personal possession or use of a controlled substance.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3,180.8	3,702.4	3,702.4
<b>Total Funding</b>	<b>3,180.8</b>	<b>3,702.4</b>	<b>3,702.4</b>
<b>FTE Positions</b>	<b>6.6</b>	<b>6.1</b>	<b>6.1</b>

- ◆ **Goal 1** To reduce the prevalence of drug use and the incidence of criminal activity for substance abusing offenders through treatment services and probation supervision.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of defendants convicted of an ARS 13-901.01 1st or 2nd offense and sentenced to a term of probation during the fiscal year	5,218	5,500	4,398	5,000	5,000
Number of probationers convicted of an ARS 13-901.01 1st or 2nd offense that received DTEF funded treatment services	2,148	2,200	1,233	1,500	1,500

### Subprogram Summary

#### GLOBAL POSITIONING SYSTEMS (GPS)

Mark Stodola, Program Manager  
Phone: (602) 452-3814  
ARS 13-902(G)

#### Mission:

To provide global positioning system monitoring for probationers sentenced under ARS 13-902(G).

#### Description:

A.R.S. §13-902(G) provides that beginning November 1, 2006 after conviction of a dangerous crime against children as defined in A.R.S. §13-604.01, if a term of probation is imposed, the court shall require global position system monitoring for the duration of the term of probation. Many probationers sentenced under A.R.S. §13-902(G) are placed on probation for long terms extending up to life-time probation supervision.

The GPS program offers the highest level of community-based supervision available for those probationers convicted of Dangerous Crimes Against Children. Further, the GPS program allows probationers to receive treatment while in the community or continuing their treatment once released from incarceration. This balanced approach results in short-term public safety through monitoring and potential long-term public safety by offering the probationer the opportunity to change their behavior through treatment.

◆ **Goal 1** To monitor all GPS offenders on probation as prescribed by statute

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of probationers on GPS	221	220	221	225	225

**Program Summary**

JUVENILE PROBATION SERVICES

Chad Campbell, Division Director  
 Phone: (602) 452-3450  
 A.R.S. § 8-201

**Mission:**

*To effectively oversee the statewide administration of local juvenile probation services and programs which promote community protection by requiring juvenile accountability and by providing treatment opportunities which result in law abiding behavior.*

**Description:**

The Juvenile Justice Services Division is responsible for the effective administration of juvenile justice programs for delinquent and incorrigible youth in coordination with the juvenile courts. Division programs focus on treatment, rehabilitation and protection of community and youth. The Division administers and oversees seven major programs/funds: Juvenile Intensive Probation (JIPS); Juvenile Treatment Services Fund (JPSF); Family Counseling; Juvenile Standard Probation; Juvenile Crime Reduction Fund (JCRF); Progressively Increasing Consequences; and State Aid for Detention. Other services include providing direction and coordination for the Juvenile On-Line Tracking System (JOLTS); the statewide Literacy, Education and Resource Network (LEARN Labs); oversight of juvenile detention centers; and administration of probation department operational reviews.

**This Program Contains the following Subprograms:**

- ▶ Standard Probation
- ▶ Intensive Probation
- ▶ Treatment Services
- ▶ Family Counseling
- ▶ Progressively Increasing Consequences (PIC-Act)
- ▶ Juvenile Crime Reduction

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	45,404.0	45,808.9	45,808.9
Other Appropriated Funds	3,883.3	5,342.1	5,342.1
Other Non Appropriated Funds	-1,146.5	3,549.1	3,549.1
<b>Total Funding</b>	<b>48,140.8</b>	<b>54,700.1</b>	<b>54,700.1</b>
<b>FTE Positions</b>	<b>33.1</b>	<b>32.8</b>	<b>32.8</b>



**Subprogram Summary**

STANDARD PROBATION

Jeanne Brandner, Program Manager  
 Phone: (602) 452-3456  
 A.R.S. § 8-203

**Mission:**

*To improve, maintain or expand juvenile probation services to ensure proper supervision of youth on probation.*

**Description:**

The program provides funds for the salary and employee-related expenses of probation officers supervising juveniles on probation to the superior court. The fund has been utilized to assist the counties in achieving and maintaining a client/probation officer ratio of 35:1.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,575.0	4,606.3	4,606.3
Other Appropriated Funds	0.0	150.0	150.0
Other Non Appropriated Funds	1,576.3	1,290.0	1,290.0
<b>Total Funding</b>	<b>6,151.3</b>	<b>6,046.3</b>	<b>6,046.3</b>
<b>FTE Positions</b>	<b>5.1</b>	<b>4.8</b>	<b>4.8</b>

◆ **Goal 1** To ensure proper supervision of youth on probation.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of juvenile probation departments in compliance with mandated case load ratios of 35:1	98	100	100	100	100
Percent of youth who complete their term of probation without a referral, i.e. successful completion	83	85	85	85	85
Percent of juvenile probation departments (15) undergoing on-site visits	93	100	100	100	100
Average annual cost per probation slot (in Dollars) in prior fiscal year	1,855	1,920	1,928	1,920	1,920
Percent of probationers successfully completing probation without a referral (a notice of misbehavior)	83	85	85	85	85

◆ **Goal 2** To manage and monitor the efficient and effective allocation and distribution of state appropriated funds.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of budget modifications reviewed and approved within two weeks	100	100	100	100	100
Percent of juvenile courts (15) whose plans are reviewed and approved	100	100	100	100	100

- ◆ **Goal 3** To promote victim and community restoration by holding juvenile probationers accountable for their court ordered financial and community service obligations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of juvenile probationers ordered to pay restitution, who pay	99	100	94	95	95
Percent of juveniles ordered to pay probation fees, who pay	85	80	73	80	80

**Subprogram Summary**

INTENSIVE PROBATION

Jeanne Brandner, Program Manager  
 Phone: (602) 452-3456  
 A.R.S. § 8-351

**Mission:**

*To effect positive change in a high risk juvenile population through a highly structured community based probation program committed to the prevention of further juvenile offenses and the protection of the community.*

**Description:**

The program provides probation teams that deliver intensive supervision, which emphasizes surveillance, treatment, work, education and home detention, to juvenile offenders. The program seeks to reduce commitments to the Arizona Department of Juvenile Corrections and other institutional or costly out-of-home placements, thus reserving space for more serious youth offenders. Probationers are required to participate in one or more of the following for 32 hours per week: school, court-ordered treatment, employment or community service; if able, to pay required court-ordered fees; to remain at a place of residence, except as allowed and approved by the supervising probation officer; to allow administration of drug and alcohol tests; and to meet other conditions set by the court.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	8,809.3	9,175.7	9,175.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6.9	0.0	0.0
<b>Total Funding</b>	<b>8,816.2</b>	<b>9,175.7</b>	<b>9,175.7</b>
<b>FTE Positions</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>

◆ **Goal 1** To ensure the proper level of intensive supervision of high risk probationers .

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of JIPS case load monthly reports reviewed	100	100	100	100	100
Percent of juvenile probation departments (15) visited	93	100	100	100	100
Percent of county JIPS programs (15) receiving informal on site monitoring reports	100	100	100	100	100
Percent of departments exceeding 95% compliance with contact standards as measured in quarterly performance audits	86	80	86	80	80
Percent of probationers successfully completing probation without a referral (a notice of misbehavior)	65	65	68	65	65
Average annual cost per probation slot (in dollars) in prior fiscal year	13,963	14,292	13,908	14,292	14,292

◆ **Goal 2** To ensure that JIPS officers are trained and meet established standards.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of JIPS officers passing initial academy testing	100	100	100	100	100

◆ **Goal 3** To manage and monitor the effective and efficient allocation and distribution of state appropriated funds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of budget modifications reviewed and processed within two weeks of receipt	100	100	100	100	100
Percent of juvenile courts (15) whose plans and budgets are reviewed and approved	100	100	100	100	100

◆ **Goal 4** To evaluate the statewide JIPS program aimed at reducing juvenile commitments to the Department of Juvenile Corrections or other institutional or costly out of home placements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of JIPS youth who complete JIPS without a referral, i.e.. successful completion	65	66	67	67	67

◆ **Goal 5** To promote victim and community restoration by holding juvenile intensive probationers accountable for their court ordered financial and community service obligations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of the juvenile intensive probationers ordered to pay restitution who are paying	99	95	100	95	95

**Subprogram Summary**

## TREATMENT SERVICES

Steve Tyrrell, Program Manager  
 Phone: (620) 452-3451  
 A.R.S. § 8-322

**Mission:**

*To administer a comprehensive continuum of community based treatment services and diversion programs for delinquent and incorrigible youth placed on probation to reduce repetitive juvenile offenses.*

**Description:**

The Juvenile Treatment Fund is the primary fund that provides intervention services for youth on probation. The Administrative Office of the Courts administers the procurement, contracting and monitoring of statewide contracts for services provided to youth on probation. The fund provides the resources to assist the probation officer in enforcing the terms of probation through a comprehensive continuum of services to ensure accountability, skill development, community safety and crime reduction.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	22,341.4	22,341.6	22,341.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-2,481.7	2,259.1	2,259.1
<b>Total Funding</b>	<b>19,859.7</b>	<b>24,600.7</b>	<b>24,600.7</b>
<b>FTE Positions</b>	<b>15.6</b>	<b>15.6</b>	<b>15.6</b>

◆ **Goal 1** To audit and evaluate treatment programs for contract compliance and effective service delivery.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Service contractors audited for compliance with program standards	38	70	17	35	40
Percent of contractors monitored in satisfactory compliance with established program standards (70%+)	85	85	83	85	87
Average cost per contract to audit (dollars)	990	1,000	1,350	1,350	1,350
Average hours per contract to audit and write report	34	50	80	50	80

◆ **Goal 2** To provide a comprehensive array of services and interventions for youth on probation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Youth served	9,662	9,500	8,008	8,000	8,000
Youth provided out of home services	736	750	738	750	750
Youth provided day support services	102	110	456	500	500
Youth provided counseling intervention	2,778	2,700	2,576	2,700	2,700
Youth provided drug testing	8,063	8,000	4,839	5,000	5,000
Youth provided evaluations and other services	5,414	5,400	4,784	4,800	2,850
Youth provided educational and vocational services	13	25	150	150	150
Percent of youth who don't re-offend within 12 months of program completion in prior fiscal year	54	45	53	50	50
Percent of youth with successful outcomes in functional family therapy	71	75	62	70	70
Percent of youth with successful outcomes in high impact residential	75	80	76	80	80

**Subprogram Summary**

FAMILY COUNSELING

Steve Tyrrell, Program Manager  
 Phone: (602) 452-3451  
 A.R.S. §§ 8-261 et seq.

**Mission:**  
*To oversee the development of programs for families in crisis which strengthen family relationships and reduce juvenile delinquency.*

**Description:**  
 The program provides the basic crisis and supportive counseling services to children and their families. Funds are used to provide counseling not only to children who have already come to the attention of the court, but also to their families and siblings, in an effort to address family problems that may be contributing to unlawful behavior and to prevent escalation into more serious activity. For incorrigible children who would otherwise be unable to obtain counseling services, these funds provide the courts with the critical resources needed to improve the family's ability to deal with conflicts and exercise proper control.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	653.4	660.4	660.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>653.4</b>	<b>660.4</b>	<b>660.4</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To ensure services are available through the local juvenile courts for families in crisis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Juvenile courts assisted in the development of approved family plans in prior fiscal year	15	15	15	15	15
Families served in prior fiscal year	737	750	697	700	705
Average cost per family (dollars) in prior fiscal year	1,016	1,050	870	950	1,025
Average age of youth participating in program in prior fiscal year	16	16	16	15	15
Average sessions per family in prior fiscal year	12	12	14	14	15

**Subprogram Summary**

PROGRESSIVELY INCREASING CONSEQUENCES (PIC-ACT)

Steve Tyrrell, Program Manager

Phone: (602) 452-3451

A.R.S. § 8-321

**Mission:**

*To ensure accountability by administering a comprehensive array of consequence programs for youth diverted from the formal court process.*

**Description:**

The Progressively Increasing Consequences monies provide the opportunity for youth to be held accountable for specific offenses without the formal court process. Youth are required to attend programs which emphasize accountability, restitution, skill development, crime reduction and community safety such as Teen Court, community work service, life skill education classes and problem solving.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	9,024.9	9,024.9	9,024.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-248.0	0.0	0.0
<b>Total Funding</b>	<b>8,776.9</b>	<b>9,024.9</b>	<b>9,024.9</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To ensure diversion eligible referrals are processed in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of juveniles with an intake interview within 30 days of receipt of referral by the juvenile court	54	55	47.8	55	47.8

- ◆ **Goal 2** To promote victim and community restoration by holding diversion youth accountable for their assessed financial obligations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of diversion youth assessed restitution, who pay	99	95	92	95	95
Percent of parents of diversion youth assessed one-time parental assessment fee, who paid	91	90	86	90	90

◆ **Goal 3** To ensure consequences are successfully completed.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Community Work Service case closures that were successfully completed	87	85	87	85	85
Percent of Counseling case closures that were successfully completed	90	90	83	90	85
Percent of Delinquency Prevention Education case closures that were successfully completed	88	90	87	90	90
Percent of Substance Abuse Education case closures that were successfully completed	87	90	92	90	90
Percent of Non-Residential Rehabilitation or Supervision case closures that were successfully completed	92	95	95	95	95
Percent of diversion programs showing a minimum of 15% positive change between pre and post test	78	85	88	90	90

**Subprogram Summary**

JUVENILE CRIME REDUCTION

Jeanne Brandner, Program Manager  
 Phone: (602) 452-3456  
 A.R.S. § 41-2401D.5

**Mission:**

*To support the development and replication of specific initiatives and community-based prevention, early identification and intervention, and recidivism reduction strategies which promote crime free lifestyles for Arizona youth.*

**Description:**

Funding is provided through the Criminal Justice Enhancement Fund. JCRF is used as seed monies for the development and initial implementation of community-based programs targeted at preventing a juvenile from becoming involved in illegal activity or providing an array of intervention services and sanctions to deter a juvenile from becoming further involved in the juvenile justice system. Grants may be administered by local courts, schools, local units of government, tribal agencies, state agencies, and the AOC. Program categories considered for funding are based on national research that supports promising strategies, such as academic achievement, after-school activities, mentoring, immediate consequences, and graduated sanctions. Programs are awarded funds through an annual application process; funding recommendations are submitted to the Chief Justice for final approval. Funds may also be used to implement legislative mandates and to support special projects and statewide strategic initiatives administered by the AOC, such as the Juvenile On-Line Tracking System (JOLTS), LEARN labs (Literacy, Education, and Resource Network computer-assisted learn centers), operational reviews of local probation departments, juvenile detention centers, and special projects.

JCRF is also used to provide technical assistance and to oversee the distribution of federal education dollars, which the division receives from the Department of Education and passes through to counties to provide educational services to detained youth. Twelve counties maintain juvenile detention centers; two counties share a regional facility and one county contracts with a neighboring county for detention services.

\*Total FTEs do not include grant funded and field FTEs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	3,883.3	5,192.1	5,192.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,883.3</b>	<b>5,192.1</b>	<b>5,192.1</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

◆ **Goal 1** To manage and monitor the distribution of JCRF grant funds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
100	100	100	95	100	100
Percent of programs in compliance with financial requirements	100	100	100	100	100
Percent of programs in compliance with program requirements	100	100	100	100	100

◆ **Goal 2** To promote the development of promising community-based programs for youth.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Local programs funded	31	30	23	26	30
<b>Explanation:</b> Excludes LEARN Labs					
Youth served in local programs	73,654	73,000	74,814	74,000	74,000
LEARN labs	3	3	3	4	4

◆ **Goal 3** To oversee the distribution of federal education monies to the counties for juvenile detention education services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Counties receiving funds	15	15	15	15	15
Juveniles served	9,644	9,000	8,857	8,000	8,000
Percent of on-site fiscal and program audits conducted	27	50	70	70	70
Percent of programs audited in compliance	75	100	100	100	100

◆ **Goal 4** To ensure that juvenile courts and probation departments are in compliance with statutes, administrative orders, funding agreements, rules, program plans, and policies and procedures.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Operational reviews conducted	3	3	5	5	5
Percent of departments reviewed that are in compliance	100	100	100	100	100

◆ **Goal 5** To support the administration and programs of the Arizona juvenile court system.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Automation projects funded	2	2	2	2	2
Loss prevention issues addressed in detention centers	0	0	0	0	0
Community Advisory Board programs funded	0	0	0	0	0



**Program Summary**

**COURT OF APPEALS DIVISION I**

Ruth Willingham, Clerk of the Court  
 Phone: (602) 542-0264  
 A.R.S. § 12-120 et. seq.

**Mission:**

*To provide an independent and accessible intermediate appellate court in accordance with Constitutional mandate.*

**Description:**

Division I of the Court of Appeals reviews all matters properly appealed from the Superior Court, except criminal death penalty cases. Division I convenes in Phoenix and encompasses the counties of Apache, Coconino, La Paz, Maricopa, Mohave, Navajo, Yavapai, and Yuma. In addition to appeals from these eight counties, and rate appeals from the Corporation Commission, Division I has the statewide responsibility for all Writs of Certiorari concerning awards by the Industrial Commission, appeals from the Arizona Department of Economic Security Appeals Board and all appeals from the Arizona Tax Court. Division I consists of a Chief Judge and five departments, with three judges each.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	9,875.1	10,039.9	10,065.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>9,875.1</b>	<b>10,039.9</b>	<b>10,065.4</b>
<b>FTE Positions</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>

- ◆ **Goal 1** To provide fair and expeditious determination of cases. (Court activity is difficult to predict; projections are based on FY 2011 activity level. Cases pending are as of 6/30.)

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
All cases on file	4,987	5,510	4,551	4,580	4,580
All cases terminated	2,936	2,968	2,443	2,500	2,500
Cases pending	2,051	2,051	2,108	2,080	2,080
New case filings	2,809	2,800	2,630	2,600	2,600
Customer Satisfaction rating for settlement program	7.5	7.5	7.5	7.5	7.5
Cases decided in which a Supreme Court review was not sought, excludes those cases dismissed in which no petition for review can be filed.	2,619	2,250	2,056	2,000	2,000
Cases decided where Supreme Court review was denied	485	480	369	250	250
Cases decided which Supreme Court review was granted and decision upheld	7	6	18	15	15

**Program Summary**

**COURT OF APPEALS DIVISION II**

Jeff Handler, Clerk of the Court  
 Phone: (520) 628-6954  
 A.R.S. § 12-120 et. seq.

**Mission:**

*To provide an independent and accessible intermediate appellate court in accordance with Constitutional mandate.*

**Description:**

Division II of the Court of Appeals reviews all matters properly appealed from the Superior Court, except criminal death penalty cases. Division II convenes in Tucson and encompasses the counties of Cochise, Gila, Graham, Greenlee, Pima, Pinal, and Santa Cruz. Division II consists of a Chief Judge and two departments, with three judges each.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,289.8	4,340.3	4,427.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>4,289.8</b>	<b>4,340.3</b>	<b>4,427.0</b>
<b>FTE Positions</b>	<b>38.5</b>	<b>38.5</b>	<b>38.5</b>

◆ **Goal 1** To provide fair and expeditious determination of cases. To provide fair and expeditious determination of cases. (Court activity is difficult to predict; estimates are based on FY 2000 activity level. Cases pending are as of 6/30.)

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
All cases on file	1,903	1,900	1,829	1,900	1,850
All cases terminated	1,040	1,000	1,171	1,000	900
Cases pending	869	850	654	850	800
New case filings	985	975	959	975	950
Customer Satisfaction rating for settlement program (Scale 1-8)	7.9	7.8	7.8	7.8	7.8
Cases upheld upon review	1,031	990	1,058	990	860

**Program Summary**

**ADULT AND JUVENILE DRUG COURT**

Susan Alameda, Treatment Manager  
 Phone: (602) 452-3558  
 ARS §13-3422

**Mission:**

*To fund and manage a coordinated system of adult and juvenile drug courts that help reduce recidivism.*

**Description:**

The Administrative Office of the Courts (AOC) provides funding and statewide oversight of Adult and Juvenile Drug Courts. Arizona’s Drug Courts are special, problem-solving courts with the responsibility to intervene with medium to high-risk probationers at risk for failure on probation and in the community because of continued drug or alcohol use. Each drug court is comprised of a local Drug Court Team responsible for the effective implementation and operation of the drug court. All of Arizona’s drug courts have judicial leadership combined with probation supervision and community-based treatment services. Each drug court incorporates best practices and is guided by a Certificate of Assurance.

The drug court program includes Memorandum of Understanding (MOU) between participating parties, judicial management, probation supervision, screening and assessment of participants, random and scheduled drug testing, individual, group and family counseling services, incentives and sanctions, community work service and parental/family involvement.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,013.6	1,013.6	1,013.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	273.1	211.2	211.2
<b>Total Funding</b>	<b>1,286.7</b>	<b>1,224.8</b>	<b>1,224.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To measure the number of Adult participants screened, admitted and graduated from drug courts.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Participants sentenced to drug court.	1,336	1,400	838	1,000	1,200
Number of Participants retained at 180 day point	1,231	1,300	1,501	1,500	1,500
Number of Graduates from drug court	334	375	310	350	375

◆ **Goal 2** To measure the number of Juvenile participants screened, admitted and graduated from drug courts.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Participants admitted to drug court	217	275	210	215	220
Number of Participants retained at 180 day period	302	300	226	230	250
Number of graduates from drug court	92	100	68	75	90

## Agency Summary

### DEPARTMENT OF JUVENILE CORRECTIONS

Vacant, Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2802

**Mission:**

*To enhance public protection by changing the delinquent thinking and behavior of juvenile offenders committed to the Department.*

**Description:**

The Department is responsible for juveniles adjudicated delinquent and committed by the juvenile courts. The Department is responsible for the management of the state's secure juvenile facilities and the development and provision of services to juvenile offenders, including rehabilitation, treatment and education.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ HOUSING	15,479.6	30,579.3	31,179.3
➤ REHABILITATION	22,985.6	12,678.6	12,678.6
➤ ADMINISTRATION	6,603.5	6,804.9	6,804.9
<b>Agency Total:</b>	<b>45,068.7</b>	<b>50,062.8</b>	<b>50,662.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	39,647.8	44,165.9	44,765.9
Other Appropriated Funds	3,466.9	3,942.9	3,942.9
Other Non Appropriated Funds	1,954.0	1,954.0	1,954.0
<b>Total Funding</b>	<b>45,068.7</b>	<b>50,062.8</b>	<b>50,662.8</b>
<b>FTE Positions</b>	<b>738.5</b>	<b>738.5</b>	<b>738.5</b>

**Issue 1** Strategic Issue 1: "SAFETY" - Ensuring a safe and secure environment for treatment and rehabilitation of committed youth.

**Description** Johnson v. Upchurch, a class action lawsuit filed in federal court in 1986, challenged the constitutionality of the conditions of confinement in juvenile facilities then being operated by the Juvenile Division of the Arizona Department of Corrections. After the Legislature created the free-standing Arizona Department of Juvenile Corrections (ADJC) in 1989, the State settled the lawsuit by entering into a consent decree, under which the federal court monitored ADJC until 1998, when the court found that ADJC had satisfied all provisions.

Unfortunately, the sweeping changes ADJC had made were not sustained. In 2002, the United States Department of Justice (USDOJ) began an investigation of ADJC, prompted in part by three suicides at ADJC's Adobe Mountain School in 2001 - 2002. As a result, it filed United States v. State of Arizona in federal court in 2004. Both lawsuits addressed the isolation of youth, abuse of youth, the civil rights of incarcerated youth, and shortcomings in treatment, education and behavioral health services. Arizona entered into a memorandum of agreement with the USDOJ, resulting in the lawsuit's dismissal in 2007, when monitors concluded that all provisions of the agreement were satisfied. While implementing the memorandum of agreement, ADJC made comprehensive reforms that improved safety, security and treatment services for committed youth. Those accomplishments were reaffirmed by the Arizona Auditor General in 2009, when the Auditor General concluded that ADJC had continued to make notable progress in the critical areas of programming and youth safety since federal monitoring terminated in 2007. ADJC's continuing progress was again reaffirmed in July 2012, when Governor Janice K. Brewer signed House Bill 2218 continuing ADJC for 10 years.

ADJC's commitment to providing a safe and secure environment for our shared communities, employees and the youth entrusted to our care is manifest in a management framework that synthesizes analysis of agency data, proactive problem solving, rigorous prevention strategies, and a clear accountability structure.

Recognizing that safety and security begins with proper assessment and classification, ADJC joined a statewide effort to utilize the new Arizona Youth Assessment System (AZYAS). This system is designed to further improve ADJC's assessment and classification process, affirm placement and treatment decisions and bolster collaboration with Arizona's Juvenile Courts. The Administrative Office of the Courts, the 15 Arizona County Juvenile Courts, and ADJC are committed to using AZYAS to effectively work together and assure the right youth are committed to ADJC at the right time.

Also of paramount importance is the engagement of staff in the effective collection, and assessment of data. Ensuring that staff are engaged and informed, agency-wide, enhances ADJC's ability to continually improve safety, security, and treatment practices. All agency staff receives a daily dashboard report that provides an overview of key indicators such as demographics, safety incidents, therapeutic and educational progress, and community corrections data. Key staff also participates in daily briefings to discuss incidents that concern the safe environment for treatment and rehabilitation. On a monthly basis, executive staff utilizes a management process to link real-time data with strategic problem solving strategies - from addressing individual level, incident-centered activity to system-wide trends. The agency has also implemented a web-based inspections system, referred to as GAR (Green, Amber, Red) that allows for timely tracking of facility and operations inspections. Systems problems or deficiencies are now easily identified, resulting in quicker corrective actions.

As part of this strategic issue, ADJC will continue to work to improve its ability to provide youth with a safe and secure environment that fosters effective treatment and rehabilitative outcomes.

#### **Solutions:**

##### **STRATEGIES**

1. Continue to collect and produce timely and accurate data to support management processes.
2. Implement a quality assurance process to strengthen the efficacy of placement and treatment decisions; ensuring services vary in accordance with individual assessed risk and need levels.
3. Enhance staff skills and competencies in sound correctional and therapeutic practices to meet current and future agency needs. Explore a validation process to confirm and document competencies.

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4.Ensure that adequate resources and funding are provided to support physical plant improvements related to safety and security.

5.Improve collaboration, coordination and communication across juvenile justice entities, including law enforcement agencies, county attorneys, lawyers, judges, and county probation departments to ensure proper placement of youth into ADJC, successful transition of youth back to the community and for sharing and transferring relevant information.

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**Issue 2** Strategic Issue 2: “QUALITY” - Creating efficiencies and increasing positive outcomes through improved processes that focus on ADJC youth.

**Description** The Arizona Department of Juvenile Corrections (ADJC) is committed to effectiveness, efficiency, and quality of treatment and services in support of our vision, mission and values. In FY 2014, the average length of stay in secure care for a committed youth was 7.4 months. During that short time, ADJC is charged with ensuring that youth receive comprehensive services. This includes assessments of risk and needs, treatment for youth with substance abuse disorders, mental health issues, or issues of inappropriate sexual behavior. Substance abuse disorders are by far the most pervasive within the ADJC population, with 74% having a related diagnosis. In addition, 32% suffer from serious mental illness.

In secure care, core treatment programming is provided to all committed youth using the New Freedom program, which is research-based and employs cognitive behavioral modalities recognized as best practices. New Freedom addresses dysfunctional thinking as it contributes to problematic and delinquent behaviors, and uses Cognitive Behavior Therapy (CBT), Motivational Enhancement Therapy (MET), social learning, risk factors management, and relapse prevention approaches. In addition to these core treatment programs, youth are assigned to specialized programs that focus on substance dependence, issues of inappropriate sexual behaviors, and mental health issues.

Youth in secure care also receive complete educational services, including core academics, high school diploma programs, GED preparation and testing, work readiness and vocational skills training, and special education (over 20% of ADJC youth require special education services). The majority of committed youth have failed in traditional education settings; 38% have been expelled from school at least once; most have had significant attendance problems; almost 20% enter ADJC with 0 high school credits; and most fall well below grade level in mathematics and reading.

As ADJC moves forward, all of its secure care programs and operational practices are undergoing review from the perspective of the direct role they play in a youth’s successful reintegration into the community. Wherever indicated, adjustments will be made to improve a youth’s chances of success, based upon ongoing program assessment and the most current academic research.

To this end, ADJC has adopted the Positive Behavioral Interventions and Supports (PBIS) framework initiative, to provide a new research-based framework for implementing agency-wide systems of behavioral support to help prevent and reduce problem behavior. Through “proactive strategies for defining, teaching, and supporting appropriate behaviors to create positive environments” youth will be taught which behaviors are expected and which are unacceptable. To implement PBIS with fidelity, we have established effective environments that exhibit: a common approach to discipline; positively stated expectations for all youth and staff; procedures for teaching these expectations to all youth and staff; a continuum of supports for encouraging demonstration and maintenance of these expectations; a continuum of procedures for discouraging rule-violating behavior; procedures for monitoring and evaluating the effectiveness of the discipline system on a regular and frequent basis; and methods for involving families and communities.

As part of this strategic issue, ADJC will continue to apply its resources in order to maximize successful youth programming, the precursor to successful community reentry and a productive, pro-social life.

**Solutions:**  
STRATEGIES

1. Develop decision models to monitor and evaluate ADJC processes and operations, in order to ensure that they focus on youth priorities and produce positive youth outcomes.
2. Develop optimal staffing plans and patterns for all agency operations that maximize positive youth outcomes, including reporting structures, lines of responsibility, and position descriptions.
3. Explore alternative “team” models and approaches to youth case management that follow the committed youth from secure care to community corrections, maximize youth contacts, and ensure a continuum of programs and services to youth upon release to the community.
4. Implement the Positive Behavioral Interventions and Supports (PBIS) framework, which is a system of appropriate incentives and consequences for committed youth based on emphasizing positive behaviors and decreasing delinquent, anti-social behaviors.

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5. Effectively communicate our effectiveness to all constituents with empirical information.

**Issue 3** Strategic Issue 3: "COLLABORATION" - Creating a collaborative, long-term strategic re-entry program for ADJC youth.

**Description** One of the critical changes in juvenile justice over the past decade is the increasing recognition that the utilization of effective assessment strategies, coupled with evidence-based treatment and community reentry programs, can successfully transition youth from secure care facilities to their communities (Trupin, Turner, Stewart, & Wood, 2004; Wasserman, McReynolds, Lucas, Fisher, & Santos, 2002).

For the Arizona Department of Juvenile Corrections (ADJC), planning for transition from secure care to the community begins at intake with a comprehensive risk and needs assessment and the development of an individual case plan (ICP) for each youth. This ICP, which is continually updated, identifies the individualized rehabilitative and treatment programming required to meet the needs of the youth, both in secure care and upon released into the community. As part of this strategy, ADJC has developed an operating system of community based programs to supervise and rehabilitate youth in the least restrictive environment, consistent with public safety and individual youth needs.

However, ADJC recognizes that more can and should be done to ensure successful transition. This includes a more coordinated effort among key stakeholders to make core and wrap around services (true treatment, behavioral health, medical, family counseling, education, career planning, restorative justice and community betterment, and faith-based) available and accessible to all released youth.

One major ADJC initiative aimed at improving successful reintegration is the ADJC Family Support Program (FSP). Achieving the best outcomes for ADJC's families requires some combination of evidence-based practice and practice-based evidence programming. Understanding this and drawing on the approach utilized in the Family Support Network for Adolescent Cannabis Users, Cannabis Youth Treatment (CYT) Series, and the parent guide format utilized by Coconino County Juvenile Court, ADJC is working to develop a multicomponent intervention aimed at improving the family context in which adolescent development takes place. This critical program is successfully moving forward and is being recognized as an Arizona model initiative.

In addition, ADJC is actively forging reentry partnerships to create successful juvenile transitions. ADJC is partnering with the Maricopa County Education Service Agency (MCESA) on the TJST (Transforming Juveniles through Successful Transition) initiative designed to reintegrate youth back into schools and the community through coordinated support and wrap-around services. ADJC is also partnering with Arizona State University on Project Rise, a similar initiative aimed at ADJC youth with special education needs.

As part of this strategic issue, ADJC will continue to research and adopt evidence based best practices for youth reentry and engage stakeholders through aggressive collaboration efforts. ADJC will ensure that we utilize a continuum of services, collaboration and open communication with internal and external constituents and partners, in order to continually improve the outcomes of our youth.

**Solutions:**

**STRATEGIES**

1. Enhance ADJC reception, assessment and classification (RAC) processes to increase positive youth outcomes.
2. Encourage, increase, and improve collaboration with community partners. Develop effective team work, partnerships which fill gaps in services and strive for improved youth outcomes.
3. Create a supportive, positive environment for families that encourages contact and welcomes participation.
4. Expand use of technology to improve work with families/stakeholders, partners and other state agencies and organizations.



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**Issue 4** Strategic Issue 4: “UNITY” - Creating a positive, organizational culture that aligns with and sustains the ADJC vision, mission, and expectations.

**Description** Since 2011, the Arizona Department of Juvenile Corrections (ADJC) has been working to improve outcomes while reducing costs in response to Governor Janice K. Brewer’s call for more efficient government. As a result ADJC has redesigned and consolidated its community corrections services, eliminating six offices; closed one of three secure care facilities, combining the remaining two, Adobe Mountain School and Black Canyon School, into a single facility; and significantly reduced its administrative central office staff in order to fill critical direct service positions.

Going forward, ADJC must continue to adjust its practices in order to further consolidate resources, reduce costs, and improve outcomes. The ongoing success of these efforts will depend in great part on ADJC’s ability to create and sustain a positive culture that embraces and rewards innovation and achievement at all levels of the organization. In 2012, ADJC began a “culture change” initiative with the goal of identifying and implementing a holistic, structured approach to promoting positive behavioral change and process improvement for both ADJC employees and committed youth.

Positive Behavioral Interventions and Supports (PBIS), a systems approach for establishing a positive environment for success, has been adopted by ADJC to achieve a system-wide culture that cultivates positive change for both the youth in our care and our ADJC employees and volunteers. Using the PBIS framework as our ADJC cultural change/improvement tool, requires that all ADJC employees are actively engaged in the language, system and positive culture of PBIS. It is designed to provide us all, youth, staff and volunteers, with "positive behavioral interventions and supports" and give us all a positive framework within which to interact with each other.

As part of this strategic issue, ADJC will focus on realigning its goals, processes, values, communications practices, roles, attitudes and assumptions to affect positive change within the agency. ADJC will strive to eliminate traditional organizational “silos”, while teaching and demonstrating positive reinforcement; respect for employees, constituents and committed youth; and the unity of our agency.

**Solutions:**  
STRATEGIES

- 1.Create a shared vision of positive culture to instill pride, inspire loyalty and motivate employees to continue to improve agency functioning and the outcomes of youth committed to ADJC.
- 2.Challenge and eliminate barriers that inhibit cultural change.
- 3.Creatively and consistently communicate and reinforce individual (youth committed to ADJC and ADJC employees) and agency-wide successes.
- 4.Regularly asses and analyze the organizational culture, evaluating it against the cultural attributes required to achieve both individual and agency level objectives and needs.

**Issue 5** Strategic Issue 5: “RETENTION” - Improving staff retention through effective human capital management, mission, and expectations.

**Description** In May 2012, Governor Janice K. Brewer signed into law a historic reform governing the State workforce, modernizing the way in which State government manages, hires and fires employees. This personnel reform is designed to improve accountability and performance, while allowing agencies greater flexibility in managing its human capital.

As identified by Governor Brewer, the new personnel system addresses a series of challenges confronting State government, namely its need to:

- ☑ Remain productive by being able to do more with less;
- ☑ Attract top talent into the workforce; and
- ☑ Discontinue providing job security and protection for inefficient and unproductive workers.

For the Arizona Department of Juvenile Corrections (ADJC), the need for this reform is underscored by a historically high turnover rate. High turnover limits ADJC’s effectiveness in providing committed youth with a safe environment and continuity in service delivery, which is crucial toward achieving successful community reintegration. Since FY 2012, ADJC has maintained an agency-wide turnover rate under 20%. However, ADJC must continue to focus on innovative human capital management strategies in order to further reduce turnover and ensure a sustainable workforce.

To mitigate high turnover and aid in increasing overall retention of staff, ADJC will continue to make purposeful efforts to improve the development, retention and recognition of staff.

**Solutions:**  
STRATEGIES

1. Implement succession planning to develop future agency leaders and prevent loss of institutional knowledge.
2. Develop viable and sustainable compensation strategies that ensure wages are fair, competitive, and aligned with performance.
3. Measure employee job satisfaction through the completion of an annual employee satisfaction survey and identify retention challenges through an improved exit interview process.
4. Create a culture that celebrates success and provide meaningful recognition programs and awards to identify and reward employees who perform outstanding work.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	738.5	738.5	738.5
<b>General Fund</b>	50,165,900.0	44,165,900.0	44,165,900.0
<b>Other Appropriated Funds</b>	3,942,900.0	3,942,900.0	3,942,900.0
<b>Non-Appropriated Funds</b>	151,400.0	151,400.0	151,400.0
<b>Federal Funds</b>	1,802,600.0	1,802,600.0	1,802,600.0

**Program Summary**

**HOUSING**

Dona Marie Markley, Assistant Director  
Phone: (602) 364-4051  
A.R.S. § 41-2802

**Mission:**

*To enhance public protection by providing safe, secure, well maintained facilities and a healthy environment for committed juveniles.*

**Description:**

The Housing Program provides housing, supervision, control, health services, and institutional services for committed juveniles requiring placement in a secure facility.

**This Program Contains the following Subprograms:**

- ▶ Facilities Management
- ▶ Security
- ▶ Health Care

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	13,681.2	28,746.2	29,346.2
Other Appropriated Funds	1,098.6	1,098.6	1,098.6
Other Non Appropriated Funds	699.8	734.5	734.5
<b>Total Funding</b>	<b>15,479.6</b>	<b>30,579.3</b>	<b>31,179.3</b>
<b>FTE Positions</b>	<b>216.0</b>	<b>494.0</b>	<b>494.0</b>

**Subprogram Summary**

**FACILITIES MANAGEMENT**

Dona Marie Markley, Assistant Director  
Phone: (602) 364-4051  
A.R.S. § 41-2802

**Mission:**

*To provide a safe, clean physical plant that supports positive behavioral programming.*

**Description:**

The Facilities Subprogram provides a safe and clean physical plant by ensuring that maintenance activities are conducted in an appropriate and timely manner.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	5,663.0	6,851.5	7,451.5
Other Appropriated Funds	1,098.6	1,098.6	1,098.6
Other Non Appropriated Funds	699.8	734.5	734.5
<b>Total Funding</b>	<b>7,461.4</b>	<b>8,684.6</b>	<b>9,284.6</b>
<b>FTE Positions</b>	<b>61.0</b>	<b>61.0</b>	<b>61.0</b>

◆ **Goal 1** To create a safe and healthy milieu for staff and youth.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of fire and health inspection discrepancies corrected before the next inspection	100	100	100	100	100

<b>Subprogram Summary</b>
SECURITY
Dona Marie Markley, Assistant Director Phone: (602) 364-4051 A.R.S. § 41-2802

**Mission:**

*To efficiently maintain a safe and secure environment for committed juveniles.*

**Description:**

The Security Subprogram includes behavior management programming; perimeter security; the safe and secure transportation of juveniles to and from facilities, medical appointments, and other appointments both scheduled and emergency related; radio communications to ensure instant communications with all areas inside the facilities; the transportation of vehicles for the safety and security of juveniles, staff, and the general public; and all other programs and processes designed to maintain a safe and secure environment within ADJC's facilities.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,262.3	17,675.9	17,675.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,262.3</b>	<b>17,675.9</b>	<b>17,675.9</b>
<b>FTE Positions</b>	<b>92.0</b>	<b>385.0</b>	<b>385.0</b>

◆ **Goal 1** To safeguard the public, staff and committed youth using sound correctional practices.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Youth on youth assaults per 100-youth days	.09	.07	.28	.23	.18
Number of escapes	0	0	0	0	0
Percent of youth who feel safe in secure care	92	94	87	92	92

<b>Subprogram Summary</b>
HEALTH CARE
Dona Marie Markley, Assistant Director Phone: (602) 364-4051 A.R.S. § 41-2802

**Mission:**

*To provide age and gender appropriate medically-necessary health services to juveniles in secure facilities.*

**Description:**

The Health Services Subprogram provides a delivery system that utilizes on-site professional health care staff in the secure facilities and when deemed necessary, makes referrals to off-site hospitals and/or specialty health care providers.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	4,755.9	4,218.8	4,218.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>4,755.9</b>	<b>4,218.8</b>	<b>4,218.8</b>
<b>FTE Positions</b>	<b>63.0</b>	<b>48.0</b>	<b>48.0</b>

◆ **Goal 1** To provide necessary and appropriate medical, dental and mental health care to committed youth.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Medical services average annual cost per youth	8,864	8,864	7,941	7,941	7,941
Percent of youth assessed with significant mental health needs	33	33	32	32	32
Mental health services average annual cost per youth	5,355	5,355	5,646	5,646	5,646

**Program Summary**

REHABILITATION

Dona Marie Markley, Assistant Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2802

**Mission:**

*To enhance public protection by confronting delinquent thinking and behaviors; developing pro-social attitudes and skills; and preparing youth academically and vocationally for success.*

**Description:**

The Rehabilitation Program provides secure care treatment, education, and community care treatment programs that focus on changing delinquent behavior patterns, and ensuring youth are successfully returned to the community.

**This Program Contains the following Subprograms:**

- ▶ Education
- ▶ Secure Care Treatment
- ▶ Community Care Treatment

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	19,558.5	8,775.5	8,775.5
Other Appropriated Funds	2,368.3	2,844.3	2,844.3
Other Non Appropriated Funds	1,058.8	1,058.8	1,058.8
<b>Total Funding</b>	<b>22,985.6</b>	<b>12,678.6</b>	<b>12,678.6</b>
<b>FTE Positions</b>	<b>449.0</b>	<b>181.0</b>	<b>181.0</b>

## Subprogram Summary

### EDUCATION

Dona Marie Markley, Assistant Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2831

**Mission:**

*To support the mission of the Arizona Department of Juvenile Corrections by providing all students educational opportunities to acquire academic/vocational skills as a pathway to responsible citizenship.*

**Description:**

The Education Subprogram is a North Central Association accredited special function outcomes-based system that integrates reading, writing, listening, locating information, applied mathematics, applied technology, vocational training, observation, and teamwork into an individualized school-to-career curriculum. The Education subprogram is designed to meet the individual needs of each juvenile to assist in their successful transition to the community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	741.0	1,195.9	1,195.9
Other Appropriated Funds	2,036.0	2,313.7	2,313.7
Other Non Appropriated Funds	858.6	858.6	858.6
<b>Total Funding</b>	<b>3,635.6</b>	<b>4,368.2</b>	<b>4,368.2</b>
<b>FTE Positions</b>	<b>73.0</b>	<b>73.0</b>	<b>73.0</b>

- ◆ **Goal 1** To prepare committed youth to be successful upon release through an integrated array of academic and career-oriented educational programming.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of youth entering secure care at two or more grades below grade level	49	49	70	70	70
Overall grade level increase in reading achievement in secure care (average length of stay is 7.4 months)	.9 grade	.9 grade	2.2 grade	2.2 grade	2.2 grade
Overall grade level increase in mathematic achievement in secure care (average length of stay is 7.4 months)	.4 grade	.4 grade	1.3 grade	1.4 grade	1.4 grade
Number of youth in secure care earning a high school diploma	16	20	33	33	33
Number of youth in secure care earning a GED	0	0	129	129	129
Percent of youth passing the GED test.	78	81	80	80	80

**Explanation:** Percent of youth in secure care earning a GED.

**Subprogram Summary**

SECURE CARE TREATMENT

Dona Marie Markley, Assistant Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2802

**Mission:**

*To provide specialized treatment, programming and transition planning based upon the individual needs of the committed youth.*

**Description:**

The Secure Care Treatment Subprogram provides individualized developmental programming, and supervision services to committed juveniles requiring placement in a secure facility. Following an assessment of each youth's needs, specialized programming (e.g. Sexualized Behavior Programs, Mental/Behavioral Health Programs, Chemical Dependency Programs, Gender Specific Programs); short-term, intensive, rehabilitative programming (e.g. group, individual and family counseling; substance abuse counseling); and transition services are available to each youth based upon his/her Continuous Case Plan.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	15,215.9	3,710.8	3,710.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	200.2	200.2	200.2
<b>Total Funding</b>	<b>15,416.1</b>	<b>3,911.0</b>	<b>3,911.0</b>
<b>FTE Positions</b>	<b>323.0</b>	<b>55.0</b>	<b>55.0</b>

◆ **Goal 1** To develop law abiding behavior in youth by providing an integrated array of services based on individual needs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of youth showing progress in their primary treatment problem area	82	82	89	89	89
Percent of juveniles incarcerated within 12 months of release	33	30	30	30	30
Percent of juveniles incarcerated within 36 months of release	45	45	46	45	45
Percent of all revoked youth whose revocation offense was a new delinquent offense	0	0	29	24	18

◆ **Goal 2** To contribute to the successful restoration of communities, youth and families.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollar amount of court ordered restitution collected from youth in secure care	13,453	13,453	16,261	16,261	16,261

**Subprogram Summary**

COMMUNITY CARE TREATMENT

Dona Marie Markley, Assistant Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2817

**Mission:**

*To enhance public protection by providing effective and efficient structure, intervention/supervision, surveillance, and enforcement that changes delinquent thinking and behaviors of committed juveniles on conditional liberty.*

**Description:**

The Community Care Treatment Subprogram is responsible for the development and management of a system of community supervision, case management, and residential and non-residential interventions designed to reduce delinquent behavior. This includes the provision of parole supervision and case management for all juveniles on conditional liberty and the coordination, management, and monitoring of a diverse system of contract treatment providers in the community. These community-based services assist the juvenile and their family to develop skills necessary for the juvenile's success in the community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,601.6	3,868.8	3,868.8
Other Appropriated Funds	332.3	530.6	530.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,933.9</b>	<b>4,399.4</b>	<b>4,399.4</b>
<b>FTE Positions</b>	<b>53.0</b>	<b>53.0</b>	<b>53.0</b>

◆ **Goal 1** To maximize committed youth participation in programming opportunities within the community and successfully reintegrate youth back into the community.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of youth involved in an academic, vocational or employment program while on conditional liberty	100	100	91	100	100
Percent of youth achieving an absolute discharge from conditional liberty	0	0	25	25	25

◆ **Goal 2** To collaborate with community stakeholders to effect positive change through restorative justice programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of victims who report satisfaction with restorative justice services received from ADJC	100	100	100	100	100



**Program Summary**

ADMINISTRATION

Dona Marie Markley, Assistant Director  
 Phone: (602) 364-4051  
 A.R.S. § 41-2802

**Mission:**

*To provide the Arizona Department of Juvenile Corrections with support and logistic services that facilitate the change of delinquent thinking and behaviors of juvenile offenders committed to the Department's care.*

**Description:**

The Administration Program provides the Housing and Rehabilitation Programs with the support and services they require to change the lives of youth within the Department's care. These services include: Accounting, Budgeting, Communications, Detention Center Inspections, Due Process, Grant Management, Human Resources, Internal Affairs, Legal Support, Management Information Systems, Policy Development, Procurement, Research and Development, Staff Development, Quality Assurance, Victims Rights, Volunteer Coordination, and Youth Rights.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	6,408.1	6,644.2	6,644.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	195.4	160.7	160.7
<b>Total Funding</b>	<b>6,603.5</b>	<b>6,804.9</b>	<b>6,804.9</b>
<b>FTE Positions</b>	<b>73.5</b>	<b>63.5</b>	<b>63.5</b>

◆ **Goal 1** To provide effective services for youth efficiently and cost effectively.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administration as a percent of total cost	6.7	6.5	6.1	6.1	6.1
Average daily population for youth in secure care	347	TBD	351	TBD	TBD
Average yearly cost per bed in secure care.	291.88	291.88	290.68	TBD	TBD
<b>Explanation:</b> This dollar amount is the daily cost per youth in secure care.					
Average daily population for youth on conditional liberty in the community	513	TBD	411	TBD	TBD
Daily cost per youth on conditional liberty in the community	46.03	46.03	49.94	TBD	TBD

◆ **Goal 2** To create a competent and diverse workforce.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of staff indicating satisfaction with their jobs	67	70	59	70	70
Percent of staff indicating that they have the tools and resources to effectively use the youth positive behavior management program	0	0	76	76	76
Annual staff turnover rate	17	17	19	17	17
Annual Youth Corrections Officer (YCO) turnover rate	26	26	29	26	26

## Agency Summary

### STATE LAND DEPARTMENT

Vanessa P. Hickman, State Land Commissioner  
 Phone: (602) 542-4621  
 A.R.S. § 37-100

**Mission:**

*To manage State Trust lands and resources to enhance value and optimize economic return for the Trust beneficiaries, consistent with sound stewardship, conservation, and business management principles supporting socio-economic goals for citizens here today and generations yet to come. To manage and provide support for resource conservation programs for the well-being of the public and the State's natural environment.*

**Description:**

The State Land Department was established in 1915 to manage the State Trust lands on behalf of the thirteen beneficiaries of that Trust, as established by the State Enabling Act and State Constitution. Each of the approximately 9.3 million acres of land is assigned to one of the beneficiaries, the largest of which is the state's common schools. The Department works to sustain the long-term value for the Trust's beneficiaries by administering, selling, and leasing the State's Trust lands and natural products. The Department also administers the State's Natural Resource Conservation District Program, which involves funding and technical assistance for 32 districts across the State. The Department provides navigability studies to the State's Navigable Streambed Adjudication Commission and staffs the Governor-appointed State Land Board of Appeals. The Commissioner serves as the State Cartographer and Surveyor-General. The Department provides statewide geological information system services including development and sharing of data layers through the Arizona Land Resources Information System program.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ TRUST MANAGEMENT AND REVENUE GENERATION	13,587.6	18,040.7	18,396.6
➤ OUTSIDE ASSISTANCE AND GRANTS	1,287.0	1,692.9	2,968.2
<b>Agency Total:</b>	<b>14,874.6</b>	<b>19,733.6</b>	<b>21,364.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	12,424.6	12,509.8	15,971.7
Other Appropriated Funds	1,339.1	5,622.5	4,586.5
Other Non Appropriated Funds	1,110.9	1,601.3	806.6
<b>Total Funding</b>	<b>14,874.6</b>	<b>19,733.6</b>	<b>21,364.8</b>
<b>FTE Positions</b>	<b>125.7</b>	<b>130.7</b>	<b>137.7</b>

**Issue 1** Management of Significant Instruments

**Description** The Department has a wide variety of approximately 11,000 active significant instruments from year to year. This includes land exchange agreements, leases, certificates of purchase, royalty agreements and special land use permits. These instruments represent a diverse range of uses including rights of way, commercial, Federal government, minerals, oil, gas, grazing and agriculture. They range in length from less than a year to ninety-nine years. The majority are five to ten year agreements. Most of the revenue received by the Department is generated through the use of these instruments.

Since the Department manages a large number of diverse instruments that are utilized in the generation of the majority of Trust revenue on an annual basis, the Department recognizes the management of significant instruments as a strategic issue.

**Solutions:**

The Department plans to generally address the issue by continuing to review the language in proposed significant financial instruments before they are executed to ensure economic return is optimized for the Trust beneficiaries and the potential liability of both the State and Department is minimized.

Specifically, the Department has developed a methodology whereby appropriate internal staff is alerted to, and concurs with, the terms and conditions in the significant instruments entered into by the Department. This process should continue and be expanded as new instruments create increased revenue and or potential risk. These instruments should continue to be reviewed by individuals representing a broad variety of expertise to identify possible deficiencies in the areas of risk, finance, accounting, legal, title, land management and administration. Whenever possible, an attempt should be made to create standardized terms and conditions to ensure uniformity and aid in efficiency. Due to the large number of instruments compared to the limited amount of staff, the Department should continue to identify limiting criteria to prioritize the agreements which will yield the greatest results on an annual basis. This limiting criterion should narrow the subset to an achievable amount given the static human resources available. Some of the factors considered include the dollar amount, length of the agreement and special risk factors. For example, it may be determined that an achievable subset in a particular fiscal year may include only the new instruments over a certain length along with all new agreements involving industrial usage. Subsequent subsets could expand to include the previous-year criteria along with new instruments valued at a threshold above a specific annual anticipated revenue level. In this manner, the benefits should compound each year due to the standardization of terms and conditions until, ultimately the Department is only tasked with reviewing a select group deemed to exhibit special factors that either deviate from the standardized language, or are considered especially high risk in terms of scope and/or scale compared to previously identified characteristics.

The Department will have been successful when every new instrument contains previously reviewed standardized terms and conditions, or thoroughly reviewed newly created language that can be applied to comparable future agreements.

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**Issue 2** Management of Application Processes

**Description** Each year the Department receives, on average approximately 11,000 applications distributed among approximately forty different land uses throughout eight major categories. Over the past number of years, the total has ranged from 9,000 to 17,000. Some applications are simple and routinely processed within a few days, while others such as land exchanges, rights of way and commercial lease assignments are extremely complicated and dependent on both internal and external actions from third parties for completion. The more complicated, numerous and time consuming applications provide an opportunity for improvement.

In order to potentially improve the efficiency of Department, thereby allowing more capacity to be utilized toward the core mission of the Department and to improve the customer experience, the Department recognizes the management of application processes as a strategic issue.

**Solutions:**

The Department plans to generally address the issue by reviewing and attempting to streamline the application processes that have the greatest potential benefit to both internal and external customers.

The Department should identify application processes with the highest likelihood of being improved given the assumption of static human resources availability. The factors involved in the selection process may include the amount of applications received annually, the complexity and number of contacts required for completion, the overall average time involved in processing, and the economic impact to Trust beneficiaries. After a specific type of application has been targeted for process improvement, related stakeholders should be identified. These include Department employees directly involved in each step of the process, their supervisors, managers, internal employees indirectly tied to the process and external customers whenever possible. The Department should work with this core group to review the application process using proven techniques and methodologies. Some of these are commonly referred to as “Lean”, “TQM – Total Quality Management” and “Six-Sigma”. The Government Transformation Office (GTO) has been and if possible, should continue to be involved in the process, in order to ensure the greatest improvement possible and also to possibly train internal Department staff to apply these techniques to other processes identified for future improvement.

As the Department progresses the efficiency savings should compound for subsequent processes in the time needed to identify, review and improve the process; and therefore the resources needed to maintain current service levels of processes previously improved should be optimized.

The Department will have been successful in this strategy when application processes have been reviewed through a proven methodology in order to achieve the greatest possible efficiency improvement.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	137.7	137.7	137.7
<b>General Fund</b>	15,574.0	15,574.0	15,574.0
<b>Other Appropriated Funds</b>	4,586.5	4,586.5	4,586.5
<b>Non-Appropriated Funds</b>	806.6	806.6	806.6
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

**TRUST MANAGEMENT AND REVENUE GENERATION**

Vanessa P. Hickman, State Land Commissioner  
 Phone: (602) 542-4621  
 A.R.S. §§ 37-201 to 37-611

**Mission:**

*To manage State Trust lands and resources to enhance value and optimize economic return for the Trust beneficiaries.*

**Description:**

The State Land Department and the system by which Trust lands are to be managed was established in 1915 by the State Land Code, in compliance with the Enabling Act and the State Constitution. Revenues earned from Trust lands are classified as either permanent or expendable. Revenues derived from the sale of Trust lands and the sale of natural products are deposited in the Permanent Fund. Revenues earned from leasing Trust lands and interest on the certificate of purchase balance as well as the Permanent Fund's interest are deposited in the expendable account for use by the appropriate beneficiary.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	11,881.9	11,916.2	13,308.1
Other Appropriated Funds	1,165.4	5,362.5	4,326.5
Other Non Appropriated Funds	540.3	762.0	762.0
<b>Total Funding</b>	<b>13,587.6</b>	<b>18,040.7</b>	<b>18,396.6</b>
<b>FTE Positions</b>	<b>123.7</b>	<b>128.7</b>	<b>135.7</b>

◆ **Goal 1** To administer Trust resources to optimize revenue over time.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total revenue generated (in millions)	318.5	212.7	186.3	204.3	223.3
Balance in Permanent Fund (Book value in millions)	2,780.3	2,932.6	2,927.8	3,081.1	3,239.4
Total expendable receipts, excluding interest on permanent fund and school leases (millions)	58.3	56.9	66.7	46.1	59.7
Total annual revenue to permanent fund (millions)	238.9	152.3	103.4	153.3	158.3
Number of participation sales	0	0	0	1	1
Number of auctions where broker commission is paid	2	3	1	2	2
Percent increase in commercial leasing revenue	30.0	-15.5	-15.1	3.2	2.6
Number of sales above appraised value	1	2	2	1	1
Percent of total leasing revenue from long-term leases	85	85	80	83	84
Net present value of long-term leases (in millions)	500	500	500	500	500

- ◆ **Goal 2** To implement a progressive asset management process to improve the quality and efficiency of the Department's decision making and meet the requirements of the Growing Smarter Act and Growing Smarter Plus.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cumulative percent of potential acres in Maricopa and Pima County under master plans (382,346 acres)	10.4	10.4	10.4	10.4	10.4
Percent of urban acres within municipal boundaries under conceptual plans (statewide 668,652 urban acres)	84	84	84	84	84
Cumulative total of conceptual plans completed under Growing Smarter (statewide, 47 communities have a minimum of 160 acres of trust land)	38	38	38	38	38
Percent of conceptual plans that have been integrated into community general plans (statewide 47 communities have a minimum of 160 acres of trust land)	23	23	23	23	23

- ◆ **Goal 3** To protect unique Trust resources and provide environmental protection to maintain the long-term value of the asset.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Acres reclassified as suitable for conservation purposes	2,757	0	0	0	0
Number of acres sold or leased for open space conservation or parkland	9,836	5,435	5435	186	0
Proposed land use and disposition actions reviewed for cultural resource considerations	430	400	404	400	400
Number of hazardous materials sites remediated	4	5	4	5	4
Number of nonhazardous materials sites remediated	11	20	25	20	25
Amount allocated for adjudicating water rights	175,000	275,000	93400	175,000	175000

- ◆ **Goal 4** To improve the Department's efficiency in application or transaction processing by reducing processing time for sales and commercial leases by 10-20%, increase per acre earning by 10-20%.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average processing time for long-term leases (tracked by months)	17	15	N/A	14	14
New short-term lease processing time (in months)	11	12	8	10	10
Average processing time for sales applications (tracked by months)	26	23	11	18	18
In-house appraisal turnaround time (days from administrator request to receipt by section manager)	54	45	50	45	45
Contract appraisal turnaround time (days from administrator request to receipt by section manager)	81	90	85	90	90
Average trust land earnings per acre sold (in dollars)	8,897	12,000	16,079	75,000	75,000
Average trust land earnings per acre on new long-term commercial leases	14,000	14,000	N/A	47,214	21,300

- ◆ **Goal 5** To provide efficient internal support and coordination to enable the Department to accomplish its mission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of findings during annual financial audit	0	0	0	0	0
Average score on employee satisfaction survey. (5 = very satisfied, 1 = unsatisfied)	3.6	3.6	3.6	3.6	3.6
Median number of minutes to resolve computer user problems	15	17	15	15	17
Percent of agency staff turnover	9	10	10	9	8
Administration as a percentage of total cost	5.8	6.0	5.7	5.7	5.8

- ◆ **Goal 6** To improve Department productivity and minimize costs through increased efficiency and risk reduction.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of employees receiving basic computer training	10	50	27	120	50
Number of professional training hours for staff	625	800	595	600	600
Number of agency's administrative policies updated or added	1	3	1	2	2
Percent of employees completing agency required training	98	99	98	100	100

◆ **Goal 7** To develop and implement measures to improve external customer service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of customers giving the department a rating above 4 (Survey rating 5 - 1; 5 = very satisfied, 1 = unsatisfied)	94	94	98	96	95
Number of settlement hearings vs. number of appeal hearings	1/1	3/2	0/0	1/1	1/1
Number of interactive applications available through the web site	2	3	2	3	2
Number of times interactive applications are accessed by the public	10,277	20,000	34,693	35,000	35,000
Number of times the web site is accessed	112,750	120,000	297,247	300,000	300,000
Number of formal public records requests vs. number of records (number of pages in thousands) pulled and researched for requests	11/24	14/30	14/30	13/25	13/25

◆ **Goal 8** To continue an effective program of land conservation of appropriate State lands while ensuring continued economic benefits to the trust.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cumulative number of acres petitioned to be reclassified for conservation	110,941	110,941	110,941	110,941	110,941
Cumulative number of acres sold under Arizona Preserve Initiative	26,179	31,614	31,614	31,801	31,801
Number of Arizona Preserve Initiative land sale/leases	6/0	3/0	3/0	2/0	0/0
Cumulative number of acres reclassified as suitable for conservation purposes	46,195	46,195	46,195	46,195	46,195
State acres identified and/or researched for transfer under State/Federal land conservation and federal land management actions	150,000	150,000	1,521,278	1,500,000	1,500,000
Federal acres identified and/or researched for State acquisition under State/Federal Land conservation and land management actions	41,480	50,000	412,041	350,000	350,000

◆ **Goal 9** To improve the availability of actual information and increase analytical capabilities of the agency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Combined parcels (surface, minerals, special permits, etc.) accessible through PALMS	63,079	63,030	63,156	63,020	63,020
Number of data sets accessible through PALMS	473	580	505	590	151



◆ **Goal 10** To improve internal and external communication.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average score on employee satisfaction survey regarding staff recognition, staff's understanding of expectations, the agency's communication system to staff, and feedback (Survey ratings 5 - 1; 5 = very satisfied, 1 = unsatisfied)	3.6	3.6	3.6	3.6	3.6
Percentage of customers giving the department a rating above 4 on the understandability of applications, correspondence, documents, and the clarity of information being transmitted (Survey rating 5 - 1; 5 = very satisfied, 1 = unsatisfied)	89	90	96	95	94
Average percentage of employees attending "All Employee" meetings	85	90	80	90	90
Number of agency-wide electronic notices distributed	729	800	525	500	500

◆ **Goal 11** To respond within established time frames, to all applications and request for land use and title research from public and staff.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Acres researched involving title transactions, special projects, lease, or contract development (in millions of acres)	3.7	5.0	1.8	3.0	3.0
Number of applications received requiring current land use or ownership research	1,212	1,250	1,192	1,200	1,300

### Program Summary

#### OUTSIDE ASSISTANCE AND GRANTS

Vanessa P. Hickman, State Land Commissioner  
Phone: (602) 542-4621  
A.R.S. Title 37

#### Mission:

To provide administrative direction, coordination, assistance and services to program areas legislatively assigned to the State Land Department.

#### Description:

The Department and the Commissioner have been assigned the statutory responsibility for providing administrative direction, coordination, assistance and services to the Arizona Center for Geographic Information and Arizona Geographic Information Council, the Natural Resource Conservation Districts, and special environmental projects. These responsibilities include providing staff support, budget assistance, appropriation pass through and accounting, election oversight, appointments, and information dissemination.

#### This Program Contains the following Subprograms:

- ▶ Arizona Center for Geographic Information, Coordination and Services
- ▶ Natural Resource Conservation Districts

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	542.7	593.6	2,663.6
Other Appropriated Funds	173.7	260.0	260.0
Other Non Appropriated Funds	570.6	839.3	44.6
<b>Total Funding</b>	<b>1,287.0</b>	<b>1,692.9</b>	<b>2,968.2</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

### Subprogram Summary

#### ARIZONA CENTER FOR GEOGRAPHIC INFORMATION, COORDINATION AND SERVICES

Vanessa P. Hickman, State Land Commissioner  
Phone: (602) 542-4621  
A.R.S. §§ 37-171 to 37-176

#### Mission:

To provide assistance to public agencies in Arizona to effectively use the Geographic Information Systems (GIS) technology in the performance of their mandated duties and to foster the cooperative development, maintenance and use of geographic information resources among public agencies in Arizona in order to reduce the efforts and maximize investments in such resources.

#### Description:

ACGICS has the statutory responsibility to provide GIS development, analysis, and coordination in Arizona. ACGICS works in conjunction with the Arizona Geographic Information Council and the Government Information Technology Agency. In order to meet the program mission, ACGICS is comprised of two functional units: the Arizona Land Resources Information System (ALRIS) and the State Cartographer's Office (SCO). ALRIS works to develop, maintain and distribute commonly required spatial databases for use by public agencies and provides GIS training to assure such resources can be maximized. The SCO develops GIS standards and provides access and utilization of GIS databases.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	165.7	203.6	203.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	570.6	839.3	44.6
<b>Total Funding</b>	<b>736.3</b>	<b>1,042.9</b>	<b>248.2</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

- ◆ **Goal 1** To design, develop, maintain and distribute digital geospatial datasets to public agencies in Arizona to reduce the costs of data creation and maintenance to the State's taxpayers.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Datasets transferred	1,522	2,000	1,851	2,000	2,200
Geospatial datasets under development or revision	304	200	217	200	200
Datasets accessible through AGIC, ALRIS or SCO websites	103	210	198	220	250

- ◆ **Goal 2** To create and implement cost-effective and results-effective GIS training and information programs for Arizona public agencies.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Government employees trained	51	38	38	38	38
Percent of students rating training as satisfactory	90	90	90	90	90

- ◆ **Goal 3** To increase access and utility of GIS data by providing information on location, lineage, and availability of geospatial databases; promote development and implementation of GIS standards; and coordinate governmental inter-agency cooperative agreements.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Users accessing AGIC, ALRIS or SCO websites for information or data	6,168	10,000	26,018	20,000	20,000
Participation in coordination activities with organizations which improve access and utilization of geographic datasets	33	34	38	36	36

**Subprogram Summary**

**NATURAL RESOURCE CONSERVATION DISTRICTS**

Vanessa P. Hickman, State Land Commissioner  
 Phone: (602) 542-4621  
 A.R.S. §§ 37-1001 to 37-1057

**Mission:**

*To promote, coordinate and carry out activities that conserve soil, water and other natural resources utilizing the expertise of the Natural Resource Conservation Service (NRCS) and numerous other local, county, state, and federal agencies.*

**Description:**

Arizona's 32 Natural Resource Conservation Districts (NRCs) are legal subdivisions of State government organized under State law and administered by the State Land Department. As subdivisions of State government, NRCs provide the link that enables the U.S. Department of Agriculture Natural Resource Conservation Service and Farm Service Agency to provide technical and financial assistance to private landowners. NRCs are district cooperators for water, soil, and other natural resource conservation measures. The NRCs are governed by a local Board of Supervisors: three elected and two appointed by the Natural Resource Conservation Commissioner (State Land Commissioner). The NRCs are the primary sponsors of the Conservation/ Environmental Educational Centers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	377.0	390.0	2,460.0
Other Appropriated Funds	173.7	260.0	260.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>550.7</b>	<b>650.0</b>	<b>2,720.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ◆ **Goal 1** To strengthen the network of 32 NRCs by assisting district supervisors in developing, improving and broadening relationships with private landowners, the NRCS, state and federal agencies, rural communities, county governments, and private interest groups.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
District meetings attended	16	40	42	40	40
Interagency meetings attended	9	20	14	15	15
Percent of NRCs rating Department assistance as satisfactory	97	100	97	100	100

## Agency Summary

LEGISLATIVE - AUDITOR GENERAL

Debbie Davenport, Auditor General  
 Phone: (602) 553-0333  
 A.R.S. § 41-1279

**Mission:**

*To improve state and local government operations and accountability by independently providing the Legislature, government decision-makers, and the public with timely, accurate, and impartial information; relevant recommendations; and technical assistance.*

**Description:**

The Auditor General is appointed by the Joint Legislative Audit Committee and approved by a concurrent resolution of the Legislature. By law, the Auditor General is required to express an opinion on the financial statements of audited entities, and determine compliance with applicable federal and Arizona laws and conduct comprehensive performance evaluations of state agencies and the programs they administer. In addition, the Auditor General is required to conduct performance audits of school districts and monitor the percentage of dollars spent in the classroom. Beginning in fiscal year 2006-2007, the Legislature appropriated monies for the Auditor General to conduct performance and financial audits of English Language Learner programs.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	17,814.9	18,246.4	18,246.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,758.3	1,744.9	1,744.9
<b>Total Funding</b>	<b>19,573.2</b>	<b>19,991.3</b>	<b>19,991.3</b>
<b>FTE Positions</b>	<b>204.4</b>	<b>204.4</b>	<b>204.4</b>

◆ **Goal 1** To use efficient and value-added processes to ensure our reports are issued in a timely manner

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percentage of single audit reports accepted by cognizant agency	100	100	100	100	100
External quality control review resulted in a clean opinion (triennial review).	Yes	NA	NA	NA	Yes

◆ **Goal 2** To identify and communicate on high-impact issues

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percentage of administrative recommendations implemented or adopted within two years for performance audits	100	90	97	90	90
Percentage of single audit recommendations implemented or adopted within one year for financial audits	51	65	58	65	65
Percentage of legislative recommendations implemented or adopted within two years	85	60	57	60	60

◆ **Goal 3** To hire, develop, and retain a high-quality workforce

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percentage of staff turnover	13	20	8	15	15

## Agency Summary

### HOUSE OF REPRESENTATIVES

Andy Tobin, Speaker

Phone: (602) 926-5172

Constitution Art. 4, Part 1, Section 1

#### Mission:

*To serve the public by enacting laws that protect the public safety and welfare, to provide information to the public and to assist members of the public who contact their legislative representatives with questions, problems, or concerns.*

#### Description:

The House of Representatives consists of 60 members elected by the public. Two members are elected from each of the 30 legislative districts in biennial elections. Members of the Legislature participate in activities related to the review and adoption of a wide range of topics that affect the citizens of Arizona. Members serve on standing committees, participate in interim projects and handle constituent concerns.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	12,376.5	13,372.2	13,372.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>12,376.5</b>	<b>13,372.2</b>	<b>13,372.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Agency Summary

#### JOINT LEGISLATIVE BUDGET COMMITTEE

Richard Stavneak, Director  
Phone: (602) 926-5491  
§ 41-1272

#### Mission:

*To provide the Arizona Legislature with sound research, analysis, forecasts, and recommendations on state government finances and public policies; to provide the members with high quality work that is factually-based and delivered in a timely and professional manner, so they can make informed public policy decisions that are in the best interest of the citizens of Arizona.*

#### Description:

The Joint Legislative Budget Committee (JLBC) Staff is a statutory agency of the legislature. The governing board is the Joint Legislative Budget Committee, which appoints a Budget Analyst [Director], who is responsible for hiring other staff. The Director is responsible for evaluating the Governor's Budget and making recommendations, as well as supporting the Joint Legislative Budget Committee and the Joint Committee on Capital Review.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,025.7	2,493.0	2,493.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,025.7</b>	<b>2,493.0</b>	<b>2,493.0</b>
<b>FTE Positions</b>	<b>29.0</b>	<b>29.0</b>	<b>29.0</b>

## Agency Summary

SENATE

Andy Biggs, President  
Phone: (602) 926-4371  
Constitution Art. 4, Part 1, Section 1

### Mission:

*To serve the Arizona constituency through policy development and enactment of legislation in support of the public health, safety, and welfare.*

### Description:

The Arizona Senate consists of 30 elected members, one from each legislative district. Members are appointed to serve on Senate standing committees, as well as statutory and interim committees. They consider a variety of issues for the purpose of enacting legislation deemed necessary for the public interest.

### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	8,254.2	8,283.8	8,283.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>8,254.2</b>	<b>8,283.8</b>	<b>8,283.8</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



## Agency Summary

### DEPARTMENT OF LIQUOR LICENSES AND CONTROL

Alan Everett, Director  
 Phone: (602) 542-9020  
 A.R.S. § 4-111 et seq.

**Mission:**

*To protect public safety and support economic growth through the responsible sale and consumption of liquor while efficiently licensing qualified applicants.*

**Description:**

The Department regulates all businesses dealing with spirituous liquor. The Department reviews and investigates complaints, police reports, and civil violations regarding licensees. The Department investigates all allegations against licensees, whether criminal or civil, and in collaboration with the Attorney General's Office prosecutes before civil and criminal courts. Further, the Department educates youths to reduce underage drinking.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	978.5	1,018.6	1,297.0
➤ INVESTIGATIONS	2,361.0	2,036.4	2,162.9
➤ LICENSING	751.5	882.0	989.2
<b>Agency Total:</b>	<b>4,091.0</b>	<b>3,937.0</b>	<b>4,449.1</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,932.2	2,962.5	3,474.6
Other Non Appropriated Funds	1,158.8	974.5	974.5
<b>Total Funding</b>	<b>4,091.0</b>	<b>3,937.0</b>	<b>4,449.1</b>
<b>FTE Positions</b>	<b>55.2</b>	<b>55.2</b>	<b>57.2</b>

**Issue 1** MISSION STATEMENT

**Description**

ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL  
5 Year  
Strategic Plan

Mission Statement (what we do)

To protect public safety and support economic growth through the responsible sale and consumption of liquor, while efficiently licensing qualified applicants.

Vision Statement (future - what we want to be)

Our agency continuously improves human resources, operations, and communications to achieve a level of public service and safety that exceeds expectations.

Values (guiding principles)

**Integrity:** We insist on honest, fair, and trustworthy behavior at all times.

**Responsibility:** We challenge ourselves to continually improve our liquor industry knowledge, to readily respond to business needs and regulatory requirements, and to be accountable for our every word and action.

**Courtesy:** We treat others politely and with respect. We honor the individual rights of others and the significance of community.

**Teamwork:** We collaborate and build partnerships with employees, stakeholders, and enterprises that are essential to the effectiveness and cost-efficiency of this agency.

Areas of Focus

We ensure compliance with A.R.S. §Title 4.

We support the economic growth of the State of Arizona.

We excel in customer service.

Goals (long term, on-going achievements that don't normally change as often as strategies)

**Employees:** To recruit, develop, and retain talented individuals and support their commitment to excellence.

**Effectiveness/Reliability:** To use communications, training, and teamwork to achieve optimal results.

**Teamwork:** To build lasting internal and external partnerships that promote public safety and the State's economic success.

**Innovation:** Use knowledge, resources, experience, and leadership to produce outcomes that exceed expectations.

**Knowledge:** We welcome opportunities for intellectual collaboration.

**Solutions:**

The Department of Liquor Licenses and Control regulates all businesses dealing with spirituous liquor. The Department processes complaints, police reports, and civil violations regarding licensees. The Department investigates all allegations against licensees, whether criminal or civil, and in collaboration with the Attorney General's Office prosecutes before civil and

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criminal courts within the State. Further, the Department interacts with the Governor's Office of Highway Safety to educate underage youth and reduce underage drinking. The Department meets on a regular basis with the Arizona Licensed Beverage Association, Arizona Beer and Wine Association, Arizona Grocers Association, Arizona Hotel and Motel Association, Arizona Restaurant Association and various civic organizations statewide. Finally, the Department is responsive to all Arizona citizens who are served and affected by the licensees.

**Issue 2**      PROGRAM SUMMARY                      ADMINISTRATION

**Description** Mission:

To ensure all Divisions in the Department of Liquor Licenses and Control operate in a cost effective and efficient manner, all operational activities conform to statutory requirements and other guidelines and staffing is provided to the State Liquor Board.

Description:

Daily departmental operations communications ,budget preparation, human resources, payroll, accounting for and distribution of revenues, accounts payable, accounts receivable, accounting for all authorized non-reverting funds, purchasing, records retention and information flow. The program also provides personnel to staff the State Liquor Board, a separate quasi-judicial body appointed by the Governor. The division maintains a relationship with governmental agencies as well as all businesses dealing with spirituous liquor.

**Solutions:**

- Goal 1:      To ensure timely payment of invoices  
                    Percentage of invoices paid within 30 days
  
- Goal 2:      To ensure timely and accurate reporting of revenue and expenses  
                    Reports completed by the 15th of every month
  
- Goal 3:      To set hearings before the State Liquor Board in a timely manner  
                    Percent of hearings set within the statutory time frame
  
- Goal 5:      To recruit, develop and retain talented staff and support their commitment to excellence.  
                    Encourage personal and professional growth by providing at least 3 training opportunities  
                    to all employees

**Description** Mission:

To maintain a working relationship with both licensees and the law enforcement community to obtain the maximum compliance with state statutes and rules.

## Description:

The Investigations Division conducts random liquor inspections to ensure licensees are complying with A.R.S. Title 4 and all departmental rules and regulations; provides training and assistance to local law enforcement agencies thereby enhancing their ability to enforce liquor laws; investigates and processes all civil complaints received concerning liquor-related

violations; provides criminal background checks to all individuals associated with liquor licenses in Arizona; liaisons with the Department of Public Safety, city and town police departments, sheriff's offices, and other local law enforcement agencies; conducts covert operations alone and in collaboration with police agencies investigating for hidden ownerships; maintains an investigative database which is accessible to police agencies; and meets with the United States Attorney's Office, Gaming, the FBI, and the Arizona Attorney General's Office. The Compliance Section receives actionable reports of violation and attempts to resolve them informally.

**Solutions:**

Goal 1: To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with the Arizona Liquor Laws, Rules and Regulations.

Number of investigations completed resulting in compliance actions

Number of random liquor inspections completed

Goal 2: To process investigative complaints quickly and efficiently

Average number of calendar days to complete an investigative complaint

Goal 3: To conduct Title 4 training for police officers as well as business associates

Number of training classes conducted

Goal 4: To resolve compliance cases so that fewer cases go to hearing

Number of compliance cases sent

Goal 5: To perform restaurant audits expeditiously

Number of days to complete an audit

**Description** Mission:

To serve applicants, licensees and the public by processing and retaining documents associated with liquor-licensed businesses operating in the state of Arizona.

Description:

The Licensing Division assists new applicants and existing licensees in the preparation and processing of applications, renewals, forms, and fee collection required to lawfully operate a liquor-licensed business; analyze and verify business structure and ownership required for licensure, route documents to cities, towns, counties for local approval and recordkeeping requirements; maintains a database used to respond to public records requests, website license queries, and records retention requirements.

**Solutions:**

Goal 1: Track number of newly issued licenses, transferred licenses and renewal transactions to measure increase/decrease in annual license activity

Number of licenses processed

Goal 2: Demonstrate quality and efficiency in customer service when processing documents

CSR maintain an 85% or better accuracy in processing documents

Goal 3: To maintain accurate document history on license files

Percentage of errors found in imaged documents

Goal 4: Tract surveys for customer service satisfaction

Percentage of customers rating service as excellent and good

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	47.2	47.2	47.2
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	3,221.3	3,500.0	3,500.0
<b>Non-Appropriated Funds</b>	1,150.0	1,200.0	1,200.0
<b>Federal Funds</b>	150.0	150.0	150.0

**Program Summary**

ADMINISTRATION

Pearlette Ramos, Assistant Director  
 Phone: (602) 542-9021  
 A.R.S. Title 4

**Mission:**

*To ensure all Divisions in the Department of Liquor Licenses and Control operate in a cost-effective and efficient manner, all operational activities conform to statutory requirements and other guidelines and staffing is provided to the State Liquor Board.*

**Description:**

Daily departmental operations include communications, budget preparation, human resources, payroll, insurance, accounting for and distribution of revenues, accounts payable, accounts receivable, accounting for all authorized non-reverting funds, purchasing, the operation of the Department's automated and electronic data banks, records retention, and information flow. The program also provides personnel to staff the State Liquor Board, a separate quasi-judicial body appointed by the Governor. The division maintains a relationship with governmental agencies as well as all businesses dealing with spirituous liquor.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	978.5	1,018.6	1,297.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>978.5</b>	<b>1,018.6</b>	<b>1,297.0</b>
<b>FTE Positions</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

◆ **Goal 1** To ensure timely and accurate reporting of revenue and expenses

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Revenue and Expense reports to be completed by the 15th of the month	100	98	100	98	98

◆ **Goal 2** To ensure timely payment of invoices.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
To pay all invoices within 30 days of receiving invoice	100	98	100	98	98

◆ **Goal 3** To set hearings before the State Liquor Board in a timely manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of hearings set within the statutory time frame	100	98	100	98	98

**Program Summary**

**INVESTIGATIONS**

Joe Vernier, Deputy Director  
 Phone: (602) 542-9076  
 A.R.S. § 4-112, 4-113, 4-213

**Mission:**

*To maintain a working relationship with both licensees and the law enforcement community to obtain the maximum compliance with state statutes and rules.*

**Description:**

The Investigations Division conducts random liquor inspections to ensure licensees comply with A.R.S. Title 4 as well as departmental rules; provides training and assistance to local law enforcement agencies thereby enhancing their ability to enforce liquor laws; investigates and processes all civil complaints received concerning liquor-related violations; provides criminal background checks of all individuals associated with liquor licenses in Arizona; liaisons with the Department of Public Safety, city and town police departments, sheriff's offices, and other local law enforcement agencies; conducts covert operations alone and in collaboration with police agencies investigating for hidden ownerships; maintains an investigative database which is accessible to police agencies; and meets with the United States Attorney's Office, Gaming, the FBI, and the Arizona Attorney General's Office. The Compliance Section receives actionable reports of violations and attempts to resolve them informally.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,202.2	1,061.9	1,188.4
Other Non Appropriated Funds	1,158.8	974.5	974.5
<b>Total Funding</b>	<b>2,361.0</b>	<b>2,036.4</b>	<b>2,162.9</b>
<b>FTE Positions</b>	<b>35.2</b>	<b>35.2</b>	<b>36.2</b>

◆ **Goal 1** To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with Arizona Liquor Laws, Rules and Regulations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigations completed resulting in compliance actions	750	800	866	850	850
Number of random liquor inspections completed	2,575	2,700	3434	3000	3000

◆ **Goal 2** To process investigative complaints quickly and efficiently.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of calendar days to complete an investigative complaint	35	35	35	35	35
Percentage of liquor law compliance cases processed in less than 90 calendar days	100	99	99	99	99

◆ **Goal 3** To conduct Title 4 training to police officers as well as business associates

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of training classes conducted	18	15	35	30	30

◆ **Goal 4** To resolve compliance cases so that fewer cases go to hearing

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of compliance cases sent to hearing	5	10	4	6	6

<b>Program Summary</b>					
LICENSING					
Connie Wagner, Assistant Director					
Phone: (602) 542-9055					
A.R.S. Title 4					

**Mission:**

*To serve applicants, licensees and the public by processing and retaining documents associated with liquor-licensed businesses operating in the state of Arizona.*

**Description:**

Licensing assists applicants and licensees in the preparation and submission of required documentation for the purpose of obtaining a liquor license; maintains a database capable of responding to public, corporate and law enforcement inquiries and routes filed documents to appropriate entities; maintains licensing records as required by law; analyzes and correlates corporate and individual materials to determine corporate structure, limited liability companies, partnerships, sole proprietorships, and the controlling individual of each; and forwards the appropriate paperwork to the local governing boards (cities, towns, counties) on each new application which is proposing to be licensed.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	751.5	882.0	989.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>751.5</b>	<b>882.0</b>	<b>989.2</b>
<b>FTE Positions</b>	<b>10.0</b>	<b>10.0</b>	<b>11.0</b>

◆ **Goal 1** To track number of newly issued licenses, transferred licenses and renewal transactions to measure increase/decrease in annual license activity.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new licenses, transferred licenses, and renewals issued	12,810	13,000	11918	12000	12000
Percent of surveyed licensees reporting very good or excellent service	88	85	87	85	85

◆ **Goal 2** To maintain accurate document history on license files

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of errors found in imaged documents	1	2	1	2	2

◆ **Goal 3** To demonstrate quality and efficiency in customer service when processing documents

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
CSRs maintain an 85% or better average in processing documents	86	85	87	85	85



## Agency Summary

### LOTTERY

Jeff Hatch-Miller, Executive Director  
Phone: (480) 921-4505  
A.R.S. § 5-551 et seq.

#### Mission:

*To support Arizona programs for the public benefit by maximizing net revenue in a responsible manner.*

#### Description:

The Arizona Lottery was established to maximize net revenue dedicated to various beneficiaries assigned through a statutory distribution formula. An advisory Commission and an Executive Director, both appointed by the Governor, oversee operations. The Lottery sells tickets through a licensed retailer network to provide players with innovative, entertaining, and rewarding games of chance.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	93,020.5	104,042.8	106,059.3
Other Non Appropriated Funds	1,091,115.3	1,137,489.2	1,137,489.2
<b>Total Funding</b>	<b>1,184,135.8</b>	<b>1,241,532.0</b>	<b>1,243,548.5</b>
<b>FTE Positions</b>	<b>98.8</b>	<b>98.8</b>	<b>102.8</b>

**Issue 1** Future Support for Public Programs

**Description** Maintaining and enhancing ticket sales and transferrable revenues is essential to keeping up with the increasing financial demands from beneficiaries and the Legislature. Lottery Revenue Bond payments were \$37 million dollars in FY14, and payments for university Speed Bonds increased by \$6.4 million over last fiscal year.

Funding for the beneficiaries established by the Legislature is derived from net revenue generated from Lottery game sales. Overall sales for FY14 were \$724 million, an increase of 4.5% over the prior year. This resulted in revenue distributions transferred to beneficiaries in FY14 totaling more than \$175 million dollars. FY14 marks the fifth consecutive year that every beneficiary designated by the Arizona Legislature received full funding.

While the Lottery experienced what most Arizona businesses would consider to be stellar year after year growth, the Lottery must be vigilant about maintaining this growth. Therefore, increasing sales, as well as transferrable revenue, is the top priority for the Lottery.

**Solutions:**

To increase sales and beneficiaries transfers in FY15–19, in-state drawing games will be evaluated and introduced or removed from the market based on performance analysis, vendor input, and player/game research. The rotation of niche drawing games into and out of market is targeted to occur every 24 months barring programming or system changes that would limit the ability to do so.

The Lottery's two multi-state draw games, Powerball® and Mega Millions®, are largely jackpot-driven, thus the frequency and size of large jackpots have significant impact on sales in any given year. In FY14, the Multi-State Lottery Association (MUSL) implemented changes to the Mega Millions game. These changes resulted in an impressive 74% increase in sales over the past fiscal year. In contrast, Powerball had a 25% decrease. Since drawing games allow for a greater profit margin, their impact on transferrable revenues is magnified. This level of increase is not sustainable and is completely dependent on high jackpots to drive sales. In FY15 the Lottery will be partnering with other states to optimize multi-state game revenue through a new national game which is not dependent on high jackpots. The new game has a \$5 price point and is called MONOPOLY MILLIONAIRES' CLUB®.

Instant tickets continue to perform well, generating a 10.8% increase over FY13. This growth is largely due to the ability to dedicate a large percentage of gross sales dollars to player prizes, improved game design, strategic alignment of advertising and sales efforts, higher price points (\$5, \$10 and \$20), as well as strategic efforts to promote winner awareness.

Strategic targeted research along with input from industry experts routinely provides strategies to increase sales and beneficiaries transfers. Additionally, during FY15, the Lottery will unveil a complete rebranding initiative. Ultimately, the efforts will make the Lottery a stronger entertainment brand, make us more relevant to player and non-player groups, and provide a lift to our sales.

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**Issue 2** Future Sales Growth Challenges

**Description** The Lottery has demonstrated significant sales gains over the past seven years despite the economic challenges facing Arizona. In FY10, the rate of growth in sales was the highest in the industry. However, the Lottery is alarmed that the rate of overall sales growth, as a percentage rate of change, is decreasing year over year.

**Solutions:**

Lottery success is accomplished through a combination of market research, effective game design, optimization of prize payouts, coordinated game introductions requiring sales and marketing team efforts. As sales grow, so do demands on Lottery personnel and equipment.

As the agency prepares for a slowing sales trend, product improvements will not be enough; the Lottery will need to consider other methods of increasing sales. These methods could include improving productivity at existing retailers, new retail environments, or potentially offering a new type of product. The ability to implement these strategies is dependent on sufficient resources. As an example, growing the retail base would require additional sales support and compliance personnel. The Lottery already conducts statewide operations with a limited number of personnel and outsources over 90% of key functions. This will become a greater challenge in the future since the Lottery's authorized FTE positions were recently reduced by seven positions. The agency lacks the capability to undertake a significant new initiative without the personnel and advertising resources requested in its recent budget request for FY16.

The Lottery believes that the declining sales of draw games are largely the result of four years of declining investment into core business operations and advertising. Revenue growth does not seem sustainable without increased appropriation for core lottery operations and resources.

**Issue 3** Future Marketing and Outreach Challenges

**Description** Research, data tracking and experience teaches that marketing and advertising efforts directly influence game sales increases and decreases. Most games, especially initially and when changes occur, require that the game be introduced to the playing public. As jackpots increase, marketing and advertising allows players to begin play when their desired level of jackpot is reached. Retailer support is essential to bringing traffic into stores for the purchase of Lottery products.

As America's economy improves, there is a corresponding increase in the cost of advertising in traditional channels such as television, radio and print. In addition, contemporary marketing requires the Lottery to advertise in additional channels such as on-line advertising, social media, and email to subscribers.

The Lottery's advertising budget has remained static for the past five years while costs of commercial production, purchasing ad space, point of sale materials, and many other marketing and advertising components have increased, in many areas, dramatically.

Reaching new customers through computer, tablet and mobile channels requires increasing sophistication and cost. Particularly important is that for 21 to 40 year olds these mediums are perhaps the only form of communication that will reach them effectively.

**Solutions:**

For the lottery to maintain current sales levels, it is imperative that the advertising budget increase at a rate that allows at least a consistent effort each year going forward. The advertising and marketing budget will support the following critical strategies:

- The Lottery will continue to develop and execute an expanded digital strategy to become a more relevant product/brand in the Arizona market.
- The Lottery will grow its customer base in the emerging market by building awareness, trust, and engagement within this target market. For example, through building the public's awareness of the value of Lottery funding to the state through its "How the Money Helps" campaign.
- The Lottery is seeking Legislative approval for a 10% increase in the advertising and marketing component of the Lottery budget for FY16. This rate of growth would simply keep pace with increasing costs as described above, allowing the lottery to maintain a consistent level of effort.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	102.8	102.8	102.8
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	115,146,500.0	119,248,900.0	123,542,300.0
<b>Non-Appropriated Funds</b>	534,303,000.0	558,243,000.0	583,317,000.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To increase revenue to the State.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Dollar amount of instant ticket sales (in millions)	440.5	462.9	488.3	519.0	544.7
Dollar amount of on-line sales (in millions)	252.5	252.1	235.7	258.0	267.0
Dollar amount of all game sales (in millions)	692.9	715.0	724.0	777.0	811.8
Increase/(decrease) in instant ticket sales from prior year (in millions)	27.5	22.4	47.8	30.7	25.7
Increase/(decrease) in on-line sales from prior year (in millions)	18.9	(.4)	(16.8)	22.3	9.0

**Explanation:** On-line sales are largely jackpot driven, impacting sales increases/decreases in any given year.

Average dollar amount of sales per ticket vending machine.	206,500	210,000	228,100	235,000	240,000
Out of stock percentage for ticket vending machines.	4.7	4.9	4.5	4.5	4.4
Total Lottery dollars distributed to State programs (in millions)	176.5	178.8	175.4	197.0	205.6
Percent of lottery ticket sales distributed to state beneficiaries	25.5	25.4	24.2	25.3	25.3

**Explanation:** Draw games as a percentage of total game sales were lower in FY14, resulting in a lower overall profit margin.

◆ **Goal 2** To increase agency efficiency.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of hours draw games system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	6,016	6,016	3.8	3.5	3.5
Number of hours instant ticket validation system not available for processing transactions (operational hours: 20 hrs per day x 365 = 7300 hrs)	6,016	6,016	3.82	3.50	3.50
Percent of Lottery program expenditures outsourced	91.6	91.4	90.9	93.9	93.9
Administration as a percentage of total cost	5.6	5.2	5.1	5.0	5.0
Average number of days required to pay vendors	7	8	10	9	9
Percent of vendor invoices paid within 30 days	98.6	97.0	94.4	95.0	96.0

◆ **Goal 3** To maintain an effective retailer compliance program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of active retailer accounts in good standing	99.7	99.7	99.7	99.7	99.7
Percent of routine retailer inspections in compliance with underage wagering requirements	99.9	99.9	99.9	99.9	99.9
Percent of routine retailer inspections resulting in discovery of a rule violation or criminal activity	.7	.7	1.9	.9	.9

**Explanation:** Increased effort regarding compliance in FY14 caused slight increase. Subsequent years should be lower as retailers are aware they will be routinely inspected.

Number of "at risk" retailers requiring immediate investigation (2800 total retailers)	269	269	71	110	110
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**Explanation:** Measure depicts retailers that require immediate inspections as compared to routine compliance inspections.

◆ **Goal 4** To expand public awareness regarding the Lottery's image, beneficiaries, winners, and products.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of general public indicating the Lottery is run honestly and with integrity	76	76	77	78	78
Percent of general public indicating the Lottery is a good way to raise money for the state of Arizona	70	70	72	73	73
Average number of calls received per month on automated winning numbers line	220,900	220,000	231,700	238,000	240,000
Average number of total visitors per month to the Lottery website and mobile website	1,358,900	1,500,000	2,162,500	2,184,100	2,206,000
Average "open" rate for Lottery product email blasts	15.1	15.5	22.0	22.2	22.4
Average page views per visit to the Lottery website	4.6	4.6	2.4	4.6	4.7

**Explanation:** The Lottery anticipates growth in page views as a result of a redesigned website as well as Lottery rebranding efforts.

◆ **Goal 5** To enhance retailer relationships.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of retailers achieving additional .5% commission incentive	31.3	31.5	36.4	34.0	34.0
Total instant tab game commissions earned by charitable organizations	773,100	820,000	878,900	900,000	900,000
Percent of retailers expressing overall satisfaction with Lottery services	98	97	96	97	96

◆ **Goal 6** To attract and retain high quality employees.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of agency staff turnover	14	8	14	12	10

## Agency Summary

### BOARD OF MASSAGE THERAPY

Kathleen Phillips, Executive Director  
 Phone: (602) 542-8217  
 A.R.S. § 32-4201

**Mission:**

*To protect the health, safety, and welfare of the public by regulating the practice of massage therapy.*

**Description:**

The Board regulates individuals who engage in the practice of massage therapy and conducts investigations and hearings on complaints relating to incompetence and unprofessional conduct.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	451.2	438.7	488.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>451.2</b>	<b>438.7</b>	<b>488.2</b>
<b>FTE Positions</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

## 5 Year Plan

**Issue 1** The initial regular license application and renewal process is not as efficient as they could be.

**Description** The Board would like to more efficiently process applications, starting with initial regular applications. The Board receives approximately 1500 applications for licensure each year. The Board has received many requests for on-line licensing to ensure that the Board is receiving complete applications and to speed up the licensure process. Currently, the process for initial regular licenses requires paper filings, which may extend the time it takes to obtain a license because the application is not complete or the information is erroneous. This requires staff to intervene and obtain or correct the information. The Board would like to streamline the process by creating and implementing an on-line license system, which would require the information to be complete and correct upon the date of filing. Currently the Board has 120 days to process a license and would like the turn around time to be between 60 to 90 days. The Board would also like to more efficiently process renewal applications. The Board renews approximately 300 licenses a month and would like to decrease the turn-around time from no longer than 45 days to no longer than 30 days. If the Board was able to institute an on-line application process for renewals, an applicant would be able to renew a license immediately, if the application was complete. The Board has received many comments from licensees recommending the Board institute an on-line system for renewals.

**Solutions:**

Because applications for initial regular licenses and renewal licenses are two distinct processes, the Board would like to create and implement an on-line application process for each, starting with initial regular licenses and then renewal licenses.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	5.0	5.0	5.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	438.7	438.7	438.7
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To efficiently process license applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Massage therapy applications received for initial licensure and biennial renewal.	4,816	4,850	4,881	4,911	4,941
Average number of days to process an application	42	40	34	40	40

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received against massage therapists	43	30	40	40	40
Complaints resolved in the same fiscal year	25	15	22	22	22
Average number of days to resolve a massage therapy complaint	117	130	98	98	98

### Agency Summary

#### ARIZONA MEDICAL BOARD

Patricia McSorley, Acting Executive Director

Phone: (480) 551-2714

A.R.S. §32-1401 et.seq. and A.R.S. §32-2501 et.seq.

#### Mission:

*To protect public safety through the judicious licensing, regulation, and education of physicians and physician assistants.*

#### Description:

The Agency staff supports two Boards – the Arizona Medical Board which licenses and regulates allopathic physicians, and the Arizona Regulatory Board of Physician Assistants which licenses and regulates physician assistants. The Agency processes applications for licenses, handles public complaints against licensees, and disseminates information pertaining to licensees and the regulatory process. The two Boards determine and administer disciplinary action in the event of proven violations of their respective practice acts. Together, the two Boards regulate over 25,000 licensees.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	5,740.9	5,740.3	6,929.0
Other Non Appropriated Funds	0.0	10.0	10.0
<b>Total Funding</b>	<b>5,740.9</b>	<b>5,750.3</b>	<b>6,939.0</b>
<b>FTE Positions</b>	<b>58.5</b>	<b>58.5</b>	<b>58.5</b>



## 5 Year Plan

**Issue 1** Consolidation of essential agency functions focused on public protection through the examination of regulatory issues, ongoing education of staff and Board members, active dissemination of public information, and public outreach.

**Description** The Arizona Medical Board and the Arizona Regulatory Board of Physician Assistants continually strive to proactively explore areas influencing healthcare delivery and public safety. The boards will focus on essential agency functions and concentrate on those matters that directly affect the health and well-being of Arizona's citizens. The boards will continue their advances toward providing clear direction through policy and statutory initiatives, participating in ongoing educational opportunities in regulation, and staying on the forefront of providing public information that affects healthcare decision making

**Solutions:**

Devote activities to public safety, healthcare and regulatory issues.

Increasing time spent addressing public safety, healthcare or regulatory issues through subcommittee discussion and adoption of relevant substantive policy statements and rules.

Increasing the availability of educational and regulatory information to licensees, stakeholders, and the general public.

**Issue 2** Stabilization of database infrastructure to support e-licensing, regulatory, and information dissemination processes, as well as increased capacity for performance measurement, through improved information technology and other process improvements

**Description** The Board has had a successful electronic licensing renewal (e-licensing) for over six years. The agency continues to stabilize the system to ensure on-line security as applicants and licensees share confidential information with the boards during the licensing and renewal process and as financial transactions take place.

The infrastructure will continue to evolve as other electronic functions are made available to licensees and the public as well. The database also tracks staff progress during the investigative and post adjudication processes allowing for statistical data analysis and identification of process improvement.

**Solutions:**

- Maintaining or improving upon prior year performance levels in license processing,
- Maintaining or improving upon prior year performance levels in complaint investigation and case resolution, and
- Maintaining or improving upon prior year performance levels in responding to public information requests.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	58.5	58.5	58.5
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	7,346,000.0	7,346,000.0	7,346,000.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To increase activities devoted to addressing public safety, healthcare and regulatory issues of importance to licensees, stakeholders, and the general public through collaboration with others, policy making, and information dissemination.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of substantive policy statements, guidelines, rules, or rule revisions adopted	1	2	1	2	2
Number of instances where a Board or Staff member attends a professional training event relevant to the Board's functions and or the appropriate delivery of healthcare.	36	20	10	20	20

**Explanation:** Modified to be more inclusive of agency functions for all the Board or Staff.

Number of public awareness activities, training opportunities, and other public notifications published on the Board website or transmitted to licensees via e-mail	11	25	7	20	25
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- ◆ **Goal 2** To improve efficiency of licensing, regulatory, and information dissemination processes

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average time to approve an MD license from receipt of application	13	30	33	30	30
Average time to approve a PA license from receipt of application	14	17	20	17	17
Average number of days to process an initial medical doctor license upon receipt of completed application	8	7	13	7	7
Average score of agency-wide customer service satisfaction surveys (scale of 1-8)	7.8	7.5	7.3	7.5	7.5
Average number of days to complete an medical doctor investigation	126	140	135	150	140
Average number of days to complete an physician assistant investigation	127	130	127	140	130
Average number of days to resolve a medical doctor case	150	180	145	180	180
Average number of days to resolve a physician assistant case	141	180	174	180	180
Medical doctor cases referred to formal hearing	15	20	13	20	20

## Agency Summary

STATE MINE INSPECTOR

Joseph E. Hart, State Mine Inspector  
 Phone: (602) 542-5971  
 A.R.S. §§ 27-121 et seq.

**Mission:**

*To administer and enforce the Mining Code of the State of Arizona for the protection of the life, health and safety of mine employees and the public in Arizona's active, inactive and abandoned mines.*

**Description:**

The State Mine Inspector is a statewide elected constitutional officer and the director of the Office of the State Mine Inspector. This Office enforces statutes, rules and regulations applicable to mine safety, health, explosives and land reclamation. The Office inspects the health and safety conditions and practices at active mining operations; investigates mine accidents, employee and public complaints; and conducts federally-certified miner and instructor safety training. The Office administered \$14.5 million in reclamation financial assurance in 2007 and currently enforces the Mined Land Reclamation laws, rules and regulations for the restoration of disturbed lands to a safe and stable environmental condition. The Office promotes public safety regarding abandoned mines by "Stay Out Stay Alive" promotions, presentations and publications; complaint investigations; mine owner compliance notifications; and identification, hazard assessment, prioritization, posting and securing of safety hazards. The Office issues permits, licenses and certificates for elevators and electrical connections, and monitors the manufacturing, storing, selling, transferring and disposal of all explosives or blasting agents.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ MINING SAFETY ENFORCEMENT	1,020.4	1,020.9	1,058.3
➤ ABANDONED MINES	336.2	254.7	603.5
➤ EDUCATION AND TRAINING - FEDERAL GRANT	283.1	279.0	444.2
➤ MINED LAND RECLAMATION	30.2	112.5	198.0
<b>Agency Total:</b>	<b>1,670.0</b>	<b>1,667.1</b>	<b>2,304.0</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,192.5	1,215.6	1,852.5
Other Appropriated Funds	30.2	112.5	112.5
Other Non Appropriated Funds	447.3	339.0	339.0
<b>Total Funding</b>	<b>1,670.0</b>	<b>1,667.1</b>	<b>2,304.0</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>24.0</b>

**Issue 1** Inspection Division

**Description** The Arizona State Mine Inspectors Office is a constitutional office that has been charged with the Health and Safety of the Miner, it is a Life Safety Agency with legally mandated requirements.

The Arizona State Mine Inspector / ASMI, is required to inspect at least once a year every mine in the state for compliance to the Arizona Revised Statutes and the Rules and Regulations. In ARS 27-124 the inspector is further required to inspect the mining operation for conditions, safety appliances, machinery, equipment, sanitation and ventilation, the means of ingress and egress, the means taken to protect the lives, health and safety of the miners. Arizona Revised Statute 27-309, ASMI must investigate the cause of fatal accidents resulting in a death occurring at the mine and file written report. Arizona Revised Statute 27-308, ASMI is required to investigate written safety complaints and will accept verbal complaints that are reasonably likely to be fatal.

Inspections has been reduced by one Inspector, this is a 20% drop in our abilities. During the late 1990's and the early 2000's ASMI had to defend itself against liability lawsuits in which a lack of required inspections and the quality of the Health & Safety Inspection were a factor. ASMI paid large settlements in several cases. With a reduction of inspectors, the remaining inspectors are pressed to do more with less resulting in less time and quality performing the actual required Health and Safety inspection at each mine in an attempt to keep up. In some cases, no Health & Safety Inspection is performed of the mine resulting in the potential exposure to legal action.

Arizona Revised Statute 27-303 requires the operator to notify ASMI when a mine will be temporarily or permanently closed. In the case of temporary suspension of operations excluding labor disputes, exceeding six months or in the case of permanent termination of mining operations, the operator shall notify the inspector, in writing, before the suspension or termination date. All shafts, portals, adits or other openings shall be secured to prevent unauthorized entry and to protect public health and safety pursuant to ARS 27-318. With a reduction of inspectors, mines that have closed do not get inspected for compliance resulting in potential exposure to legal action.

The Arizona State Mine Inspector's office in order to comply with ARS 27-318 after receiving notification of ARS 27-303 inspects the closed, abandoned or inactive mining shafts, portals, pits or other excavations which are dangerous to persons legally on the premises. ASMI inspects and issues notices of violations to mine operators who fail to cover, fence, fill or otherwise secure the mine hazards and post warning signs. A reduction in inspections would result in non-compliance to 27-318 and promote abandoned mine hazards at a later time when the mine operator cannot be found or is no longer in business, leaving the problem for the land owner and the State of Arizona with potential exposure to legal action. Mine closures in the aggregate industry has increased in the last four years with decline of the economy.

Inspections Training, Continuing Education and Certifications:

To reduce legal liability and stay current in inspections, codes and equipment, continuing education for 2016 budgets would include:

- MSHA Conferences & Inspections Training in Beckley WV.
- Tailings and Impoundment Dam Safety
- Industrial Hygiene
- Elevators
- Hoist & Lifting Gear
- Boilers & Pressure Vessels
- NFPA, UFC, UBC Codes

**Solutions:**

Request additional funding for from the Legislature for equipment and continued education for inspectors.

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**Issue 2** Education and Training Division

**Description** The President's Proposed FY15 Budget details eliminating the State Grants Program.

The previously-referenced FY2015 Congressional Budget Justification calls for the \$8.4 million transfer of funding from the State Grants Program, to be used by MSHA for 'a New Training Model', which provides MSHA the flexibility to be more engaged in how training is developed and delivered. Arizona's mining incident and injury rate (1.4 Lost Time Incident Rate) has been below the national average rate (3.0 Lost Time Incident Rate) for many years, due to the training materials and mandatory MSHA training courses conducted by the Arizona State Mine Inspector's Education and Training Program. A change to a new training model when the current program has significantly reduced fatalities and injuries as stated by MSHA seems to be moving away from a program that is already significantly effective. At a time when the mining industry continues to expand to meet an increased demand for natural resources the state grants program will be an important program to assist mine operators in maintaining safe and healthful workplaces, and ensure that miners are provided adequate health and safety training.

While we agree that MSHA's enforcement actions are an important function, we believe that the recognition and understanding of workplace hazards are the most critical building block for a safe and healthful workplace. This building block is constructed and supported through effective training.

The impact of the elimination of this funding will be felt nationally, by mines of all types and sizes. The primary beneficiary of Grant funds is small mine operators. This includes a significant number of contractors servicing the industry. The State of Arizona currently has over 695 mines, and has over 300 registered contractor companies servicing the mining industry.

The majority of metal and nonmetal mines are small business operations, and many have no formal safety program. However, smaller mines do not mean fewer risks; mine hazards are inherent in the work of moving and processing extremely large volumes of materials. Just as mining is vital to the American economy, a safe and healthy workforce is critical to the continued successful operation of the mining industry.

MSHA goes on to say they will 'endeavor to assist mine operators . . . And ensure that miners are provided adequate health and safety training.' However, all justification for the FY2015 Budget references a "new training model" which involves enforcement, equipment, staffing and activities with neither their Educational Field Services nor their Small Mine Office offering the training assistance provided by the State Grants Program.

**Solutions:**

Increase fee to the mining community.

**Issue 3** Vehicle Replacement

**Description** The Arizona State Mine Inspector's office (ASMI) will have 2 vehicles that will exceed the criteria set through legislative action for replacement policy. The policy states "that the department not replace vehicles until an average or 120,000 miles or later". ASMI currently has two (2) vehicles that will meet these criteria in fiscal year 2016.

**Solutions:**

Notify the Governor's office that a minimum of two vehicles will need to be replaced by FY2016

**Issue 4** Abandoned Mine Division

**Description** Challenges faced in reducing or preventing further fatalities and serious accidents at mines sites include limited funding, lack of administrative and field staff. As documented past budget submittals, at least three (3) more positions are needed to operate an effective abandoned mines inventory and closure program. Two abandoned mines supervisors would coordinate and partner with the mine industry, private sector, and other government groups to determine how a needed closure can be most effectively and efficiently completed. Additional duties are: visit abandoned mine sites to locate and survey, inventory, classify and eliminate public safety hazards and participate in the actual implementation of mine closures. An administrative assistant to assist with data entry, issuing and tracking of Notice of Violations and corrective actions as a result of issuing Notice of Violations.

**Solutions:**

Request additional appropriations for abandoned mine closures during the Fifty-second Legislature (2016).

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**Issue 5** Mined Land Reclamation

**Description** It is important to note, that all approved sites must continue to submit annual status reports in accordance with A.R.S. §27-1277, along with financial assurance mechanisms for annual review (reclamation bonding etc.), which is generally a yearly process submittal. Some aggregate mine site owners and operators have been cancelling leases, closing down operations, and/or transferring mine sites in 2010, 2011, 2012, 2013 and 2014 which is creating an ownership and reclamation responsibility tracking problem. Therefore, continual tracking of mining site facility transfers and financial assurance is extremely vital, especially in the state of Arizona's current economic environment. If the reclamation bonds and tracking of the aggregate mine sites does not continue to occur, it will be difficult to track the mining companies who are currently responsible for the reclamation of the mining disturbances. This is a timely process of reviews and site compliance inspections. This includes issues of any safety or surface disturbance damages caused by the mining, especially when the properties are abandoned or left in disrepair temporarily or permanently. The state and local municipalities (or flood control districts) could then be left with the responsibility for a remedial or rehabilitation of the property for safety and surface reclamation damages, which would impact the State Mine Inspector's office.

The traditional way of filing, managing, and tracking files for the Reclamation Division presents a number of challenges and time consuming process that limits the ability of the employee to concentrate and tackle other important tasks in the Division. Some examples include the multiple amounts of lists that have to be managed and maintained which in turn, causes inconsistencies and may contain inaccurate information. Another problem is the process of creating letters for overdue annual reports and financial assurance. Often times, there are multiple addresses and phone numbers that cause confusions and require an investment in time in order to address it. Creation of overdue annual and financial report letters has also been proven to be time consuming especially with 200+ mine sites being managed. This requires the employee to look-up individual dates and information specific for each plan. This, in turn, offers a possibility that the wrong information would end up in these letters especially to those multiple reclamation plans that are operated by the same company. Furthermore, making multiple copies for every report made/received also contributes to increased use of paper and printer toner.

#### Objective

This project aims to develop a process to completely replace the traditional system of tracking and managing of Reclamation plans and documents. It also aims to introduce new concepts of plan management that will benefit the agency, and information presentation that will benefit the public who wishes to acquire information in the office. Streamlining data management in one place will greatly improve efficiency and accuracy of all the data that will come in and out of the Reclamation Division. This will yield to a more efficient way of managing and accessing digital files and date tracking as well as increased accuracy, and reduced steps to creating notice letters resulting to other opportunities to tackle other projects. In addition, an indirect result of helping reduce the cost for paper and printer toner will hopefully take effect.

#### Resources and Limitations

For this project, the major limitations are the time and effort to migrate the existing files and information to the new database. A big chunk of this is scanning the whole reclamation plan and correspondence to the shared drive which may require some network storage upgrade in the future (when the disk becomes full). Inputting the correct data from hereon is also essential to the proper functionality of the project.

#### Methodology

This project utilizes a program called FileMaker Pro 12, which is specifically a data bank creation software. The following improvements and changes will affect various parts of the previous tracking/management system:

- Streamlined tracking of dates for all correspondence for each reclamation plan.

Before, the department used to have at least 12 different lists for tracking different parts of the reclamation plans located in different locations in the shared drive. These lists are ranging from plan submissions, correspondence, plan amendments, annual reports, to financial assurance, bond information, etc. Currently, everything is streamlined to one page with multiple tabs for easy access and viewing.

- A more organized and accessible file management system for digital files.

Before, in order to view a single PDF file or any other document, one should have to find it in the shared drive combing through different folders hoping to find the right document. Now, Every folder for each individual mine site

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and the scanned reclamation folder is now accessible by clicking a button. A file attachment option is also available to new incoming documents for an easier way to view and sort the digital copies of the files. This eliminates repetitive frustration of looking into multiple folders in the shared drive.

- Automatic creation of past due Annual Report and Financial Assurance letters.

This feature will now automatically produce a letter which utilizes the information provided by the user in the database. This eliminates human error of mixing up information and ensures accuracy as long as the right data is entered in the fields. With a click of a button, the letter is ready for printing on letterhead.

- A more organized up to date regulatory contact for each plan.

A separate section is provided to contain the most up to date information about the mine site's regulatory contact. This eliminates multiple locations that can contain multiple names and addresses. Change in ownerships and regulatory contact will also be updated in this section.

- Flexible, user-preferred sorting and report generation.

Every field that is available for data entry is also available for sorting. This gives the user the flexibility of producing custom made lists and graphs by category according to a person's liking. Hundreds of combinations are available and can be exported to MS Excel to further enhance formatting and reporting style. This takes away the limitations of the previous lists that are only limited to the specific category that they are made for.

- Interactive overview of the actual mine site using the embedded google earth (satellite view).

This is a new feature that will benefit us in different ways. First of all, a tab is dedicated for displaying an interactive satellite image from google earth. This enables us to have quick access and review of the location and an overview image of the mine site without getting the hard copy of the area proximity maps (which is inconvenient and time consuming). This will also generate an automatic location and/or address for a more accurate driving direction to the site (some even provides street view!).

This is also convenient for the public that comes in the office requesting for immediate information.

- Digital copy of the approved reclamation plan.

A separate tab and window is also available for viewing the full PDF copy of the approved reclamation plan. It provides convenience for quick reviews and research. Again, this eliminates pulling out the hard copy of the reclamation plan from the library which is time consuming especially with big binders.

- Enables multiple users to contribute to the data bank without causing inconsistencies.

The database is shared with only registered users enabling them to work all at the same time inside the database. Note that only one person per record is allowed to enter or edit data. Fields are also arranged by category for less confusion when entering data.

- Streamlined email generation

A button is available to send a quick email to the regulatory contact on file. An email address must be present in the e-mail field for it to work.

- Statue guidelines for easier and accessible viewing while entering date.

Some categories in the database are hyperlinked to show the appropriate statute for that category. You can click these hyperlinks and a popup will show the applicable statute as it appears on the ARS guidelines. This can be useful for quick lookups whenever a person wants to double check certain information regarding that statute.

- Automatically tracks overdue annual reports on its exact due date.

A calculation was made to automatically change its status to red which means from "in compliance" to "not in compliance", whenever a report becomes past due. Alternatively, when a mine site submits an annual report, the status turns green which means "in compliance" until the next report is due the following year. Buttons are also available to query sites that have overdue and missing annual reports or financial assurance.

- Print a summary/report of a specific mine site with a click of a button.

A summary of the Reclamation Plan timeline is available. This includes financial assurance information, annual report information, location, driving location, as well as notes regarding a specific mine site. This is useful when any of the inspectors decide to identify the status of a certain reclamation plan and if it is in compliance or not. This is also available for public information requests.

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### Current State of the Project

Currently, the database is now being utilized in the reclamation department and is having success in meeting its goals. Although we are still in the process of migrating data into the database, new information coming in to the office is now streamlined into the data bank. The main focus for now is to completely migrate the information for aggregate mines into the database. This includes new, approved, denied, and closed reclamation plans. Some hard rock sites are in the system but more work needs to be done for it to utilize the full potential of the system. Improvements and recommendations will be made as we go further in the project.

### Conclusion

Migrating into this new system of tracking and managing reclamation plans by using this new innovation is a remarkable way to increase productivity in the Reclamation Department. Although the previous system of tracking worked fine, this fresh look seeks to improve what the department was currently using by renovating and introducing new processes using the resources that are available for efficiency and effectiveness. In effect, the database will also aid in easing the transition in the case of an employee turnover in the future. There are still room for improvement and further modernization, yet it has utmost capability to allow individuals to track accurate information and ensure the precision of dates and other details. So far, it has proven to help the process go smoother and more efficient.

### Solutions:

Project complete.

### Resource Assumptions

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	18.0	18.0	18.0
<b>General Fund</b>	1,215.6	1,215.6	1,215.6
<b>Other Appropriated Funds</b>	112.5	112.5	112.5
<b>Non-Appropriated Funds</b>	60.0	60.0	60.0
<b>Federal Funds</b>	279.0	279.0	279.0



**Program Summary**

**MINING SAFETY ENFORCEMENT**

Tim Evans, Assistant State Mine Inspector  
 Phone: (602) 542-5971  
 A.R.S. § 27-124

**Mission:**

*To enforce the Mining Code of the State of Arizona for the protection of the life, health and safety of the employees in Arizona's active mining operations.*

**Description:**

The Mine Safety Enforcement Program performs quarterly and annual health and safety inspections at active underground and surface mines and related facilities; conducts investigations of mine accidents, employee and citizen complaints; and provides certification classes in mine rescue and first aid. The program issues violations, cessation orders, mine elevator operating, electrical connection permits and underground diesel equipment operating permits as tools to promote safe and healthful work conditions. Operations under this program's jurisdiction include asphalt hot plants, concrete batch plants, aggregate pits, quarries and processing plants; underground and open pit mines, quarries, mills, SX-EW Plants, smelters, refineries, and rod plants. Jurisdiction also covers contractor employees working at mine sites and the administration of Sand and Gravel Districts. Deputy Mine Inspectors also perform complaint investigations and land owner compliance inspections at abandoned mines to support the Abandoned Mines Program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,016.5	1,020.9	1,058.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	3.9	0.0	0.0
<b>Total Funding</b>	<b>1,020.4</b>	<b>1,020.9</b>	<b>1,058.3</b>
<b>FTE Positions</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

◆ **Goal 1** To eliminate fatal accidents and to reduce the number and severity of lost time accidents at Arizona mines, through health and safety inspections and enforcement of the mining code.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent mandated inspections completed	89	75	100	100	100
Number of reportable (lost time) mine accidents	146	138	218	218	218

**Explanation:** The number of reportable (lost time) mine accident reflects " only" what is reported to the Arizona State Mine Inspector.

Employee and Public Complaints Investigated	11	9	14	14	14
Number of safety inspections completed	683	662	665	665	665
Customer satisfaction rating for Mines (scale 1-8)	7	7	7.2	7	7

**Program Summary**

**ABANDONED MINES**

Laurie Swartzbaugh, Deputy Director  
 Phone: (602) 542-5971  
 A.R.S. § 27-318

**Mission:**

*To promote public safety by field identification, hazard assessment, mine owner compliance notification and administration of the securing of dangerous abandoned mines in compliance with the endangered species and plant acts, historical acts and environmental acts.*

**Description:**

The Abandoned Mines program’s efforts fall into two categories: the inventory of abandoned mine sites and the administration of the securing, remediation and closure of abandoned mines. Field surveys are prioritized to primarily locate mines on State lands, secondly on other public lands, and then thirdly on private lands within the 73 million acres that comprise the State of Arizona. The survey records the exact location of abandoned mines using a global positioning satellite system. The inventory’s objective is to produce an accurate count of abandoned mines and describe the significant safety hazards and potential environmental hazards occurring with them. The database of surveyed abandoned mines is used to prioritize the significant public and environmental hazards for remediation and reclamation planning. The inventory also allows the Office to accurately investigate public complaints about abandoned mines in a timely manner. An abandoned mine may be used for criminal activities, such as a cache for stolen explosives or a body disposal site. The program assists law enforcement criminal and missing persons investigations and body recoveries. The administration of securing abandoned mines first prioritizes sites on State owned lands listed in the inventory based on the severity of the threat posed to public and environmental safety. Through this prioritization, structures are designated as necessary for abandoned mine closures on State lands. The cost of field construction work to secure these mines is provided by the Abandoned Mine Safety Fund through mining industry donations, private citizen donations and a matching appropriation from the Legislature. The program performs regular monitoring to assure mine closures remain in good condition. The program coordinates the identification and securing of abandoned mines with local, state, and federal agencies as well as other states and volunteer groups. Groups include the Yuma County Sheriff’s Search and Rescue Group, the Maricopa County Sheriff’s Office Mountain Search and Rescue Group, Arizona Department of Mines and Mineral Resources, Maricopa County Parks, Arizona State Land Department, Arizona Game and Fish, Arizona State Historic Preservation Office, Arizona Department of Environmental Quality, Department of Labor Mine Safety and Health Administration, Bureau of Land Management, Forest Service, Environmental Protection Agency, and the National Association of Abandoned Mined Land Programs, which is comprised of 27 states and three Indian Tribes.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	175.9	194.7	543.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	160.3	60.0	60.0
<b>Total Funding</b>	<b>336.2</b>	<b>254.7</b>	<b>603.5</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>5.0</b>

◆ **Goal 1** To promote public health and safety by identifying and assessing abandoned mines, and securing those found to be a threat to the public and the environment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of abandoned mine openings secured	24	70	17	70	70
<b>Explanation:</b> Secured on State Lands					
Number of abandoned mine complaints.	18	12	19	12	12
Number of prior abandoned mine closures reviewed	5	10	10	10	10
<b>Explanation:</b> On State Trust Land					

**Program Summary**

**EDUCATION AND TRAINING - FEDERAL GRANT**

Frank Rabago, Education & Training Program Manager  
 Phone: (602) 542-5971  
 A.R.S. § 27-124, Title 30 CFR

**Mission:**

*To educate and train inexperienced and experienced mine employees in safe work practices and compliance with state and federal mine safety regulations.*

**Description:**

The Mandatory Safety and Health Standards for all mines in the United States are subject to the Federal Mine Safety and Health Act of 1977. The purpose of these standards is the protection of life, the promotion of health and safety, and the prevention of accidents.

The Office of the Arizona State Mine Inspector holds true to the same concerns, values and goals of protecting current and future miners and the public. The Arizona State Mine Inspector and staff regulate and follow the Mining Code of the State of Arizona which contains the guidelines of the Arizona Revised Statutes and Rules and Regulations. Our goal is the protection of miners and the public through regulation, enforcement rules, education and training.

Mine safety and health education and training is very important to Arizona’s mine operators, their employees, contractors and the public. The Education and Training department provides the mandatory federal mine safety training classes to the Arizona mining community. Requests for safety training from Arizona’s mine operators, contractors and workers is in great demand.

The Education and Training Program certifies instructors, develops lesson plans, conducts classes and organizes safety conferences for mine safety education and training. The emphasis is placed on miners' rights and current health and safety regulations in compliance with the Mining Code of the State of Arizona, A.R.S. § Title 27, and the Federal Mine Safety and Health Act of 1977, Title 30 CFR, Parts 46, 48, 49, 56, 57,58, and 62. In addition to mining company employees, all contractors, vendors, rescue teams, and others regularly exposed to mine hazards at a mine property are required to have various levels of training furnished by the Education and Training Program.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	165.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	283.1	279.0	279.0
<b>Total Funding</b>	<b>283.1</b>	<b>279.0</b>	<b>444.2</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>6.0</b>

◆ **Goal 1** To eliminate fatal accidents and reduce the number and severity of lost time due to accidents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Arizona miners and contractors trained	3,267	4,000	2813	3500	3500
Average course content rating.	4.69	4.7	4.4	4.7	4.7
Average instructor rating	4.76	4.7	4.5	4.7	4.7

**Program Summary**

**MINED LAND RECLAMATION**

Garrett Fleming, Reclamation Manager  
 Phone: (602) 542-5971  
 A.R.S. §27-921 & A.R.S. §27-1221

**Mission:**

*To promote the restoration of lands disturbed by mining to a safe and stable environmental condition through enforcement of the Mined Land Reclamation laws, rules and regulations as applicable to new mineral exploration, new mines and the expansion or closure of existing active mines.*

**Description:**

The Mined Land Reclamation Program, working in cooperation with mining companies, consultants and other state and federal governmental agencies, approves or rejects mine reclamation plans and financial assurance mechanisms submitted by all metalliferous mining units, aggregate mining pits, quarries and exploration operations with surface disturbances greater than five acres. Annual reviews of financial assurances and on-site inspections for on-going reclamation projects and of the regulated mines are parts of the continual monitoring process to establish compliance to the Mined Land Reclamation laws.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	85.5
Other Appropriated Funds	30.2	112.5	112.5
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>30.2</b>	<b>112.5</b>	<b>198.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>

◆ **Goal 1** To promote the restoration of lands disturbed by mining to a safe and stable environmental condition. The Arizona Revised Statutes Title 27, Chapter 1, Article 2 identifies the need for a State Mine Inspector Agency. Chapter 5 & 6 were established for Mined Land Reclamation and Aggregate Mined Land Reclamation, and provides for a Division within the State Mine Inspector Agency, to administer the reclamation plans within the state.

Tracking of the percentage of mined acreage disturbed and reclaimed;

Tracking of mandated required financial assurance from an aggregate mining operation to ensure funds are available to reclaim the land;

Tracking of industry reclamation plan goals, which are tracked by release of financial assurance mechanisms;

Complete administrative and technical reviews of reclamation plans; and

Adequate management to enhance public benefit, responsible development and economic value.

Note: The Reclamation Plans Review program is still needing resources (or manpower) necessary to manage a Division for this Plan review process, and for field verification compliance inspections (Especially in Aggregate transfers of properties, and renewal of Financial Assurances). Hardrock plans and site expansions, as well as tracking, has not been considered in this report, but still remains a considerable duty of the Reclamation Division. A compliance tracking database is strongly needed to assist with due dates for annual update reporting dates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of annual mined land reclamation compliance reviews	195	242	199	200	200

## Agency Summary

### NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS

Gail Anthony, Executive Director  
 Phone: (602) 542-8242  
 A.R.S. §§ 32-1501

**Mission:**

*To protect the public through the regulation of the practice of naturopathic medicine.*

**Description:**

The Board issues licenses and certificates to applicants who meet the requirements of Arizona law for naturopathic medicine, including issuing specialty certificates and certificates to dispense. Further, the Board certifies naturopathic students to engage in clinical training programs, naturopathic assistants, and graduates who participate in postdoctoral training programs. The Board conducts investigations and hearings into allegations of medical incompetence and unprofessional conduct.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS	152.4	177.6	177.6
<b>Agency Total:</b>	<b>152.4</b>	<b>177.6</b>	<b>177.6</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	152.4	177.6	177.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>152.4</b>	<b>177.6</b>	<b>177.6</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

## 5 Year Plan

**Issue 1** Automate timeframe tracking for new applications and renewals.

**Description** Although a recent audit has found the Board to be meeting its license and certificate processing time frames established in administrative rule; Auditors recommended implementation of a centralized electronic mechanism for tracking these time frames. Currently, Board staff tracks time frames by hand.

**Solutions:**

Work will soon begin on an updated database which will incorporate an automated system to easily track time frames of applications for both initial and renewals.

**Issue 2** Automating renewal system.

**Description** The Board has instituted an efficient online process for licensure renewals, however the process does not include the ability to renew clinical training certificates, preceptor certificates and medical assistant certificates.

**Solutions:**

A slight increase in appropriation has given the Board the ability to hire IT contract work. As of August 2014, work has started on implementation of a complete online renewal system. Applicants will have the ability to renew online, and download a copy of the renewed certificate and/or license immediately.

This is an important step in automating and streamlining the renewal process. Staff will be able to dedicate time to other board projects and issues.

**Issue 3** Complaint Resolution and complaint tracking.

**Description** The Office of the Auditor General has found that Arizona regulatory board should resolve complaints within 180 days of receiving them. A recent audit found that Board complaints were not always resolved within the 180 days. One of the reasons for the delay in some cases is the size of board staff. One full time Executive Director manages the licensing, the duties of the Executive Director position, and is the investigator. The Board currently employs a part-time administrative assistant.

During a recent audit, a recommendation was made for the Board to implement a centralized electronic mechanism for tracking case resolution time frames. Currently, Board staff tracks time frames by hand.

**Solutions:**

Staff will work towards establishing a contract investigator which can be called upon to work cases for the Board and free up some time of the Executive Director to devote to other Board needs. Work will soon begin on an updated database which will incorporate an automated system to easily track time frames of case resolutions.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	2.0	2.0	2.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	178.0	178.0	178.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

**NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS**

Gail Anthony, Executive Director  
 Phone: (602) 542-8242  
 A.R.S. § 32-1501

**Mission:**

*To protect the health, safety, and welfare of the public by regulating the practice of naturopathic medicine.*

**Description:**

The Board regulates physicians who engage in the practice of naturopathic medicine, including certification of those in specialty practice; certifies graduates to engage in internship, preceptorship, and postdoctoral training programs; certifies medical assistants; certifies naturopathic medical students to engage in clinical training programs; approves clinical training programs, internships, preceptorships, and postdoctoral training programs in naturopathic medicine; certifies naturopathic physicians to dispense natural substances, drugs, and devices from their offices; and conducts investigations and hearings on complaints relating to medical incompetence and unprofessional conduct.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	152.4	177.6	177.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>152.4</b>	<b>177.6</b>	<b>177.6</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

◆ **Goal 1** To efficiently process applications within the required time frames, while maintaining assurance applicants meet the requirements for licensure and certification.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Applications Received for Licensure and Certificates during the fiscal period. <b>Explanation:</b> Number includes initial and renewal applications.	1,453	1,500	1,841	1,950	2,000
Total Licenses and Certificates issued during the fiscal period. <b>Explanation:</b> Number includes initial issuance and renewals.	1,430	1,500	1,825	1,925	2,000
Average number of days to process initial licensure and certificate applications. <b>Explanation:</b> Number reflects initial applications processed during fiscal period.	25	25	11.5	11.5	11.5
Active physician licenses <b>Explanation:</b> Active at the end of the Fiscal Period.	744	750	780	800	820
Active certificates. <b>Explanation:</b> Active at the end of the fiscal period. Number includes all certificate types.	420	450	1045	1060	1080

◆ **Goal 2** To fully investigate and adjudicate complaints in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received against licensed or certified persons	27	28	27	28	28
Complaints resolved in same fiscal year	15	17	17	20	20
Average number of days to resolve complaints - same fiscal year	130	120	180	180	180
Complaints received against unlicensed individuals in the fiscal year	2	2	2	2	2

◆ **Goal 3** To audit naturopathic physicians compliance with the annual continuing medical education requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of physicians in compliance with continuing medical education requirement.	95	98	98	98	98
Number of physicians audited for compliance with continuing medical education requirements in the fiscal period.	65	65	74	80	85



## Agency Summary

### NAVIGABLE STREAM ADJUDICATION COMMISSION

George Mehnert, Director  
Phone: (602) 542-9214  
A.R.S. § 37-1101 to 37-1156

#### Mission:

*To determine navigability of watercourses. The Arizona Navigable Stream Adjudication Commission (ANSAC) is a single program agency. The primary mission of ANSAC is to determine which of Arizona's 39,039 rivers and streams were navigable at the time of statehood, February 14, 1912, and secondary following determinations of navigability is to determine the public trust values of those rivers and streams that are determined to have been navigable. In addition, the Commission must litigate cases in court including defending appeals and other legal actions that are filed in State Court against the Commission and must complete Commission reports to be recorded in each appropriate county following the appeals processes.*

#### Description:

The State of Arizona did not determine ownership of and title to the beds of any of the 39,039 rivers and streams at the time of statehood. As many as 100,000 property titles remain clouded. Before ownership can be determined, it must be established if any of Arizona's waterways were navigable. The portion of a streambed of a stream that is determined to have been navigable as of statehood is owned by State Government and not by the party whose land the river or stream crosses. The State will have land title to that riverbed. The Commission is charged with gathering evidence, holding hearings, and making determinations regarding navigability of the 39,039 streams and rivers in Arizona as of February 14, 1912.

Part of this is to respond to issues raised by the Arizona Court of Appeals and returned to the Commission for additional hearings regarding specific topics. These hearings relate to six rivers, only, and it is clear that parties involved in these cases consider the present proceedings being held by the Commission (9 days of hearings regarding the Gila River.) It is clear the ongoing and planned hearings are significant just by the amount of evidence and number of expert witnesses testifying. From a lay perspective during the hearings that ended in 2006 and that resulted in appeals of the Commission's non-navigability, the Commission collected about a bankers box and a half of evidence. During the present round of hearings that began in June 2014 the Commission has already received five boxes of evidence and the hearing has not yet concluded.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	206.4	129.2	129.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>206.4</b>	<b>129.2</b>	<b>129.2</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## 5 Year Plan

**Issue 1** Recording of Commission Reports.

**Description** Recording in appropriate counties all of thirty-four commission reports plus six new reports following completion of hearings and appeals regarding the six pending cases.

**Solutions:**

To record reports in appropriate counties as appeal times run and as cases are completed

**Issue 2** Hearings, appeals, defense in court.

**Description** To complete hearings and appeals on six remaining cases returned by the Arizona Court of Appeals and by Maricopa and Pima County Superior Court.

NOTE: ANSAC is scheduled to Sunset June 30, 2016 but will not complete its appeals and other court work by that time and an additional four years will be requested.

**Solutions:**

Collect evidence, hold hearings and complete legal processes for six remand cases, plus include appeal times and defend appeals in court.

**Issue 3** Public Trust Values

**Description** In the event courts rule specific watercourses are navigable that there is a statutory requirement that ANSAC hold proceedings to determine the Public Trust Value of such watercourses.

**Solutions:**

To hold public trust value proceedings as necessary.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	1.0	1.0	0.0
<b>General Fund</b>	129.2	129.2	129.2
<b>Other Appropriated Funds</b>	150.0	150.0	150.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To determine navigability of Arizona's 39,039 rivers and streams as of statehood for title purposes. This has been completed but for three water courses for which appeal times are still running and six cases that were appealed and that have been returned by the Arizona Court of Appeals determination of October 21, 2011. These cases are being handled presently partly by the Commission requesting five separate legal memorandums totaling some 70 actual memorandums submitted by parties.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of Arizona rivers and streams adjudicated, including the necessity to alter and ratify remaining reports that comport with information requested by courts.	0	6	0	6	0
<b>Explanation:</b> Number of Arizona rivers and streams adjudicated, includes necessity to alter and ratify remaining reports to comport with information requested by the Courts.					
Number of hearings remaining following implementation of 2001/current statutes	6	6	6	6	0
Cost per hearing to study watercourses (in thousands of dollars)	20,000	20,000	0	20,000	20,000
Customer satisfaction rating for hearing attendees (scale 1-8)	8	8		8	
Number of final reports approved by Commission	4	6	0	6	0
Cases completed	1	6	0	2	4

- ◆ **Goal 2** To complete and ratify all Commission final reports, including changes in reports to comport with Court instructions particularly in the six remand cases on appeal returned as a result of a determination by the Arizona Court of Appeals on October 21, 2011.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complete and ratify Commission final reports in appealed cases that may require additional Commission reports.	1	6	0	2	4

- ◆ **Goal 3** To defend in State and Federal Court all Appeals of Commission determinations. At present there are 5 matters on appeal, two in Pima County Superior Court, and three in Maricopa Superior Court. One other has been in the Arizona Court of Appeals and will shortly be returned to the commission for action.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Actions filed against the Commission regarding the six remand cases.	0	6	0	6	0

- ◆ **Goal 4** To defend all other legal actions filed against the Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of cases	0	6	0	6	0

**Explanation:** There are no numbers included as there are no actions pending other than actual appeals and legal actions related to those.

- ◆ **Goal 5** To record each Commission report in the appropriate county seat either following expiration of appeal times or completion of Court mandated work and completion of appeals and court actions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Recording Commission reports in the appropriate county seat as they are completed and appeal times have expired with no appeals filed, or as they are completed through court actions or other actions by the Commission.	4	6		6	

- ◆ **Goal 6** To write and ratify additional Commission reports regarding the six remand cases as they are completed.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Six or more additional commission reports will likely be written during any one of the next three fiscal years including during the current fiscal year.	0	6	0	2	4
Write and ratify final reports.	0	0	0	2	4
Cost per report, estimated two reports in FY2015 and four reports in FY2016.	0	0	0	50,000	50,000

- ◆ **Goal 7** To respond to legal motions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Additionally, it is impossible to know what legal motions and legal actions may be filed during any of these years. However, it is likely that all six remand cases will require a Commission Report which may lead to legal actions.	0	6		6	

## Agency Summary

### BOARD OF NURSING

Jo Elizabeth Ridenour, Executive Director  
 Phone: (602) 771-7801  
 A.R.S. §§ 32-1601 to 32-1668

**Mission:**

*To protect and promote the welfare of public by ensuring that each person holding a nursing license or certificate is competent to practice safely. The Board fulfills its mission through the regulation of the practice of nursing and the approval of nursing education programs. The mission, derived from the Nursing Practice Act, supersedes the interest of any individual, the nursing profession, or any special interest group.*

**Description:**

The State Board of Nursing protects the public by assuring that standards of practice are defined and that persons engaged in the practice of nursing are competent. It approves individuals for licensure, registration, and certification; approves educational programs for nurses and nursing assistants; investigates complaints concerning licensee and certificate holder compliance with the law; and determines and administers disciplinary actions in the event of proven violations of the Nurse Practice Act.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ LICENSING AND REGULATION - RN/LPN	4,281.6	4,272.1	4,721.6
➤ NURSING ASSISTANT	576.1	564.7	714.7
<b>Agency Total:</b>	<b>4,857.7</b>	<b>4,836.8</b>	<b>5,436.3</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	150.0	150.0	300.0
Other Appropriated Funds	4,269.7	4,272.1	4,721.6
Other Non Appropriated Funds	438.0	414.7	414.7
<b>Total Funding</b>	<b>4,857.7</b>	<b>4,836.8</b>	<b>5,436.3</b>
<b>FTE Positions</b>	<b>55.1</b>	<b>54.8</b>	<b>54.8</b>

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## 5 Year Plan

**Issue 1** Assure governance framework supports the Board’s mission and vision

**Description** Processes for defining and delivering good decisions and leadership for the good of the public as a whole through the regulation of the practice of nursing and the approval of nursing education programs.

**Solutions:**

- a). Ensure board members are educated on principles of governance;
- b). Improve evidenced based decision making by integrating data driven processes;
- c). Enhance communication between the Board and consumers, key stakeholders and Advisory Committees to support change and innovation for improved public protection;
- d). Explore possibility of Just Culture implementation;
- e). Develop educational outreach activities related to nursing regulation

**Issue 2** License/certify only qualified nurses and nursing assistants that assures public safety

**Description** Assuring only qualified individuals are licensed or certified and have the basic educational preparation to practice safely.

**Solutions:**

- a). Improve processes for licensure/certification;
- b). Implement “promising practices” from the National Council State Boards of Nursing (NCSBN) Commitment to Ongoing Excellence research;
- c). Maximize use of technology for licensing applications/verifications;
- d). Develop electronic finger printing process;
- e). Implement legislation in 2016 for the Advanced Practice Registered Nurse (APRN) Compact

**Issue 3** Investigate unsafe or incompetent nurses and certified nursing assistants; remediate or remove from practice

**Description** Regulation-Enforcement, Discipline & CANDO Program.

Enforcing scope and standards of practice of licensed nurses and certified nursing assistants to remediate or remove unsafe practitioners from practice.

**Solutions:**

- a). Provide for an effective alternative to discipline under the program for nurses who have substance abuse disorders (CANDO);
- b). Update disciplinary guidelines for consistent sanctions utilizing precedents;
- c). Improve processes for investigations and compliance;
- d). Provide for an effective probationary period for those that need monitoring as part of the discipline;
- e). Promote evidenced based regulation and practice breakdown research that provides for public protection.

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**Issue 4** Review and approve or deny nursing education programs consistent with Board rules

**Description** Nursing Education Program Initial & Continuing Program Approval.  
Enforcing standards to promote the preparation of qualified candidates for licensure & certification.

**Solutions:**

- a). Review and improve educational rules that directs quality education regardless of educational delivery method;
- b). Review and approve or deny nursing educational programs consistent with Board rules;
- c). Support statewide conferences to enhance competencies of nursing program faculty;
- d). Review and investigate nursing program complaints and, evaluate for trends; report to nursing programs as is appropriate;
- e). Obtain program admission and completion data and partner with programs/facilities to address issues;
- f). Identify research topics related to nursing regulation and develop strategies to conduct research.

**Issue 5** Ensure nursing regulations are current and reflect state of the art & science of practice.

**Description** The current trends in public policy, the nursing practice, and education.

**Solutions:**

Monitoring trends in public policy, the nursing practice, and education, timely amendments to the Nurse Practice Act are made, ensuring that the State's nursing statutes and rules reflect contemporary practice.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	54.8	54.8	54.8
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	4,272.1	4,272.1	4,272.1
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	414.7	414.7	414.7

**Program Summary**

**LICENSING AND REGULATION - RN/LPN**

Jo Elizabeth Ridenour, Executive Director  
 Phone: (602) 771-7801  
 A.R.S. §§ 32-1601 to 32-1668

**Mission:**

*To establish standards and requirements for initial licensure of new nursing graduates and nurses moving into the State; to protect the public by investigating complaints against licensees ensuring that due process is upheld; to assist nurses with problems of chemical dependency to obtain treatment; to monitor such activity, all with the intent to protect the public from nurses who are unsafe to practice.*

**Description:**

The Board of Nursing (ASBN) licenses all nurses practicing in the State except those practicing in federal facilities. In order to license nurses, the Board administers the National Council Licensure Examination (NCLEX) to new graduates and verifies licensure status in other states for nurses moving into Arizona. The Board investigates licensees who have been reported for possible violations of the Nurse Practice Act. Through a comprehensive investigation process, the agency ensures the public safety from incompetent, unsafe, or unprofessional nurses. The Chemically Addicted Nurses Diversion Option (CANDO) Program of the Board consists of three year contracts with licensees which include and are monitored for: initial intensive treatment, aftercare, participation in Alcoholics Anonymous or Narcotics Anonymous, random biological-fluid screens, nurses support groups and quarterly employer evaluations. Licensees are also monitored when the Board determines probational discipline is needed to ensure that public risk is reduced. The Hearing Department schedules hearings for licensees/certificate holders who have been denied licensure/certificates and for those who request their disciplinary procedure be heard by an Administrative Law Judge whose recommendation is forwarded to the Board for approval of the final order.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	4,269.7	4,272.1	4,721.6
Other Non Appropriated Funds	11.9	0.0	0.0
<b>Total Funding</b>	<b>4,281.6</b>	<b>4,272.1</b>	<b>4,721.6</b>
<b>FTE Positions</b>	<b>42.2</b>	<b>42.2</b>	<b>42.2</b>

◆ **Goal 1** To reduce the cycle time needed to issue certificates and licenses for examinee, endorsement and renewal applicants.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average score on customer service survey (Scale of 1 - 8)	7.42	7.3	7.1	7.3	7.3
Average days from application received to RN/LPN renewal license issued	1.3	5	1	4	4
RN/LPN renewals issued (4-year cycle)	16,513	18,200	16,258	18,200	18,200
Total licensees Registered Nurses and Licensed Practical Nurses	86,628	86,500	89,361	87,000	87,000

- ◆ **Goal 2** To reduce the cycle time needed to investigate complaints, complete hearings and increase compliance with consent agreements and Board orders.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total complaints received	1,121	1,150	1,124	1,200	1,200
Percent of licensees with disciplinary action	.77	.6	1.3	1.8	1.8
Average hours per investigation needed to complete a case	25.0	25.0	25.0	25.0	25.0
Average months needed to complete investigations and present cases to the Board	6.5	7.8	8.2	7.8	7.8
Average calendar days from receipt of RN/LPN complaint to resolution	199	215	250	215	215
Average calendar days per investigation from start to final adjudication	274	260	280	260	260
Percent of investigations resulting in disciplinary enforcement action	77	70	62	70	70

- ◆ **Goal 3** To effectively provide a non-disciplinary Chemically Addicted Nurse Diversion Option (CANDO) program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Licensees in CANDO program	173	200	174	190	190
Licensees completing CANDO program (%)	63	63	71	65	65

- ◆ **Goal 4** To provide an effective educational program monitoring process for schools of Nursing that promotes a high percentage of RN/LPN examinees passing NCLEX.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Nursing programs monitored for non-compliance	13	15	11	9	9
Examinees from program successfully passing NCLEX	3,127	3,450	2984	3,500	3,500



**Program Summary**

**NURSING ASSISTANT**

Jo Elizabeth Ridenour, Executive Director  
 Phone: (602) 771-7801  
 A.R.S. § 32-1645

**Mission:**

*To protect the public health, safety, and welfare through the provision of competent Certified Nursing Assistant care.*

**Description:**

This program administers the certification examinations for Nursing Assistant candidates, surveys and approves Nursing Assistant training programs, and maintains a register of Certified Nursing Assistants (CNAs). The Arizona Department of Health Services shares some responsibility for this program by receiving and substantiating complaints against CNAs.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	150.0	150.0	300.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	426.1	414.7	414.7
<b>Total Funding</b>	<b>576.1</b>	<b>564.7</b>	<b>714.7</b>
<b>FTE Positions</b>	<b>12.9</b>	<b>12.6</b>	<b>12.6</b>

◆ **Goal 1** To operate the program efficiently and effectively.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of applicants or certificate holders reporting very good or excellent service	7.42	7.0	6.87	7.0	7.0

**Explanation:** Effective January 2008 new statutory requirements went into effect regarding lawful presence in the United States.

Average calendar days from receipt of completed application to denial of certification	469	300	300	300	300
Total individuals certified as nursing assistants	27,713	27,800	27,267	28,500	28,500
Total complaints received	733	675	885	675	675
Average calendar days from receipt of CNA complaint to resolution	256	255	268	255	255
Percent of CNA's with disciplinary action	1.4	1.7	1.4	1.7	1.7
Total investigations conducted - status closed	517	700	728	700	700
Percent of investigations resulting in disciplinary enforcement action	52	60	40	60	60
Average calendar days per investigation from start to final adjudication	287	280	271	280	280

## Agency Summary

### BOARD OF EXAMINERS OF NURSING CARE INSTITUTION ADMINISTRATORS AND ADULT CARE HOME MANAGERS

Allen Imig, Executive Director  
 Phone: (602) 542-8156  
 A.R.S. § 36-446.02

**Mission:**

*To protect the health, welfare, and safety of Arizona citizens who seek and use the services of nursing care institution administrators and assisted living facility managers.*

**Description:**

The Board evaluates and processes initial applications and renewals from individuals seeking nursing home administrator licenses and assisted living facility manager certificates. Since both administrators and managers are required by law to meet continuing education requirements, the Board also approves continuing education programs. The Board approves, renews, and regulates assisted living facility manager and caregiver training programs. The Board investigates complaints received from the public or the Department of Health Services and imposes disciplinary action on licensees or certificate holders when necessary. All Board functions are accomplished through a fee-financed program of examination, licensure, and regulation.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	345.6	420.3	420.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>345.6</b>	<b>420.3</b>	<b>420.3</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

◆ **Goal 1** To ensure consistent and timely investigations of complaints and enforcement action in accordance with statutes and rules.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Complaints opened	109	140	84	100	110
Disciplinary actions	74	60	41	55	60
Fiscal Year Complaints resolved	84	120	65	75	80
Average number of days from open to close of complaint, within fiscal year	106	120	69	120	120
Number of complaint and application investigations conducted	121	120	80	90	100

◆ **Goal 2** To ensure that licenses and certificates are granted or renewed to qualified administrators and managers.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of existing licenses and certificates	2,853	2,750	2,738	2,900	2,800
Number of new applications filed	447	370	331	390	350
Number of new licenses issued	312	330	332	335	335
Number of new and existing licenses	3,165	3,000	3,070	3,200	3,100
Number of renewal applications processed	1,800	520	641	1,800	650
Average calendar days to renew a license	4	3	4	4	4

◆ **Goal 3** To ensure that agency operations are effective and efficient.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction (scale of 1-8)	7.8	7.5	7.9	7.5	7.5
Administration as percent of total cost	5.3	5.4	5.4	5.4	5.5

◆ **Goal 4** To ensure quality continuing education is approved

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new CE sponsor hours approved	464	525	582	540	550
Average number of days to process CE sponsor applications	5	5	4	5	5

◆ **Goal 5** To ensure public information requests and license verifications are completed timely.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of days to process a public records request	2	4	4	4	4
<b>Explanation:</b> Implemented starting FY07					
Average number of days to process a license verification	3	3	7	5	5
<b>Explanation:</b> Implemented starting FY07					

## Agency Summary

### BOARD OF OCCUPATIONAL THERAPY EXAMINERS

J.Randy Frost, Executive Director  
 Phone: (602) 589-8353  
 A.R.S. §§ 32-3401 to 32-3445

**Mission:**

*To protect the health, safety, and welfare of the public by licensing and regulating individuals who provide occupational therapy services.*

**Description:**

The Board of Occupational Therapy Examiners is a regulatory board that issues and renews over 3,000 licenses for occupational therapist and occupational therapy assistants. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action, and responds to inquiries from consumers as to the license status of occupational therapy professionals.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ BOARD OF OCCUPATIONAL THERAPY EXAMINERS	172.4	184.2	184.2
<b>Agency Total:</b>	<b>172.4</b>	<b>184.2</b>	<b>184.2</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	172.4	184.2	184.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>172.4</b>	<b>184.2</b>	<b>184.2</b>
<b>FTE Positions</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

**Program Summary**

**BOARD OF OCCUPATIONAL THERAPY EXAMINERS**

J. Randy Frost, Executive Director  
 Phone: (602) 589-8353  
 A.R.S. §§ 32-3401 to 32-3445

**Mission:**  
*To protect the health, safety, and welfare of the public by licensing and regulating individuals who provide occupational therapy services.*

**Description:**  
 The Board of Occupational Therapy Examiners is a regulatory board which issues and renews bi-annually approximately 1,800 active licenses for the occupational therapy profession and monitors 1,469 closed licenses. By law, the Board requires that each applicant meet minimum standards of education, experience, and competency. The Board also receives and investigates complaints, takes appropriate disciplinary action, and responds to inquires from consumers as to the license status of individual occupational therapy professionals.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	172.4	184.2	184.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>172.4</b>	<b>184.2</b>	<b>184.2</b>
<b>FTE Positions</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

◆ **Goal 1** To investigate and adjudicate complaints within 120 days

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of occupational therapy complaints received	9	10	6	5	5
Number of complaints resulting in disciplinary action	6	5	3	3	3
Complaints resolved within 120 days	9	10	6	5	5
Percent of complaints resolved within 120 days	100	100	100	100	100

◆ **Goal 2** To ensure that licenses and renewals are issued in a timely manner to Occupational Therapists and Occupational Therapy Assistants with high standards of professional and ethical standards.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of license renewal applications received and renewed (OTs and OTAs)	868	1,300	1,319	870	1,320
Number of Licensees (OTs and OTAs)	2792	3,000	3,052	3,100	3,200
Number of initial license applications received (OTs and OTAs)	354	325	494	500	525
Number of Initial Licenses Issued (OTs and OTAs)	354	350	494	500	525
Average calendar days to process a renewal application	5	5	5	5	5
Average calendar days to issue an initial license	5	5	5	5	5

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◆ **Goal 3** To continually improve customer satisfaction by providing consistency in carrying out the Board's policies and procedures.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of licenses issued within 10 days of approval	100	100	100	100	100
Number of individuals licensed as occupational therapists	1,937	2,100	2,034	2,200	2,300
Customer Satisfaction rating (scale 1-8)	7.8	8.0	7.7	8.0	8.0

### Agency Summary

#### BOARD OF DISPENSING OPTICIANS

Lori D. Scott, Executive Director  
Phone: (602) 542-8158  
A.R.S. § 32-1671

#### Mission:

*To protect the visual health of the citizens of Arizona by regulating and maintaining standards of practice in the field of opticianry.*

#### Description:

The Board of Dispensing Opticians licenses professionals to practice in the field of opticianry and licenses optical establishments. This Board is distinguished from the Board of Optometry, which regulates optometrists, whereas dispensing opticians fill orders for and fit persons with corrective eyewear. The Board of Dispensing Opticians accepts complaints against licensees, and unlicensed entities, investigates, and adjudicates.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	131.5	135.8	144.5
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>131.5</b>	<b>135.8</b>	<b>144.5</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>

**Issue 1** 5 yr Strategic Plan

**Description** ARIZONA STATE BOARD OF DISPENSING OPTICIANS

FIVE-YEAR STRATEGIC PLAN

8/28/2014

Mission:

To protect the visual health of the citizens of Arizona by regulating and maintaining standard of practice in the field of opticianry.

To this end, the Board regulates the opticianry profession through administering examinations, issuing licenses to qualified opticians and optical establishments, proposing legislation, enacting rules and regulations and investigating complaints brought to the Board against licensed opticians and optical establishments

Description:

The Board of Dispensing Opticians examines and licenses professionals to practice in the field of opticianry and licenses optical establishments. This Board is distinguished from the Board of Optometry, which regulates optometrists, whereas dispensing opticians fill orders for and fit persons with corrective eyewear. The Board of Dispensing Opticians accepts complaints against licensees, investigates allegations, and administratively adjudicates complaints.

Goals and Objectives

Goal #1: To ensure high standards of professional and ethical conduct in the field of opticianry through efficient processing of examination, establishment and optician license applications and administration of the State Board Practical Examination.

Objective #1: By December 2014, the Board Examination Committee will meet to discuss any changes needed to the State Practical Examination. The committee will bring any needed changes for a full Board vote.

Objective #2: By December 2015, the Board will implement any needed changes to the State Practical Examination.

Objective #3: Over the next two fiscal years, new equipment will be purchased to replace outdated equipment used for the State Practical Examination.

The Board has available resources to accomplish objectives #1 and #2. An increase in appropriations will be requested for FY 15 to fund objective #3. The Board has the available resources to accommodate an increase in appropriations.

Goal #2: To investigate and adjudicate consumer and Board initiated complaints in accordance with statutes and rules in order to protect the public from incompetent services and unprofessional and unethical conduct.

Objective #1: By the end of fiscal year 2014, the Executive Director will increase the number of optical establishments visited and inspected.

Objective #2: By the end of fiscal year 2015, the Board will actively recruit more retired licensed opticians to serve as investigators.

The Board will request another increase in travel funds to accommodate the establishment inspections. The Board has the available resources in the Dispensing Opticians Fund to accommodate an increase in appropriations.

Goal #3: To better protect the public through the administration of the continuing education requirement in order to upgrade the profession of opticianry in accordance with the Board's mandate.



Objective #1:By December 2014, the Board Continuing Education Committee will meet to discuss the number of continuing education hours required by rule for opticians to have completed in every three year period.

Objective #2:Introduce legislation and Implement Rule package, if necessary, to accommodate any changes suggested by the committee.

Existing funds will be used to initiate action to attain goals and accomplish objective.

Goal #4:To maintain consistency in opticianry licensure and regulation with other states through membership in governmental and industry associations (FARB, CLEAR, AADO, OAA, NCSORB and ABO) and to interact with the optical industry on a statewide basis.

Objective #1:At least one Board member or the Executive Director will attend no less than one governmental or industry related seminar each fiscal year.

Objective #2:Development of an annual newsletter and mailing list containing an update on changes in regulation, etc., to be mass mailed to licensees and other members of the ophthalmic industry within Arizona and in other states.

An increase in appropriations will be necessary to implement these goals and accomplish objectives. The Board has the available resources to accommodate an increase in appropriations.

**Solutions:**

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	1.0	1.0	1.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	135.8	135.8	135.8
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To ensure high standards of professional and ethical conduct in the field of opticianry through efficient processing of examination, establishment, and optician license applications and administration of the State Board Practical Examination.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Optician licenses issued	70	70	60	60	60
Optician renewal applications processed	787	830	812	850	850
Establishment licenses issued	7	70	78	15	15
<b>Explanation:</b> 64 locations were sold and obtained new licenses in fiscal year 2014. 14 were new locations.					
Establishment renewal applications processed	317	370	309	410	370
Average number of days from receipt of application for establishment license to granting of license	17	15	4	15	15
<b>Explanation:</b> 64 applications were received two days before issuance.					
Percentage of renewals within 3 days	100	98	99	98	99
Customer satisfaction rating (Scale 1-8)	8	8	8	8	8
Number of licensees (new and existing)	1,207	1,220	1230	1,240	1250

- ◆ **Goal 2** To investigate and resolve consumer and Board initiated complaints in accordance with statutes and rules in order to protect the public from incompetent services and unprofessional and unethical conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints about licensees received and investigated	5	5	6	5	5
Complaints resolved	4	5	6	5	5
Disciplinary action	0	5	0	5	5
Number of days from receipt of complaint until completion	34	80	44	70	60

**Explanation:** Number of days is an average of all complaints

Establishment Inspections	110	180	136	180	180
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- ◆ **Goal 3** To better protect the public through the administration of a continuing education requirement in order to upgrade the profession of opticianry in accordance with the Board's mandate.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of licensees fulfilling continuing education requirement	100	100	99	100	100
Number of licensees fulfilling requirement	425	166	157	193	479

### Agency Summary

#### BOARD OF OPTOMETRY

Margaret Whelan, Executive Director  
Phone: (602) 542-8155  
A.R.S. § 32-1701

#### Mission:

*To protect the health, safety, and welfare of Arizona citizens by regulating and achieving the highest standards in the optometry profession.*

#### Description:

The Arizona State Board of Optometry examines, licenses, and regulates the profession of Optometric Doctors. In addition, the Board registers out-of-state replacement contact lens dispensers. The Board investigates complaints alleging violations of the Optometric Practice Act and takes administrative regulatory action when required.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	10.0
Other Appropriated Funds	199.4	206.1	226.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>199.4</b>	<b>206.1</b>	<b>236.1</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

## 5 Year Plan

**Issue 1** To ensure that licenses are granted or renewed to qualified optometrists  
**Description** Process an initial licensure by exam application within 75 days of the overall timeframe  
 Process an initial licensure by endorsement application within 75 days of the overall timeframe  
 Process a license renewal within 45 calendar days

**Solutions:**  
 Goal time (in calendar days): 75

**Issue 2** To effectively investigate and adjudicate complaints pursuant to statutes and rules  
**Description** % of complaints resolutions from receipt to completion within 120 calendar days

**Solutions:**  
 Goal time (in calendar days): 120

**Issue 3** To ensure agency policies and procedures are effective and efficient. (Including testing, renewal, initial licensing, and Customer Satisfaction)

**Description** Administration as % of total cost

**Solutions:**  
 Goal percentage: 7%

**Issue 4** "To ensure customer satisfaction regarding public information requests, license verifications, e-mail and phone communication"

**Description** % of license verifications completed within 7 business days  
 % of public information requests completed within 7 business days  
 % of e-mails, phone calls and internet requests completed within 7 business days

**Solutions:**  
 100% response within timeframe

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	2.0	2.0	2.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	208.0	208.0	208.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To ensure that licenses are granted or renewed to qualified optometrists.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
New licenses issued	53	55	86	60	60
License applications received	73	60	91	70	70
Active licensees	1,084	1,075	1,106	1,120	1,150
Average time to process an initial license application (in days)	20	20	20	20	20
Average calendar days to renew a license	1.5	2	1.5	2	2

◆ **Goal 2** To effectively investigate and adjudicate complaints pursuant to statutes and rules.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of complaints received	32	35	31	35	35
Total number of complaints resolved	29	35	29	35	35
Average number of days from receipt of complaint to resolution	76	70	76	70	70
Total number of disciplinary actions	0	3	1	3	3

◆ **Goal 3** To provide accurate information and programs to stakeholders, including but not limited to: citizens, licensees, health care organizations, and other governmental bodies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of written public information requests	262	325	289	300	300

◆ **Goal 4** To ensure agency policies and procedures are effective and efficient (including testing, renewal, initial licensing, and certificates of special qualification).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Prompt response to renewal applications with deficiencies (percent)	100	100	100	100	100
Administration as % of total cost	4	7	4	7	7

## Agency Summary

### OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) REVIEW BOARD

Laura McGrory, Director  
 Phone: (602) 542-4411  
 A.R.S. § 23-422

**Mission:**

*To be an independent body that adjudicates appeals of administrative law judge decisions regarding citations issued by the Arizona Division of Occupational Safety and Health, a division of the Industrial Commission.*

**Description:**

The review board is an independent body that consists of five members appointed by the Governor. One member is a representative of management, one member is a representative of labor and three members are representatives of the general public. The Industrial Commission is responsible for all budgetary actions, including providing administrative support for the OSHA Review Board. The OSHA Review Board is otherwise considered independent of the Commission.

Following the issuance of a citation, an employee may request a hearing. If the case is not resolved informally before the hearing, the case is heard before an Industrial Commission administrative law judge. If either ADOSH or the cited employer disagrees with the outcome of that hearing, they can request review before the review board, which is authorized under A.R.S. 23-423 to hear and rule on requests for review of ALJ decisions on contested citations. The decisions of the review board can be appealed to the Court of Appeals.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2.2	11.6	15.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2.2</b>	<b>11.6</b>	<b>15.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## 5 Year Plan

**Issue 1** Funding Issue 1: OSHA Review Board Continuation Funding

**Description** The OSHA Review Board is an independent body that consists of five members appointed by the Governor. The Review Board has historically received a non-lapsing \$15,000 appropriation when needed to fund the program. Workload projections indicate the Review Board will exhaust its remaining appropriation of \$12,000 during FY15.

**Solutions:**

Grant an additional \$15,000 General Fund non-lapsing appropriation to the OSHA Review Board in FY16.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To hear and rule on OSHA appeal cases.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Cases heard and ruled upon	1	3	1	3	3

## Agency Summary

### BOARD OF OSTEOPATHIC EXAMINERS

Jenna Jones, Executive Director  
Phone: (602) 771-2522  
ARS 32-1800 et seq

#### Mission:

*To protect the public health and safety of people in the State of Arizona through the regulation of physicians licensed to practice osteopathic medicine and surgery in the State.*

#### Description:

The Board of Osteopathic Examiners licenses and regulates osteopathic physicians in the State of Arizona. The Board is responsible for the licensure and regulation of osteopathic physicians and residents, the enforcement of standards of practice, and the review and adjudication of complaints.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	744.2	801.7	801.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>744.2</b>	<b>801.7</b>	<b>801.7</b>
<b>FTE Positions</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>

## 5 Year Plan

**Issue 1** Identifying and resolving pending complaints on a more timely basis. Complete the investigation so they can be resolved more timely by the Board.

**Description** This is a critical issue to our Board and to a number of parties (stakeholders) that we are current with our complaint caseload. As we prepare for the sunset review in a year or two, this will be of concern to the legislature.

We have spent the past twenty four months working very diligently to address a backlog of old cases all while trying to keep up with an increasing number of newly reported complaints. As of August 25, 2014, we are up 32% in the number of complaints reported over this same time last year. We have worked very hard to complete the investigations on the older cases; we have three outstanding 2012 cases and only 11, 2013 cases that will not be reviewed by the board at the end of August 2014. All 08-11 cases have been addressed.

In FY14 we resolved 234 cases. In FY13, we were successful in resolving 233 complaints, in comparison to 146 in FY12.

In FY12, we received 176 new complaints. In FY13, we received 217 new complaints, an increase of 23% over the previous year. In FY14, we received 262 complaints. An increase of 21%. We anticipate the increase in complaints to continue into the future. The public is more aware of regulatory boards and appears to be turning to us for assistance, filing complaints, as the awareness increases.

### **Solutions:**

In an effort to address and reduce the pending backlog of complaints, thus far, we have utilized several methods to do so. We will continue to pursue other options to assist us with this issue. With the increase in newly reported complaints, we will need to continue to identify methods to stay current (up to date) with the complaint caseload to reach the state's goal of completing investigations or resolving complaints within 180 days (6 months).

In mid FY13, we increased the Medical Consultant's hours from 20 to 30 hours per week. Due to funding, we were not able to carry this through FY14. With the increase we received in funding for FY15, we plan to increase the medical consultant's hours from 20 to 30 per week and utilize our outside medical consultants more often.

We have increased the number of cases that are being referred for outside medical review. As more and more doctors are becoming board certified, it is necessary to utilize more appropriate peers to review the cases. The increase in case referrals for outside medical review has worked well and we will continue utilizing this option. Many of the outside consultants are requiring high fees for their services. This is understandable and should be expected in the future. To receive accurate medical opinions, cases involving a high degree of specialty medicine must be sent to outside reviewers for review. On the other hand, we are also reviewing the way we assign those cases that may not need a medical consultant's expertise. More and more of those cases will be referred to our investigator for review and investigation completion.

Other options we have considered include hiring another part-time medical consultant. This is still an option but due to the lack of funding, office space limitations and other expenses, we have not pursued this option. Also, with the current funding we did not find it possible for the long term. We may also pursue a contractual type arrangement with an outside medical consultant to allow us to keep work flow up but not incur additional ERE. If we were to hire someone on a contractual basis I would anticipate we would have to pay them close to \$100 to \$150 per hour which in the end is more than the cost to increase our current consultant's hours.

By increasing the time to investigate and resolve complaints it will allow our agency to be more efficient and gain greater support from the public and the licensees. The system that previously existed was not efficient or timely for the person making the complaint nor the licensee that it involved. A more timely system may also allow us to identify emerging trends, problems or issues on a more timely basis so we can provide more timely feedback or education on a proactive basis to the licensees and stakeholders.



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**Issue 2** Complaints are taking more than 180 days to resolve and the Auditor General has set a guideline of 180 days or less to resolve complaints. We need to complete our complaints more timely.

**Description** Our goal is to reduce the average number of days to investigate or resolve a complaint to an average of 180 days or less. We recognize that some complaints, due to the difficulty of the case, require further investigation, evaluation or chart review after the Board reviews the matter initially. Resolution of these cases within 180 days is not possible but we do believe the initial investigation should be possible within this timeframe.

This problem was also a direct result of not getting the investigations completed timely as discussed in Issue #1. This problem deals with the Board reviewing the case by holding an Investigative Hearing or possibly sending it to the Office of Administrative Hearings for review and recommendation. These processes can take a very long time and six months is not always a reasonable measure of time for these more difficult cases that may result in a revocation or extended suspension of a license; however, we will strive to meet timely resolution of such cases. We believe we may need an additional administrative person to assist with keeping up with the complaint responses and maintaining a follow up system for the entire complaint process.

Again, this is a critical item to our Board as it affects the public and our licensees. When we have a serious case involving possible immediate danger to the public, our Board address these matters on an immediate basis.

**Solutions:**

This issue is tied with our first strategic issue. If we can reduce the outstanding number of complaints, we can address the newly received complaints more quickly. As the Board works through resolving all of the outstanding complaints, we are able to more timely deal with the newer complaints.

In FY13 and FY14 the Board has increased their meetings from six times per year to nine times in FY13 and they held seven meetings in FY14. We anticipate 7 meetings in FY15. More meetings will allow them to conduct more Investigative Hearings and increase the outcome of resolving more cases. Sometimes, the Board will initially review a case but then return it for more investigation, a chart review or possibly an evaluation of the licensee. In order to address these situations, staff is trying to be more proactive by anticipating such requests and addressing or requesting the additional information prior to the Board's review.

We have undertaken a number of items to address ways to increase our output of completed investigations and our Board has been very supportive of increasing their workload (ie: board meetings) to respond and address the backlog. By holding the extra meetings it has enabled us to resolve more complaints. In addition, we have revised our reviewer process to allow a more timely initial review of the case.

We will also continue to look at our processes to determine if there are methods or processes available to us to increase our complaint resolution rate. Perhaps there are ways or methods that we can take internally by staff that will increase the output without directly translating more work to our Board members. We may need to hire someone part time to assist with the coordinating of the investigations and keeping track of investigation responses, etc. We would anticipate this would be a part time position of 20 hours per week, at \$14 per hour, or \$20,500 per year.

We believe that continue the downward trend on time to resolve complaints is directly related and reflective of the number of pending complaints. As we review and revise our processes, we have been able to stay on top of the increasing complaint numbers while clearing out the backlog.

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**Issue 3** Our agency needs to find the most efficient ways to process applications while continuing to meet with statute, rule and timeframe requirements. Many agencies are utilizing online applications and we need to evaluate and determine where such items may be useful or applicable for our agency in response to a customer service driven model.

**Description** There are pressures on the national front to reduce the licensing timeframe or the time required to issue new licenses. We need to identify methods to streamline the processing time while continuing to provide a quality driven product or evaluation while protecting the public. We are always looking for ways to improve our processes.

Currently, the medical profession is encountering pressures from outside groups to pursue national licensure using as an example, the doctor who wants to provide telehealth must be licensed in the state that he provides care. The argument is that it takes too long for many of the jurisdictions to process the applications and that every state has different requirements. The response has been to consider a state licensing compact for physicians.

Many agencies are utilizing more online processes in response to demands from the public and applicants. We must continually evaluate what forms we provide on the internet and what information is provided on our website. We strive to be proactive in this area and we are open to customer suggestions or requests. Currently, applicants for licensure and dispensing registrations must send the forms into our office. We will explore moving to an online application submission while still assuring compliance with the statutes and rules. However, to date the expense to move to such a system is not justified and we do not have the funding to do so.

We, as well as other medical boards, are striving to find ways to process applications and issue licenses as expediently as possible. We are continuing to pursue the most efficient license process possible while continuing our mission to protect the public. Our current average application processing time is twenty-three days. We measure from the time the application is received in our office until the issuance letter is sent. Cases where a license is denied would take longer because that would have to go before the Board but we also comply with the mandated timeframes for licensing.

We will be looking at revising our rules and statutes in the near future to assist with making our application process more streamlined, efficient and understandable. The rules process will require funding and considerable time by the staff as well as the Board. The vast majority of the extra expense is due to the need of the expertise from a rules writer to assist us with the process.

It is critical that we provide a the most efficient model possible both to the licensees and the public. Those applicants that are qualified to be licensed should move through the process as quickly as possible and the public demands licensed professionals to provide medical care on a timely basis. With the approaching shortage of doctors we do not want to be viewed as a barrier to entry into the practice for those qualified applicants who wish to practice in Arizona.

**Solutions:**

Our plan includes reviewing and updating the rules and statutes regarding licensing requirements and pursuing updates or revisions for changes, if necessary. This is a very long, difficult process to assure that all provisions are covered and the process is in compliance with the statutes and rules or what needs to be modified to be in compliance. Rules changes require the assistance of a rules writer and therefore additional expense. Staff time devoted to these changes is significant and as the world changes and external pressures increase, we are required to devote more time to reviewing and evaluating our processes and therefore time is taken away from other duties and responsibilities. With a small staff, this is sometimes very difficult to manage.

We have made significant reductions in the days it takes to process an application and we will continue to evaluate our processes to make sure we are utilizing the most efficient model possible. We are currently at an average of 23 days, we hope to reduce this figure by 10% over the next two years. Thus far, in the past year we have taken an average of over 60 days and reduced it to 23.

We will be looking at online application processing, however, much of the verification process will still require and compose much of the time required to process applications. There are external factors that we can not control which also affect the processing time. We are working to identify these and methods to improve the response time for receiving these materials.

We will continue to evaluate other board's processing procedures to see where or how we may enhance our current policies and procedures. We will also continue to benchmark and gain input and feedback from other licensing organizations to determine what they have done to improve their processes.

We will also work with the national level organizations and state organizations to determine what options may be available or

where they can assist. The Federation of State Medical Boards is investigating a compact program, we will participate in these discussions and be involved in the process.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	6.7	6.7	6.7
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	801.7	801.7	801.7
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To issue and renew licenses promptly and in an effective manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new and existing licenses	2,676	2,750	2,780	2,850	2,900
Number of applications for new license received	212	175	247	200	200
Number of new license applications issued	184	185	212	185	185
Average days to issue new license	20.5	21	23.5	22	22

**Explanation:** Timeframe to process applications

Percentage of renewals done online vs. paper/manually	85	80	91.5	92	92
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◆ **Goal 2** To investigate and resolve complaints in a timely manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Complaints received	217	220	262	300	300
Complaints investigated	258	200	264	275	275
Licensees who had disciplinary action taken	11	8	11	18	18
Average calendar days to resolve a complaint	412	300	378	300	275
Average calendar days to investigate a complaint	303	200	194	150	130
Number of complaints closed/resolved	233	260	249	300	300

◆ **Goal 3** To administer the agency efficiently and provide customer service to the public

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administration as percent of total cost	10.8	11	9	10	11
Customer satisfaction rating (1-8)	5	5	5	5	5

## Agency Summary

### PARENTS COMMISSION ON DRUG EDUCATION AND PREVENTION

Barbara Broderick, Chairwoman  
 Phone: (602) 506-7244  
 ARS 41-1604.17

**Mission:**  
*To fund programs that increase and enhance parental involvement, and increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.*

**Description:**  
 The Arizona Parents Commission on Drug Education and Prevention, also known as the Parents Commission, was created by voter initiative in 1996 and established by A.R.S. 41-1604.17. The Parents Commission is comprised of nine members appointed to the Commission by the Governor to serve two-year terms. Membership consists of five parents of children currently enrolled in Arizona schools and one representative each from the education, county probation, prevention and treatment, and law enforcement.

It allocates funding for programs that will increase and enhance parental involvement and will increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

## 5 Year Plan

**Issue 1**    New SI

**Description**

**Solutions:**

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1**    To fund programs that increase and enhance parental involvement, and increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of individuals impacted directly and indirectly by programs and/or efforts funded by the Parents Commission, evidenced by program reports.	3,891,862	1,000,000	3,375,764	2,000,000	2,000,000

◆ **Goal 2**    To increase public awareness through outreach and effective partnerships.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of public education and awareness events sponsored by the Parents Commission.	2,819	1,500	2,959	1,500	1,500

## Agency Summary

### STATE PARKS BOARD

Bryan Martyn, Executive Director  
Phone: (602) 542-7102  
A.R.S. §§ 41-511 et. seq.

#### Mission:

*To manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.*

#### Description:

Arizona State Parks develops and manages 30 State parks and natural areas and provides safe and enjoyable facilities and programs for over 2.1 million visitors annually. There are 65,000 acres of park property, 1,300 campsites and 8 historic parks. The agency also includes the State Historic Preservation Office, which is responsible for the identification, evaluation and protection of Arizona's prehistoric and historic heritage resources and compliance with federal and state laws. The agency coordinates two recreational trails programs, motorized and non-motorized.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ PARK DEVELOPMENT AND OPERATION	15,594.0	24,516.2	21,314.6
➤ PARTNERSHIPS AND GRANTS	19,674.5	11,157.3	7,491.5
➤ ADMINISTRATION	4,022.3	4,530.5	4,530.5
<b>Agency Total:</b>	<b>39,290.8</b>	<b>40,204.0</b>	<b>33,336.6</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	500.0	4,000.0
Other Appropriated Funds	12,388.9	12,842.1	13,624.7
Other Non Appropriated Funds	26,901.9	26,861.9	15,711.9
<b>Total Funding</b>	<b>39,290.8</b>	<b>40,204.0</b>	<b>33,336.6</b>
<b>FTE Positions</b>	<b>161.0</b>	<b>173.0</b>	<b>173.0</b>

**Issue 1** Keep Arizona State Parks open following unprecedented agency-wide funding reductions

**Description** The Arizona State Parks Board (ASPB) was created in 1957 as a government agency with the purposes and objectives to include acquiring, preserving and maintaining areas of natural features, scenic beauty, and historic and scientific significance, pleasure recreation and health of Arizona's people.

In the last 56 years, 32 parks have been added to the State Parks system, a host of grant programs, and the State Historic Preservation Office have been added to the agency's responsibilities.

Federal grant programs added include managing the Land and Water Conservation Fund and the Recreational Trails Program as well as the Federal Historic Preservation Fund. There are more than 2,000 State and Federal grants that have been awarded over 40 years that must be managed by the Arizona State Parks department, some in perpetuity. The State Lake Improvement Fund, Heritage Fund (unfunded in 2010), Law Enforcement and Boating Safety Fund (transferred to Game and Fish in 2011), and the voter protected Land Conservation Fund (no longer funded).

The Arizona State Historic Preservation Office (SHPO), a division of Arizona State Parks, assists private citizens, private institutions, local governments, tribes, and state and federal agencies in the identification, evaluation, protection, and enhancement of historic and archaeological properties that have significance for local communities, the State of Arizona, or the Nation. The role and function of the SHPO is defined in both state law (Arizona Historic Preservation Act) and federal law (National Historic Preservation Act, as amended.)

The primary customers of Arizona State Parks include 2.0 million visitors to rural Arizona, the counties, cities and towns that receive outdoor recreation/historic preservation grants, and many federal, state, county and municipal agencies that request historic and archaeological consultation. The agency is proud of the level of customer service it provides to visitors from Arizona and around the world. Visitor surveys always show more than a 95% approval of customer service. The agency continues to develop its most important partners, approximately 2,000 volunteers that help staff manage parks and monitor archaeological sites for many land management agencies.

Core services provided by this agency include protection of the public health through the management of drinking water wells, and sewage treatment facilities with many parks serving as small villages in rural locations. Park rangers are law enforcement officers, wild land firefighters, pesticide applicators, interpreters, business managers, historic preservationists, and wildlife managers on the state's 62,000 acres of natural resource lands.

Arizona is reportedly one of three states that currently does not support statewide park operations with General Funds.

According to Northern Arizona University (2007, update in process) , the agency's park operations support 3,300 jobs and \$266 million in economic impact for rural Arizona every year. City, County and State governmental entities benefit from the \$44 million per year in tax revenues from these visitors.

Long-range planning for the agency remains challenging due to the overall uncertainty of the state's economic and budget projections. The agency experienced \$82 million in fund sweeps and budget reductions from FY 2008 through FY 2012. The agency's present strategic plan was approved by the State Parks Board in October of 2010.

#### **Solutions:**

The Agency has reduced staffing by over half and increased park fees substantially, per statutory authority, in recent years. Nineteen agreements have been signed with local governments and non-profit organizations for either financial support or full operation of some state parks. The agency has been able to achieve a positive 'park level' operating margin, reportedly rare and possibly unique among state park systems. However, the Agency has turned over management of most of its historic State Parks to interested local stakeholders because these have traditionally had the highest relative operating costs during a time when general subsidies for these operations are not available. The Agency is now dependent on only two primary revenue sources for general operations, Park Fees and the State Lake Improvement Fund, which was intended for other purposes than general agency funding. When Phoenix Office operations and required park system maintenance expenses are included, however, the park system still operates at a deficit like all other public park systems. The Agency has no dedicated funding sources for larger capital repairs or expansions.

State Parks strategy will continue to include seek the most efficient park system operations given the revenues available. The

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Agency staff will continue to seek operating efficiencies and revenue enhancements, including maintenance and expansion of local partnerships with private companies, municipalities, nonprofits, NGOs, Tribal entities, businesses sponsorships. The Agency is exploring options to increase revenue sharing partnerships with new concessionaires.

Performance Measures:

Park level operating margins at a positive level.

The number of partnership agreements renewed and expanded.

Deliverables: FY 2015: 100% of agreements reviewed, rewritten and renewed.

**Issue 2** Update and manage the Short & Long-Term Park Capital Improvement Plan

**Description** Arizona State Parks has had a continuously updated list of projects throughout the parks system of needed repairs, upgrades and new facilities for many years. This list of projects has an estimated cost well over \$200 million. However, the agency has not revisited the prioritization of these projects in several years.

**Solutions:**

During FY 2014, the Agency will reprioritize its capital project list in terms of public safety, visitor experience enhancement and revenue enhancement potential.

**Issue 3** Expand concession services in the Arizona State Parks system.

**Description** The Agency never previously methodically explored expanded opportunities with private concession operations in the park system. In addition, some services provided by State Parks staff might be outsourced to private concessions.

**Solutions:**

The agency has hired a nationally known concessions consultant, CHM Government Services, to provide analysis and recommendations to significantly expand concession operations in the Arizona State Parks system. The result of its report, expected by December 2013, will be a Request for Proposal to interested regional and national concession service providers to elicit their proposals to enhance revenue shared public services in the Arizona State Parks system.

The Agency believes there can be significant enhancements to public services and shared revenues through private concessions. However, on a national basis, among the 50 state park systems, private concession partnerships have not been sufficient to eliminate the need for other funding sources at those agencies.

**Issue 4** Continue to expand online and other electronic customer services

**Description** The Agency's online reservation service system was completed in FY 2013 by having all parks connected to electronic payments via electronic cash register and electronic on-line reservations for the camping parks. In FY 2013 over 30% of agency revenues were booked using credit and debit cards.

**Solutions:**

The next stages of electronic commerce expansion will include additional services available online. In addition, the agency will explore the possibility of providing potential customers the opportunity to purchase annual passes and Arizona State Parks labeled merchandise online.

By using an outside IT service and programming partner, the agency has been able to provide these services seamlessly and at far lower cost than if they had been attempted using in-agency staff.

**Issue 5** Improve uniqueness of special events and marketing to attract visitors

**Description** Arizona State Parks provides dozens of special events throughout the park system each year, some promoted by the Agency and many others promoted by outside friends groups and park stakeholders.

**Solutions:**

State Parks' management has encouraged park personnel and outside stakeholders to continue to suggest and promote ideas that will attract the public and/or special interest groups to special events at parks. This will increase park revenues and enhance parks' engagement with the public.

The successful Family Campout program in many state parks during FY 2013 is a specific idea that was suggested by a Parks staff member with subsequent notable success in terms of public participation and publicity.

**Issue 6** Efficiently process grants, projects, paperwork and documents through the agency.

**Description** The Agency Federal grant programs added include managing the Land and Water Conservation Fund and the Recreational Trails Program as well as the Federal Historic Preservation Fund. There are more than 2,000 State and Federal grants that have been awarded over 40 years that must be managed by the Arizona State Parks department, some in perpetuity. Several grant programs have been temporarily suspended or transferred in recent years, including the State Lake Improvement Fund, Heritage Fund (unfunded in 2010), Law Enforcement and Boating Safety Fund (transferred to Game and Fish in 2011), and the voter protected Land Conservation Fund (no longer funded).

Federal grant programs added include managing the Land and Water Conservation Fund and the Recreational Trails Program as well as the Federal Historic Preservation Fund. There are more than 2,000 State and Federal grants that have been awarded over 40 years that must be managed by the Arizona State Parks department, some in perpetuity.

Staffing for grant administration is currently at a critically low level.

In addition, the loss of the Heritage Fund has eliminated the ongoing maintenance funding for several historic and natural area properties that were purchased using these funds. These include San Rafael Ranch and Rocking River.

The agency has begun to explore funding for capital projects from federal and other sources in partnership with the ADOA Office of Grants. Federal funding constraints and the highly competitive environment for successful grant solicitations will be factors in the potential success of this effort.

**Solutions:**

The few remaining agency grants staff are experts in their respective areas. However, other than for SHPO related projects, there are no staff members available to monitor the hundreds of grants previously awarded by the Agency.

The agency has hired one grant seeking position to solicit capital grants from federal and other sources. This effort has only started and the outlook for success, while optimistic, is uncertain at this time.

**Issue 7** Increase each staff member’s knowledge, skills and abilities (KSAs) through training and professional development opportunities.

**Description** State Parks has had a wide variety of knowledge and skills in its staff, including biologists, environmental engineers, civil engineers, certified law enforcement, certified water and wastewater treatment staff, emergency medical technicians, computer administrators and programmers, archeologists, and many other skills that require extensive education or training. Many of these skills were lost in the required layoffs of personnel during the recession.

**Solutions:**

Through its own limited financial resources and also the Department of Administration, the Agency has emphasized professional training for all staff, subject to budget, for professional, technical and managerial courses.

**Issue 8** Compile scientific & historical data to improve natural and cultural resource planning in each State Park.

**Description** The inventory of historical, cultural and scientific data by park has been individualized to each park. An overall inventory of these assets for the park system as a whole has not been performed.

**Solutions:**

Subject to available personnel, the Agency plans to have at least a first draft of the historical, cultural and scientific assets of the park system by the end of FY 2015

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	173.0	173.0	173.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	13,800.0	14,000.0	14,000.0
<b>Non-Appropriated Funds</b>	10,600.0	11,000.0	11,000.0
<b>Federal Funds</b>	4,000.0	4,000.0	4,000.0



**Program Summary**

**PARK DEVELOPMENT AND OPERATION**

Jay Ream, Deputy Director, Park Operations  
 Phone: (602) 542-7103  
 A.R.S. §§ 41-511 et. seq.

**Mission:**

*To manage and conserve Arizona's natural, cultural and recreational resources for the benefit of the people, both in our parks and through our partners.*

**Description:**

The Parks Division consists of two sections: The Operations and Development Sections. The Operations Section is responsible for the operation and maintenance of Arizona's state parks, natural areas and historic and cultural areas. Since FY 2010, the agency has been able to support sustainable park operations with contributions from community partners. Parks currently has 16 financial operating agreements with other State agencies, counties, cities and towns, the Hopi Tribe, Arizona State Parks Friends Groups as well as other non-profit organizations. These agreements have kept most parks open to the public. The agency started FY 2012 with a staff of just over 150, over 1,500 agency volunteers and Site Stewards who, in FY 2011, donated 260,000 hours, which represents an estimated \$5.5 million of non-paid labor. There are 4,000+ members of 14 Friends Groups. Continuing local financial stress is causing a reduction in the total of financial commitments, which places additional needs on the agency to find funding for these parks. The maintenance and expansion of such agreements with partners will continue to be a high priority in the next several years. The Development Section is responsible for the design, construction and overall maintenance of Arizona State Parks and natural areas. Major responsibilities include the selection of consultants for project design and monitoring/inspection of projects from conception to completion. Staff prepares the agency's two-year capital improvement plan. There is no funding for development or acquisition of properties at this time.

The agency has not received operating General Funds since FY 2009. Budget reductions to the agency's parks operating funds, in particular the Enhancement Fund, Reservation Surcharge Revolving Fund, Publications and Souvenirs Revolving Fund and State Lake Improvement Fund caused the closure or reduced operations at many Arizona State Parks. The elimination of the Arizona State Parks Heritage Fund statutes in FY 2010 resulted in the permanent loss of \$10 million in annual revenues. A portion of these revenues were utilized by the agency for capital improvements to Arizona State Parks properties, to provide opportunities for the public to enjoy outdoor recreation, to help preserve natural and cultural resources, and to promote environmental education.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	500.0	4,000.0
Other Appropriated Funds	11,615.9	12,762.6	13,545.2
Other Non Appropriated Funds	3,978.2	11,253.6	3,769.4
<b>Total Funding</b>	<b>15,594.0</b>	<b>24,516.2</b>	<b>21,314.6</b>
<b>FTE Positions</b>	<b>116.0</b>	<b>122.0</b>	<b>122.0</b>

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic, and human resources.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Percent of Parks Open to the Public	96	96	96	96	96
Percent of parks open 7 days per week	68	68	68	68	68
Percent of parks managed by Arizona State Parks without financial assistance	46	46	46	46	46
Percent of parks operated by Arizona State Parks with partner assistance	22	22	29	29	29
Number of Non-Paid Hours Provided by Volunteers and Site Stewards (000)	191.5	200	161	161	161

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◆ **Goal 2** To provide safe, meaningful, and unique experiences for our visitors, volunteers, and citizens

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of parks completing facility upgrades		17	24	22	22

◆ **Goal 3** To build lasting public and private partnerships, to promote local economies, good neighbors, recreation, conservation, tourism, and establish sustainable agency funding.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of private concessionaire agreements	8	8	8	8	1

## Program Summary

### PARTNERSHIPS AND GRANTS

Kent Ennis, Deputy Director

Phone: (602) 542-6920

A.R.S. §§ 41-511 et. seq.

#### **Mission:**

*To manage and conserve Arizona's natural, cultural and recreational resources for the benefit of the people, both in our parks and through our partners.*

#### **Description:**

The Partnerships Division consists of the Resources and Public Programs, the State Historic Preservation Office (SHPO), and External Affairs Program Sections. The Partnerships Division oversees numerous programs of a statewide nature, such as historic preservation, grants, research and marketing, public affairs and public relations.

The Resources and Public Programs (RP&P) Section manages the following programs: outdoor recreation and natural resource programs grants, research and statewide planning, as well as internal and external partnerships that go well beyond our own system of parks to accomplish State Parks' goals. The section is responsible for working with partners to acquire, plan, develop, manage and maintain natural, cultural, and recreational resources within the State for public use, education, enjoyment and safe visitor experiences. Responsibilities include statewide master planning, environmental and science issues confronting Arizona State Parks resources, as well as developing comprehensive long-range plans that deal with statewide recreational and cultural issues. Plans for FY 2015 and future years do not include funding for acquisition of properties.

The section is responsible for awarding over \$5 million in grants available annually to Arizona communities, resource managers and agencies to preserve, manage and enhance Arizona's significant natural open space, cultural and recreational resources. The elimination of the Arizona State Parks Heritage Fund statutes in FY 2010 resulted in the permanent loss of \$10 million in revenues. Also, the Land Conservation Fund is now depleted, so the \$annual \$20 million that was formerly distributed through the Growing Smarter grant program is no longer available to Arizona communities to preserve open space in urban areas. Funded programs in FY 2014 include grant funds for open space conservation, off-highway vehicle recreation, federal recreation trails projects, and federal land and water conservation projects.

The RP&P Section conducts surveys, provides monthly individual park and park system attendance and revenue statistics, and gathers research data to support all programs and enhance decision-making. This section coordinates marketing and public information through traditional and emerging marketing strategies and maintains the agency website. This section also coordinates public involvement and educational opportunities through partnerships for public purposes.

The RP&P section is served by five standing advisory committees who work with staff and advise the Arizona State Parks Board on a number of matters. Members of the Arizona Outdoor Recreation Coordinating Commission (AORCC) and the Conservation Acquisition Board (CAB) are appointed by the Governor. The Arizona State Committee on Trails (ASCOT), Off-Highway Vehicle Advisory Group (OHVAG), Natural Areas Preservation Advisory Committee (NAPAC) and the Historic Preservation Advisory Committee (not currently active) are appointed by the Arizona State Parks Board. Staff coordinates with these advisory committees and other partners to plan, inventory, enhance, preserve, manage and interpret Arizona's natural, cultural and recreational resources for the education and enjoyment of the public.

The State Historic Preservation Office (SHPO) is responsible for the identification, evaluation and protection of Arizona's prehistoric and historic heritage resources and compliance with federal and state laws. The SHPO also oversees many educational and stewardship programs and events that engage it with the general public concerned about historic resources.

The Public Information Office (PIO) develops communications plans and strategies for informing Arizona's residents and visitors about the programs and projects being managed by the Arizona State Parks.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	19,674.5	11,157.3	7,491.5
<b>Total Funding</b>	<b>19,674.5</b>	<b>11,157.3</b>	<b>7,491.5</b>
<b>FTE Positions</b>	<b>24.0</b>	<b>26.0</b>	<b>26.0</b>

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of SHPO correspondence processed	2,000	2,000	2,000	2,000	2,000

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Attendance at Special Events (in thousands)	25	25	34	35	36
Number of Special Events	37	40	8	50	52

◆ **Goal 3** To document our progress through planning, analysis and research.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of studies monitoring the health of Kartchner Caverns State Park and other parks	10	10	10	10	10

◆ **Goal 4** To build lasting public and private partnerships to promote local economies, good neighbors, recreation, conservation, tourism and establish sustainable funding for the agency.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of new or renewed partnership agreements.		13	13	13	13

◆ **Goal 5** To effectively communicate with the public, policy makers, our partners, peers, and ourselves.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Public visits to agency web site (000)	1900	1900	2000	2100	2100
<b>Explanation:</b> Public visits to agency web site					
Number of Facebook fans	9,000	9,000	9,000	9,000	9,000
Number of Twitter followers	8,500	8,500	8,500	8,500	8,500
Number of media exposures (millions)	520	600	600	600	600

**Program Summary**

ADMINISTRATION

Kent Ennis, Deputy Director  
 Phone: (602) 542-6920  
 A.R.S. §§ 41-511 et. seq.

**Mission:**

*To manage and conserve Arizona's natural, cultural and recreational resources for the benefit of the people, both in our parks and through our partners.*

**Description:**

Administration is accomplished through the Director's Office and the Administrative Services Division. The Director's Office manages the three Divisions in the agency, oversees implementation of the Strategic Plan and monitors progress toward meeting the Agency's Strategic Plan goals and objectives. The Administrative Services Division provides support to all activities and programs and assures that the Agency has the necessary authority, financial resources, human resources, management information and technical capability to accomplish their mission.

Administration continued to implement a new online reservation system throughout the park system in FY 2012.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	773.0	79.5	79.5
Other Non Appropriated Funds	3,249.3	4,451.0	4,451.0
<b>Total Funding</b>	<b>4,022.3</b>	<b>4,530.5</b>	<b>4,530.5</b>
<b>FTE Positions</b>	<b>21.0</b>	<b>25.0</b>	<b>25.0</b>

◆ **Goal 1** To provide sustainable management of our natural, cultural, recreational, economic and human resources.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of information technology infrastructure upgrades/systems deployed	30	30	45	45	45
Percent of law enforcement officers completing AZPOST requirements	100	100	100	100	100
Percent of eligible employees recognized through Agency Service Awards	100	100	100	100	100
Administration as a percentage of total cost		1.5	8.0	8.0	8.0

◆ **Goal 2** To provide safe, meaningful and unique experiences for our visitors, volunteers and citizens.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Maintain a positive margin on overall park system revenues less park level expenditures (pct of revenues). Parks operated by Arizona State Parks Board served over 2.1 million visitors in FY 2014, a 7.0% increase over FY 2013.	23	15	21	18	18

### Agency Summary

#### STATE PERSONNEL BOARD

Laurie Barcelona, Executive Director

Phone: (602) 542-3888

A.R.S. §§ 41-781, 41-782, 41-783 and 38-531 et seq.

#### Mission:

*To provide an efficient and impartial hearing process while carrying out the Board's statutory mandate to hear and review disciplinary appeals and whistleblower complaints filed by covered state employees, former state employees, and other individuals referenced in statute.*

#### Description:

The State Personnel Board is responsible for hearing and reviewing, via an administrative hearing process, appeals filed by covered state employees who have been dismissed from state service, suspended for more than 80 working hours, or involuntarily demoted resulting from disciplinary action. The Board also hears and reviews complaints filed under the whistleblower statute. Under the direction of the presiding hearing officer, the proceedings are conducted on an informal basis through the taking of direct testimony, the cross examination of witnesses, and the admission of evidence. A record of the proceedings is taken and made available, upon request, to hearing officers, board members, and parties to the appeal. The hearing officer determines the facts based on the evidence presented and makes a recommendation regarding discipline to the Board. Board members are subsequently provided with case information so they may determine whether proper discipline has been imposed.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	314.5	375.0	375.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>314.5</b>	<b>375.0</b>	<b>375.0</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

## 5 Year Plan

**Issue 1** Fair, impartial, and expeditious hearing process

**Description** The State Personnel Board is responsible for hearing and reviewing, via an administrative hearing process, appeals filed by covered state employees who have been dismissed from covered state service, suspended for more than 80 working hours, or involuntarily demoted resulting from disciplinary action. The Board also hears and reviews complaints filed under the whistleblower statute. Under the direction of the presiding hearing officer, the proceedings are conducted on an informal basis through the taking of direct testimony, the cross examination of witnesses, and the admission of evidence.

**Solutions:**

Hire appropriate staff.

Attempt to limit continuances so appeals and complaints are completed as expeditiously as possible.

Continue to provide stakeholder surveys to ascertain deficiencies in the hearing process and make improvements.

**Issue 2** Personnel reform

**Description** The Board recognizes that personnel reform has impacted the number of appealable actions that have been taken against covered state employees.

Fewer appeals have been filed; in FY14, 44 disciplinary action appeals and 2 whistleblower complaints were filed.

**Solutions:**

The Board will continue to watch this trend to determine what steps will need to be taken to ensure stakeholders get the full benefit of due process.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	3.0	3.0	3.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	384.4	393.6	403.4
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To provide state agencies and employees/citizens with a fair and efficient administrative hearing process.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of appeals/complaints filed	59	75	46	60	60
Hearing days	37	75	34	60	60
Average days from receipt of an appeal/complaint until the Board issues a final order	133	115	122	115	115
Average cost of an appeal/complaint (dollars)	1300	1,300	1,400	1,400	1,400

◆ **Goal 2** To ensure customer/client satisfaction with process.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of cases appealed to Superior Court	3	2	5	5	4
Number of cases remanded from court	0	0	0	0	0
Percent of customers rating overall hearing process as good to excellent	50	100	67	100	100

**Explanation:** Rec'd only 3 surveys; 2 rated excellent; 1 rated fair

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◆ **Goal 3** To continuously implement changes that will increase effectiveness and internal capacity to deliver services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of training classes attended by staff	16	5	10	5	5

◆ **Goal 4** To strengthen relationships with stakeholders (agencies and constituents).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of meetings/input from stakeholders	5	5	5	5	5
Number of pamphlets distributed (approximate)	65	85	50	60	60



## Agency Summary

### OFFICE OF PEST MANAGEMENT

Jack Peterson, Interim Director  
 Phone: (602) 542-3575  
 A.R.S. §§ 32-2301 et. seq.

**Mission:**

*To help ensure the safe application of pest control technologies, through education, training and enforcement. This results in the maximization of the health and safety of all Arizonans while at the same time ensuring the protection of property and the environment.*

**Description:**

The Office of Pest Management (OPM) licenses and regulates pest control companies, qualifying parties, and applicators. The OPM provides education and training to applicants and licensees. The Office also provides education and information to the public regarding pest control activities in non-agricultural settings.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,264.7	1,700.5	1,700.5
Other Non Appropriated Funds	159.1	113.5	113.5
<b>Total Funding</b>	<b>1,423.8</b>	<b>1,814.0</b>	<b>1,814.0</b>
<b>FTE Positions</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

### 5 Year Plan

**Issue 1** Provide a High Level of Customer Service to Consumers and Pest Management Professionals

**Description** Provide a high level of customer service to consumers and pest management professionals through current testing and study materials, fair and uniform inspections and investigations, using web resources for online continuing education reporting, license renewals, and using web postings to keep industry and the general public informed of important structural related issues.

**Solutions:**

Engage the Pest Management Advisory Committee (PMAC) in improvements of all aspects of agency interactions with the public - website, testing, renewals, continuing education approval and online interactions to ensure proper communication, improvements and quality service is occurring.

Revise and improve testing materials and keep the website current with information on issues of importance to the public and industry.

Decrease the overall time for inquiry and complaint investigations.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	30.0	30.0	30.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,700.5	1,700.5	1,700.5
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	113.5	113.5	113.5

- ◆ **Goal 1** To provide accurate and efficient service to prospective and licensed businesses, applicators, and qualifying parties in obtaining and maintaining licenses.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total of all licensing applications received.	11,324	11,000	11,222	10,500	10,500
Average calendar days from receipt of completed application to ruling on application for Certified Applicator Testing.	6	7	0	7	7
Average calendar days from receipt of completed application to ruling on application for Qualified Applicator Testing.	6	7	0	7	7
Qualified Applicator Renewals issued.	1,489	1,200	1,389	1,000	1,000
Total of all licenses issued.	10,332	9,500	9,490	9,000	9,000
Certified Applicator renewals issued.	6,608	6,000	5,682	5,000	5,000
Percentage of licenses processed within overall time frame.	100	100	100	100	100
Percentage of Certified Applicators renewals processed online of those that did renew.	80	75	87	75	75
Percentage of Qualified Applicators renewals processed online of those that did renew.	78	75	88	75	75
Percentage of Business License renewals processed online of those that did renew.	76	75	85	75	75
Business License and Branch Office renewals issued.	1,214	1,000	1,175	1,000	1,000

- ◆ **Goal 2** To provide continuous quality education to the public and industry members through the Office of Pest Management presented or approved programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of CE contact hours taken annually from the OPM.	966	960	1,344	960	960
Number of Education and Training staff hours provided to the Public by the OPM (not including ILT and CE training).	322	50	141	100	100

- ◆ **Goal 3** To Monitor pesticide applications and ensure compliance with OPM Laws and Rules.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total inspections conducted (use and non-use).	2,753	3,000	2,345	1,500	1,500

◆ **Goal 4** To efficiently and professionally investigate inquiries and complaints to protect and maximize the safety of the general public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Inquiry investigations conducted and completed.	151	100	98	80	80
Total Complaint investigations conducted and completed.	65	80	60	50	50
Number of Consent agreements reached/orders finalized.	88	90	57	45	45
Number of formal hearings held.	1	1	1	1	1
Percent of investigations resulting in disciplinary action.	95	85	57	45	45
Number of licenses Revoked.	3	1	0	0	0
Total consumer and agency generated complaints.	55	50	56	45	45
Average calendar days from receipt of complaint to resolution	204	180	126	125	125

## Agency Summary

### BOARD OF PHARMACY

Hal Wand, Executive Director

Phone: (602) 771-2740

A.R.S. §§ 32-1902 and 32-1904 et seq

#### Mission:

*To protect the health, safety and welfare of the citizens of Arizona by regulating the practice of pharmacy and the distribution, sale and storage of prescription medications and devices and non-prescription medications.*

#### Description:

The Board of Pharmacy has four primary functions. The first is to issue licenses to pharmacists, pharmacy interns and pharmacy technicians. Additionally, it is responsible for issuing permits to pharmacies, manufacturers, wholesalers and distributors. The Board also conducts compliance inspections of permitted facilities, and investigates complaints and adjudicates violations of applicable state and federal laws and rules. Lastly, the Board promulgates and reviews state rules and regulations in regard to the industry.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,901.5	2,053.9	2,253.6
Other Non Appropriated Funds	1,142.2	689.0	689.0
<b>Total Funding</b>	<b>3,043.7</b>	<b>2,742.9</b>	<b>2,942.6</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>19.0</b>

## 5 Year Plan

**Issue 1** Growth and modernization of sterile drug compounding pharmacies without oversight from the U.S. Food and Drug Administration

**Description** Operated by licensed pharmacists, compounding pharmacies are regulated by State Boards of Pharmacy and are not regulated by the U.S. Food and Drug administration (FDA) as they are not viewed as drug manufacturers under federal law. Compounding pharmacies have modernized since most compliance officers graduated. Specialized training is required to fulfill the mission of the Board and protect the health, safety and welfare of Arizona consumers. Compounding pharmacies produce and distribute sterile drugs including injectable steroids, eye drops, etc. If compounding is performed incorrectly, contamination can occur which can lead to serious health risks for consumers. Disease outbreaks due to contamination have made headlines in recent years across the country, including a fungal meningitis outbreak in 2012 that sickened 680 people and was linked to injectable steroid medication produced by a compounding pharmacy in Massachusetts.

#### Solutions:

1. Provide compliance officers with specialized training in modern compounding practices in order to effectively monitor and regulate sterile drug compounding.
2. Engage with the National Association of Boards of Pharmacy to support federal legislation requiring compounding permits for compounders who wish to practice outside the scope of traditional pharmacy practice.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	17.5	18.5	18.5
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	1.5	1.5	1.5
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To ensure that licenses and permits are only granted to US citizens who are competent applicants with high standards of professional and ethical conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Disciplinary actions/100 Registered Pharmacists & Technicians	0.11	0.16	0.07	0.10	0.12
Complaints per 100 practitioners ( Pharmacists & Technicians )	0.36	0.7	0.32	0.5	0.5
Continuing education seminars conducted for pharmacists	4	5	4	5	5
Quarterly writing and distributing newsletters to all interested parties by listserve. Subscription can be added or deleted online. Disciplinary actions required to be published by statute are also contained in each newsletter.	4	4	4	4	4
Conference calls	5	2	3	2	3
Pharmacy audits	2	5	7	8	10
Board Meetings	6	6	6	6	6
Miles Driven-Inspections	95,831	110,000	90,547	110,000	110,000
Pharmacies-Inspections	865	1,000	858	1,000	1,000
<b>Explanation:</b> reduced staff for 1/2 of the fiscal year					
Compressed medical gas suppliers & distributors-Inspections	4	5	5	5	5
Manufacturer-Inspections	7	10	12	14	14
Non-Prescription Drug Permit-Inspections	2,148	3,200	2,441	2,800	3,000
Wholesaler-Inspections	41	50	83	86	90
Re-inspections	9	12	7	10	12
Total number of inspections conducted	3,074	4,000	3,406	3,600	4,000

◆ **Goal 2** To maintain a comprehensive electronic Controlled Substance Prescription Monitoring Program.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Use prescription monitoring program fund to maintain and improve prescription monitoring program approved by legislature in 2007.	546,597	400,000	435,000	435,000	435,000
<b>Explanation:</b> Maintain and Improve the prescription monitoring program					
Length of time in hours required to provide reports pertaining to suspect activity to requestor (practitioner, law enforcement agency).	600	700	907	1,000	1,100
About how many licensed PRESCRIBERS were there?	25,259	26,520	28,005	29,850	31,169
About how many licensed/permitted DISPENSERS were there?	7,316	8,050	3,022	4,000	4,100
for PRESCRIBERS: How many solicited reports were produced?	736,000	810,000	1,310,436	2,000,000	3,000,000
For PRESCRIBERS: How many unsolicited reports were produced?	1,392	1,530	250	500	1,500
for DISPENSERS: How many solicited reports were produced?	321,887	350,000	885,126	1,000,000	1,500,000
for DISPENSERS: How many unsolicited reports were produced?	0	50	0	0	0
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many solicited reports were produced?	1,118	1,230	1,250	1,350	1,500
For Law Enforcement INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	10	20	20	25	30
For Professional Licensing Board INVESTIGATION OR COMPLAINTS: How many solicited reports were produced?	590	650	579	600	650
For Professional Licensing Board INVESTIGATIONS OR COMPLAINTS: How many unsolicited reports were produced?	16	25	10	30	50

## Agency Summary

### BOARD OF PHYSICAL THERAPY EXAMINERS

Charles D. Brown, Executive Director  
Phone: (602) 274-1088  
A.R.S. § 32-2001

#### **Mission:**

*To process applications for licensure as a physical therapist and certification as a physical therapist assistant, and to enforce the statutory provisions of the Arizona Physical Therapy Practice Act for purposes of protecting the health, safety and welfare of the public from the incompetent, unethical and/or illegal practice of physical therapy.*

#### **Description:**

The Board licenses physical therapists, certifies physical therapist assistants, registers physical therapy business entities, investigates and adjudicates complaints, assesses continuing competence, and enforces the standards of practice for the physical therapy profession. The Board also regulates business entities that provide physical therapy services.

#### **Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	409.0	408.0	491.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>409.0</b>	<b>408.0</b>	<b>491.6</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

## 5 Year Plan

**Issue 1** 1.Establish the mechanisms for assessing continuing professional competence of physical therapists to engage in the practice of physical therapy and the competence of physical therapist assistants to work in the field of physical therapy.

**Description** a.The Board of physical therapy currently requires licensed physical therapist to complete 20 contact hours of continuing competence activities during each compliance period. The compliance period is two years in length, beginning September 1 of an even numbered year and ending August 31 of the next even numbered year.  
b.Certified physical therapist assistants currently have no minimum continuing competence activity requirement.

**Solutions:**

1.The Board is currently working with the Arizona Physical Therapy Association to update current requirements for continuing competence activities for licensed physical therapists and certified physical therapist assistants.

a.The taskforce working on the matter expects to approach the Board in 2014 with recommended changes to include, a minimum requirement of 10 hours of continuing competence activities.

b.The taskforce also plans the Board require completion of an Arizona Jurisprudence exercise hosted on the agency website as a mandatory condition for completing the renewal process.

c.The earliest implementation of any changes to continuing competence activities requirements would be in the 2018 renewal cycle.

D.On August 27, 2013, the Board announced its intention to change rules to require continuing competence activities for Physical Therapist Assistants.

**Issue 2** 2.Regulate the practice of physical therapy by interpreting and enforcing this chapter.

**Description** a.The Board received between 50 and 70 complaints per year.  
b.The Board currently maintains a 1 FTE to investigate all complaints received against physical therapists, physical therapist assistants, and business entities.  
C.The Board has seen an increase in the number of complaints filed beginning in 2009 as well as an increase in the complexity of the cases.

**Solutions:**

2.The Board has evaluated its current investigative resources and identified a lack of time and manpower as the greatest contributor to recent back logs in adjudicating complaints. Therefore, the Board is seeking approval for a FTE and budgetary increases to employ a full time investigator beginning in FY 2014. In addition, the Board is completing improvements to its complaint and compliance tracking portions of its license and certificate holder database to allow for historical and real-time tracking of complaint and disciplinary information. The Board received funding for FY 2014 to increase the Investigator position to full time status. The change began September 1, 2013.

The Board has seen marked improvement in investigations completeness time frames. However, a backlog of formal hearings remains. The Board is working to resolve the matter with the Office of Attorney General. We are considering a onetime spending increase in FY 2016 to have the OAG dedicate more resources to the backlogged cases and clear them in FY 2016.



**Issue 3** 3.Evaluate the qualifications of applicants for licensure and certification; and provide for national examinations for physical therapists and physical therapist assistants and adopt passing scores for these examinations.

**Description** a.The Board has seen an increase in the number of application filed in any calendar year from 500 in 2009 to 600+ in 2011. In addition, the number of physical therapists renewing active licenses increased by over 500 from 2008 to 2012. Physical therapist assistant renewals increased by over 400. The space available in the agency office to house the increased number of applications has been reached maximum capacity.  
b.The national examinations for physical therapist and physical therapist assistants have been changed from tests given on a continuous basis on almost every day of the year to tests provided only four times each per year.

**Solutions:**

3.The Board physical therapy is currently addressing the need for improved processes for the increased number of applicants and the change in their availability of national tests.

a. On March 15, 2012, changes in the timing of allowing applicants to attempt passage of their national examinations were signed into law. A.R.S. §32-2024 was modified to allow applicants to test for their national examinations before completing their full educational programs, which allows increased options in taking one or more of the four tests allowed per year. The average time awaiting licensure from the time it is administratively complete dropped to 7.2 days in FY 2013.

b.The Board is tracking applicants using the early testing option to ensure unforeseen consequences do not out way the benefit of increased testing options. From March 2012 to August 1, 2014 275 applicants tested before graduation with 21 failures.

c.The Board has implemented a new preapproval process for all applicants. The process allows most applicants to receive approve for licensure or certification once the application is complete with the exception of test scores and receipt of transcripts. The process allows licensure or certification to be issued upon receipt of these final applicant requirements.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	4.0	4.0	4.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	419,991.0	607,080.0	421,294.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To efficiently process licensure and certification applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of physical therapist licenses or physical therapist assistant certificates issued within the required time frames to eligible applicants.	100	100	100	100	100
<b>Explanation:</b> Agency complies with A.A.C. R4-24-209, Time Frames for applications.					
Number of new licenses or certificates issued	507	360	543	450	450
Average time, in calendar days, between receipt of completed application to issuance or denial of licensure or certification.	6.4	12	2.9	12	6
<b>Explanation:</b> Agency tracks number of days in substantive review time frame for application (number of days from completion until Board action).					
Number of licenses/certificates denied.	2	2	0	2	2
<b>Explanation:</b> Agency tracks and reports number of applications denied.					
Number of licenses/certificates renewed	4073	700	0	5,300	0
<b>Explanation:</b> FY 2014 actual reflects that renewals did not begin until FY 2015. The renewal is every two years.					
Number of applications received	710	520	775	520	580
Percent of Board meetings conducted within appropriate time frames	100	100	100	100	100

**Explanation:** Agency schedules and conducts Board meetings in order to comply with administrative rules for substantive review for applications, as well as for internal policies addressing complaint initial reviews and hearings.

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of complaints investigated	100	100	100	100	100
<b>Explanation:</b> Percent of complaints over which the Board has jurisdiction investigated.					
Percent of unlawful practice investigations over which the Board has jurisdiction investigated.	100	100	100	100	100
<b>Explanation:</b> Percent of unlawful practice investigations over which the Board has jurisdiction investigated.					
Total number of complaints received	77	70	60	70	70
<b>Explanation:</b> Total number of complaints received.					
Total number of disciplinary actions issued	36	30	28	30	30
<b>Explanation:</b> Total number of disciplinary actions issued.					
Number of licenses suspended/revoked/voluntarily surrendered	6	5	3	5	5
<b>Explanation:</b> Number of licenses suspended/revoked/voluntarily revoked					
Total number of unlawful practice investigations received by the Board for investigation	12	10	4	10	10

**Explanation:** Total number of unlawful practice investigations received by the Board for investigation

- ◆ **Goal 3** To provide accurate information, with the highest quality customer service, to all requests from citizens, licensees, health care organizations, and public agencies for public records information and license verifications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of requests for license verifications processed and issued within 15 days of receipt	100	100	100	100	100
<b>Explanation:</b> Board staff prepares licensure verifications a designated day every week to minimize the wait time for the requestor.					
Number of formal verifications of licensure prepared and issued.	528	500	516	500	500
<b>Explanation:</b> Board staff tracks and reports the number of requests received.					
Number of written requests for public records received.	57	75	94	75	80
<b>Explanation:</b> Agency tracks and reports the number of public records requests filed.					
Average number of business days to process written requests for public records	2	7	2	7	7
<b>Explanation:</b> Agency tracks and reports the number of days required to process requests for copies of the public record.					
To achieve an average score of 6.0 on a scale of 0 to 8.0 on the agency's customer satisfaction survey.	7.4	7	7.2	7	7
<b>Explanation:</b> Customer satisfaction survey.					

- ◆ **Goal 4** To assess the continuing competence (continuing education) of physical therapist licensees and physical therapist assistant certificate holders selected through random audit.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.	10	0	0	5	0
<b>Explanation:</b> Percent of physical therapist licensees whose continuing competence records were successfully audited by the Board for compliance.					
Percent of continuing competence audit notices sent within 60 calendar days following the license renewal deadline. The audit is done every two years following renewal. Some years will have no results.	100	NA	0	100	0
<b>Explanation:</b> Percent of continuing competence audit notices sent within 60 calendar days following the license renewal deadline					

### Agency Summary

#### ARIZONA PIONEERS' HOME

Ted Ihrman RN, Superintendent  
Phone: (928) 445-2181  
ARS § 41-921

#### Mission:

*To provide a home for Arizona pioneers and disabled miners that delivers the optimal physical, emotional, and spiritual care in a homelike and compassionate environment. Quality of care is provided in a professional manner, protecting dignity and honoring the personal directives of each resident in life as well as death while considering the uniqueness of each individual.*

#### Description:

The Arizona Pioneers' Home was established in 1909 by the Territorial government of Arizona as a home for the aged and infirm to repay the faithful and longtime Arizona residents who helped pioneer and build the state. It opened its doors in 1911. In 1929, the scope of the home was broadened to also be Arizona's hospital for disabled miners. The Arizona Pioneers' Home is a continuing care retirement home presently serving 103 Arizona pioneers and disabled miners. The Pioneers' Home employees provide direct nursing care, food service, activities, social services, housekeeping, laundry, maintenance, business and administrative services and support to the residents, and strive to meet state and federal nursing facility standards through modeling best practices. The Home is surveyed each year by the Arizona Department of Health Service's Office of Long Term Care.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,600.8	1,603.4	1,806.9
Other Appropriated Funds	4,394.2	4,658.1	4,658.1
Other Non Appropriated Funds	36.7	32.3	32.3
<b>Total Funding</b>	<b>6,031.7</b>	<b>6,293.8</b>	<b>6,497.3</b>
<b>FTE Positions</b>	<b>95.4</b>	<b>95.4</b>	<b>95.4</b>

## 5 Year Plan

**Issue 1** Challenges in increasing the proportion of resident admissions from counties other than Maricopa and Yavapai counties.

**Description** The Arizona Pioneers' Home has, over the years, had a disproportionate number of residents from Yavapai County applying for and being admitted to the Home. This is partially due to many Arizona residents retiring to Yavapai County prior to admission as well as the many active mines in the county. The Home actively seeks opportunities to increase awareness of the Home to residents of the state residing in counties other than Maricopa and Yavapai.

**Solutions:**

The Home's staff will provide information to all types of groups and organizations about admission criteria at every opportunity. The Home's staff will attend statewide conferences related to Health Care as appropriate in disseminating information and awareness of the Arizona Pioneers' Home.

**Issue 2** To enhance the internal and external restoration and décor of the Home to maintain its historic presence and functional lifetime.

**Description** Much of the Home's building is over 101 years old requiring much upkeep to repair and maintain.

**Solutions:**

New Parker boilers have been installed which will provide improved heating to the building with increased energy efficiency. A new hot water tank has been installed which will provide better temperature control at reduced costs due to increased efficiency. Radiator covers have been placed on all radiators on second floor enhancing resident safety. Along with this thermostatic radiator controls are being installed which will provide better heating and reduced energy costs. The radiator covers and thermostatic controls will be installed this calendar year. Monies are being sought to repave the Pioneers' Cemetery drive, remEDIATE lead based paint, update the Home's cooling system and refurbish a portion of the Home's window frames and sashes.

**Issue 3** To provide care and resident services that meet or exceed the highest standards and best-practice standards for long-term care.

**Description** The Home is dedicated to providing the highest level of health care to its' residents.

**Solutions:**

The Home will hire and retain the best staff available and provide on-going training and counseling to obtain the highest level outcomes. The Pioneers' Home Nursing Administration with support and input from the Superintendent have implemented an improved QA/QI program addressing major issues in nursing in particular but with other departments also. We continuously look to improve resident safety, satisfaction and quality of life issues. The Home has also recently contracted with a new Physician's group in which we are seeing a much higher level of care in this area.

**Issue 4** To maintain the provision of services in the most cost effective manner.

**Description** Administration of the Pioneers' Home seeks to provide the highest level of services to its' residents in a cost effective manner.

**Solutions:**

While health care cost, food costs and medication cost of seen very significant cost increases over the past years the Home's staff is encouraged to actively seek methods of fiscal savings while ensuring that training and tools necessary to perform their jobs are available. The Home requires residents to have Medicare and a supplemental Medicare insurance program to defer costs as well as an active prescription plan through Medicare D or the Veteran's Administration to provide medication coverage. In addition the Home charges residents for any over the counter medications which are not covered by Medicare D or the VA. The Home splits, 50/50 dental and vision procedures up to a maximum of \$1000 Home assistance, lifetime for each resident.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	95.4	95.4	95.4
<b>General Fund</b>	21.2	23.2	24.0
<b>Other Appropriated Funds</b>	74.2	74.2	74.2
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To increase the visibility and awareness of the Arizona Pioneers' Home outside Yavapai County.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
No decrease of daily census.	-1	0	102	103	103

**Explanation:** To maintain current census levels.

Number of residents from counties other than Yavapai and Maricopa.	16	15	19	18	18
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**Explanation:** Increase number of inquiries from outside Maricopa and Yavapai counties.

◆ **Goal 2** To enhance the internal and external restoration and décor of the Home to maintain its historic presence and preservation and maintain structural integrity.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Maintain internal and external integrity and décor of the Home with respect to historical significance.	1	1	1	1	1
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**Explanation:** Complete energy performance and savings contract.

◆ **Goal 3** To provide care and services that meets or exceeds the highest standards and best practices for long-term care.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Number of citations from inspections	0	4	0	2	2
Residents rating of good or excellent (percent)	100	98	99	98	98

◆ **Goal 4** To maintain the efficiencies of services provided in the most cost conscious manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Average census	101	105	100	102	102
Daily cost per resident (in dollars)	150.32	160.5	164.3	165.53	166.03

## Agency Summary

### BOARD OF PODIATRY EXAMINERS

Sarah Penttinen, Executive Director  
Phone: (602) 542-3095  
A.R.S. § 32-801

**Mission:**

*To protect the health, safety, and welfare of the public by regulating and maintaining standards of practice in the field of podiatric medicine.*

**Description:**

The State Board of Podiatry Examiners licenses and regulates doctors of podiatric medicine who specialize in the diagnosis and treatment of the foot, ankle, and lower leg. The Board evaluates the professional competency of podiatrists seeking to be licensed in the State of Arizona. Further, the Board promotes continued competency and fitness by investigating complaints made against practitioners, holding hearings, monitoring the activities of its licensees, and enforcing the standards of practice for the podiatric profession as set forth by law.

\* The Board has not submitted updated budget or performance measure data for FY 2012, FY 2014, FY 2015 or FY 2016.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	125.2	147.3	147.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>125.2</b>	<b>147.3</b>	<b>147.3</b>
<b>FTE Positions</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## Agency Summary

### COMMISSION FOR POSTSECONDARY EDUCATION

Dr. April Osborn, Executive Director  
Phone: (602) 258-2435  
A.R.S. § 15-1851

**Mission:**

*To expand access and increase success in postsecondary education for Arizonans.*

**Description:**

The Commission comprises 16 Commissioners, fourteen of whom are Governor appointed. Commissioners represent both public and private postsecondary education and its constituencies. Core responsibilities of the ACPE are related to student financial assistance programs including administration of state grants, scholarships, forgivable loans, and the Arizona Family College Savings (529) Program. The Commission provides timely and effective communication and programs to assist students and their families plan, transition, and succeed in postsecondary education. The Commission offers the single forum where all sectors of postsecondary education dialogue, collaborate, and problem-solve issues of mutual interest.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,396.8	1,396.8	2,766.4
Other Appropriated Funds	1,282.6	1,535.4	1,535.4
Other Non Appropriated Funds	2,486.8	1,324.8	755.6
<b>Total Funding</b>	<b>5,166.2</b>	<b>4,257.0</b>	<b>5,057.4</b>
<b>FTE Positions</b>	<b>8.5</b>	<b>8.5</b>	<b>11.0</b>



**Issue 1** Student financial assistance dollars have been reduced and the scarcity of funding is impeding access and completion of postsecondary education for Arizonans.

**Description** Arizona’s postsecondary students have been highly impacted over the past 6 years by a reduction of over \$7M in state student aid and the loss of \$3.7M of federal student aid. Student aid programs on suspension since 2010 include the Postsecondary Education Grant, the Private Postsecondary Education Student Assistance Program, and the Early Graduation Scholarship Grant. The denial of Arizona’s College Access Challenge Grant Maintenance of Effort Waiver request by the U.S. DOE, along with the termination of federal LEAP and Special LEAP, represent an additional loss of \$2.1M for low-income student grants in both FY 2015 and FY 2016.

As the state’s representative to the National Association of State Student Grant and Aid Programs, Commission staff recognize many states have experienced reductions, but few lost nearly 80% as experienced in Arizona. The reduction of the Commission budget by \$11M directly reflects pass through funds that today’s Arizona’s students are missing. The Commission staff members are dedicated to making sure each dollar of student aid remaining is available in a timely manner and that existing financial aid programs are well administered.

In response to the meager levels of state and federal student aid, the Commission is working to raising the awareness and participation rate of the Arizona Family College Savings (529) Program. This state-sponsored program provides investments where earnings grow tax-deferred and distributions are tax-free when used for qualified college expenses. Moreover, contributions of up to \$4000 for a married filer are annually deductible from Arizona income tax. The Arizona Family College Savings Program provides a great opportunity for families to prepare for college expenses and is expected to exceed \$1B in assets under management in 2014.

**Solutions:**

Goal 1: Maximize student financial assistance available and support efforts to restore and increase student aid.

Strategy 1.1: Provide effective and efficient administration of the Arizona Leveraging Educational Assistance Partnership (AzLEAP)

1. Maintain elements of program administration similar to state and federal guidelines to provide consistency for both institutions and students.
2. Survey postsecondary institutions regarding effectiveness of administration.
3. Identify and implement areas for administrative improvement annually.
4. Develop, test, and implement streamlined processes.
5. Prepare and distribute reports on students served by program to policy makers.

Performance Measures:

- Achieve 90% satisfaction with administration of program as evaluated by institutional constituencies.
- Document the number of processes annually reviewed.
- Document the number of process improvements implemented and their benefit to better administration.
- Complete and distribute an annual report to policy leaders informing them about participants and the benefits to the State.

Strategy 1.2: Provide effective and efficient administration of the Arizona Math, Science, Special Education (MSSE) Teacher Loan Forgiveness program.

1. Implement a program based upon requirements in statute which is congruent with procedures implemented by the Arizona Board of Regents in the previous administration, in order to meet both student and the State’s needs.
2. Integrate the MSSE Teacher Loan Forgiveness Program into the AzGrants website providing a simple application for student aid.
3. Develop a marketing plan and promote to all Arizona students enrolled in public and private teacher education programs for maximum exposure to eligible students.
4. Prepare an annual report describing student and institutional participants as well as teacher retention, loan forgiveness, and loan repayments.

Performance Measures:

- MSSE Program represents a cohesive forgivable loan program with achievable and measurable goals.

- Application process is simple for students and integrated into the AzGrants web portal to benefit students' understanding of potential financial aid programs.
- Students apply and receive funds in a timely manner contributing to the success of the program and its goals.
- Adequate numbers of eligible students apply and receive funds.
- An annual report to policy leaders is compiled and distributed including data regarding students and institutions participating, data on service in shortage areas, and retention data.

Strategy 1.3: Review the return on investment and sustainability of continuing to maintain the AzGrants secure web portal which provides access to all state student grants, scholarships, forgivable loans, and loan repayments given the reduction in state funding.

1. Single web portal is maintained which accepts student applications and completes the back end administrative processes necessary to award student financial aid.
2. Portal also serves as entry point for students in repayment of state financial aid to view account information and complete the administrative processes necessary to manage loan repayment.
3. Portal provides financial aid professionals from postsecondary institutions across the state a user-friendly access for verification and certification of student eligibility for financial aid programs.
4. Portal allows students to track the progress of their application or loan status.
5. Website provides links to financial aid options and resources.
6. Data is collected through website regarding students and institutions to be used for policy decisions.

Performance Measures:

- Evaluation regarding return on investment and the sustainability of maintaining this web portal is undertaken including the following elements
- Number of grants, scholarships, loans issued annually.
- Number of repayments accepted and processed annually.
- Number of hours saved for Commission personnel through website back office operations.
- Review of postsecondary institutions' perspective of the portal use and the functions it provides.
- Assessment of enhanced security provided through the portal.
- Assessment of the value of annual reports to policy leaders describing characteristics of students and the institutions participating, as well as data from students regarding barriers and incentives to persistence to degree, and
- Decision is made by Jan. 1, 2015 to continue to support portal

Strategy 1.4: Provide effective and efficient administration and oversight for the Arizona Family College Savings (529) Program (AFCSP).

1. Through on-going research and participation in professional development venues, Commission staff apprise Commissioners and Oversight Committee members of SEC, MSRB, national standards and national 529 plan issues and trends.
2. Commission staff seek advice when appropriate from an experienced, contracted consultant regarding investment offerings, program operating procedures, legal issues, and 529 plan industry trends.
3. Commission staff, trustees (Commissioners), and Oversight Committee members use knowledge of best practices and successes of other state programs to improve Arizona 529 plan administration and offerings.
4. Processes to ensure the interest of the state and the needs of Arizona residents are being met are in place.
5. Improved processes and procedures are developed, tested, and implemented annually.
6. Staff develop and implement a year-long public awareness/marketing plan to inform and encourage Arizona families to prepare for the expenses of postsecondary education through a tax-advantaged 529 plan.
7. Commission staff provides measures of the success of the 529 plan, using various sources of data and program mission and goals.

Performance Measures:

- Program administration, operating procedures, and offering materials comply with regulatory and College Savings Plan Network standards, reflecting best practices of the industry.
- Director and Executive Director attend national meetings, participate in professional organizations, and bring research and best

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practices to the trustees, Oversight Committee, and administration of the AFCSP.

- Expert advice is sought from a recognized industry expert for issues of legal and regulatory import.
- Director holds monthly meetings with representatives of program managers, reviewing the interests of the state, and ensuring program participants needs are being considered as well as compliance with contract obligations.
- Management reports are prepared and distributed among constituencies.
- Public awareness of 529 plan benefit is increased through marketing efforts.
- The number of Arizona families benefiting from the AFCSP increases annually by a predetermined annual goal.

Strategy 1.5: Offer a quality college savings (529) program by maximizing the contribution of the AFCSP Oversight Committee.

1. Oversight Committee mission and goals are presented to Trustees for approval.
2. Oversight Committee member expertise is maximized in areas of evaluation of program, knowledge of investment offerings, operations, and marketing.
3. Effective Oversight Committee meetings take place five times per year to make recommendations; Trustees meet 4 times a year to make decisions.
4. Staff provides research, daily oversight, and measurement of processes against goals.
5. A productive and on-going annual provider review process results in informed decision-making by Trustees regarding program managers' contracts and investment products.

Performance Measures:

- Mission and goals are developed and are used to direct program administration.
- Oversight Committee and Trustee meetings are held and evaluated effective by participants.
- Outputs from the Oversight Committee meetings include recommendations to trustees regarding: decisions regarding program manager contracts and modification, mission and goals for the AFSCP Oversight Committee, operational procedures, quality and affordable investment products for Arizona families, and
- Quality of financial institutions and investment products continually improve as evidenced by successful public comparison to other states' programs and meeting savings growth goals.

Strategy 1.6: Meet the escalating need of student financial assistance by reinstatement of two successful programs currently under suspension: Postsecondary Education Financial Assistance Program (PFAP) and Postsecondary Education Grant (PEG)

See submitted Justification for Proposed Funding Issues for FY 2016 in the FY 2016 & FY 2017 Budget Request.

Strategy 1.7: Restoration of adequate funding to achieve the goals set forth in the Math, Science, and Special Education Teacher Loan Forgiveness program.

See submitted Justification for Proposed Funding Issues for FY 2015 in the FY 2015 & FY 2016 Budget Request

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**Issue 2** Most Arizona students and their families are inexperienced and unaware of the necessary steps to enroll, finance, and complete a postsecondary education.

**Description** As compared to other states across the nation Arizona has

- (1) one of the lowest college-going rates with only 53.5% of the 2012 seniors enrolling in a postsecondary education experience leaving 27,600 students with no further education options, likewise
- (2) one of the lowest college attainment rates with only 24% of a senior class (2006) graduating from a 2-year or 4-year postsecondary institution 6 years following high school graduation; and only
- (3) 26% of all Arizonans over the age of 25 holding a bachelor's degree or higher.

These outcomes coexist with the prediction from Anthony Carnevale's "Help Wanted: Projections of Jobs and Educational Requirements through 2018" published by Georgetown Public Policy Institute's Center on Education and the Workforce that 3 out of five jobs in Arizona, or 61%, will require some training beyond high school by 2018. No longer is high school graduation the finish line. Arizona must improve the education outcomes of our K-12 and postsecondary education systems in order to meet projected workforce and social capital needs.

College Goal Arizona (CGA) is a statewide senior year initiative coordinated by the Arizona Commission for Postsecondary Education. It promotes partnerships with high schools statewide to implement strategies designed to (1) increase the number of students making an application to a postsecondary education institution and (2) increase the number of seniors applying for and securing student financial aid.

College Goal Arizona (CGA) comprises the Arizona College Application Campaign and College Goal FAFSA. The College Application Campaign provides a supported, cohort approach where high school staff and peer support takes on the role of experienced, college knowledgeable adult who informs, motivates, and prods students toward submitting, on time, a college application. In order to participate, high school principals and counselors sign a pledge to provide an event, generally over 1-3 days, when every student is provided computer time to complete at least one application for postsecondary education. High schools also agree to a goal of 100% participation. More than 250,000 applications were filed in 39 states following this format last fall through the American College Application Campaign organized by the American Council on Higher Education and with financial support from Lumina. Arizona mounted a very successful pilot project last November, and just under 50 high schools representing 12,000 seniors have applied for 2014 CAC events.

College Goal FAFSA also provides cohort support for seniors to file the Free Application for Federal Student Aid or FAFSA in February. The College Goal FAFSA effort of the Arizona Commission has relied heavily over the past 19 years on financial support from USA Funds, the strength of a 20 member Advisory Committee, and manpower from the Arizona Association of Student Financial Aid Administrators. All of which will be pursued for 2014-15. An additional challenge present for College Goal FAFSA is gaining involvement from at least one parent because the application requires a parent signature on the youth's FAFSA application. FAFSA completion is a family affair. The expectation from implementation of College Goal Arizona is that increasing the number of Arizona seniors who complete a college application and file the Free Application for Federal Student Aid or FAFSA will result in an increased college-going rate in participating high schools.

### **Solutions:**

Goal 2: Provide support from knowledgeable professionals and accurate and timely information to help students and families take the steps to enroll and succeed in postsecondary education

Strategy 2.1: Establish College Goal Arizona which supports and develops a culture where every high school senior is encouraged and expected to apply for and participate in a postsecondary education experience.

1. Promote the CGA senior year initiative statewide.
2. Establish and develop relationships with key decision-makers and pertinent staff at Arizona postsecondary education institutions and high schools.
3. Encourage Community "buy in" via three groups 1) ACPE Commissioners, 2) the 32 member AzCAC Committee and 3) an 18 member College Goal FAFSA Task Force. These groups will be asked to help in establishing partnerships and collaborations, identifying and securing funding, and recruiting volunteers.
4. Develop a Fundraising/ Partnership Plan inclusive of a case statement, logic model, goals, strategies, outcomes, and indicators for success.

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5. Execute the College Goal Arizona Fundraising/Partnership plan.
  6. Adjust activities and outcomes to meet the budget.

Performance Measures:

- Key leadership supports the statewide initiative
- Funding, collaborations, partnerships provide desired assistance in specific areas of need for 2015, 2016, 2017.
- Increase the number and proportion of Arizona high school graduates going on to college over a four year period of time.
- Counselor and student surveys demonstrate movement toward expectations that ALL students can benefit from and progress toward a postsecondary education experience.
- Raise the level of college-going culture in Arizona high schools.

Strategy 2.2: Coordinate the statewide College Application Campaign.

1. Secure external funding sources to implement program elements.
2. Develop marketing and public relations materials.
3. Identify and develop relevant web-based content rich materials for AzCAC website to support high schools, volunteers, and postsecondary institution personnel.
4. Recruit high schools with focus on Title 1 schools.
5. Connect with non-profit volunteer organizations and college access organizations to share resources and collaborate.
6. Develop partnerships and collaborations with postsecondary institutions from all three sectors to ensure adequate support is provided for each of the participating high schools and staff.
7. Evaluate all aspects of the AzCAC program and act upon data collected.

Performance Measures:

- Program is adequately funded to support data analysis, high school giveaways, promotional materials, and evaluation.
- Increased number (over pilot) of high schools and seniors participate while retaining the focus on Title 1.
- Volunteer groups provide manpower for events at high schools.
- Postsecondary institutions' admissions professionals (all 3 sectors) attend high school events and provide expert advice for program success.
- Media and newspaper coverage promotes AzCAC and touts the outcomes.
- Data on program success is gathered from all stakeholders and analyzed for program improvements to be implemented
- Promote program success at all levels.
- Successful school personnel will be invited to participate as a College Goal FAFSA high school.
- Increase the number and proportion of Arizona high school seniors who apply to a postsecondary education institution in the fall of their senior year.

Strategy 2.3: Coordinate the statewide College Goal FAFSA events.

1. Secure external funding sources to implement program elements.
2. Promote College Goal FAFSA events.
3. Develop relevant, web-based, content rich materials in order to support high school personnel, student, family, and postsecondary institution needs.
4. Coordinate and execute the on-going statewide College Goal FAFSA weekend events along with newly implemented high school-based events to assist college-bound seniors, their families, and returning adults in filing the Free Application for Federal Student Aid (FAFSA).
5. Mentor site coordinators via email, phone calls, visits as needed.
6. Recruit more than 300 financial aid professionals from all sectors of postsecondary education to staff College Goal FAFSA weekends and high school nights.
7. Evaluate site coordinator, funder, and family/student surveys, analyze data, and make improvements.

Performance Measures:

- Dollars are available to support program elements.
- College Goal FAFSA weekend event staffed by financial aid professionals is held.
- Funder is satisfied with data they receive.
- Financial aid professionals in postsecondary institutions and AASFAA members provide expert advice for program support both at postsecondary sites and high school events.
- Student/family surveys indicate target audience is served and benefits are realized.
- Number of FAFSA's completed at participating high schools.
- Number of publications distributed and website visits.

Strategy 2.4: Provide student level FAFSA completion status data to participating high schools, Local Education Agencies, and designated entities for the purpose of supporting student FAFSA completion.

1. ACPE submitted an updated Student Aid Internet Gateway (SAIG) application upon invitation from the U.S. Department of Education which allows disclosure of limited Institutional Student Information Record or ISIR data to Local Education Agencies, secondary schools, and additional designated entities, e.g. GEAR UP.
2. Commission secures written agreements with multiple assurances of compliance, extensive security measures, and a plan to use the data with interested entities, following the U.S. Department of Education requirements.
3. Programming is undertaken to match every 1-2 weeks name, date of birth, and zip code as submitted by high school among the 800,000 FAFSAs received annually by the Commission and assemble school specific reports from the matched records with the allowable information.
4. A secure portal is established to receive requests from participating entities and to provide secure access to informational reports for each entity every 1-2 weeks describing the status of the FAFSA completion for each student requested.
5. Resources are not currently available and must be acquired to complete the technology solutions for objectives 3 and 4.

Performance Measures:

- ACPE becomes equipped to compile and securely disseminate FAFSA data with contracted secondary schools, LEA's, and designated entities.
- Pilot schools, districts, and designated entities receive both a manual and instruction about the use of the data.
- Pilot organization personnel receive current data identifying who has applied and who has corrections, signing issues, etc.
- Pilot schools act on information and specific knowledge to assist students to complete their FAFSA.
- Pilot school personnel become aware of the value of the FAFSA Completion data and identify strategies to assist students in completion of individual FAFSA's.
- Additional schools become aware of the availability of FAFSA Completion data and enter into agreements with the ACPE to receive the data.
- High schools and designated entities statewide see a significant increase in students FAFSA completions; thereby students obtain more funds for college attendance

Strategy 2.5: Provide current and relevant web and print-based information on college-going and financial assistance for families and students.

1. Secure external funding sources.
2. Develop content/program elements.
3. Identify outreach/distribution methods using partnerships and collaborations.
4. Implement, maintain, and evaluate the publications and websites including the Arizona College and Career Guide (print and online) and ACPE websites including College Goal Arizona, ACPE website, azgrants.gov, Pay4collegeArizona.gov, AZ529.gov.

Performance Measures:

- Funds are adequate to support each project.
- Number of visits per website, numbers of publication requests
- Constituency feedback regarding value of communication and information.
- Staffing is adequate to plan, maintain, and evaluate a quality product.

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**Issue 3** Private and public postsecondary education sectors can enhance student success and leverage resources by working together.

**Description** The postsecondary education system in Arizona comprises 3 public universities, 10 community college districts, and more than 250 private universities, colleges, technical, and vocational schools. The membership of the Arizona Commission for Postsecondary Education has representation from these three sectors and additionally two K-12 superintendents and one individual from commerce and industry, all at the senior management level.

The composition of the Commission provides a unique opportunity for discussion, identification of problems and opportunities, and consideration of solutions from many perspectives. Commissioners benefit from the diverse perspectives among the group and gain a depth of knowledge about all sectors of postsecondary education. Through its work the Commission seeks to strengthen relationships among all sectors of higher education, as well as encourage cooperation between levels of education.

**Solutions:**

Goal 3: Private and public postsecondary education sectors can enhance student success and leverage resources by working together.

Strategy 3.1: Use the ACPE meetings, statewide programs, and conferences both to problem solve and identify opportunities that cross sectors of postsecondary education

1. Hold effective meetings at least four times per year; conference every other year.
2. Use expertise of Commissioners and constituents to identify areas of opportunity and problems.
3. Use a sub-committee or collaborative task force structures to achieve the identified goals.
4. Promote work of these groups to capitalize on opportunities and solve problems.
5. Evaluate outcomes of meetings, conferences, and revise plan annually.

Performance Measures:

- Commissioners rate meetings as effective in achieving goals.
- Areas of opportunity and problems are identified through conversation and interaction.
- Collaborative work groups are established with Commissioner participation and leadership to achieve solutions or engage opportunities.
- Plans are revised and adapted to meet changing needs

Strategy 3.2: Encourage, lead, and participate in collaboration/partnerships to promote college access and success.

1. Seek avenues to encourage collaboration/partnerships that contribute to the ACPE mission, such as College Application Campaign and Arizona Family College Savings Program Advisory Committees and College Goal FAFSA Task Force and lead these groups in a manner that maximizes community input and buy-in.
2. Participate and contribute to collaborative initiatives such as Degree Phoenix, Arizona College Access Network, Thriving Together, Expect More Arizona, and ACT Statewide Council.
3. Review the effectiveness of existing initiative investments.
4. Share resources to assist in sustaining or initiating appropriate efforts.
5. Complete an annual review of these efforts and re-allocate personnel and resources as necessary.

Performance Measures:

- Number of collaborations/partnerships investments.
- Assessment of contributions received and those gained.
- Reallocation of resources based on evaluation

Strategy 3.3: Initiate research through the Arizona Minority Policy Analysis Center that promotes the changes necessary to accomplish the mission of ACPE.



1. Develop and support policy analysis center(s).
2. Use research to identify necessary initiatives and goals.
3. Identify research and infrastructure partners.
4. Disseminate and use research to promote policy change.

Performance Measures:

- Sustain AMEPAC through leadership, infrastructure, and fundraising support.
- Number of studies produced that forward the mission.
- Research and its findings are promoted among the community.
- Identify impact of the studies.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	7.5	7.5	7.5
<b>General Fund</b>	2,766.3	2,766.3	2,766.3
<b>Other Appropriated Funds</b>	1,535.3	1,535.3	1,535.3
<b>Non-Appropriated Funds</b>	650.0	650.0	650.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To maximize student financial assistance available to students and families

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of LEAP student awardees	3,151	2,800	3,095	2,800	2,800
Percent of good or excellent service via evaluation surveys	95	90	97	90	90
Number of Arizona Education Loan Program student borrowers	N/A	N/A	N/A	N/A	N/A

**Explanation:** No longer responsible for supervision of Federal Education Loan Program (FELP) and thereby do not receive this data

Number of Arizona Family College Savings Program accounts	68,000	70,500	73,001	76,500	80,000
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- ◆ **Goal 2** To provide accurate and timely information and support from knowledgeable professionals to help students and families plan for and succeed in postsecondary education

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Arizona College & Career Guides distributed	1,786	15,000	8,966	9,000	9,000
Number of Arizona College & Career Guide (ACCG) on-line visits	7,627	7,000	2,088	3,000	3,000
Attendees at College Goal Sunday	1,645	1,800	1,234	1,800	1,800
Think College and Parent materials distributed (Spanish)	0	0	9,575	5,000	5,000

**Explanation:** \*The Arizona College Application Campaign and College Goal FAFSA are grant and sponsorship supported programs that distributes materials to students/families through high schools and college access programs.

Think College and Parent materials distributed (English)	0	0	99,043	80,000	80,000
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**Explanation:** \*The Arizona College Application Campaign and College Goal FAFSA are grant and sponsorship supported programs that distributes materials to students/families through high schools and college access programs.

- ◆ **Goal 3** To provide a forum where all sectors of postsecondary education dialogue, partner and problem solve issues of mutual interest

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of statewide committees or task forces collaboratively seeking solutions to issues in postsecondary education	4	3	4	3	3
Numbers of research studies published to examine issues of postsecondary access and success	1	0	1	1	1

## Agency Summary

### POWER AUTHORITY

Michael A. Gazda, Interim Acting Executive Director  
 Phone: (602) 368-4265  
 A.R.S. §§ 30-101 et seq

**Mission:**

*To responsibly administrate the Hoover Power allocation to the State of Arizona. In fulfilling this responsibility, the Power Authority strives to be an active leader in managing electric resources in a safe and environmentally prudent manner, and to provide active representation on behalf of the State of Arizona at federal, state, and local forums on issues that impact the public power community as a whole and issues that specifically involve Arizona and the Authority's power resources.*

**Description:**

The Arizona Power Authority (APA) manages Arizona's allocation of hydroelectric power from the Hoover Dam for the overall benefit of the State. The APA cooperates with federal, state, and non-governmental agencies to address regulatory, environmental, and other matters that impact electric power and water uses of the Colorado river. In addition, the APA serves as an information resource for its customers on topics that impact their electric resources and the utilization of these resources. The Authority may also pursue generation and/or transmission projects that are within the APA's legislative mandate and are in the best interest of the State of Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	34,688.4	34,823.5	34,823.5
<b>Total Funding</b>	<b>34,688.4</b>	<b>34,823.5</b>	<b>34,823.5</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

## 5 Year Plan

**Issue 1** Costs of generation and transmission resources

**Description** Maintaining or reducing costs of generation and transmission resources.

**Solutions:**

To keep future power costs to a minimum, we will continue to analyze cost of service studies and other factors affecting the cost of power from Hoover Dam.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To analyze cost of service studies and other factors affecting the cost of power from Hoover Dam, in an effort to keep future power costs to a minimum.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Hoover annual revenue requirements (in thousands).	73,615.6	76,108.0	76,108	61,009	88,409

- ◆ **Goal 2** To analyze and critically review the transmission system costs and other factors associated with the delivery of Hoover power.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cost of Intertie Transmission (\$/kW-year)	15.24	19.68	19.32	19.32	19.32
Cost of Parker-Davis Transmission (\$/kW-year)	14.88	14.88	15.36	15.36	15.36

- ◆ **Goal 3** To ensure the Power Authority has the opportunity to coordinate and cooperate with Federal agencies to supply and deliver Hoover power to the Authority's customers in the State of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customers purchasing power from Arizona Power Authority	29	29	29	29	29

## Agency Summary

### STATE BOARD FOR PRIVATE POST-SECONDARY EDUCATION

Teri Stanfill, Executive Director  
 Phone: (602) 542-2399  
 A.R.S. §§ 32-3001 et seq.

**Mission:**

*To protect the health, safety, and welfare of the public by regulating private postsecondary educational institutions and providing services to their students.*

**Description:**

The Board licenses and regulates 260 private postsecondary educational institutions who serve approximately 636,614 students annually. The Board determines compliance, investigates complaints and violations, and takes disciplinary action. The Board also administers the Student Tuition Recovery Fund, which provides financial restitution to students injured by private postsecondary institutional closures and provides students access to their educational records.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ LICENSING AND REGULATION	616.4	395.7	995.7
➤ STUDENT TUITION RECOVERY FUND	106.4	136.6	-463.4
<b>Agency Total:</b>	<b>722.8</b>	<b>532.3</b>	<b>532.3</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	616.4	395.7	995.7
Other Non Appropriated Funds	106.4	136.6	-463.4
<b>Total Funding</b>	<b>722.8</b>	<b>532.3</b>	<b>532.3</b>
<b>FTE Positions</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>

**Program Summary**

**LICENSING AND REGULATION**

Teri Stanfill, Executive Director  
 Phone: (602) 542-5709  
 A.R.S. §§ 32-3001 to 32-3058

**Mission:**

*To protect the health, safety, and welfare of the public by regulating private postsecondary educational institutions and providing services to their students.*

**Description:**

The Board licenses and regulates approximately 260 private postsecondary educational institutions, serving approximately 636,614 students annually. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	616.4	395.7	995.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>616.4</b>	<b>395.7</b>	<b>995.7</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

◆ **Goal 1** To ensure legal operations, ethical practices, and quality education in the private postsecondary sector.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of institutions licensed	255	256	260	257	264
Total number of renewal licenses approved	235	236	243	237	248
Total number of Supplemental Licenses approved	346	320	663	320	320
Number of adverse actions taken (Higher bonds, reporting/monitoring required, C&D issued)	50	45	58	55	55
Number of annual inspections conducted	26	25	28	25	28
Number of students enrolled	711,097	750,000	636,614	775,000	650,000
Number of licenses denied	0	1	0	1	1
Number of institutional closures	19	15	21	15	20

◆ **Goal 2** To investigate and adjudicate complaints in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of annual student complaints investigated	19	15	12	15	16
Number of student complaints resolved/dismissed	15	10	9	10	10
Number of student complaints resulting in disciplinary action	0	5	0	5	6
Number of Student Complaints Pending	4	0	3	0	0
Number of non-student complaints investigated	4	10	5	10	10
Number of non-student complaints resolved	4	5	1	5	5
Number of non-student complaints resulting in disciplinary action	0	5	3	5	5
Number of non-student Complaints Pending	0	0	1	0	0
Number of written inquiries (Letter of Intent, Inquiries, State Authorization Letters and student questions)	407	350	496	450	450

◆ **Goal 3** To efficiently and effectively administer the licensing and regulation program of the Board.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer Satisfaction Survey (scale of 1-8)	7.5	7.5	7.8	7.5	7.8
Administration as a percentage of total cost	4.7	4.7	3.9	3.9	3.9

**Program Summary**

**STUDENT TUITION RECOVERY FUND**

Teri Stanfill, Executive Director  
 Phone: (602) 542-5709  
 A.R.S. §§ 32-3071 to 32-3077

**Mission:**

*To protect the health, safety, and welfare of the public by regulating private postsecondary educational institutions and providing services to their students.*

**Description:**

The Board administers the Student Tuition Recovery Fund, which provides financial restitution to students injured by private postsecondary institutional closures and provides students access to their educational records.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	106.4	136.6	-463.4
<b>Total Funding</b>	<b>106.4</b>	<b>136.6</b>	<b>-463.4</b>
<b>FTE Positions</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>

◆ **Goal 1** To provide equitable financial restitution, in a timely manner, to students financially injured as a result of a school closure.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of claims filed	0	10	1	10	10
Number of claims rejected	0	0	1	0	0
Number of claims paid/settled/closed	0	10	1	10	10
Number of claims pending	0	0	0	0	0
Average number of calendar days to pay claims	NA	60	NA	60	60

◆ **Goal 2** To collect or secure monies sufficient to provide for student financial restitution.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of institutions billed	0	1	0	1	3
Amount of assessments collected (in thousands)	0	.1	0	.1	.1
Amount available to students (in thousands)	486.0	636.8	634.1	542.0	579.0
Amount paid in Student Claims	0	31.0	0.	30.0	30.

◆ **Goal 3** To provide students access to their educational records in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of student record requests processed.	2,096	2,000	2,115	2,100	2,100
Average number of days to process requests	12	10	9	10	10

### Agency Summary

#### BOARD OF PSYCHOLOGIST EXAMINERS

Cindy Olvey, Psy.D., Executive Director  
Phone: (602) 542-3018  
A.R.S.§§ 32-2061, et seq.

#### Mission:

*To protect the health, safety, and welfare of Arizona citizens by regulating the professions of psychology and behavior analysis.*

#### Description:

The State Board of Psychologist Examiners licenses and regulates professionals to practice in the fields of psychology and behavior analysis. The Board accepts complaints against licensees, investigates allegations, and administratively adjudicates complaints. The Board serves psychologists and behavior analysts licensed to practice in the state, as well as all Arizona citizens who receive these professional services.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	359.9	413.6	523.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>359.9</b>	<b>413.6</b>	<b>523.1</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>



## 5 Year Plan

**Issue 1** The only forms of payment accepted by the agency are cash, money order, or check.

**Description** The agency receives payment from licensees and members of the public for services such as applications for licensure, initial license fees, public records requests, and license verifications. A.R.S. § 32-2067 authorizes the agency to establish fees and penalties. Today's marketplace increasingly operates through the use of electronic payments, and the general public has come to expect the option to use credit and debit cards to pay for services. Currently, the agency is only able to accept payment by cash, check, or money order, which may create inconvenience for some licensees as well as members of the public wishing to conduct business with the agency. The agency would like to implement a system to allow for payments to be made by debit or credit card as well as other electronic transactions.

**Solutions:**

In the FY2015 budget, the agency was authorized an increase in appropriation to establish a payment system in order to accept payment by debit/credit cards and other forms of electronic payment in addition to the current payment methods accepted by the agency. The agency is currently working to develop this system.

**Issue 2** The agency is unable to offer online applications for licensure.

**Description** Currently, all applications for licensure are available for downloading on the agency website. However, applications may not be completed online and must be printed, completed and sent to the agency. The agency would like to offer applicants the option to apply for licensure through the agency website. Establishing an online application would increase convenience and efficiency for all applicants. Due to budget limitations, the agency has postponed the necessary system development that would be required to implement such a feature on the website.

**Solutions:**

In the FY2015 budget, the agency was authorized an increase in appropriation to begin development of an online application for license renewal. The agency is currently developing the online renewal application which will be available for the 2017 renewal cycle. The next step will be to develop an online application for initial licensure for both psychologists and behavior analysts. In addition, the national ASPPB (Association of State and Provincial Psychology Boards) has developed an online universal application for initial licensure that the Board is currently exploring.

**Issue 3** Staffing Levels do not meet current workload requirements.

**Description** The Arizona Board of Psychologist Examiners is allocated four FTE positions; however, due to the budgetary limitations, the agency has operated with two-thirds to three-quarters staffing levels since FY 2009. Agency responsibilities and workload have increased substantially with the addition of a second profession regulated by the agency (behavior analysis).

**Solutions:**

In the FY 2015 budget, the agency was authorized an additional appropriation to fund an existing vacant position half-time in order to assist in bringing staffing levels more in line with agency responsibilities and workload. Because the agency workload has substantially increased over the past year, the agency is requesting appropriation to fill the position full-time beginning July 1, 2015.

**Issue 4** SB 1353 (Chapter 70, effective 9/13/2013) authorizes that mental health disorders may be addressed in rural regions by telemedicine beginning in 2015.

**Description** SB 3153, passed in 2013 by the Arizona Legislature, allows for the provision of services for "mental health disorders" via telemedicine in "rural regions" beginning in January, 2015. The issue of providing psychological services via telepractice has been an ongoing discussion at both the state and national level for several years. In order to begin to address this issue, the Board of Psychologist Examiners established a Telepractice Committee dedicated to studying the feasibility of providing mental health services via electronic means.

**Solutions:**

The Telepractice Committee will continue to convene in FY 2015 to review and develop possible guidelines for practitioners licensed by the Board in order to best address and implement regulations that maintain safe standards of practice for mental health services provided to the public. In order to have the authority to make rules pertaining to telepractice, the Board ran legislation during the 2014 Legislative Session that authorized the Board to make rules by July 1, 2016. The Board has expressed its intent to first develop rules pertaining to intrastate telepractice. The Board will then consider making rules pertaining to interstate telepractice. The national ASPPB (Association of State and Provincial Psychology Boards) is contemplating a compact for telepractice whereby interested states could potentially participate in an agreement across states. The Board will monitor this initiative.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	4.0	4.0	4.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	450,000.0	450,000.0	450,000.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To protect the public from unqualified practitioners of behavior analysis by efficiently processing applications for licensure to determine if statutory requirements have been met.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applications received for initial behavior analyst licensure	18	20	45	40	40
Number of new behavior analyst licenses issued	16	20	38	39	39
Number of behavior analyst licensees (active/inactive)	0	0	120	155	190

**Explanation:** FY 2014 was the first year for this performance measure

- ◆ **Goal 2** To protect the public from incompetent practitioners of behavior analysis and unprofessional/unethical conduct through timely investigation and adjudication of behavior analysis-related complaints.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of behavior analysis-related complaints received	1	1	1	2	2
Average number of days to resolve a behavior analysis-related complaint	N/A	50	68	50	50

- ◆ **Goal 3** To protect the public from unqualified practitioners of psychology by efficiently processing applications for licensure to determine if statutory and rule requirements have been met.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of applications received for initial psychologist licensure	153	140	184	170	210
Number of new psychologist licenses issued	105	97	108	111	114
Number of licensees (active/inactive)	1,898	1,975	1,987	2,000	2,086
Average number of days to administratively process a psychologist application for licensure (from receipt to substantive review)	2	5	2	2	2
Average number of days to substantively process a psychologist application for licensure (from administrative completion to Board adjudication and/or issuance of license)	23	35	20	20	20

- ◆ **Goal 4** To protect the public from incompetent practitioners of psychology and unprofessional/unethical conduct through timely investigation and adjudication of psychology-related complaints.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigations	40	43	52	52	55
<b>Explanation:</b> Includes non-jurisdictional complaints and complaints against alleged title-violators					
Number of complaints opened regarding psychologists	27	30	29	29	30
Number of psychology-related complaints received involving unlicensed practitioners/title violators/non-jurisdictional issues	16	17	23	23	24
Number of psychology-related complaints resolved at the Complaint Screening Committee level	22	17	20	20	21
Average days from date a psychology-related complaint is opened to resolution at Complaint Screening Committee	41	39	40	40	40
Number of psychology-related complaints resolved/dismitted at the Board level through Board actions	13	14	5	12	12
For psychology-related complaints referred to the full Board, average days from receipt of complaint to Board resolution/Board action	95	75	85	77	77
<b>Explanation:</b> Does not include complaints dismissed at the Complaint Screening Committee level.					
Number of disciplinary actions taken against psychologists	5	3	3	7	6
Number of non-disciplinary/rehabilitative actions taken by the Board against psychologists	6	3	2	2	2

- ◆ **Goal 5** To protect the public through the auditing of continuing education hours of psychologists to ensure licensees are kept apprised of current standards of practice.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of licensees in compliance with continuing education requirements	75	n/a	n/a	71	n/a

- ◆ **Goal 6** To encourage public input regarding the Board's performance through customer surveys.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating (scale 1-8)	7.5	7.5	7.6	7.4	7.4

## Agency Summary

### DEPARTMENT OF PUBLIC SAFETY

Robert C. Halliday, Director  
 Phone: (602) 223-2359  
 A.R.S. §§41-1711 to 41-1794

**Mission:**

*To protect human life and property by enforcing state laws, deterring criminal activity, assuring highway and public safety, and providing vital scientific, technical, and operational support to other criminal justice agencies.*

**Description:**

The Department enforces state law with primary responsibility in the areas of traffic safety, criminal interdiction, narcotics, organized crime, auto theft, and specific regulatory functions. The Department provides a statewide focus for homeland security, criminal intelligence, scientific analysis, aviation support, emergency first care, criminal information systems, training, and statewide communications. Operational and technical assistance is provided to local and state agencies and other criminal justice entities.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ DIRECTOR'S OFFICE	24,293.8	26,471.1	27,399.4
➤ HIGHWAY PATROL	126,483.6	137,049.7	142,971.8
➤ CRIMINAL INVESTIGATIONS	58,219.7	59,704.0	62,000.4
➤ TECHNICAL SERVICES	77,845.2	84,079.3	84,775.7
➤ ARIZONA PEACE OFFICER STANDARDS AND TRAINING	6,501.0	7,998.5	7,099.7
<b>Agency Total:</b>	<b>293,343.3</b>	<b>315,302.6</b>	<b>324,247.0</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	50,802.1	89,324.9	104,246.1
Other Appropriated Funds	184,170.2	155,232.3	158,761.4
Other Non Appropriated Funds	58,371.0	70,745.4	61,239.5
<b>Total Funding</b>	<b>293,343.3</b>	<b>315,302.6</b>	<b>324,247.0</b>
<b>FTE Positions</b>	<b>2,150.7</b>	<b>2,158.2</b>	<b>2,158.2</b>

**Issue 1** Achieve and maintain employee compensation at market parity in order to recruit and retain high quality personnel.

**Description** While economic factors have contributed to hiring reductions, there is still significant competition for suitable law enforcement candidates and a challenge to retain top quality employees.

The agency's workforce in both law enforcement and support positions necessitates highly skilled employees meeting the most stringent standards. Salaries and benefits have to remain competitive with private industry, government, and other law enforcement agencies to attract qualified candidates and ensure the workforce reflects the citizens we serve.

When hiring resumes, competition for recruits among law enforcement agencies will be particularly fierce. Qualified applicants must be sought to meet public safety responsibilities on more than 6,000 miles of highways, initiate effective criminal investigations, disrupt organized crime, and pursue anti-smuggling cases. In addition, hiring qualified applicants is critical to addressing the loss of current officers to retirement and career changes.

As the gap between a DPS officer's pay and that at other Arizona law enforcement agencies widens, it impacts the ability to remain competitive and can cause the agency to lose trained, experienced officers to other organizations.

Changing demographics and employee compensation issues also impact retention of skilled employees in support services ranging from information technology, forensic science, engineering, and communications, to facilities design, craftsmen, mechanics, dispatchers, analysts, and administrative personnel.

**Solutions:**

**Issue 2** Achieve and maintain adequate staffing to keep pace with service demands and emerging public safety issues.

**Description** With Arizona's population growth, many DPS functions which serve the state are seriously understaffed. Patrol officers are needed to meet the Department's traffic safety and enforcement responsibilities on an expanding system of urban and rural freeways.

At the same time, challenges arising from immigration issues, smuggling, organized crime, auto theft, criminal activity, homeland security, and gangs are demanding more time and resources from uniformed officers as well as investigators. Sufficient numbers of detectives are essential to address issues involving violent crime, narcotics, white collar investigations, and local support resulting from statutory mandates, multi-jurisdictional enforcement activity, and federal resources being redirected.

A proportionate need exists for support positions necessary to keep Department operations functioning and minimize administrative tasks for sworn employees. Critical agency functions serving the public, such as the Sex Offender Notification Program, the Applicant Clearance Unit, the Concealed Weapons Permit Unit, and the DPS Crime Laboratory already have workloads exceeding staff capacity.

The DPS Crime Laboratory's forensic services alone impact every law enforcement and prosecutorial agency in the state. The rules of criminal procedure have specified periods for laboratory processing with penalties for noncompliance ranging from dismissed charges to release of criminals if scientific reports are not completed on time. Legislative mandates as well as demands from the public and the courts recognize the vast potential for forensic science to identify criminals and exonerate the wrongfully accused.

Other support functions such as licensing, records, emergency response, and statutorily mandated services have a high liability associated with work products intended to protect the public, and adequate staffing is critical to meet service demands.

**Solutions:**

**Issue 3** Achieve and maintain essential communication and information systems by taking advantage of current technology.

**Description** The agency currently relies on increasingly outdated information systems for both internal functions and external links with criminal justice agencies. Changing technology and interoperability requirements have made DPS communications systems obsolete.

Many of the DPS information systems consist of mainframe-based technology. The most essential of these systems must be supplemented or replaced to be compatible with new technology using database management, browsers, internet, intranet, and extranet solutions for performing processes. The need for components that can eventually be part of a comprehensive records management program is critical to meeting mandates, legal requirements, and public information expectations. Application of newer technologies will increase efficiency internally as well as allow the agency to better serve the state's criminal justice efforts.

The Department also operates the Arizona Criminal Justice Information System (ACJIS) which links crime information centers in Arizona to other states and the national system operated by the Federal Bureau of Investigation. In recent years, the FBI implemented technological upgrades to enhance the exchange of criminal information and improve criminal record processing. DPS must continue replacing outdated technology used on the state network to enable Arizona agencies to take advantage of the federal enhancements which extend modern crime fighting tools to officers in the field.

Changing requirements, federal regulations, and issues of coverage and interoperability are also making the DPS communications systems obsolete. The September 11th terrorist attacks dramatically reinforced the critical need for a statewide interoperable public safety radio system which allows multiple law enforcement agencies and other emergency first responders to communicate directly with each other. Also crucial is the need for a statewide digital microwave system to provide coverage to all areas of the state.

**Solutions:**

**Issue 4** Achieve and maintain vehicles, equipment, and facilities to adequately support law enforcement services.

**Description** The Department's mission is heavily dependant on vehicles, capital equipment, and facilities.

Vehicles used for patrol and enforcement operations must be maintained for occupant safety and eventually replaced when obsolete. The vehicle maintenance and replacement program allows the department to take advantage of improvements in fuel economy, service capability, and reliability.

Mandated services to the criminal justice system such as scientific analysis and air rescue operations require highly specialized equipment with reliable capability. Equipment applications which affect the department's ability to deliver public services are particularly susceptible to changing technology.

The Department's statewide operations require facilities ranging from public service locations, to remote housing, area offices, service yards, fuel storage, and evidence facilities. Facility investments are needed to meet statutory mandates and upgrade existing locations to meet changing standards. The Department aggressively pursues opportunities to help reduce utility costs, comply with environmental requirements, meet federal workplace standards, and address security needs in its efforts to maintain adequate facilities.

**Solutions:**

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	2,158.2	2,158.2	2,158.2
<b>General Fund</b>	107,373,483.0	110,594,687.0	113,912,528.0
<b>Other Appropriated Funds</b>	163,524,242.0	168,429,969.0	173,482,868.0
<b>Non-Appropriated Funds</b>	40,673,554.0	41,893,760.0	43,150,573.0
<b>Federal Funds</b>	21,750,613.0	22,403,131.0	23,075,225.0

**Program Summary**

DIRECTOR'S OFFICE

Dennis F. Young, Deputy Director  
 Phone: (602) 223-2080  
 A.R.S. §§ 41-1713, 41-1749

**Mission:**

*To provide critical assistance to the Arizona Department of Public Safety through management, training, and administrative services.*

**Description:**

The Office of the Director focuses on maintaining and supporting current and planned department operations by providing security for state executive personnel; a liaison to the state legislature; financial and human resource services; crime victim services; management services; training; media relations; research and planning; legal services; investigation of employee misconduct; internal and external management audits; and promoting efficiency of government.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	5,377.7	12,595.5	13,523.8
Other Appropriated Funds	9,631.3	3,309.1	3,309.1
Other Non Appropriated Funds	9,284.8	10,566.5	10,566.5
<b>Total Funding</b>	<b>24,293.8</b>	<b>26,471.1</b>	<b>27,399.4</b>
<b>FTE Positions</b>	<b>143.5</b>	<b>144.5</b>	<b>144.5</b>

◆ **Goal 1** To deliver exemplary service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of employees terminating employment (excludes non- Department of Public Safety task force members and retirements)	7	7	9	3	3
<b>Explanation:</b> Percent of employees terminating employment (excludes non-Department of Public Safety task force members).					
Update Administrative Code Title 13 Chapter 5 to comply with state personnel reform laws.	0	1	0.5	1	1
<b>Explanation:</b> Law Enforcement Merit System Council responsibility.					
Number of Administrative Code Title 13 Chapter 5 articles reviewed annually.	0	1	0.75	1	1
<b>Explanation:</b> Law Enforcement Merit System Council responsibility.					
Percent of the Performance Appraisal Manual reviewed and updated annually.	0	33	33	66	100
<b>Explanation:</b> Law Enforcement Merit System Council responsibility.					
Achieve a reduction in the actual days required to conduct a recruitment process for sworn and civilian.	0	0	0	25	25
<b>Explanation:</b> This is a percentage reduction from the current 180 days.					
Conduct advanced training courses by Training with a minimum of ten students.	0	0	45	30	30
<b>Explanation:</b> Accidental deletion. FY2014 estimate was 20.					

◆ **Goal 2** To embody the highest standards of integrity and professionalism

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Reclassify identified positions to meet market parity.	0	0	0	10	10
<b>Explanation:</b> New for FY2015. Number of.					
Reduce the turnover in the identified positions.	0	0	0	10	10
<b>Explanation:</b> New for FY2015. Percentage reduction.					

**Program Summary**

HIGHWAY PATROL

James E. McGuffin, Assistant Director  
 Phone: (602) 223-2348  
 A.R.S. §§ 41-1711 et. seq.

**Mission:**  
*To ensure the safe and expeditious use of the highway transportation system for the public and to provide assistance to local and county law enforcement agencies. The Highway Patrol program additionally provides services and enforcement in commercial vehicle, tow truck, school bus enforcement, and safety programs and is responsible for the air rescue and aviation services for the Arizona Department of Public Safety.*

**Description:**  
 The Highway Patrol program is comprised of Patrol, Commercial Vehicle Enforcement, and the Aviation subprograms. Patrol is aligned into three geographic regions: Northern, Central, and Southern bureaus. The Commercial Vehicle Enforcement and Aviation subprograms are statewide programs administered centrally with satellite offices statewide.

**This Program Contains the following Subprograms:**

- ▶ Patrol
- ▶ Commercial Vehicle Enforcement
- ▶ Aviation

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,200.0	14,958.3	24,914.4
Other Appropriated Funds	107,409.0	99,488.0	99,985.0
Other Non Appropriated Funds	16,874.6	22,603.4	18,072.4
<b>Total Funding</b>	<b>126,483.6</b>	<b>137,049.7</b>	<b>142,971.8</b>
<b>FTE Positions</b>	<b>985.0</b>	<b>994.0</b>	<b>994.0</b>



## Subprogram Summary

### PATROL

James McGuffin, Assistant Director  
Phone: (602) 223-2348  
A.R.S. §§ 41-1711 et. seq.

#### Mission:

*To ensure the safe and expeditious use of the highway transportation system for the public and to provide assistance to local and county law enforcement agencies.*

#### Description:

Officers patrol nearly 6,000 miles of state and federal highways and the Capitol Mall and enforce Arizona traffic, criminal, state, and federal laws, as well as commercial vehicle regulations. The Patrol additionally investigates traffic collisions; controls motor vehicle traffic; conducts criminal interdiction programs; makes criminal arrests; supports other law enforcement agencies; promotes traffic awareness and safety through public awareness programs; and provides specialized training to other criminal justice agencies.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	547.2	5,901.6	13,314.2
Other Appropriated Funds	93,951.8	90,070.5	90,158.9
Other Non Appropriated Funds	8,636.5	9,777.4	7,750.1
<b>Total Funding</b>	<b>103,135.5</b>	<b>105,749.5</b>	<b>111,223.2</b>
<b>FTE Positions</b>	<b>792.0</b>	<b>795.0</b>	<b>795.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Fatal highway collisions on Department of Public Safety patrolled roads	235	255	205	250	250
Number of fatal collisions on DPS patrolled roadways relating to impaired drivers.	33	32	33	31	31
Number of fatal collisions on DPS patrolled roadways related to a contributing cause of "inattention" or distracted driving.	42	45	37	45	45
Number of collisions on DPS patrolled roadways relating to impaired drivers.	799	878	931	860	860
Number of speed related collisions on DPS patrolled roadways.	15,579	14,725	15,758	14,432	14,432
Percent of fatal collisions that are secondary collisions.	5	2.24	4.1	2.2	2.2
Percent of total collisions that are secondary collisions.	6	5.55	6.2	5.3	5.3
Number of secondary collisions that involve a first responder.	43	73	53	65	65
Average number of citations for restraint use per officer.	42	46	31	55	55
Average number of citations for speed related violations per officer.	146	215	139	225	225
Average number of citations for hazardous violations per officer.	60	82	65	90	90
Percent of highway interdiction consent searches resulting in detection of contraband.	26	18	21	19	19
Average number of driving under the influence (DUI) arrests per officer.	6	9	6	9	9
Number of Uniform Crime Reporting (UCR) part one crimes occurring within the Capitol Mall Complex.	42	44	29	44	44

◆ **Goal 2** To deliver exemplary service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of capitol mall stakeholder meetings attended.	16	4	6	4	4
Number of public outreach events supporting highway safety.	20	36	26	36	36

◆ **Goal 3** To embody the highest standards of integrity and professionalism

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of new highway patrol and canine officers attending NHTSA-based traffic stop training course.	100	100	100	100	100

## Subprogram Summary

### COMMERCIAL VEHICLE ENFORCEMENT

James McGuffin, Assistant Director  
 Phone: (602) 223-2348  
 A.R.S. §§ 41-1711 et. seq.

**Mission:**

*To provide coordination for all law enforcement agencies statewide for commercial vehicle enforcement and to provide technical and essential services to the law enforcement community in the areas of commercial vehicle; tow truck; and pupil transportation safety and enforcement; and provide assistance and guidance on the safe handling of toxic waste in relation to transportation issues.*

**Description:**

The Commercial Vehicle Enforcement subprogram is the primary commercial motor vehicle, tow truck, and school bus safety enforcement arm of the Department of Public Safety. DPS is the State's lead agency for the Federal Motor Carrier Safety Administration Motor Carrier Safety Assistance Program and is responsible for coordinating all enforcement of state and federal commercial vehicle statutes and regulations. The subprogram's responsibilities include: the training of personnel and assistance to local agencies that have specific problems with commercial motor vehicle law enforcement. Additionally, the subprogram provides for response to hazardous material incidents throughout the State involving accidental discharges of hazardous materials and trains personnel involved in this effort.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	1,615.0	2,592.7
Other Appropriated Funds	8,100.0	9,057.5	9,466.1
Other Non Appropriated Funds	8,148.6	11,496.0	8,992.3
<b>Total Funding</b>	<b>16,248.6</b>	<b>22,168.5</b>	<b>21,051.1</b>
<b>FTE Positions</b>	<b>141.0</b>	<b>147.0</b>	<b>147.0</b>

◆ **Goal 1** To promote public safety in Arizona

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of fatal commercial vehicle involved collisions on DPS patrolled roadways.	25	41	13	39	39
Number of commercial vehicle involved collisions on DPS patrolled roadways.	1,699	1,912	1,720	1,874	1,874
Number of fatal commercial vehicle involved and responsible collisions on DPS patrolled roadways.	11	21	4	20	20
Number of commercial vehicle involved and responsible collisions on DPS patrolled roadways.	1,186	1,187	1,150	1,163	1,163
Total number of Driver Vehicle Examination Reports.	52,564	57,776	53,256	52,500	52,500
Percent of school buses inspected which are placed out of service.	34	10	14	20	20
Percent of Arizona commercial vehicle crashes entered into SafetyNet within 90 days.	94	100	94	100	100
Percent of Arizona commercial vehicle inspections entered into SafetyNet within 20 days of inspection.	93	100	94	100	100

◆ **Goal 2** To deliver exemplary service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of proactive public outreach events related to commercial vehicle highway safety.	17	40	16	25	25
Number of industry stakeholder events attended which are directed toward commercial vehicle highway safety.	31	10	19	20	20

**Subprogram Summary**

AVIATION

James McGuffin, Assistant Director  
 Phone: (602) 223-2348  
 A.R.S. §§ 28-240, 41-1834

**Mission:**

*To provide an immediate, 24-hour per day, statewide air support response capability for critical occurrences and emergency situations, to provide aerial and logistical support for law enforcement, highway safety, and traffic enforcement operations, and to provide transport services in support of governmental operations and critical administrative functions.*

**Description:**

The Aviation subprogram is comprised of four air rescue helicopter units; a fixed-wing air support unit; an aircraft maintenance unit; and administrative staff. The air rescue units are strategically based around the State to provide the most efficient and effective service. The air support and aircraft maintenance units are based in Phoenix at Sky Harbor Airport. Services provided include: first responder emergency medical services; technical rescue operations; medical and disaster evacuation; search operations; aerial and logistical support for law enforcement; highway safety and traffic enforcement operations; and transport services in support of governmental operations and critical administrative functions. To accomplish its mission, the subprogram operates and maintains a fleet of five rotary-wing and four fixed-wing aircraft.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,652.8	7,441.7	9,007.5
Other Appropriated Funds	5,357.2	360.0	360.0
Other Non Appropriated Funds	89.5	1,330.0	1,330.0
<b>Total Funding</b>	<b>7,099.5</b>	<b>9,131.7</b>	<b>10,697.5</b>
<b>FTE Positions</b>	<b>52.0</b>	<b>52.0</b>	<b>52.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of helicopter calls for service resulting in an aviation mission.	95	100	96	100	100
Percent of fixed wing calls for service resulting in a law enforcement emergency transport mission.	99	100	100	100	100
Average percent time helicopter(s) available for service.	41	40	48	60	60
Average percent of time twin-engine aircraft available for service.	71	75	35	75	75
Average percent of time single-engine aircraft available for service.	56	75	78	100	100
Number of enforcement details supported by the fixed-wing unit.	3	12	19	12	12

◆ **Goal 2** To provide exemplary service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of public outreach events participated in.	58	24	46	24	24
Number of training classes provided to first responders.	15	12	32	12	12
Number of internal stakeholder meetings attended by aviation personnel.	16	6	21	6	6

◆ **Goal 3** To embody the highest standards of integrity and professionalism.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of helicopter pilots meeting proficiency standards.	100	100	100	100	100
Percent of paramedics meeting proficiency standards.	94	100	93	100	100
Percent of helicopter mechanics meeting proficiency standards.	0	100	0	100	100
Percent of fixed-wing pilots meeting proficiency standards.	100	100	100	100	100
Percent of fixed-wing mechanics meeting proficiency standards.	0	100	0	100	100

**Program Summary**

**CRIMINAL INVESTIGATIONS**

Timothy E. Chung, Assistant Director  
Phone: (602) 223-2812  
A.R.S. §§ 41-1761 et. seq.

**Mission:**

*To protect the public by deterring crime using proactive enforcement strategies, innovative and comprehensive investigative techniques, and utilizing effective and efficient resource allocation models.*

**Description:**

The Criminal Investigations program provides investigative; specialized enforcement; and high risk response support to federal, state, and local criminal justice agencies. Services provided include: investigations regarding narcotic trafficking; organized crime; intelligence; illegal immigration and border security; vehicle theft, gangs; computer and financial crimes; as well as major crime investigations when requested by other criminal justice agencies. The program provides specialized high risk response to acts of extraordinary violence and domestic preparedness incidents.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	31,227.2	34,928.2	37,419.0
Other Appropriated Funds	17,492.9	14,714.5	15,615.6
Other Non Appropriated Funds	9,499.6	10,061.3	8,965.8
<b>Total Funding</b>	<b>58,219.7</b>	<b>59,704.0</b>	<b>62,000.4</b>
<b>FTE Positions</b>	<b>389.2</b>	<b>373.7</b>	<b>373.7</b>

◆ **Goal 1** To promote public safety in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of ACTIC tips and leads assigned to DPS resolved within 30 days. <b>Explanation:</b> Measure revised in FY2014 to remove the word "investigated."	79	90	87	90	90
Percent of administrative investigations completed within original projected timelines.	100	90	100	90	90
Inspection of auto salvage, storage, and auction yards. <b>Explanation:</b> Number of inspections.	73	50	60	50	50
Financial investigations conducted. <b>Explanation:</b> Measure revised for FY2014 to broaden the scope.	3	1	33	1	1
Identify, dismantly, and prosecute chop shop operators. <b>Explanation:</b> Number of.	23	30	17	30	30
Identify and prosecute drug trafficking organizations. <b>Explanation:</b> Number of.	7	10	34	10	10
Prepare and submit 28CFR intelligence reports. <b>Explanation:</b> Number of.	512	425	317	300	300
Prepare and distribute crime information bulletins. <b>Explanation:</b> Number of.	98	300	39	300	300
Conduct ARIES records management system audits. <b>Explanation:</b> New for FY2015.	0	0	0	12	12
Produce counter-drug assessments. <b>Explanation:</b> Note: These assessments define the drug trafficking environment. Number of.	2	1	1	1	1
Produce statewide threat-assessments. <b>Explanation:</b> Number of.	3	2	5	2	2
Produce Border Violence Reports. <b>Explanation:</b> Number of.	6	12	21	12	12
Produce intelligence products. <b>Explanation:</b> Number of. Measure revised in FY2014 to remove "distributed".	974	300	449	300	300

◆ **Goal 2** To provide exemplary service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
SWAT response ratio percentage.	89	100	100	100	100
<b>Explanation:</b> SWAT actual responses divided by total requests. Revised for FY2014.					
Explosive Ordnance Detail response ratio percentage.	431	100	100	100	100
<b>Explanation:</b> EOD actual response divided by requests to respond. Revised for FY2014.					
Percentage completion rate for computer forensic examinations of six months from submission.	0	0	0	90	90
<b>Explanation:</b> New for FY2015. For crimes of homicide, violent crime, involve minors.					
Public awareness programs presented.	118	120	139	120	120
<b>Explanation:</b> Number of. Revised for FY2014 to consolidate all programs into one measure.					
Participate in community alliance coalitions or community groups.	16	20	22	20	20
<b>Explanation:</b> Note: At least one coalition or group in each county where DPS CID is present.					
Provide training sessions to other agencies.	68	24	144	24	24
<b>Explanation:</b> Revised in FY2014 to be comprehensive of all training programs. Number of.					
Facilitate/conduct multi-agency intelligence sharing meetings.	66	24	54	24	24
<b>Explanation:</b> Number of.					

◆ **Goal 3** To embody the highest standards of integrity and professionalism.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Ensure percentage of all employees receive eight-hours of training.	0	0	0	100	100
<b>Explanation:</b> New for FY2015.					



**Program Summary**

**TECHNICAL SERVICES**

Jeffrey E. Raynor, Assistant Director  
Phone: (602) 223-2400  
A.R.S. §§ 41-1711, 41-1712, 41-1750

**Mission:**

*To provide professional and effective scientific, technical, regulatory, and operational support to the Department of Public Safety, the criminal justice community, and the public.*

**Description:**

The Technical Services program is responsible for developing and coordinating scientific, technical, regulatory, and support services essential to the promotion of public safety in Arizona. Special attention is given to providing scientific analysis and criminal justice support to Arizona's criminal justice agencies. The program further develops, operates, and maintains statewide data processing, fingerprint database, and voice communications systems.

**This Program Contains the following Subprograms:**

- ▶ Scientific Analysis
- ▶ Communications
- ▶ Logistical Support
- ▶ Criminal Information and Licensing

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	11,997.2	26,842.9	28,388.9
Other Appropriated Funds	49,637.0	37,720.7	39,851.7
Other Non Appropriated Funds	16,211.0	19,515.7	16,535.1
<b>Total Funding</b>	<b>77,845.2</b>	<b>84,079.3</b>	<b>84,775.7</b>
<b>FTE Positions</b>	<b>611.0</b>	<b>622.0</b>	<b>622.0</b>

**Subprogram Summary**

**SCIENTIFIC ANALYSIS**

Jeffrey E. Raynor, Assistant Director  
Phone: (602) 223-2400  
A.R.S. §§ 41-1761 et. seq.

**Mission:**

*To assist the Department, the Arizona criminal justice community, and the public in the timely investigation and adjudication of criminal cases by utilizing state-of-the-art analytical techniques, providing the most accurate scientific analysis of evidence, and presenting expert court testimony.*

**Description:**

The Scientific Analysis subprogram provides scientific analysis of evidence, technical crime scene assistance, secure storage of evidentiary items, training, and expert testimony to all criminal justice agencies in the State. Scientific and technical services are provided in the areas of DNA; Serology; Toxicology (drugs and poisons in biological specimens); breath and blood alcohol; controlled substances (drugs); firearms and tool marks; footwear and tire tracks; trace evidence (explosives, arson, hairs, fibers, paint, glass, etc.); latent fingerprints, questioned documents; and photography.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	437.2	2,201.8	2,767.3
Other Appropriated Funds	17,407.5	17,479.1	17,493.4
Other Non Appropriated Funds	2,592.5	4,083.5	1,927.1
<b>Total Funding</b>	<b>20,437.2</b>	<b>23,764.4</b>	<b>22,187.8</b>
<b>FTE Positions</b>	<b>163.0</b>	<b>163.0</b>	<b>163.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of crime lab cases over 30 days old	11	5.5	13	5	5
Number of scientific analysis cases submitted.	61,160	63,354	60,090	64,304	64,304
Average number of days required to analyze a blood alcohol submission from evidence receipt to result delivery.	52	24	50	24	24
Average number of days required to screen a sex assault case from evidence receipt to result delivery.	0	30	78	30	30

◆ **Goal 2** To provide exemplary service.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Presentations given by regional crime laboratories.	60	40	38	40	40

◆ **Goal 3** To embody the highest standards of integrity and professionalism.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of scientific analysis employees receiving one job-specific training session.	97	100	100	100	100
Percent of scientific analysis employees receiving two job-specific training sessions.	67	75	74	75	75

**Subprogram Summary**

COMMUNICATIONS

Jeffrey E. Raynor, Assistant Director  
 Phone: (602) 223-2400  
 A.R.S. §§ 41-1713, 41-1749

**Mission:**

*To ensure officer and public safety come first by giving assistance and information to the public; providing statewide radio dispatch services for the Department of Public Safety and other criminal justice agencies; and providing design, coordination, construction, and maintenance services for statewide radio, voice, and data telecommunications systems.*

**Description:**

The Communications subprogram operates three dispatch centers located in Phoenix, Tucson, and Flagstaff to facilitate the flow of information and provide assistance to the public, Department of Public Safety officers, and criminal justice agencies. In addition, this subprogram provides the infrastructure to support public safety services for state, county, and local governmental agencies.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,350.0	10,336.0	10,733.9
Other Appropriated Funds	10,899.6	6,468.7	8,548.6
Other Non Appropriated Funds	275.1	568.3	568.3
<b>Total Funding</b>	<b>13,524.7</b>	<b>17,373.0</b>	<b>19,850.8</b>
<b>FTE Positions</b>	<b>158.0</b>	<b>158.0</b>	<b>158.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Develop a plan and replace the Department's aging computer-aided dispatch system with an updated system.	0	20	20	50	50

**Explanation:** Percentage of project complete by year.

◆ **Goal 2** To embody the highest standards of integrity and professionalism

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Provide eight hours of advanced dispatcher training to each Operational Communications Bureau employee.	0	50	55	90	90
Digital microwave paths installed and activated.	4	2	6	2	2
Number of microwave sites upgraded.	0	1	1	1	1

**Explanation:** Number of.

**Subprogram Summary**

LOGISTICAL SUPPORT

Jeffrey E. Raynor, Assistant Director  
 Phone: (602) 223-2400  
 A.R.S. § 41-1713

**Mission:**

*To provide information technology services and logistical support to internal and external Department of Public Safety customers in support of public safety and to improve department efficiency through automation and the application of new technology.*

**Description:**

The Logistical Support subprogram designs, develops, maintains, and operates automated computer systems to support the enforcement, investigative, and administrative functions of the Department. These programs include the statewide criminal justice information on-line network used by all criminal justice agencies in Arizona. Logistical Support also provides cost effective and innovative facilities management and logistical support for the enforcement, investigative, and administrative functions.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	8,589.0	12,007.8	12,394.4
Other Appropriated Funds	15,203.6	5,654.6	5,654.6
Other Non Appropriated Funds	1,049.7	1,231.8	1,231.8
<b>Total Funding</b>	<b>24,842.3</b>	<b>18,894.2</b>	<b>19,280.8</b>
<b>FTE Positions</b>	<b>128.0</b>	<b>129.0</b>	<b>129.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent ACJIS system availability.	99.7	99.8	97	99.8	99

◆ **Goal 2** To deliver exemplary service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Develop and implement a facilities maintenance plan.	0	1	0	1	1

◆ **Goal 3** To advance technology solutions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all active email boxes migrated by the end of FY2015.	0	0	0	100	0

**Explanation:** New for FY2015.

Percent of migration of current interfaces to the new message switch and retirement of the old message switch by the end of FY2015.	0	0	0	50	100
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**Explanation:** New for FY2015. Project completion in FY2016.

**Subprogram Summary**

CRIMINAL INFORMATION AND LICENSING

Jeffrey E. Raynor, Assistant Director

Phone: (602) 223-2400

A.R.S. Titles 24, 26, 32, 41; §§ 41-1750, 41-2401 et. seq.

**Mission:**

*To provide efficient and responsive criminal information and regulatory services to the criminal justice community and the public as mandated by federal and state law.*

**Description:**

The Criminal Information and Licensing subprogram includes management of the Arizona central state repository of criminal history information and the statewide Arizona Automated Fingerprint Identification System (AZAFIS). It coordinates access for the Arizona Criminal Justice Information System (ACJIS) and administers the concealed weapons, sex offender registration and community notification compliance, and private investigation and security guard licensing programs. It provides training/certification and compliance monitoring for AZAFIS, the central state repository, and the ACJIS network; background checks for private investigation licensing, security guard licensing, concealed carry permits, and other authorized private and government entities. Additionally this subprogram compiles and publishes the Arizona Uniform Crime Report.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	621.0	2,297.3	2,493.3
Other Appropriated Funds	6,126.3	8,118.3	8,155.1
Other Non Appropriated Funds	12,293.7	13,632.1	12,807.9
<b>Total Funding</b>	<b>19,041.0</b>	<b>24,047.7</b>	<b>23,456.3</b>
<b>FTE Positions</b>	<b>162.0</b>	<b>172.0</b>	<b>172.0</b>

◆ **Goal 1** To promote public safety in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all registered sex offender files verified annually.	92	90	92	90	90
Percent of all registered sex offender files queried annually for address verification.	100	100	100	100	100
Average number of days required to process an arrest disposition.	1	2	1	2	2
Percent of identities verified through fingerprint searches using the MetaMorpho system upgrade.	95	90	96	90	90
Number of open security guard and private investigator complaints exceeding 90 days from receipt to final disposition.	33	0	25	0	0

**Explanation:** Note: calculated based on the average of four quarters per fiscal year.

Number of noncriminal justice agency audits conducted annually.	6	50	37	50	50
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◆ **Goal 2** To provide exemplary service

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Automated Fingerprint Identification System (AFIS) reliability.	100	99	100	99	100
Average number of days to process a clearance card when applicant has NO criminal record.	30	20	17	15	20
Average number of days to process a clearance card when applicant HAS a criminal record.	72	45	53	40	45
Average number of days to process a criminal records check and provide the results.	11	8	6	8	8
Average number of days to process a concealed weapons permit when research IS	51	26	116	26	26
Average number of days to process a concealed weapons permit when NO research	33	21	62	21	21
Number of criminal justice agencies transitioned to the Arizona Disposition Reporting System.	12	10	11	10	10
Number of criminal history record review audits conducted annually.	73	113	69	113	113

**Explanation:** Based on calendar year NCIC cycle.

Number of Arizona Criminal Justice Information System (AJCIS) audits conducted annually.	45	96	74	96	96
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**Explanation:** Based on calendary year NCIC cycle.

**Program Summary**

**ARIZONA PEACE OFFICER STANDARDS AND TRAINING**

Mr. Lyle Mann, Executive Director  
 Phone: (602) 223-2514  
 A.R.S. §§ 41-1822 et. seq.

**Mission:**

*To foster public trust and confidence by establishing standards of integrity, competence, and professionalism for Arizona peace officers and correctional officers.*

**Description:**

The Arizona Peace Officer Standards and Training Board (POST) is composed of thirteen members appointed by the Governor according to the provisions of A.R.S. § 41-1828.01. The program provides the following: funding for basic training academies; reimbursement for materials and supplies; continuing training for law enforcement officers (i.e., sponsorship, financial support, and actual delivery); development of standards for law enforcement officers (i.e., physical, educational, and proficiency skills); certification and decertification of law enforcement officers; and the development of standards for correctional officers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,501.0	7,998.5	7,099.7
<b>Total Funding</b>	<b>6,501.0</b>	<b>7,998.5</b>	<b>7,099.7</b>
<b>FTE Positions</b>	<b>22.0</b>	<b>24.0</b>	<b>24.0</b>

◆ **Goal 1** To develop, implement, and update standards for the selection, retention, and training of peace officers and corrections officers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of curricula review completed.	33	33	33	33	33
Percent of model lesson plans developed for distribution.	100	100	100	100	100
Percent of academies utilizing over 80% of model lesson plans.	100	100	100	100	100
Percent of academies using standardized competency examinations.	100	100	100	100	100
Percent of administrative rules reviewed.	100	100	100	100	100

◆ **Goal 2** To promote and uniformly enforce compliance with the standards prescribed for peace officers and corrections officers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New hires.	946	950	1,406	1,150	1,300
Peace officers requiring basic training.	689	600	750	750	800
Peace officers via waiver testing.	48	70	54	70	70
Agencies to be audited.	164	164	164	164	164
Certified peace officers.	14,622	14,900	14,589	14,800	15,000
Corrections officers.	6,525	6,550	5,836	6,100	6,300
New hire minimum qualification compliance audits conducted.	1,023	950	1,228	1,150	1,200

**Explanation:** Note: Includes officers moving from one agency to another.

Days required to conduct new hire audits.	48	45	42	44	44
Percent of agencies in non-compliance.	10	10	10	10	10
Academy audits completed.	4	4	4	4	4
Average number of days to review and complete investigations.	151	150	239	150	150

**Explanation:** Previous measure was: Days to complete decertification investigations. Changed for FY2014.

◆ **Goal 3** To recommend curricula and promote advanced law enforcement courses in universities and colleges in conjunction with their governing bodies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administration of Justice programs giving credit for POST training.	12	12	12	12	12
POST courses qualifying for college credit.	17	17	17	17	17
College courses qualifying for POST mandated training credit.	730	730	730	730	730

◆ **Goal 4** To maximize the funds available for peace officer training by using available training facilities, minimizing operational costs, and augmenting funds by seeking grants.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Inter-governmental agreements and partnerships.	24	25	19	21	23
Revenues received from public sources (\$ thousands).	0	0	0	0	0
Efficiency review ideas received.	12	15	15	15	15
Efficiency review ideas considered for implementation.	12	15	15	15	15

- ◆ **Goal 5** To enhance the professional development of peace officers through continuous improvement of basic and in-service training, and to provide for a comprehensive system for agency attainment of POST-mandated training.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Qualified new instructors teaching POST programs.	398	300	566	300	300
<b>Explanation:</b> Measure changed slightly in FY2014 to include the word "new".					
Train-the-trainer programs provided.	18	20	26	22	24
In-service programs presented by POST.	122	100	115	100	100
<b>Explanation:</b> Measure changed for FY2014. Previous measure was: Calendar School Programs presented by POST and the Community Policing Institute.					
Attendees of in-service programs.	4,992	4,000	3,820	4,000	4,000
<b>Explanation:</b> Measure changed for FY2014. Previous measure was: Attendees of Calendar Schools.					
DVD training programs produced.	6	7	6	7	7
Percent of participants in DVD training programs.	100	100	100	100	100
Number of students participating in interactive web-based training program.	21,191	23,000	21,311	23,000	23,000
Percent high-risk, high liability topics reviewed.	100	100	100	100	100
Percent of train-the-trainer, specialty, and regional training programs reviewed.	50	50	50	66	66
Percent of in-service programs achieving an overall evaluation of 8.0 or better.	88	90	97	90	90



## Agency Summary

### PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

Jim Hacking, Administrator  
 Phone: (602) 296-2527  
 38-841

**Mission:**

*To be a low cost, highly personalized quality service provider of retirement benefits to public safety personnel.*

**Description:**

PSPRS manages the retirement systems for most law enforcement officers, correctional officers, and elected officials in the State of Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	170,846.3	170,488.0	170,488.0
<b>Total Funding</b>	<b>170,846.3</b>	<b>170,488.0</b>	<b>170,488.0</b>
<b>FTE Positions</b>	<b>4,395.3</b>	<b>5,025.0</b>	<b>5,025.0</b>

### 5 Year Plan

**Issue 1**    New SI

**Description**

**Solutions:**

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1**    To provide timely services to the System's members, both active and retired.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Active Members in PSPRS	18,436	19,101	18,526	18,711	18,898
Active Members of CORP	14,582	15,292	14,595	14,741	14,888
Active Members of EORP	839	862	843	851	860
Retirees from PSPRS	10,167	9,999	10,524	10,629	10,736
Retirees from CORP	3,814	3,545	4,090	4,130	4,172
Retirees from EORP	1,059	1,011	1,053	1,063	1,074

◆ **Goal 2**    To provide high quality investment management of the System's assets.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of investment returns	10.98	8.0	13.28	8.0	8.0
3 year rolling rate of return	8.93	8.0	7.65	8.0	8.0

### Agency Summary

#### DEPARTMENT OF RACING

William J. Walsh, Director  
Phone: (602) 364-1730  
A.R.S. §§ 5-101 et seq.

#### Mission:

To regulate and supervise pari-mutuel racing and wagering conducted in Arizona in order to protect racing participants and the wagering public. To regulate and supervise boxing and mixed martial arts events conducted in Arizona to protect all participants in these events.

#### Description:

The Department regulates the Arizona pari-mutuel horse and greyhound racing industries. The Department oversees, supervises and issues permits for all commercial horse, greyhound and county fair racing, including live and simulcast racing; supervises off-track betting sites; conducts background checks and licenses all racing participants; collects state revenues generated by races; promotes and encourages the breeding of horses and greyhounds in the state; promotes and encourages the adoption of retired racehorses and retired greyhounds; and enforces laws and rules related to racing and wagering. The Department also regulates and supervises all professional boxing events and all mixed martial arts contests in Arizona.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ COMMERCIAL RACING	250.0	250.0	250.0
➤ COUNTY FAIR RACING	1,779.5	2,022.2	2,022.2
➤ BOXING	87.0	195.7	195.7
<b>Agency Total:</b>	<b>2,116.5</b>	<b>2,467.9</b>	<b>2,467.9</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,029.5	2,029.5	2,029.5
Other Appropriated Funds	0.0	406.5	406.5
Other Non Appropriated Funds	87.0	31.9	31.9
<b>Total Funding</b>	<b>2,116.5</b>	<b>2,467.9</b>	<b>2,467.9</b>
<b>FTE Positions</b>	<b>2.3</b>	<b>5.7</b>	<b>5.7</b>

**Issue 1** Animal Drug Testing and Enforcement

**Description** In May 2007, the Office of the Auditor General recommended that the Department continue to move forward to align its drug testing practices with the Association of Racing Commissioners International (ARCI) Model Rules, seek consensus with the industry in areas where there may be concerns, and put the equine drug testing policy and penalties into administrative rule instead of solely in Department policy. Over the ensuing years, the Department slowly worked toward that goal but in 2009, Governor Brewer imposed a moratorium on rulemaking which made the ultimate goal difficult to reach. The Governor renewed the moratorium each year thereafter. Still the Department made the necessary plans to effectuate the national model rules developed by ARCI and worked with national organizations and the local horsemen's group to get this done.

In 2012, Governor Jan Brewer authorized an exemption to the Arizona moratorium on rulemaking. With input from industry stakeholders, the Department developed a package of rules to bring ADOR rules into compliance with ARCI Medication and Testing Model Rules. That proposal was approved by the Arizona Racing Commission and took effect in December 2013.

**Solutions:**

The 2011 budget removed the Department from the General Fund and placed the Department's budget on full funding from the racing industry beginning in July 2012. Because of this the Department was able to increase the number of tests per start in 2011-2012 and increased that number in the next fiscal year. Department expenditures for animal drug testing will increase to more than 10% of its appropriation in FY 2015.

**Issue 2** Human Drug Testing and Enforcement

**Description** The Department has regulatory authority to enforce the laws of Arizona and the Department's Administrative Code provisions regarding illegal substances and has aggressively done so to ensure the safety of all racing participants. Racing participants include public, licensees, licensees that work directly with animals and the animal athletes. Individual licensees that are under the influence of any type of illegal substance put all racing participants at risk. Licensees that are found to have a positive drug test and can produce a lawfully issued drug prescription may not be subject to disciplinary action.

**Solutions:**

The Department continues to monitor and ensure that Arizona commercial racing permittees provide pre-employment drug screening for new, unlicensed job applicants for positions at racetracks and off-track wagering facilities. Licensees found to be under the influence of illegal substances maybe subject disciplinary action. During the license application process applicants who indicate involvement in criminal drug offenses could be subject to a license denial. The Department's Investigative staff has received training on sample collection to ensure proper testing protocol. Additionally, the permittees grounds have been designed as "Drug Free Zone" with appropriate signage being displayed.

**Issue 3** License Application Process

**Description** The Department has revised the licensing process by computerizing the license application, license issuing process and staggering with a two year expiration date. This automation has reduced customer wait time, and made the licensing process more users friendly and efficient, while still obtaining the information necessary to determine eligibility for licensure. The Department has continued to refine the background investigation process that continues to reduce false applications by 90%.

**Solutions:**

The Department's website continues to be an avenue to access the license application with instructions for completion, list of license fees, and description of license categories, along with local and national licensing information and links. The Department issues a two year license for all license categories and has staggered expiration dates to increase licensing operation efficiency and management. Licensing office hours and day of operations were extended to help increase customer service effectiveness. The Department's licensing fees established in 2012 are contributing to the Department's self-funding revenue.

**Issue 4** Boxing and Mixed Martial Arts Program

**Description** The staff of the State’s Boxing and Mixed Martial Arts (MMA) Commission is within the Department of Racing. The Boxing and MMA Commission regulates and supervises professional boxing events and both professional and amateur MMA contests. The Boxing and MMA Commission’s 5-year Review Report, which was approved by the Governor’s Regulatory Review Council on May 1, 2012, identified a number of areas and rules that need to be improved and updated to better regulate the sports and provide contestants, promoters and officials with clearer understanding of applicable requirements. Key issues are the elimination of a statutory exemption for purported non-profit regulatory bodies and adoption of certain restrictions for amateur MMA contestants. Those issues have been addressed with the passage of H.B. 2263. Further updating of boxing and MMA rules will be considered.

**Solutions:**

During the next year, the staff will focus on implementing appropriate changes through statutory amendments and/or rulemaking. In addition, training sessions are being conducted on a quarterly basis for boxing and MMA officials. This additional training and knowledge has enhanced our officials’ credibility and competence. With additional funds for drug testing, the Boxing and MMA Commission will also be able to regulate and discourage behavior that is detrimental to the industry. A substantial increase in drug testing expenditures will keep boxing and MMA clean and ensure that certain contestants do not have an unfair advantage.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	40.5	40.5	40.5
<b>General Fund</b>	2,029.5	2,029.5	2,029.5
<b>Other Appropriated Funds</b>	2,900.7	2,900.7	2,900.7
<b>Non-Appropriated Funds</b>	50.0	50.0	50.0
<b>Federal Funds</b>	0.0	0.0	0.0

<b>Program Summary</b>
COMMERCIAL RACING
Joyce Cozby, Deputy Director Phone: (602) 364-1726 A.R.S. §§ 5-101 to 5-116

**Mission:**

*To regulate and supervise pari-mutuel racing and wagering conducted in Arizona in order to protect both animal and human racing participants, as well as the wagering public.*

**Description:**

The Department of Racing regulates and supervises all commercial horse and greyhound racing meetings and pari-mutuel wagering conducted on and off track in Arizona in order to enforce laws and regulations and, thereby, protect racing participants and the wagering public. The Department is committed to the regulation of foreign substances and anabolic steroids. Additionally, the Department focuses on the reduction of positive animal drug tests in both greyhound and horse racing.

**This Program Contains the following Subprograms:**

- ▶ Horse Racing
- ▶ Greyhound Racing

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	250.0	250.0	250.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>250.0</b>	<b>250.0</b>	<b>250.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Subprogram Summary

### HORSE RACING

Joyce Cozby, Deputy Director  
 Phone: (602) 364-1726  
 A.R.S. §§ 5-101 to 5-116

**Mission:**

*To regulate and supervise all commercial horse racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona in order to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.*

**Description:**

The Department of Racing regulates and supervises all commercial horse racing meetings, conducts investigations, issues licenses, conducts equine drug testing, oversees wagering, hears appeals of decisions, collects revenues for the State, distributes awards to program recipients, and provides information upon request to the public and other agencies.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	2,815.9	1,828.3	1,828.3
Other Non Appropriated Funds	89.3	42.3	42.3
<b>Total Funding</b>	<b>2,905.2</b>	<b>1,870.6</b>	<b>1,870.6</b>
<b>FTE Positions</b>	<b>27.8</b>	<b>25.5</b>	<b>25.5</b>

- ◆ **Goal 1** To ensure that all participants and permittees involved in commercial horse racing operate and perform in compliance with applicable Arizona racing-related statutes, rules and regulations.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of Stewards' rulings issued	171	200	211	230	230
Percent of original Stewards' actions upheld on appeal	100	85.0	100.0	90.0	90.0
Percent of positive equine drug tests	2.5	4.0	1.5	2.0	2.0
Number of horse racing investigations conducted regarding compliance with rules	176	30	170	240	240
Number of equine drug tests conducted	1,924	2,200	1,910	2,100	2,100

- ◆ **Goal 2** To process license applications and conduct background investigations in a timely manner to ensure that only those eligible pursuant to Arizona racing-related statutes, rules, and regulations receive licenses.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of licenses issued	3,042	2,000	1,501	3,000	1,500
Number of licenses denied	0	2	4	5	5
Number of background investigations conducted regarding licensing	3,042	1,200	1,501	3,000	1,500
Percent of license denials upheld on appeal	N/A	95.0	100.0	95.0	95.0
Percent of total horse racing licensees with disciplinary action	5.2	3.0	9.5	9.2	9.2
Average number of calendar days to complete fingerprint reviews from time taken to receipt of criminal history report	35	40	23	23	23

- ◆ **Goal 3** To encourage and promote horse breeding in Arizona through administration of and timely distribution to recipients of funds available through Breeders and Stallion Awards Programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of active horse breeders	138	138	169	169	169
Percent of active breeders winning awards	33.0	35.0	28.1	30.0	30.0
Average number of days that awards were processed before the deadline	7.0	7.0	16.0	16.0	16.0

- ◆ **Goal 4** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interest of the State and the horse racing industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Employee turnover rate	19.3	15.0	11.0	15.0	15.0
Number of employees who completed formal work-related training	18.1	11	22	15	15

- ◆ **Goal 5** To educate all licensees and racing participants in Arizona regarding violations involving the use of illegal substances.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of human drug tests conducted	33	15	5	10	10
Number of positive human drug test results	5	5	1	2	2
Number of refusals to test	1	2	1	2	2
Number of investigations regarding positive drug tests and refusals to test	6	10	2	4	4

**Subprogram Summary**

GREYHOUND RACING

Joyce Cozby, Deputy Director  
 Phone: (602) 364-1726  
 A.R.S. §§ 5-101 to 5-116

**Mission:**

*To regulate and supervise all commercial greyhound racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona in order to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.*

**Description:**

The Department of Racing regulates and supervises all commercial greyhound racing meetings, conducts investigations, inspects facilities and hauling vehicles, issues licenses, conducts greyhound drug testing, oversees wagering, hears appeals of decisions, collects revenues for the State, distributes awards to program recipients and provides information upon request to the public and other agencies.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	665.9	665.9
Other Non Appropriated Funds	0.0	15.8	15.8
<b>Total Funding</b>	<b>0.0</b>	<b>681.7</b>	<b>681.7</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>9.3</b>	<b>9.3</b>

- ◆ **Goal 1** To ensure that all participants and permittees involved in greyhound racing operate and perform in compliance with applicable Arizona racing-related statutes, rules, and regulations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Stewards' rulings Issued	63	100	27	45	45
Percent of positive canine drug tests	0.38	0.50	0.08	0.10	0.10
Number of greyhound racing investigations conducted regarding compliance with rules	43	20	27	45	45
Percent of greyhound racing licensees with disciplinary action	3.65	10.0	0.4	0.5	0.5
Number of canine drug tests conducted	2,116	2,200	2,624	2,700	2,700

- ◆ **Goal 2** To process and investigate license applications in a timely way while ensuring that only those eligible pursuant to Arizona racing-related statutes, rules, and regulations receive licenses.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of licenses issued	579	300	701	300	400
Number of licenses denied	0	1	0	1	1
Number of background investigations conducted	579	130	701	300	400
Percent of background investigations resulting in disciplinary or enforcement action	0	0.01	0	0.01	0.01
Percent of license denials upheld on appeal	N/A	90.0	N/A	90.0	90.0
Number of background investigations resulting in disciplinary action	5	7	0	6	6

- ◆ **Goal 3** To inspect greyhound puppies, the facilities where they are maintained and the vehicles used to haul the greyhounds within the state to enforce compliance to insure the health, safety, and welfare of greyhounds with Arizona laws and regulations, and protect the integrity of the greyhound industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of facilities licensed	2	2	9	9	9
Number of inspections conducted at facilities	24	24	24	24	24
Number of inspections resulting in violations and disciplinary action	0	1	0	1	1
Number of greyhound hauling vehicle inspections conducted	0	1	11	5	5
Number of greyhound hauling vehicle inspections resulting in violations	0	1	0	0	0
Number of inspections of greyhound puppy litters	0	3	0	2	2

- ◆ **Goal 4** To encourage and promote greyhound breeding in Arizona through administration of and timely distribution to recipients of funds available through Breeders Awards Programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of greyhound breeders winning awards	67	67	60	60	60
Average number of days that awards were processed before the deadline	7	7	16	16	16
Number of active greyhound breeders	3	3	3	3	3

- ◆ **Goal 5** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interests of the State and the greyhound racing industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Employee turnover rate	21.4	15.0	5.0	5.0	5.0
Number of employees who completed formal work-related training	5.8	4	0	2	2

<b>Program Summary</b>	
<b>COUNTY FAIR RACING</b>	
Joyce Cozby, Deputy Director	
Phone: (602) 364-1726	
A.R.S. §§ 5-101 to 5-116	

**Mission:**

*To promote and improve county fair racing in Arizona and regulate and supervise county fair racing to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.*

**Description:**

The Arizona Department of Racing regulates and supervises all county fair horse racing meetings, provides staff to operate race meetings, conducts investigations, issues licenses, conducts equine drug testing, oversees wagering, conducts hearings on investigation referrals, collects revenues for the State and provides information upon request to the public and other agencies.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,779.5	1,779.5	1,779.5
Other Appropriated Funds	0.0	240.2	240.2
Other Non Appropriated Funds	0.0	2.5	2.5
<b>Total Funding</b>	<b>1,779.5</b>	<b>2,022.2</b>	<b>2,022.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>3.4</b>	<b>3.4</b>

- ◆ **Goal 1** To ensure that all participants and permittees involved in county fair racing operate and perform in compliance with applicable Arizona racing-related statutes, rules, and regulations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of races supervised	237	250	243	250	250
Number of Stewards' rulings issued	14	5	14	25	25
Percent of original actions upheld on appeal	100	95	N/A	95	95
Number of investigations conducted	310	100	14	25	25
Number of county fair racing investigations resulting in disciplinary action	10	2	14	25	25
Number of county fair race days regulated	27	30	30	30	30
Number of county fair races supervised - including simulcasting	5,084	5,084	5,197	5,100	5,100
Number of equine drug tests conducted	45	160	150	150	150



- ◆ **Goal 2** To process and investigate license applications in a timely manner while ensuring that only those eligible pursuant to Arizona racing-related statutes, rules and regulations receive licenses.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of licenses issued	300	150	176	250	250
Number of licenses denied	0	1	0	5	5
Number of background investigations conducted	300	100	176	250	250
Percent of license denials upheld on appeal	N/A	90	N/A	90	90
Number of license application denials upheld on appeal	N/A	1	N/A	1	1

- ◆ **Goal 3** To encourage and promote county fair racing in Arizona through the distribution of subsidies for purses and Betterment Fund monies to Fair facilities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Amount of betterment monies distributed (thousands)	N/A	N/A	N/A	N/A	N/A

- ◆ **Goal 4** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interest of the State and the horse racing industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Employee turnover rate	12.5	12.5	0	0	0
Number of employees who completed formal work-related training	2	0	1	0	0

**Program Summary**

**BOXING**

Matthew Valenzuela, Executive Director/Boxing  
 Phone: (602) 364-1727  
 A.R.S. §§ 5-221 et seq.

**Mission:**

*To regulate and supervise boxing and mixed martial arts events conducted in Arizona to protect all participants in these events.*

**Description:**

The Department regulates and supervises all boxing, kickboxing, tough man, and mixed martial arts (MMA) events in Arizona to ensure compliance with laws and regulations, thereby protecting all participants.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	166.3	166.3
Other Non Appropriated Funds	87.0	29.4	29.4
<b>Total Funding</b>	<b>87.0</b>	<b>195.7</b>	<b>195.7</b>
<b>FTE Positions</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>

- ◆ **Goal 1** To ensure that all events under Commission jurisdiction held in the state are sanctioned by the Arizona State Boxing and MMA Commission and that all participants are duly licensed.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of boxing & MMA licenses issued	875	750	995	750	750
Number of bouts	202	250	290	300	300
Percent of bouts without serious injury to contestants	< 1.0	< 1.0	< 1.0	< 1.0	< 1.0
Number of boxing and MMA investigations versus the number of bouts	2/202	2/250	1/290	1/300	1/300
Number of events sanctioned	23	30	29	30	30
Number of license applications received	893	770	1,015	765	765
Percent of licenses issued for all applications received	98	98	98	98	98

- ◆ **Goal 2** To investigate all allegations of rules violations that may harm the athlete or the public.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of boxing & MMA investigations resulting in disciplinary action	2.0	1.0	2.0	1.0	1.0
Number of boxing investigations versus number of bouts	2/202	1/250	1/290	1/300	1/300
Number of boxing & MMA investigations	2	1	1	1	1

◆ **Goal 3** To ensure that all participants comply with all health requirements for their safety and the public safety.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Boxing & MMA -related medical exams submitted	2,300	2,250	2,100	2,100	2,100
Percent of Boxing & MMA -related medical exams accepted	98	99	98	98	98
Percent of Boxing & MMA -related medical exams received the day of the event	5-10	0-2	1-10	0	0

◆ **Goal 4** To encourage employment and retention of professional staff of the highest quality in order to best serve the needs and interests of the State and the boxing industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of boxing employees who completed formal work-related training	2	2	3	2	2
Employee turnover rate	0	0	0	0	0

## Agency Summary

### RADIATION REGULATORY AGENCY

Aubrey V Godwin, Director  
 Phone: (602) 255-4845  
 A.R.S. §§ 30-652 et seq.

**Mission:**

*To protect the health and safety of Arizonans from unnecessary radiation exposure from all natural and man-made sources.*

**Description:**

The Arizona Radiation Regulatory Agency provides protection from unnecessary radiation exposure through inspection of radiation sources and their uses, effective response to radiological incidents, environmental sampling, and the certification of those using nuclear medicine technology, those operating x-ray equipment and cosmetic laser technicians.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ RADIOACTIVE MATERIALS/NON-IONIZING RADIATION	468.6	468.6	468.6
➤ X-RAY COMPLIANCE	836.0	833.4	1,005.5
➤ EMERGENCY RESPONSE	1,108.1	1,127.4	1,376.6
➤ RADIATION MEASUREMENT LABORATORY	633.3	614.0	675.0
➤ MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS	236.0	273.4	273.4
<b>Agency Total:</b>	<b>3,282.0</b>	<b>3,316.8</b>	<b>3,799.1</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,467.8	1,468.9	1,826.6
Other Appropriated Funds	819.7	853.2	853.2
Other Non Appropriated Funds	994.5	994.7	1,119.3
<b>Total Funding</b>	<b>3,282.0</b>	<b>3,316.8</b>	<b>3,799.1</b>
<b>FTE Positions</b>	<b>38.0</b>	<b>38.0</b>	<b>43.0</b>

**Issue 1** SI Issue 1. X-ray tube growth exceeds Agency resources.

**Description** The number of x-ray tube heads in use in Arizona normally increases at a rate of about 4% per year. For Fys 2010, 2011, 2012, 2013 and 2014 the growth rate was 2.5%, 0.3%, and 1.8% 1.7% and 4.1%. Agency staffing and equipment is unable to keep up with this growth rate. The Agency is 47.3% behind in its inspection of x-ray tubes. The lack of staff means Agency will continue to increase in overdue inspections until sufficient staff can be trained.

**Solutions:**

Improvement strategy: Assuming 4%, the historical growth rate for FY2016 and 2017, we will have to add resources, both staff and equipment, to have our inspections to be caught up to the point of not more than 5% of the registrants overdue for inspection. Possible increased efficiencies will help reduce the resource needs, they will not eliminate these needs. To inspect the 16,092 x-ray tubes at the scheduled re-inspection rate, of 4,260 per year, we need 7 general x-ray inspectors. At the present time we have 4. By FY2017 we will need 8 if we are to reduce the overdue for inspection to 5% or less by FY2019.

**Issue 2** SI Issue 2. High- and Low-level radioactive waste will continue to be a public issue and problem.

**Description** The disposal of radioactive waste continues to be of major concern to the public. Over the next 10 years the U.S. Department of Energy has scheduled approximately 10,000 shipments of low-level radioactive waste across Arizona on I-40. With the suspension or possible deletion of Yucca Mountain as the ultimate repository of spent nuclear fuel, it is unclear whether the I-40 corridor, including the nearby railroad, will be used for the transportation of the high level wastes. In the meantime, I-40 is being utilized to ship high level radiation sources to China-Japan areas of the world. During FY2014, 42 shipments of route controlled quantities (11,000,000 Curies) were shipped across AZ, primarily along I-40 but some along I-10 and I-15.

**Solutions:**

Improvement strategy: We need to maintain calibrated equipment and trained first responders along the transportation routes. Until FY 2012, we had a position funded by the U.S. Department of Energy (DOE). DOE decided to stop funding the position, training, and equipment maintenance since WIPP in New Mexico would no longer use the I-40 route. In view of the significant amount of radioactive material transported across AZ, we believe the function should continue even though DOE does not fund the project. Public concern could indicate a need to monitor each significant shipment before it crosses Arizona. If every shipment is to be monitored, additional 2 FTE will be required. This also indicates a need, which we are currently meeting, to continue to provide calibrated instruments to the local first responders.

**Issue 3** New SI New Issue 3: Emerging technologies.

**Description** Newer and more powerful particle accelerators are coming to Arizona for medical treatments. These facilities involve the treatment utilizing higher energy protons. These protons require new training of staff and some new equipment. Discussions with the prospective registrants indicate they will be treating patients 18 hours per day. The remainder of the day the physicists from the particle accelerator supplier will be performing maintenance. In some cases new radiopharmaceuticals are being developed for experimentation and the production of the radiopharmaceuticals are under the jurisdiction of the State to assure the safety of the drugs.

**Solutions:**

Improvement Strategy: While we anticipate having 2 such facilities, there are 12 units in operation in the U.S. Our approach to the situation is that we need to have a trained professional to assess the exposure risks and apply reasonable requirements and reduce unreasonable requirements in our program.

The proton particle accelerators will have a high energy potential of up to 250 MEV. Current accelerators are 25 MEV or less when used for patient treatment. The drug production accelerators currently in use in Arizona are 30 MEV and the incoming units are up to 150 MEV.

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**Issue 4** SI Issue 4: Uranium mining and leaching are again becoming an issue in Arizona.

**Description** The Agency is required by §30-654(B)(15), A.R.S. to conduct an offsite environments monitoring program of any fixed nuclear facility, any uranium milling and tailing site and any leaching operation. With the increase of the price of uranium to greater than \$100.00 per pound, increased interest is being shown by industry to mine and considering milling and leaching.

**Solutions:**

Improvement strategy:Restart the State wide environmental monitoring program. This would meet the requirements of §30-654(B)(15), A.R.S. should any of the sires process the ore in any way at their site. Further, we could respond to any concerned citizens' questions about waste releases from any mining operation. It may be of economic interest to the State of Arizona to sign an agreement to become the regulatory agency for these sites and thereby reduce the costs to the sites. If the State elects to take this option, up to 4 FTE would need to be added to the staff. They would be paid for by the increased fees collected after the agreement is signed with NRC. The fees to the State would be less than thosethan the licensees would pay to the NRC, if the statte does not become the regulatory agency, resulting in a savings to the industry.

**Issue 5** SI Issue 5: Non-ionizing radiation sources increasingly is a public concern.

**Description** Legislation adopted in 2008, required certification of technicians performing cosmetic laser procrduress. In addition, the World Health Organization and the U.S. Food and Drug administration hava recommended restrictions on tanning bed usage by individuals under the age of 18. The funding from the certification of technicians currently pays the cost of certifying the technicians but not the inspection of the facilities. If additional restrictions are adopted by the legislature, there may be some cost in enforcing them. At present the Agency is late in inspecting 56% of the facilities.

**Solutions:**

Improvement strategy:The Agency will continue to respond to public inquiries and concerns. By017, we estimate that due to population growth we will need 2 additional FTE to adequately protect the public health and safety in the use of these devices. Some of the additional costs may be recovered by registration fees.

**Issue 6** SI Issue 6: The State needs to be prepared to respond to a major radiation incident or terrorist event.

**Description** Since 1979, the Agency has historically responded to a major radiation incident every ten to fifteen years. In addition there is national concern that enemies of this country may use radioactive materials in a weapon or improvise a nuclear weapon to attack this country. In addition, the U.S. Nuclear Regulatory Commission has changed the requirements for emergency response to incidents at nuclear power plants by requiring additional testing and the complexity of the radiological emergency plan testing.

**Solutions:**

Improvement strategy:At present, the State is heavily dependent on receiving federal assistance within 12 to 24 hours of the initiating event. The addition of staff for other Agency needs will also allow the Agency to be able to respond to a major radiation event or a terrorist event adequately. This may be important since the federal response may be as long as 24 hours in arriving in AZ. If other facilities are also threatened we cannot be assured of how much federal support we may receive.

**Issue 7** SI Issue 7: Monitoring of the environment will be important after major, worldwide radiation events.

**Description** The release of radioactive material at the Fukushima reactor site in Japan demonstrated that such events will be detected in Arizona. Prior to FY 2007, we maintained a state wide environmental radiation monitoring system in Arizona. After 2008 we ceased all such monitoring except around Palo Verde Nuclear Generating Station. As a result, the Agency was unable to respond to public requests for the concentrations of radioactive material in their milk, air, or water outside of the Phoenix area. Even though we believe that detectable quantities of Fukushima material was in all sections of Arizona.

**Solutions:**

Improvement strategy:By FY02716, the Agency would need to add 2 FTE and acquire additional monitoring equipment to provide this information to the public.

**Issue 8** SI Issue 8: Maintaining adequately trained and drug free personnel delivering personal services.

**Description** It is becoming increasingly important to assure the qualifications of personnel in the medical realm as well as those providing cosmetic services. The David M. Kwiatkowski case is a prime example of what could happen. He apparently caused at least 30 cases of hepatitis-C when he replaced sterile syringes with contaminated syringes in other states. The Agency investigates and takes appropriate actions to prevent individuals who conduct unprofessional, unethical, illegal or otherwise unacceptable performance from receiving or maintaining certification to work in medical areas. Mr. Kwiatkowski surrendered his certification to work in AZ and apparently he did not contaminate any one in AZ.

**Solutions:**

Improvement strategy: The Agency needs to assess applicants and complaints and where appropriate suspend the certificate of those who are performing unprofessional, unethical, illegal or substandard performance. For those who may be reclaimed, a program that is preventative and will wean the user from the drugs or change their conduct must be implemented as soon as possible. Additional clerical staff would permit more time for investigations, random background checks, and review of training and education.

**Issue 9** SI Issue 9: Relationships with federal agencies will remain uncertain.

**Description** The U.S. Nuclear Regulatory Commission (NRC) continues to pay for the classroom and travel costs for training. They do not pay the salary costs or for lost production. There are no indications of a change in the immediate future. The U.S. Food and Drug Administration (FDA) continues to support the mammography program for the State. Since the Waste Isolation Pilot Project no longer uses Arizona as a route to Carlsbad, NM, the U.S. Department of Energy has withdrawn their support to train, equip and maintain radiation response along I-40. The Agency is still obligated to respond to any radiation accidents that may occur. This includes providing technical assistance (training) so that agencies may respond to such accidents safely. The U.S. Environmental Protection Agency (EPA) contracts with the State for Radon information and limited testing for radon. Consideration is being given to suspending the radon program nationally. While AZ is fortunate to not be in the high radon zones, we do find homes and businesses within AZ that do exceed the EPA guidelines for the facilities. At present the Agency receives 3 to 4 calls per day from the public regarding radon.

**Solutions:**

Improvement strategy: The Agency will continue to utilize the training provided by the NRC. Further, the Agency will continue to accept the support available from the FDA. We still continue to seek support from DOE since they continue to transport low level waste across Arizona. The Agency will continue to respond to public inquires on radon. We have noticed an increase in the number who have radon testing/mitigation issues addressed in their sales contracts. If federal funding sources are unavailable, the state will have to support about 1.5 FTE for these services.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	4.0	6.0	8.0
<b>General Fund</b>	233.1	348.2	348.2
<b>Other Appropriated Funds</b>	0.0	0.0	127.0
<b>Non-Appropriated Funds</b>	124.6	124.6	124.6
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

**RADIOACTIVE MATERIALS/NON-IONIZING RADIATION**

Aubrey V Godwin, Director  
 Phone: (602) 255-4845  
 A.R.S. §§ 30-652 et seq

**Mission:**

*To ensure radiation health and safety for the people of Arizona by regulating the users of radioactive materials and particle accelerators. Provides technical expertise to respond activities during radiation emergencies or terrorist events.*

**Description:**

The Radioactive Materials (RAM) subprogram licenses medical, industrial, and academic users of radioactive material radiation sources. On-site inspections of radioactive materials licensees in Arizona are conducted to ensure proper techniques for use, storage and shipment of radioactive materials.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	313.2	313.2	313.2
Other Appropriated Funds	155.4	155.4	155.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>468.6</b>	<b>468.6</b>	<b>468.6</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

◆ **Goal 1** To identify and license or register all users of radioactive materials or particle accelerators in Arizona.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
New licenses and renewals	66	75	68	72	72
Accelerator registrations	67	75	68	70	75
Accelerator registration actions	55	50	70	75	75
Customer satisfaction rating	7.2	7.6	7.4	7.6	7.6

◆ **Goal 2** To identify and register all new users of non-ionizing radiation sources in Arizona and renew registrations as appropriate.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Non-ionizing radiation registrations, active.	1,327	1,500	1,411	1,500	1,600
Non-ionizing radiation registration actions.	955	800	586	600	610

◆ **Goal 3** To inspect all users of radioactive materials or particle accelerators according to Agency regulations.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of radioactive materials inspections	144	150	187	150	150
Accelerator inspections	43	35	25	35	40

◆ **Goal 4** To inspect NIR users to assure conformance with radiation safety regulations

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Non-ionizing radiation registrations inspected	219	250	337	350	400

**Explanation:** Staff shortage due to budget restrictions has reduced the number of inspections.



◆ **Goal 5** To show agency-wide goals and objectives as shown in Budget Act.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Administration as a per cent of total expenditures	11.6	10.7	12.3	11.0	10.8
Customer satisfaction rating	7.2	7.6	7.4	7.6	7.6

**Program Summary**

X-RAY COMPLIANCE

Aubrey V Godwin, Director  
Phone: (602) 255-4845  
A.R.S. §§ 30-652 et seq

**Mission:**

*To protect the citizens of Arizona from overexposure or unnecessary exposure to x-ray radiation. Provides technical expertise to response activities during radiation emergencies or terrorist events.*

**Description:**

X-Ray Compliance is responsible for the registration of x-ray machines and the regulation of x-ray radiation. Inspection of all x-ray facilities and equipment utilizing x-rays is performed routinely, including those used for mammographic, chiropractic, dental, veterinary, industrial and medical disciplines. The subprogram supports safe use by operators and the minimization of patient exposure.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	368.3	369.4	541.5
Other Appropriated Funds	296.8	292.9	292.9
Other Non Appropriated Funds	170.9	171.1	171.1
<b>Total Funding</b>	<b>836.0</b>	<b>833.4</b>	<b>1,005.5</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>14.0</b>	<b>17.0</b>

◆ **Goal 1** To register all x-ray tubes within the State of Arizona.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
X-Ray tubes registered	15,462	15,500	16,092	16,200	16,400

◆ **Goal 2** To inspect all x-ray tubes to ensure continuous compliance with health and safety standards.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of x-ray tubes inspected	14.4	15	16.0	16	15

**Explanation:** As the number of x-ray tubes increases a fixed number of inspectors will inspect a smaller percent of the total.

X-ray machines inspected	2,063	1,800	2,513	2,550	2,550
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**Explanation:** The number of available inspectors limits the number of inspections.

Percent of x-ray tubes overdue for inspection	47.3	49	47.8	52	52
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**Explanation:** Staffing shortages will force the percentage overdue for inspection to increase.

◆ **Goal 3** To certify facilities using mammography equipment in accordance with Federal legislation.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of mammography facilities certified	155	160	147	150	150

◆ **Goal 4** To improve efficiency of subprogram database changes and tracking of applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Database changes	1,722	1,800	1,524	1,600	1,600

**Explanation:** We have reduced the amount of data we collect and this has reduced the number of data changes

**Program Summary**

EMERGENCY RESPONSE

Aubrey V Godwin, Director  
 Phone: (602) 255-4845  
 A.R.S. §§ 30-652 et seq

**Mission:**

*To respond to and provide the necessary planning and technical assistance to resolve any incidents involving radiation or sources of radiation occurring in Arizona, including fixed nuclear facilities. Responds to and trains others to respond to "dirty bombs" and other terrorist events that may occur in Arizona. Provides technical expertise to response activities during radiation emergencies or terrorist events.*

**Description:**

The Emergency Response subprogram prepares, coordinates and tests the technical portion of Arizona's Fixed Nuclear Facility Emergency Response Plan, including radiation effects assessment and protective action recommendations. The subprogram trains hazardous materials response teams (law enforcement, fire and medical personnel) in initial response to radiation-related incidents, including preparation for high level radioactive waste, transuranic and spent nuclear fuel shipping campaigns. The subprogram also responds to radiation incidents statewide, supports the state's multi-agency task force on terrorism with respect to weapons of mass destruction, maintains a large inventory of emergency equipment, calibrates and provides instruments to HAZMAT organizations and directs and conducts training of a 65-member monitor pool. The subprogram also arranges for the disposal of abandoned radioactive material sources. In addition, the Agency has distributed radiation detecting instruments to state and local law enforcement agencies. Since this Agency licenses persons to possess and use radioactive material, we may be contacted to determine if the shipment is to a legal user.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	695.2	695.2	819.8
Other Appropriated Funds	34.3	34.3	34.3
Other Non Appropriated Funds	378.6	397.9	522.5
<b>Total Funding</b>	<b>1,108.1</b>	<b>1,127.4</b>	<b>1,376.6</b>
<b>FTE Positions</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>

◆ **Goal 1** To respond effectively to any radiological incidents or accidents within Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Radiological incidents (non-Palo Verde related)	26	30	23	25	25

**Explanation:** May include reactor events outside of Arizona if the Agency has to respond to public inquiries.

Radiological incidents (Palo Verde related)	0	1	3	1	1
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◆ **Goal 2** To promote Agency radiological incident response capabilities within the State's HAZMAT community.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of contact procedure pamphlets distributed to users	3,500	3,500	3,500	3,500	3,500
Number of assistance requests (state, local or federal agency)	24	25	23	25	25
Number of Spent Nuclear Fuel or Large Quantity Radioactive Material Shipments	58	60	42	60	50

◆ **Goal 3** To continually maintain a pool of trained volunteers from state, county and local government agencies for emergency response to radiological accidents or incidents at the Palo Verde Nuclear Generating Station.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of monitoring team members	65	85	186	185	200

◆ **Goal 4** To ensure that response teams around the state are capable of effective first response to incidents involving radioactive materials. During radiation emergencies or terrorist events provide technical expertise to the response activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of instrument kits distributed to qualified teams	15	25	2	25	4

**Explanation:** WIPP terminated their support of a shipment route in AZ.

**Program Summary**

**RADIATION MEASUREMENT LABORATORY**

Aubrey V Godwin, Director  
 Phone: (602) 255-4845  
 A.R.S. §§ 30-652 et seq

**Mission:**

*To measure and monitor man-made and naturally occurring radiation sources throughout the state with an emphasis on nuclear reactor facilities, uranium mining operations, and drinking water. Provides technical expertise to response activities during radiation emergencies or terrorist events.*

**Description:**

The subprogram determines ambient radiation levels throughout the state by analyzing samples of air, water, milk, soil and vegetation. The subprogram has established sampling networks to continuously monitor Palo Verde Nuclear Generating Station. As Arizona's primary radiation laboratory, the subprogram is contracted to provide technical and analytical support to the Arizona Department of Environmental Quality drinking water program and waste water programs. The subprogram also provides mobile and fixed analytical laboratory support to the Emergency Response and Radioactive Materials/Non-Ionizing subprograms. The subprogram participates in the U.S. Environmental Protection Agency's Indoor Radon Grant Program by determining radon hazards in Arizona and by providing information, on request, to interested citizens.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	91.1	91.1	152.1
Other Appropriated Funds	97.2	97.2	97.2
Other Non Appropriated Funds	445.0	425.7	425.7
<b>Total Funding</b>	<b>633.3</b>	<b>614.0</b>	<b>675.0</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>8.0</b>

◆ **Goal 1** To analyze environmental samples to ensure that no radioactivity beyond natural background is present.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of environmental sample analyses	1,096	1,200	1,134	1,170	1,200

◆ **Goal 2** To analyze radon test canisters for the presence of radon in public schools above the recommended action level established by the U.S. Environmental Protection Agency (EPA).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Radon canisters analyzed	900	1,000	625	800	900

**Explanation:** The estimates for 2014 and 2015 are contingent on receiving federal funding.

◆ **Goal 3** To monitor statewide population centers and mining concerns for radiation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
TLD monitoring sites	51	50	52	55	60

**Explanation:** Statewide monitoring program stopped in 2009 due to budget restraints. Only monitoring PVNGS at present.

Air sampling stations throughout Arizona	8	8	8	10	12
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**Explanation:** Program shutdown in 2009 due to severe budget restrictions. Only monitoring PVNGS at present.

- ◆ **Goal 4** To maintain designation as a primary laboratory for valid data.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Designated. Awaiting report from EPA regarding the 2013 review.	Yes	Yes	Yes	Yes	Yes

**Explanation:** EPA review results pending

- ◆ **Goal 5** To provide laboratory support to the Department of Environmental Quality drinking water and mining programs.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of water samples analyzed. DEQ cancelled contract for technical support.	92	90	0	0	0

- ◆ **Goal 6** To participate in training and respond to incidents involving radioactive material that may also be an act of terrorism.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of practices/responses	0	3	1	2	3

**Explanation:** PVNGS will have an emergency drill involving terrorism activities in 2014.

### Program Summary

#### MEDICAL RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS

Aubrey V Godwin, Director  
 Phone: (602) 255-4845  
 A.R.S. §§ 32-2801 et seq

#### Mission:

*To protect the health and safety of the people in Arizona against the harmful effects of excessive and improper exposure to medically applied ionizing radiation. Provides technical expertise to response activities during radiation emergencies or terrorist events.*

#### Description:

The program assures that minimum standards of education and training are met by ionizing machine operators and nuclear medicine technologists; sets standards for and approves schools of radiologic and practical technology; and enforces A.R.S. § 32-2801, et. seq. and Title 12, Chapter 2, Arizona Administrative Code.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	236.0	273.4	273.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>236.0</b>	<b>273.4</b>	<b>273.4</b>
<b>FTE Positions</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

- ◆ **Goal 1** To assure qualifications and issue certificates to qualified applicants.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Qualified technologists certified, total	7,659	7,700	7,372	7,600	7,800
Certificates issued within 60 days	3,976	4,200	4,057	4,100	4,150
Number of active medical radiologic technologist certificates	8,506	8,600	8,045	8,100	8,150

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◆ **Goal 2** To enforce A.R.S. § 32-2801 et seq.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of complaints	46	50	39	50	52
Number of complaints resolved	34	30	24	35	40

◆ **Goal 3** To conduct investigations required by A.R.S. § 32-2821(B).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of investigations	46	50	39	50	50

## Agency Summary

### DEPARTMENT OF REAL ESTATE

Judy Lowe, Commissioner  
Phone: (602) 771-7760  
A.R.S. §§ 32-2101 et seq

#### Mission:

*To serve and protect the public interest through efficient and timely licensure, balanced regulation, and proactive education of the real estate profession in the State of Arizona.*

#### Description:

Pursuant to A.R.S. Title 32, Chapter 20 and the Administrative Code Title 4, Chapter 28, the Department regulates real estate licensees (including residential sales, brokers, companies, property managers, business brokers, and commercial brokers), private cemeteries, and membership camping licensees. The Department also regulates real estate educators and schools, monitoring pre-licensing and continuing education courses to ensure the quality content of courses and the competence of instructors, as well as the quality and timeliness of materials being taught. The Department oversees the administration of licensing examinations as well as the activities of licensees to ensure compliance with the Arizona Revised Statutes and the Commissioner's Rules.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,608.3	2,989.7	3,485.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	42.0	230.1	230.1
<b>Total Funding</b>	<b>2,650.3</b>	<b>3,219.8</b>	<b>3,715.7</b>
<b>FTE Positions</b>	<b>37.0</b>	<b>37.0</b>	<b>42.0</b>

**Issue 1** Strategic Issue #1: Increase Protection to the Public

**Description** The real estate industry, the Department, the State of Arizona, and, most importantly, the public continues to feel the effects of a real estate market that is still rebounding from the economic downturn of the past several years. While there has been modest recovery in some important areas, the Department continues to encounter problematic scenarios that are jeopardizing the public and their confidence in real estate professionals. Some of the more prevalent and ongoing harmful effects in the real estate market are seen in the following:

- Advertising violations, where misleading false and deceptive marketing is used;
- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Property management schemes/violations conducted by unlicensed individuals;
- Unlicensed entities in Arizona, as well as, out-of-state companies, conducting real estate activities;
- Auctions, where unlicensed individuals facilitate the sale of properties;
- Fraudulent real estate and subdivision schemes – i.e. short sale and distressed properties; and
- Mortgage fraud involving licensed individuals.

**Solutions:**

As a regulatory agency charged with protecting the public, the Arizona Department of Real Estate's continued emphasis will be on building partnerships within the industry and with other state agencies, in serving and protecting Arizona's constituents through an attitude of supporting a TEAM (Together Everyone Achieves More) concept.

This partnership will focus on "raising the bar" of the real estate industry, thus minimizing the actions that cause harm to the public and educating the public on what to be aware of in their real estate transactions. This task will be achieved through the commitment of open communication, transparency and the sharing of information and knowledge. The Department will create a synergistic approach to problem solving by gathering feedback from all, then implementing changes and improvements as needed.

Through proactive education and information broadcasting, the Department will seek to ensure public and industry awareness of fundamental laws pertaining to real estate transactions in Arizona. The Department's focus will continue to consist of balanced regulation, ensuring that licensees and/or repeat offenders who are proven to have violated the law and harmed the public are dealt with quickly and stringently, while addressing the more minor infractions that do not effect and/or harm the public and from a more educational perspective. Additionally, the Department will continue to streamline processes, allowing for staff to work through cases thoroughly, yet efficiently and timely.

**Issue 2** Strategic Plan #2: Enhance Quality of Licensee Real Estate Education

**Description** Real estate education is a fundamental element of enhancing the highest level of knowledge and professionalism within the real estate industry, benefiting Arizona's constituents. Included in the real estate industry's contribution to a thriving Arizona economy are the Real Estate Educators, which are a growing business in Arizona.

**Solutions:**

Pursuant to ARS §32-2135, in addition to being responsible for issuing real estate school licenses, approving the credential of instructors and the subject matter content of courses to be taught, the Department is tasked with ensuring that, once the aforementioned has been done, all schools and instructors are complying with applicable statutes and rules thereafter.

This is performed by conducting audits to ensure the information and materials being taught and distributed have been approved by the Commissioner and that certification of student attendance, and/or performance is properly documented. A very active auditing program monitors the performance of the Real Estate Schools, their instructors and courses. This program utilizes volunteer monitors from the real estate industry who review the delivery of courses, to confirm compliance with the stated application specifics and approval guidelines from the Department.



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**Issue 3** Strategic Issue #3: Streamline Delivery of Service

**Description** The Arizona Department of Real Estate strives to be a provider of responsive and reliable services to Arizona's real estate industry and the public served by this industry. The Department's efforts focus on ensuring that the delivery of quality, timely and cost-effective core services. The day-to-day activities of the Department rely on efficient internal business systems.

**Solutions:**

Although improved within the last four years, many current agency procedures for processing complaints, completing investigations, and providing financial restitution through the Recovery Fund are labor-intensive and lengthy in duration. The Department has worked with the Governor's Transformation Office (GTO) to address its processes with disclosures and investigations. To the extent possible, while still adhering to statutory mandates, and with respect for the legal requirements to ensure due process, the agency will continue to identify and implement ways to streamline and simplify these operational processes to serve the public, and industry, in a timelier manner. The Department is committed to continuous improvement of these overall processes in order to enable staff to work toward the best outcomes for those the Department serves.

The Department recognizes that it has an obligation to the citizens of Arizona to ensure that Department resources are being used as efficiently and effectively as possible. To this end, the Department continues to explore and implement efficiency and cost-saving strategies wherever possible, and to look for better ways to deliver services. The Department reviewed each of its divisions over the past year and developed comprehensive procedures manuals that outline all key functions. This goal was targeted to ensure that the critical information necessary to operate the agency is available for all appropriate staff. Although procures manuals have been developed, the agency continues to identify more efficient ways to achieve results.

The Department will also continue to review and revise the many forms used by the real estate industry and the public. These forms are reviewed when there are questions from the public, so to identify how the form could be made more "user-friendly".

**Issue 4** Strategic Issue #4: Maximize Technology Platform

**Description** The Arizona Department of Real Estate's Information Technology Infrastructure must be improved upon in order to facilitate more efficient internal processes and to keep pace with the technologically savvy real estate industry and public the Department serves.

Based on the Department's business technology assessment and the review of the State of Arizona IT Strategic Plan, the Department has developed an implementation plan to replace/update the outdated IT and communication system, providing opportunities for re-engineering appropriate business processes throughout all areas of the agency. Implementation and integration of these systems will provide faster, more efficient customer service to the public, as well as enhance staff efficiencies by reducing duplication of effort and shortening time spent on various data-gathering and verification tasks.

These improvements must be achieved in both the Department's internal file/document management and online services development. Today, through the Department's proprietary technology platform, a licensee can complete the renewal of their license on-line in a matter of minutes, and the original license applicant can visit the Department, or mail/scan their application documents and receive same day licensing services. The online capability must be expanded to enhance the new online license application.

The internal file management was developed years ago, and must be redesigned to today's systems. Serving over 70,000+ Arizona real estate licensees, and the dramatic reduction in staffing experienced by the Department (reduced from 72 FTE a few years ago to its current 34 FTE). Technology is the catalyst that will allow the Department to continue to improve its excellent service delivery.

**Solutions:**

The Department will continue to develop an enhanced internal database system called REALM II which will build upon the current database system known as Realm. Additionally, over the past year the Department has worked toward converting all paper documents to electronic files to create greater efficiencies for processing applications, public records requests, and reducing the Department's paper footprint. Over the last fiscal year, the Department has scanned nearly 25% of 100,000 licensing files and has put together a plan to scan and save electronically paper files from each division. With the Online Licensing System significantly improving the way licensees interact with the Department, taking the next step to employ tools for greater technology will impact the industry in a positive way. The Department will continue to convert documents to electronic form as allowed by the state's Record Management Center governed by the Secretary of State.

**Issue 5** Strategic Issue #5: Promote Committed, Skilled and Accountable ADRE Team

**Description** As of June 30, 2014, the Arizona Department of Real Estate employs 34 FTE. The Department plans to hire up to the current number of appropriated employees, 37 FTE, by the end of the calendar year. Leaner staffing levels, tighter budgets, and greater efficiencies than the previous year, is what the public and industry has come to expect from the ADRE. Over the past year, the ADRE has had ten new hires which are contributing to the success of the Department. To achieve greater efficiencies and success the agency must continue to promote knowledge sharing among experienced and newer staff.

**Solutions:**

Demographic shifts will be the largest single influence on the Department workforce over the next five years, as increasing numbers of experienced employees may retire, or choose to pursue other career opportunities as proven by FY14. The Department's focus moving forward will continue to be on the ability to implement strategies to mitigate anticipated departures of valuable employees, to preserve and transfer the historical institutional knowledge of retiring staff, and to implement recruitment measures to attract top talent and improve on staff job satisfaction.

**Issue 6** Strategic Issue #6: Adhere to Fiscal Guidelines

**Description** The Department has successfully accommodated budget cuts, downsizing staff, and has survived with less than requested annual appropriations. Over the last five budget cycles the ADRE's appropriation has remained stagnant below \$3 million, while reducing the number of appropriated FTE's from 57 to 37 in FY 2013.

**Solutions:**

The Department will continue to utilize available resources, while focusing on continuing to improve on the excellent delivery of services to the real estate industry, the regulation of that industry, while striving always to protect the public. The entire Department "TEAM" will always be apprised of the budget that the Department is committed to operating within, and a consistent status update on how the Department is performing.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	42.0	44.0	46.0
<b>General Fund</b>	3.6	3.7	3.8
<b>Other Appropriated Funds</b>			
<b>Non-Appropriated Funds</b>	600.0	600.0	600.0
<b>Federal Funds</b>			

◆ **Goal 1** To provide excellent customer service to licensees.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Department customer service surveys indicating good to excellent service.	99	99	N/A	99	99

◆ **Goal 2** To review and approve new courses quickly and thoroughly.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average days from receipt to approval of school, course and instructor.	11	10	11	10	10

◆ **Goal 3** To improve the quality of class offerings and instructors by monitoring and auditing more classes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Classes assigned	168	240	553	600	600

◆ **Goal 4** To create and maintain procedures to process licenses in an efficient and timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Average days from receipt of application to issuance of real estate license	1	1	1	1	1
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Total real estate applications received	35,140	34,145	36,326	37,553	38,822
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**Explanation:** New Applicants & Renewals

Number of real estate licensees	71,544	69,967	78,053	72,200	66,785
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**Explanation:** Number reflects actual count of licensees. This includes individuals, brokers, and entities.

◆ **Goal 5** To maintain the timeliness of the investigative process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Average calendar days from receipt of real estate or subdivision complaint to resolution	110	90	43	40	40
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Total real estate or subdivision complaints investigated	1153	1258	729	1,100	1,100
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◆ **Goal 6** To maintain excellent customer service through the timely issuance of public reports.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Average number of calendar days to issue deficiency letter on subdivision applications received.	48	48	20	15	15
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Number of subdivision filings received	360	400	598	650	702
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**Explanation:** Includes amendments

Average number of days to issue an improved lot public report.	20	20	20	20	20
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◆ **Goal 7** To maintain an appropriate ratio of administrative costs in relation to the Department's appropriation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percentage of administrative costs	7.5	8.0	10.3	9	10
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**Explanation:** Includes Information Technology, Budget, Policy, Human Resources, and Operations

◆ **Goal 8** To perform 1,500 in-field broker audits and/or electronic broker audit reports (EBARs) by FY 2016.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Number of in-field broker audits performed.	67	250	464	450	675
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**Explanation:** The Department based its FY 2015 estimate on receiving its funding request for 2 FTE Auditor/Investigator.

Number of Electronic Broker Audit Reports (EBARs) conducted.	116	375	162	222	333
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**Explanation:** The Department based its FY 2015 estimate on receiving its funding request for 2 FTE Auditor/Investigator.

## Agency Summary

### RESIDENTIAL UTILITY CONSUMER OFFICE

Patrick J. Quinn, Director  
Phone: (602) 364-4838  
A.R.S. §§ 40-461 et. seq.

**Mission:**

*To represent the interests of residential ratepayers before the Arizona Corporation Commission and advocate for reasonable utility rates and reliable, safe utility service.*

**Description:**

The Residential Utility Consumer Office (RUCO) is an agency comprised mainly of attorneys and financial analysts. RUCO participates in matters before the Corporation Commission regarding utility rate increases, renewable energy standards, and Commission rulemaking. RUCO reviews utility financial records, conducts discovery, offers testimony and presents witnesses at evidentiary hearings to argue positions in favor of residential utility ratepayers.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,032.0	1,337.8	1,337.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,032.0</b>	<b>1,337.8</b>	<b>1,337.8</b>
<b>FTE Positions</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

## 5 Year Plan

**Issue 1** Handling the increasing number of utility cases being filed with the Arizona Corporation Commission.

**Description** Over the past year the number of rate applications has increased substantially for several reasons. First, Energy and Water Efficiency programs have been initiated by regulated companies at the direction of the Arizona Corporation Commission, with the objective of reducing energy consumption and water usage. Second, with the economic problems that the country has experienced during the past several years customer counts have reduced which also has reduced company revenues, creating a necessity to apply for increases in rates. Third, from RUCO's perspective the makeup of the current Commission appears to be more responsive to the utilities requests.

**Solutions:**

Try to settle more cases early on in the regulatory process by interacting more with utilities and Commission Staff. Strategically choose which cases and issues to litigate fully.

**Issue 2** Understanding and analyzing the complexity of new issues contained in rate case filings.

**Description** The regulatory environment is in a constant mode of change. Due to the reasons stated above, new issues are constantly arising and RUCO is in a position to respond to the utilities' concerns and protect residential ratepayers.

**Solutions:**

Contact other states commissions, consumer advocacy groups and publications to see how they have handled any common new issues. Replace vacancies with individuals that have backgrounds and experience in areas where we have little or no expertise. Examples to meet this objective would be the current explosion of solar deployment and how it affects the average residential ratepayer. RUCO hired an expert in the solar field. We are becoming active in the National Association of State Utility Consumer Advocates ("NASUCA") and we are sending a representative to their annual meeting.

**Issue 3** Planning ahead so that we are prepared for the ever changing regulatory horizon.

**Description** In today's changing world it is critical that RUCO obtain and retain qualified personnel to get the job done. The regulatory area is highly specialized and obtaining and retaining competent and knowledgeable personnel is challenging. It is imperative that we keep these individuals, provide proper training, reward individuals accordingly and provide a good work environment.

**Solutions:**

Ensure that staff has the proper mix of disciplines to meet these changing times. This is an ongoing process and we have nearly completed this exercise by making changes to our key personnel and hiring more consultants with specific areas of expertise. Provide the proper internal and external training and equipment so that our staff is prepared efficiently to deal with the changing regulatory environment.

**Issue 4** Ensuring that we are providing the best possible advocacy for the residential ratepayer that we represent.

**Description** RUCO's charter and primary objective is to guard and protect the residential ratepayer.

**Solutions:**

Execute solutions defined in Issues 1, 2 and 3 above.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	11.0	11.0	11.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	1,337.8	1,337.8	1,337.8
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To perform preliminary analyses of all pertinent cases filed at the Arizona Corporation Commission to determine the necessity of our intervention.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of cases analyzed	27	30	17	20	25
RUCO interventions in rate making	7	5	14	12	12

◆ **Goal 2** To secure for residential utility ratepayers the lowest reasonable rates.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of utility rate hearings	5	12	6	10	10
Number of utility hearings	7	12	8	12	10
Average rate increase requested by utilities (millions)	33.7	4.2	2.1	10.0	10.0
Average rate increase recommended by RUCO (millions)	7.7	1.9	0.6	4.0	4.0
Average rate increase approved by ACC (millions)	20.2	2.8	1.6	6.0	6.0
Percent variance between utilities' request for rate increases and the actual ACC authorized rates	40	33	40	35	35

◆ **Goal 3** To protect residential consumer interests in matters involving competitive issues before the Arizona Corporation Commission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
RUCO interventions in cases involving competitive issues	1	1	2	2	2
Administration as a percentage of total cost	4.0	4.0	3.0	4.0	4.0
Customer satisfaction rating for residential utility customers (scale 1-8)	7	7	7.5	7.5	7.5

## Agency Summary

### BOARD OF RESPIRATORY CARE EXAMINERS

Jack Confer, Executive Director  
 Phone: (602) 542-5995  
 A.R.S. §§ 32-3521 to 32-3558

**Mission:**

*To exercise state regulatory authority over respiratory care practitioners by granting licenses; maintaining public records for all practitioners within Arizona; and enforcing rules and statutes to ensure the public health, welfare, and safety.*

**Description:**

Respiratory Care Practitioners work in therapeutic, surgical, and/or clinical settings to monitor respiration and lung health, as well as to diagnose and treat disorders. The Board of Respiratory Care Examiners regulates the practice of respiratory care in Arizona. The Board examines and licenses respiratory care practitioners based on minimum competency standards set by the Legislature. Additionally, the Board enforces state laws, rules, and regulations set forth to ensure public safety and investigates complaints filed against a member of the professional community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	294.9	297.2	297.2
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>294.9</b>	<b>297.2</b>	<b>297.2</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

## 5 Year Plan

**Issue 1**    New SI

**Description**

**Solutions:**

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1**    To process licensing and renewal applications in a timely and accurate manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New and temporary licenses issued	408	500	367	375	375
<b>Explanation:</b> Total number of licenses issued					
Average number of days to renew a license	2	2	2	2	2
<b>Explanation:</b> Average number of days from receipt to granting a temporary license					
Total number of applications for permanent licenses	1,407	1,700	1,757	1,700	1,700

◆ **Goal 2** To ensure the placement of each allegation of professional misconduct on the Board's agenda for review in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of complaints received	123	145	99	110	110
<b>Explanation:</b> Total number of complaints received					
Average days from receipt of complaint to resolution	150	90	91	90	90
<b>Explanation:</b> Average number of day to close a complaint					
Average monthly backlog of complaints not yet resolved	20	15	25	20	20
<b>Explanation:</b> Total number of complaints pending from month to month					
Number of licenses revoked or suspended	6	5	8	5	5
<b>Explanation:</b> Total number of licenses revoked or suspended					
Total number of practitioners investigated	98	100	96	95	95
Percent of investigations resulting in disciplinary or enforcement action	18	15	22	10	10
Total percent of licensees receiving disciplinary action	2	2	2	2	2



## Agency Summary

### STATE RETIREMENT SYSTEM

Paul Matson, Director  
Phone: (602) 240-2031  
A.R.S. § 38-712

#### Mission:

*To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.*

#### Description:

The Arizona State Retirement System provides pension, retirement, survivor, disability, health insurance, and education on benefits provided for most public sector employers in Arizona, including state universities and colleges, public school districts, and state and local governments.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ MEMBER SERVICES	20,505.7	24,853.0	23,647.5
➤ ADMINISTRATION AND SUPPORT	9,029.0	9,121.3	9,223.8
➤ INVESTMENT MANAGEMENT	246,687.3	259,815.9	282,164.9
<b>Agency Total:</b>	<b>276,222.0</b>	<b>293,790.2</b>	<b>315,036.2</b>
<b>Funding:</b>			
	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	25,961.9	29,294.7	28,106.2
Other Non Appropriated Funds	250,260.1	264,495.5	286,930.0
<b>Total Funding</b>	<b>276,222.0</b>	<b>293,790.2</b>	<b>315,036.2</b>
<b>FTE Positions</b>	<b>246.9</b>	<b>246.9</b>	<b>251.9</b>

## 5 Year Plan

**Issue 1** Work to ensure the sustainability of the ASRS Defined Benefit Pension Plan and Long-term Disability Program

**Description** Sustainability refers to the ability of employees and employers to afford the cost and volatility of the programs with relative cost and benefit equity. The agency will perform regular analysis of the ASRS benefit programs and make recommendations when necessary to ensure sustainability.

**Solutions:**

**Issue 2** Analyze ways to achieve long-term affordability, accessibility, and sustainability for the retiree health insurance program.

**Description** The ASRS health insurance program is entering an unsettled time as a result of new federal legislation, possible local consolidation of effort, and uncertainty regarding costs and benefits. The ASRS will need to evaluate, assimilate and make necessary changes over the next several years to ensure consistent high quality and affordable health care for retirees.

**Solutions:**

**Issue 3** Successfully determine and implement additional value-added investment strategies.

**Description** The ongoing volatility in the worldwide investment markets will necessitate that the ASRS continue to examine its investment strategies and asset allocation and make any adjustments it deems necessary to ensure the long-term health of the ASRS investment portfolios.

**Solutions:**

**Issue 4** Continue to provide members with cost-effective, high levels of service during a period of increasing demand.

**Description** Customer demand for service has increased significantly over the past fiscal years. To continue providing members with high levels of service while remaining cost-effective, the ASRS must have a budget that will allow the agency to continue investing in contemporary technology, while also adding the staff necessary to address the increased demand for service.

**Solutions:**

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

**MEMBER SERVICES**

Anthony Guarino, Deputy Director, Chief Operations Officer  
Phone: (602) 240-2077  
A.R.S. § 38-712

**Mission:**

*To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.*

**Description:**

The Member Services Program is comprised of the Member Services, Financial Services, and Information Services Divisions of the ASRS. These three divisions are collectively responsible for delivering services to ASRS members.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	16,954.1	21,498.4	20,207.4
Other Non Appropriated Funds	3,551.6	3,354.6	3,440.1
<b>Total Funding</b>	<b>20,505.7</b>	<b>24,853.0</b>	<b>23,647.5</b>
<b>FTE Positions</b>	<b>193.0</b>	<b>193.0</b>	<b>196.0</b>

◆ **Goal 1** To ensure that members receive calculations and disbursements timely, consistently, and accurately.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of new retirees receiving initial payments within 10 business days of retirement (objective 90%)	94	90	83	90	90
Percent of overall member satisfaction with the retirement application process for new retirees (objective 90%)	97	90	96.9	90	90
Number of new retirements processed	8,718	8,800	8,390	8,600	8,600
Percentage of monthly pension payments disbursed on the first day of the month (objective 98%)	99.9	98	100	98	98
Number of monthly pension payments issued (June payroll)	119,395	126,559	125,302	131,501	138,007
Number of pension adjustments completed	648	700	737	700	700
Percentage of pension adjustments processed within 20 business days of identification (objective 90%)	100	90	99	90	99
Percentage of refunds disbursed within 10 business days of request (objective 90%)	97	90	99	90	90
Percentage of refunds processed accurately (objective 100%)	100	100	100	100	100
Percent of overall member satisfaction with the refund process (objective 90%)	97	90	96.4	90	90
Number of refund requests received	16,962	17,500	15,152	16,000	16,000
Percentage of service purchase cost invoices distributed within 10 business days of receipt (objective 90%)	95	90	91	90	90
Percentage of service purchase payroll deduction agreements processed within 5 business days of receipt (objective 90%)	96	90	89	90	90
Percentage of service purchase cost invoices processed accurately (objective 98%)	100	98	100	98	98
Percent of overall member satisfaction with the service purchase process (objective 90%)	90	90	89.2	90	90
Number of service purchase cost invoices requested	5,166	5,200	3,500	3,500	3,500
Number of service purchase lump sum payments completed	3,214	3,200	1,862	2,000	2,000
Number of service purchase payroll deduction agreements completed	415	400	110	150	150
Percentage of service purchase lump sum payments processed within 10 business days of receipt (objective 90%)	97	90	86	90	90
Total number of deaths reported (retired members)	2,727	2,700	2,537	2,600	2,650
Total number of deaths reported (non-retired members)	2,682	1,400	1,224	1,300	1,300
Percent of overall member satisfaction with the survivor benefit process (objective 90%)	94	90	93.2	90	90

- ◆ **Goal 2** To offer retired and disabled members access to affordable, competitive and efficiently run health insurance and disability programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of enrollments and declines processed	9,793	10,000	n/a	10,000	10,000
Number of retirees receiving a premium benefit	69,823	70,000	n/a	71,000	72,000
Total amount disbursed for premium benefit (in thousands)	95,670	100,000	n/a	105,000	110,000
Number of months needed to determine eligibility for LTD	2.2	2.5	1.9	2.5	2.5
Number of open LTD claims	4,735	4,700	4,341	4,400	4,400
Number of new LTD claims	894	900	706	750	750
Number of late LTD claims	15	25	11	25	25
Percentage of overall member satisfaction with Long Term Disability program (objective 90%)	89.7	90	94.3	90	90

**Explanation:** Data not yet available for May - June

- ◆ **Goal 3** To ensure that contributions, account information, and financial data are collected, managed, and accounted for efficiently and effectively.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of valid invoices paid within 30 days of receipt (objective 100%).	99.8	100	99.8	100	100
Percentage of all invoices with a discount paid within the discount period (objective 99%).	100	99	60	99	99
Percentage of collected outstanding accounts receivable balance each month (objective 5%).	8.95	5	7.4	5	5
Percentage of employees are paid timely and accurately (objective 100%).	100	100	100	100	100

- ◆ **Goal 4** To provide members with easy and timely access to current account information and various educational services to help plan and manage their retirement.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of calls answered within 20 seconds (objective 80%)	57	80	80	80	80
Percent of telephone inquiries answered accurately (objective 95%)	99	95	98	95	95
Percentage of overall member satisfaction with Telephone Service at the Arizona State Retirement System (objective 90%)	90.4	90	92.6	90	90
Number of calls received	212,755	210,000	176,003	185,000	185,000
Percent of calls abandoned by caller (objective 5% or fewer)	6.5	5	5.9	5	5
Percentage of overall member satisfaction with Planning for Retirement meetings (objective 90%)	99.7	90	99.6	90	90
Percentage of overall member satisfaction with Retire Now meetings (objective 90%)	99.8	90	100	90	90
Total number of Planning for Retirement meetings (statewide)	199	200	197	200	200
Total number of Retire Now meetings (statewide)	202	200	165	200	200
Total number of Planning for Retirement meeting attendees (statewide)	4,139	4,000	3,768	4,000	4,000
Total number of Reite Now meeting attendees (statewide)	1,984	2,000	1,832	2,000	2,000
Percentage of overall member satisfaction with walk-in counseling (objective 90%)	100	90	97	90	90
Percentage of appointments customers served within 5 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	97.2	80	93.7	80	80
Total number of walk-ins (Phoenix and Tucson)	6,075	6,000	4,879	5,500	5,500
Percentage of walk-in customers served within 30 minutes of arrival (Phoenix and Tucson offices) (objective 80%)	92.4	80	93.8	80	80
Total number of pre-scheduled appointments (Phoenix and Tucson)	8,011	8,000	6,978	7,500	7,500

**Program Summary**

**ADMINISTRATION AND SUPPORT**

Anthony Guarino, Deputy Director, Chief Operations Officer  
 Phone: (602) 240-2077  
 A.R.S. § 38-712

**Mission:**

*To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.*

**Description:**

The Administration and Support Program contains the various functions necessary to support the ongoing administration of the ASRS. These functions include the Director's Office, Legal, Internal Audit, Administrative Services (Budget, Procurement, Training, Human Resources), and External Affairs Divisions (Communications, Employer Relations, Government Relations).

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	7,465.2	7,574.6	7,677.1
Other Non Appropriated Funds	1,563.8	1,546.7	1,546.7
<b>Total Funding</b>	<b>9,029.0</b>	<b>9,121.3</b>	<b>9,223.8</b>
<b>FTE Positions</b>	<b>42.9</b>	<b>42.9</b>	<b>43.9</b>

- ◆ **Goal 1** To foster member and stakeholder trust and confidence in the ASRS through effective communications, mutually beneficial relations, and a forward-looking legislative agenda.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of employers enrolled with the ASRS	718	720	733	735	735
Number of employer conferences/workshops held	36	35	50	35	35
Number of individual employer meetings held	40	25	72	50	50
Percentage of members who "agree" or "strongly agree" that ASRS employees provide good service to members (objective 90%)	98	90	97.1	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS keeps its members informed of matters that affect them (objective 90%)	96	90	94.6	90	90
Percentage of members who "agree" or "strongly agree" that the ASRS is pleasant and easy to do business with (objective 90%)	98	90	96.2	90	90

- ◆ **Goal 2** To ensure that administrative services are in place to support: an effective operating cost structure and budget; and a work force that reflects agency values and is capable of consistent high performance.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of months in which permanent staffing levels were 90 percent or higher (objective 6)	12	6	12	6	6
<b>Explanation:</b> Includes consultant and temporary workers					
Maintain a rolling average annual turnover rate of 18 percent or less	0	0	12.8	18	18

<b>Program Summary</b>	
INVESTMENT MANAGEMENT	
Gary Dokes, Chief Investment Officer	
Phone: (602) 240-2180	
A.R.S. § 38-719	

**Mission:**  
*To benefit our members, the Arizona State Retirement System (ASRS) will be a leading state benefit plan administrator in the areas of core member services, funded status, investment performance, and operational effectiveness, while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.*

**Description:**  
 The Investment Management Program is responsible for overseeing the investment of the ASRS assets.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,542.6	221.7	221.7
Other Non Appropriated Funds	245,144.7	259,594.2	281,943.2
<b>Total Funding</b>	<b>246,687.3</b>	<b>259,815.9</b>	<b>282,164.9</b>
<b>FTE Positions</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>

- ◆ **Goal 1** To achieve a total fund rate of return equal to or greater than the actuarial assumed interest rate.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of investment returns	13.1	8.0	18.6	8.0	8.0
<b>Explanation:</b> one-year return figure					
10-Year rolling annual rate of return on total fund assets (%)	7.4	8.0	7.5	7.6	7.7

- ◆ **Goal 2** To achieve a total fund rate of return equal to or greater than the Asset Allocation Benchmark.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Annualized rate of return	13.1	8.0	18.6	8.0	8.0
Excess return measured against strategic asset allocation benchmark	0.5	n/a	0.8	n/a	n/a
3-year rolling annual rate of return	12.6	8.0	10.8	8.0	8.0
3-Year excess return measured against strategic asset allocation benchmark	0.3	n/a	0.4	n/a	n/a



- ◆ **Goal 3** To achieve a total fund rate of return equal to or greater than the amount projected in the most recent asset allocation study.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
5-Year rolling annual rate of return	5.9	8.0	14.2	8.0	8.0
5-Year excess return measured against strategic asset allocation benchmark	0.5	n/a	0.6	n/a	n/a

◆ **Goal 4** To achieve asset class net rates of return equal to or greater than their respective broad asset class benchmarks.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Annualized rate of return for domestic equity	22.2	n/a	24.7	n/a	n/a
Excess domestic equity return measured against benchmark	0.2	n/a	-0.2	n/a	n/a
Annualized rate of return for international equity	14.0	n/a	21.3	n/a	n/a
Excess international equity return measured against benchmark	-1.1	n/a	-0.7	n/a	n/a
Annualized rate of return for fixed income	-0.3	n/a	6.0	n/a	n/a
Excess fixed income return measured against benchmark	0.1	n/a	0.0	n/a	n/a
Annualized rate of return for GTAA	12.7	n/a	21.2	n/a	n/a
Excess GTAA return measured against benchmark	-0.1	n/a	3.3	n/a	n/a
Annualized rate of return for real estate	12.8	n/a	13.7	n/a	n/a
Excess real estate return measured against benchmark	2.0	n/a	1.0	n/a	n/a
Annualized rate of return for private equity	12.6	n/a	17.8	n/a	n/a
Excess private equity return measured against benchmark	-3.7	n/a	-7.1	n/a	n/a
Annualized rate of return for opportunistic equity investments	41.1	n/a	37.9	n/a	n/a
Annualized rate of return for opportunistic debt investments	0	0	9.6	n/a	n/a
3-year rolling annual rate of return for domestic equity	18.9	n/a	16.1	n/a	n/a
3-year rolling annual excess domestic equity return measured against benchmark	0.1	n/a	-0.4	n/a	n/a
3-year rolling annual rate of return for international equity	8.6	n/a	6.4	n/a	n/a
3-year rolling annual excess international equity return measured against benchmark	-0.5	n/a	-0.2	n/a	n/a
3-year rolling annual rate of return for fixed income	4.2	n/a	4.5	n/a	n/a
3-year rolling annual excess fixed income return measured against benchmark	0.2	n/a	0.1	n/a	n/a
3-year rolling annual rate of return for GTAA	14.1	n/a	11.8	n/a	n/a
3-year rolling annual excess GTAA return measured against benchmark	1.8	n/a	1.1	n/a	n/a
3-year rolling annual rate of return for real estate	13.9	n/a	12.9	n/a	n/a
3-year rolling annual excess real estate return measured against benchmark	-1.2	n/a	0.9	n/a	n/a
3-year rolling annual rate of return for private equity	15.0	n/a	15.3	n/a	n/a
3-year rolling annual excess private equity return measured against benchmark	1.5	n/a	2.1	n/a	n/a

◆ **Goal 5** To ensure sufficient monies are available to meet cash flow requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total market value of ASRS fund assets (in billions)	30.4	n/a	34.6	n/a	n/a
Total annual benefit payments (in billions)	2.4	n/a	2.8	n/a	n/a
Percentage of liability funded	74.8	n/a	n/a	n/a	n/a

## Agency Summary

### DEPARTMENT OF REVENUE

David Raber, Director  
Phone: (602) 716-6090  
A.R.S. § 42-1001 et seq.

**Mission:**

*To serve the people of Arizona by administering tax laws with integrity, fairness and efficiency.*

**Description:**

Pursuant to Arizona Revised Statutes Titles 42 and 43, the Department of Revenue administers and enforces the collection of individual and corporate income, transaction privilege, withholding and luxury taxes. The Department oversees the fifteen county assessors in the administration of state property tax laws.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ SERVICE	8,075.8	7,858.6	7,858.6
➤ PROCESSING	6,149.0	5,595.4	6,050.9
➤ EDUCATION AND COMPLIANCE	19,429.0	18,798.6	21,247.6
➤ AGENCY SUPPORT	40,055.6	50,377.0	53,417.0
<b>Agency Total:</b>	<b>73,709.4</b>	<b>82,629.6</b>	<b>88,574.1</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	46,052.3	48,139.4	54,083.9
Other Appropriated Funds	25,963.6	25,513.6	25,513.6
Other Non Appropriated Funds	1,693.5	8,976.6	8,976.6
<b>Total Funding</b>	<b>73,709.4</b>	<b>82,629.6</b>	<b>88,574.1</b>
<b>FTE Positions</b>	<b>863.8</b>	<b>882.8</b>	<b>899.8</b>

**Issue 1** ADOR continues to face the challenges of modernization and sustaining core business processes in order to ensure efficient tax administration and delivery of services.

**Description** The Department depends upon its technology to ensure functionality of our core business processes. The required modernization of technology is identified as our most critical need. It is our most important issue because so much rides on our ability to process tax returns and income refunds, collect and distribute taxes, and remain compliant with federal tax requirements. Our ability to perform these most basic tasks is critical to the Department. Relying on antiquated technology to support software and applications continues to threaten our core operations.

In addition, despite advances in technology, DOR still has many work areas where outdated and cumbersome paper-driven processes remain as well as many manual “work-arounds” to what should be automated processes. Finally, DOR’s lead in TPT Reform requires a heavy investment in time, talent and resources, but the yield will be worth it with increased efficiencies, productivity and partnerships. TPT Reform as well as other statewide projects will bring increases in opportunity for improved efficiencies for internal core business processes.

**Solutions:**

ADOR will focus on updating technology, supporting software and applications to ensure efficiencies of core business processes. We plan to address this strategic issue in an organized way, prioritizing tasks according to our available resources. Technology updates and requirements create on-going demands, and we plan to address them systematically. Our strategies to address this problem are:

- Continue to replace aged hardware and software
- Implement all aspects of TPT Simplification, HB2111
- Create Audit Platform/System to support HB2111 implementation
- Capture data on second page of individual income tax return
- Perform security upgrades
- Replace AzTaxes website
- Replace TAS applications software
- Replace Accenture custom built integration technology

**Issue 2** An ongoing issue is ADOR’s inability to hire and retain qualified employees due to budget constraints. ADOR is losing talented, knowledgeable employees to other job markets as we cannot compete with outside job sectors. Our salary structure is not competitive enough throughout all job descriptions in the Department.

**Description** This issue is important because the Department is unable to maintain an acceptable level of trained employees to carry out the work of the core business processes. The Department is only as good as its people. On the positive side, ADOR employees excel in performing their work due to their knowledge base, caring and concerned attitude, and passionate nature. Their knowledge base is substantive, allowing for interpretation of complex tax law and handling of statutory requirements in an accurate and timely manner. However, the reality is that current state salary levels are not competitive with other local county and city governments. We often train our employees in the basics of taxes only to have them leave state service to use their knowledge in their new jobs.

**Solutions:**

ADOR will explore opportunities and alternatives in meeting salary needs of our talented workforce. Our strategies to address this problem are:

- Advocacy for salary increase
- Set aside budget dollars
- Use Personnel reform tools to reward top performers post Sept. 29
- Increase training and continuing education opportunities
- Reclassify Job Classifications (positions)
- Use budget efficiencies generated from technology and process improvements for pay increases
- Establish an employee training program agency wide with cross training
- Recruiting at colleges and universities/ internship programs
- Career planning and job rotation/divisional job rotation
- Establish a leadership training program with competitive enrollment
- Prepare for brain drain (retiring workforce)

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**Issue 3** ADOR employees have opportunities to create efficiencies for overall process improvement.

**Description** This issue is important because employees throughout the Department have the ability to look at how they do their work and determine how they contribute to the overall strategic plan. Employees make the difference in process efficiencies through small and continuous improvement steps. ADOR will educate the employee workforce in how to improve daily operations through “Lean” theory to improve overall work processes.

**Solutions:**

ADOR will incorporate Lean theory into the workforce through education and guided process improvement efforts. The partnership with the Government Transformation Office (GTO) will afford many opportunities for process improvement. Our strategies to address this problem are:

Partner with the GTO

Select employees for formal Lean training led by the GTO

Establish Lean teams throughout the agency

Establish an employee training program agency wide with cross training

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

## Program Summary

### SERVICE

Nick Buta, Deputy Quality Executive  
Phone: (602) 716-6891  
A.R.S., Title 42

#### Mission:

*To efficiently and accurately meet the needs of Arizona taxpayers in: providing answers to their questions regarding licensing; filing requirements and application of the State's tax laws; providing revenue statistics to the Governor's Office, Legislature and the public that aid in the making of revenue projections; performing economic impact projections and other tax policy determinations; and, ensuring fair, accurate and uniform property valuations and property tax services for client counties as prescribed by Arizona statutes in a manner that is fair, consistent, accurate, professional, timely and with the highest standards of integrity.*

#### Description:

The Service program is responsible for: issuing tax form and licensing information; answering telephone and written inquiries on the application of tax laws, drafting and publishing rulings, procedures, and instructions to aid taxpayers in understanding their tax obligations; analyzing tax filing, audit and collection information; providing statistics relating to revenues and credits in reports to the Governor's Office, Legislature, departmental staff and members of the public that aid in making revenue projections, economic impact projections and other tax policy determinations; responding to inquiries from the Legislature and Governor's Office as to the economic impact of proposed legislation or other economic impact issues; exercising general supervision over county assessors to ensure all property is uniformly valued, prescribing guidelines for appraisal methods and providing property tax processing services for client counties; resolving taxpayer account problems and disputes; answering billing inquiries; reviewing and evaluating penalty abatement requests; processing license applications for transaction privilege and bingo licensees; and, returning unclaimed property to its rightful owners by identifying, locating and notifying the owners/holders of the property.

#### This Program Contains the following Subprograms:

- ▶ Inquiries and Requests
- ▶ Local Jurisdictions
- ▶ Taxpayer, Executive, and Legislative Issues

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	6,997.3	7,047.1	7,047.1
Other Appropriated Funds	1,078.5	799.0	799.0
Other Non Appropriated Funds	0.0	12.5	12.5
<b>Total Funding</b>	<b>8,075.8</b>	<b>7,858.6</b>	<b>7,858.6</b>
<b>FTE Positions</b>	<b>129.1</b>	<b>129.1</b>	<b>129.1</b>

**Subprogram Summary**

INQUIRIES AND REQUESTS

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Enable Arizona taxpayers and other customers to understand and more easily comply with Arizona's tax laws by providing state tax, licensing and unclaimed property information and assistance in a manner that is fair, consistent, accurate, professional, timely and with the highest standards of integrity.*

**Description:**

The Inquiries & Requests subprogram is responsible for: issuing tax forms and licensing information; answering telephone and written inquiries on the application of tax laws; drafting and publishing rulings, procedures, and instructions that aid taxpayers in understanding their tax obligations; resolving taxpayer account problems and disputes; answering billing inquiries; reviewing and evaluating penalty abatement requests; processing license applications for transaction privilege and bingo licensees; and, returning unclaimed property to its rightful owners by identifying holders of the property and locating and notifying the owners.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,653.0	4,881.0	4,881.0
Other Appropriated Funds	1,078.5	799.0	799.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>5,731.5</b>	<b>5,680.0</b>	<b>5,680.0</b>
<b>FTE Positions</b>	<b>88.3</b>	<b>88.3</b>	<b>88.3</b>

◆ **Goal 1** To ensure prompt response to taxpayers' immediate inquiries.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average wait time for all phone calls (in minutes) in the Taxpayer Information and Assistance section call center.	9:23	45:00	5:51	18:00	15:00

**Explanation:** Future estimates are based on current staffing levels.

Percent of written inquiries answered within 30 calendar days in Taxpayer Information and Assistance section	88	75	97	70	90
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◆ **Goal 2** To improve the processing of business license applications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average transaction privilege tax license turnaround time (in business days).	5.0	8.0	8.0	8.0	8.0
Percent of transaction privilege tax license applications completed on-line.	46	50	53	53	55

◆ **Goal 3** To attain favorable customer service levels as evidenced by aggregate customer survey scores.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for Taxpayer Information and Assistance section (scale 1-5)	4.44	4.50	4.60	4.50	4.50



**Subprogram Summary**

LOCAL JURISDICTIONS

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Ensure fair, accurate, and uniform property values as prescribed by Arizona statutes, and to provide timely and accurate property tax data services to client counties.*

**Description:**

The Division is responsible for administration of the State's property tax laws; appraisal of utilities, railroads, mines, and other complex properties; development of appraisal and assessment guidelines; conducting analyses to ensure assessors' values are within statutorily prescribed limits, and providing property data systems to client counties.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,476.6	1,195.0	1,195.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,476.6</b>	<b>1,195.0</b>	<b>1,195.0</b>
<b>FTE Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

◆ **Goal 1** To improve the equity and uniformity of values for centrally valued properties.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of tax area code reviews and/or site inspections.	55	55	134	113	115

**Explanation:** Centrally valued properties include water/sewer, mines, railroads, telecommunications and electric companies.

Number of tax area codes changed as a result of reviews.	30	30	113	60	60
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**Explanation:** Centrally valued properties include water/sewer, mines, railroads, telecommunications and electric companies.

**Subprogram Summary**

TAXPAYER, EXECUTIVE, AND LEGISLATIVE ISSUES

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Provide timely and accurate information to the Governor's Office, Legislature and the public relating to revenues and credits to aid in the making of revenue projections, economic impact projections and other tax policy determinations, to provide thorough analysis of the tax implications of pending and approved legislation; and to assist taxpayers fairly in resolving problems or disputes with their accounts.*

**Description:**

The Taxpayer, Executive & Legislative Services subprogram is responsible for analyzing tax filing, audit and collection information to create reports for the Governor's Office, Legislature, departmental staff and members of the public to aid in the making of revenue projections, economic impact projections and other tax policy determinations; responding to inquiries from the Legislature and Governor's Office as to the economic impact of proposed legislation or other economic impact issues; resolving taxpayer account problems and disputes; and providing analysis of the tax implications of pending and approved legislation.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	867.7	971.1	971.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	12.5	12.5
<b>Total Funding</b>	<b>867.7</b>	<b>983.6</b>	<b>983.6</b>
<b>FTE Positions</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>

◆ **Goal 1** To provide timely and accurate information to the Governor's Office, legislature, and the public.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of Hearing Office Decisions issued within 65 calendar days of the hearing or last memo due date (in cases conducted by memoranda).	100	100	98	100	100
Percent of taxpayer referrals responded to by the Problem Resolution Officer within 24 hours from the time the referral was received.	94.5	75.0	97.4	90.0	90.0

**Explanation:** Responses are defined as telephone calls, e-mails or messages left on voice mail.

**Program Summary**

PROCESSING

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Process all incoming electronic and paper tax documents and associated revenues, process tax refunds and execute the mailing of tax documents to Arizona taxpayers in a timely and efficient manner; to ensure the accuracy of taxpayer accounts within the BRITS system; and to provide quality service to satisfy debts owed by taxpayers to other government agencies.*

**Description:**

The Processing program is responsible for:

- opening, editing, and distributing taxpayer-generated documents to processing units;
- ensuring department forms, documents and correspondence are prepared for mailing;
- providing in-house photocopying and courier service;
- preparing documents for entry into various automated tax systems;
- performing subsequent document error resolution;
- generating tax refunds and correction notices; and
- operating the debt setoff program, which transfers portions of taxpayer balances to satisfy debts owed to other government agencies within the State.

In addition, the program processes Electronic Fund Transfers and documents associated with the electronic income tax filing program and subsequently processes withholding tax, corporate estimated tax, and transaction privilege tax electronically through the revenue system into the State Treasury. The program collects and distributes taxes imposed on cigarettes and all other products containing tobacco such as cigars and smoking tobacco, and also maintains the automated accounts receivable system that interfaces with the automated systems for Licensing, Audit and Collections.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	5,447.8	5,198.1	5,653.6
Other Appropriated Funds	701.2	397.3	397.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>6,149.0</b>	<b>5,595.4</b>	<b>6,050.9</b>
<b>FTE Positions</b>	<b>115.0</b>	<b>116.0</b>	<b>116.0</b>

◆ **Goal 1** To improve the timeliness of payment processing.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of payments deposited within five business days.	97	95	97	95	95
<b>Explanation:</b> This measure tracks payments deposited for all four tax types.					
Average turnaround time for deposits (in business days).	.74	1.5	.81	1.5	1.5

◆ **Goal 2** To process Individual Income and Transaction Privilege Tax (TPT) returns in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of calendar days to process an Individual Income tax return.	4.5	4.0	3.8	4.0	4.0

**Explanation:** Due to system difficulties, the FY13 number is based upon 10 months of activity rather than the full 12 month period. The process time is defined as the time between when the Department receives the return and posts the return to the taxpayer's account.

Total tax documents processed (in millions).	5.6	5.5	5.8	5.8	5.8
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**Explanation:** Documents are defined as all paper and electronic returns for all four tax types.

◆ **Goal 3** To process all Individual Income tax refunds in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average calendar days to refund total Individual Income tax checks (paper warrants and electronic deposits)	7.4	9.0	9.4	9.0	9.0

## Program Summary

### EDUCATION AND COMPLIANCE

Nick Buta, Deputy Quality Executive  
Phone: (602) 716-6891  
A.R.S., Title 42

#### Mission:

*Ensure compliance with Arizona tax laws and Department regulations and policies through proactive education, fair, firm, timely and reasonable valuation and enforcement activities while providing an effective and equitable legal recourse for taxpayers. In short, the purpose of this program is to ensure that taxpayers pay their fair share of tax, not more and not less.*

#### Description:

The Education & Compliance program, currently under the oversight of the Assistant Director of the External Services and Special Projects division:

- provides information services through publications and via the Department's website; and
- matches employees with the appropriate knowledge base to an organization that requests a speaker on any given topic about which they want to learn;
- provides for employees to connect with organizations to volunteer their services in speaking engagements.

In addition, it is responsible for:

- the selection of tax returns and refund claims for audit examination and the accurate and timely review of those returns and claims;
- the collection of receivables and delinquent returns, and using collection tools such as phone and field contacts, lien and levy filings, bankruptcy court actions; and
- the research of businesses using on-site computerized license compliance checks ensuring business license/registration compliance programs.

The program also provides various legal services such as resolving disputed assessments and refund denials:

- directs the process of interpreting and applying tax laws;
- provides legal support and analysis to the audit sections; and
- adjudicates taxpayers' administrative appeals through the Agency's Hearing Office.

It inspects, educates and investigates tobacco retailers and distributors for compliance with tobacco tax laws;

- investigates allegations of tax fraud;
- assists the Attorney General's office in the prosecution of criminal tax offenders;
- conducts administrative and internal investigations; and
- develops and supports the valuation of centrally-valued properties.

#### This Program Contains the following Subprograms:

- ▶ Education and Outreach
- ▶ Audit and Assessing
- ▶ Collections
- ▶ Enforcement

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	17,193.7	16,377.1	18,826.1
Other Appropriated Funds	2,071.9	1,898.0	1,898.0
Other Non Appropriated Funds	163.4	523.5	523.5
<b>Total Funding</b>	<b>19,429.0</b>	<b>18,798.6</b>	<b>21,247.6</b>
<b>FTE Positions</b>	<b>345.0</b>	<b>363.0</b>	<b>380.0</b>

## Subprogram Summary

### EDUCATION AND OUTREACH

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Provide taxpayers and tax practitioners with understandable, accurate and current tax education, information and forms to facilitate voluntary compliance with Arizona's tax laws, and to provide training and appraisal certification courses to county and state appraisal staff.*

**Description:**

Inquiries from taxpayers and tax practitioners are directed to various employees throughout the agency best suited to answer questions and assist with issues based on different areas of expertise. Employees provide taxpayers with information and support services through publications, and, in conjunction with the Internal Revenue Service and state universities, offer tax seminars to interested parties.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	146.5	150.0	150.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6.2	0.0	0.0
<b>Total Funding</b>	<b>152.7</b>	<b>150.0</b>	<b>150.0</b>
<b>FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

◆ **Goal 1** To increase taxpayer transactions conducted electronically.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all tax dollars received electronically.	78.0	75.0	78.0	80.0	80.0
Percent of Individual Income tax returns received electronically.	72.0	72.0	75.0	75.0	75.0

◆ **Goal 2** To improve voluntary compliance in the filing of tax returns.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of money remitted voluntarily as a percentage of total receipts.	96.20	96.40	95.97	96.00	96.50

**Explanation:** The FY2014 actual result is calculated using a preliminary gross revenue number; the actual FY2014 gross revenue data will not be available until the publication of DOR's 2014 Annual Report.

## Subprogram Summary

### AUDIT AND ASSESSING

Nick Buta, Deputy Quality Executive  
Phone: (602) 716-6891  
A.R.S., Title 42

#### Mission:

*To assist taxpayers in complying with tax laws and filing correct tax returns through: a fair, courteous, and helpful tax return examination and correction process, and providing supporting legal services to fairly resolve disputed audit assessments and refund denials; fairly interpreting and applying tax laws and disseminating that information to departmental employees and to the public in a timely manner; providing quality legal support and analysis to the audit sections; fairly adjudicating taxpayer appeals to the Department's hearing office; and developing fair and reasonable valuations for centrally-valued properties.*

#### Description:

The Audit and Assessing subprogram is responsible for a portion of the Department's audit compliance programs for corporate, individual income, transaction privilege and use taxes and Special Audit services (luxury tax and unclaimed property), including resolution attempts, informal resolutions on taxpayer protests and oversight at audit litigation.

The subprogram also provides various legal services, such as resolution of disputed assessments and refund denials, adjudication of taxpayers' administrative appeals to the Department's hearing office; direction of the process of fair interpretation, application and timely dissemination of tax law information to departmental employees and the public; and provision of legal support and analysis to the audit sections. Lastly, the subprogram develops and supports the valuation of centrally valued properties throughout the State, such as mines, utilities and railroads.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	9,812.5	11,330.6	11,831.7
Other Appropriated Funds	1,735.3	1,483.5	1,483.5
Other Non Appropriated Funds	0.0	436.0	436.0
<b>Total Funding</b>	<b>11,547.8</b>	<b>13,250.1</b>	<b>13,751.2</b>
<b>FTE Positions</b>	<b>190.0</b>	<b>208.0</b>	<b>214.0</b>

◆ **Goal 1** To increase the quality of the audit programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of final Individual Income tax audit assessment amounts compared to the initial assessment amounts.	89.5	88.0	87.7	89.0	90.0

**Subprogram Summary**

COLLECTIONS

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Fairly and efficiently collect receivables and delinquent returns and to ensure businesses are properly licensed/registered with the Department.*

**Description:**

The Collections subprogram secures the payment of receivables, delinquent taxes and filing of delinquent returns through correspondence, telephone, and field contacts with taxpayers and performs activities to identify and license previously unlicensed businesses.

All collection activity is performed under the overview of the Taxpayer Bill of Rights to promote fairness, confidentiality, and consistency of application of the tax laws. Arizona was the first state to have a Taxpayer Bill of Rights in 1986, and the 1994 updated version again put Arizona in the leadership role of protecting taxpayer rights, while ensuring that all taxpayers pay their fair share of the tax burden.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	6,716.0	4,266.7	4,796.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>6,716.0</b>	<b>4,266.7</b>	<b>4,796.5</b>
<b>FTE Positions</b>	<b>135.0</b>	<b>135.0</b>	<b>135.0</b>

◆ **Goal 1** To improve the quality of collection activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of non-audit revenue to total revenue	99.0	98.7	98.9	98.8	98.9

**Explanation:** The FY2014 result was calculated using a preliminary gross revenue number; FY2014 gross revenue data will not be available until the publication of DOR's 2014 Annual Report.

Percent of accounts that collector contacts within 30 calendar days of that account being assigned a delinquent account	100	100	100	100	100
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**Explanation:** Letters are sent to every taxpayer upon being assigned as a delinquent account. The Department considers letters as contacts.

◆ **Goal 2** To increase fiscal efficiencies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Ratio of net enforcement revenue collected per total Department general fund dollar spent.	7.10	6.95	7.12	7.10	7.15

**Explanation:** This measure means that the Department's enforcement program collected \$6.98 for each general fund dollar spent in FY2013.



**Subprogram Summary**

ENFORCEMENT

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Encourage voluntary compliance in all tax obligations and work with the taxpayer in entering into payment arrangements that are fair to the taxpayer yet protect the State's interest. To utilize fair and firm enforcement upon broken payment arrangements or lack of taxpayer compliance. To provide quality education to, and inspections of, tobacco retailers and distributors to ensure their compliance with tobacco tax laws; to fairly investigate allegations of tax fraud, assisting the Attorney General's office in the prosecution of criminal tax offenders; and to timely and fairly conduct administrative and internal investigations.*

**Description:**

The Enforcement subprogram works with delinquent taxpayers in entering into payment arrangements and educating them in compliance (filing obligations) issues. Upon the taxpayer's action to void the agreement, enforcement collections activity is pursued including filing liens, levies, and seizures of assets. The Enforcement Subprogram also inspects and educates tobacco retailers and distributors regarding compliance with tobacco tax laws, and investigates and assists in the prosecution of criminal offenders.

The subprogram also investigates allegations of tax fraud and assists the Attorney General's office in the prosecution of criminal tax offenders; conducts administrative and internal investigations; and contracts with the Attorney General's Office for the services of an attorney to prosecute tax cases.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	518.7	629.8	2,047.9
Other Appropriated Funds	336.6	414.5	414.5
Other Non Appropriated Funds	157.2	87.5	87.5
<b>Total Funding</b>	<b>1,012.5</b>	<b>1,131.8</b>	<b>2,549.9</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>29.0</b>

◆ **Goal 1** To promote and enforce the legal sale and distribution of tobacco products.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of retailer and distributor tobacco inspection visits completed.	3,682	3,000	3,120	3,500	3,500

**Explanation:** All inspection visits serve multi-purposes including providing education, fulfilling legislative requirements, and identifying non-compliance.

## Program Summary

### AGENCY SUPPORT

Nick Buta, Deputy Quality Executive  
Phone: (602) 716-6891  
A.R.S., Title 42

#### Mission:

*Provide excellent leadership, quality technical and administrative support and customer-oriented human resources and development for all core business processes of the Department in order to enhance the services provided to Arizona's taxpayers and other stakeholders.*

#### Description:

The Agency Support program is responsible for providing leadership, staff development, human resources, management, technology, strategic and resource planning, legal services to management, financial and inventory accounting and other administrative services to support all core business processes of the Department.

#### This Program Contains the following Subprograms:

- ▶ Human Resources
- ▶ Information Services
- ▶ Support Services

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	16,413.5	19,517.1	22,557.1
Other Appropriated Funds	22,112.0	22,419.3	22,419.3
Other Non Appropriated Funds	1,530.1	8,440.6	8,440.6
<b>Total Funding</b>	<b>40,055.6</b>	<b>50,377.0</b>	<b>53,417.0</b>
<b>FTE Positions</b>	<b>274.7</b>	<b>274.7</b>	<b>274.7</b>

## Subprogram Summary

### HUMAN RESOURCES

Nick Buta, Deputy Quality Executive  
Phone: (602) 716-6891  
A.R.S., Title 42

#### Mission:

*Foster excellence among all employees of the Department through quality staff and leadership development, ensuring effective recruitment and promotion of staff as well as fair administration of federal and state human resources laws.*

#### Description:

The Human Resources subprogram is responsible for providing employee relations, benefits, recruitment and retention, performance evaluations, staff training and development, and guidance and resolution of employee issues.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	631.1	663.1	663.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>631.1</b>	<b>663.1</b>	<b>663.1</b>
<b>FTE Positions</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

◆ **Goal 1** To increase the level of employee satisfaction.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average annual turnover rate for employees	13.70	15.00	13.88	14.00	14.00

◆ **Goal 2** To increase cost effectiveness of administrative services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Administration as a percentage of total operational expenses.	5.10	5.00	6.50	5.60	5.60

**Explanation:** Administrative costs compared to only operation expenses, does not include pass through funds to other agencies.

<b>Subprogram Summary</b>	
INFORMATION SERVICES	
Nick Buta, Deputy Quality Executive Phone: (602) 716-6891 A.R.S., Title 42	

**Mission:**

*Provide efficient, accessible record storage and retrieval services to all Department and taxpayer customers and to maintain and continually improve the information technology systems in order to enable the Department to provide excellent services to its customers and optimize the operations of all core business processes.*

**Description:**

The Information Services subprogram maintains and provides access to the statutorily mandated archival files of department records and tax returns filed with the Department; microfilms individual and corporate documents and records; and operates the warehouse. This subprogram also manages and oversees improvements to all computer systems and operations; runs mainframe data queries and reports for various core functions of the Department; maintains and enhances mainframe and larger database and client-server applications, incorporating legislative changes and user requests by means of in-house and contracted programming resources; operates and maintains the Department's wide area network, including all hardware, software and inter- and intranet systems; facilitates the research and development of all new and modified Information Technology systems and processes, including interfacing with the Government Information Technology Agency (GITA); and administers the Department's information technology planning process.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	13,052.6	10,338.3	13,378.3
Other Appropriated Funds	1,776.2	1,801.9	1,801.9
Other Non Appropriated Funds	1,527.8	8,440.6	8,440.6
<b>Total Funding</b>	<b>16,356.6</b>	<b>20,580.8</b>	<b>23,620.8</b>
<b>FTE Positions</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

◆ **Goal 1** To ensure the local and wide area network (LAN/WAN) is available 99.8% of the time.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of time the LAN/WAN is available.	100.00	99.98	99.99	99.98	99.98

◆ **Goal 2** To resolve 99% of all problem calls identified as "critical" within 4 hours.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of critical problem calls completed within the 4 hour target.	100.00	99.00	100.00	99.00	99.00

**Subprogram Summary**

SUPPORT SERVICES

Nick Buta, Deputy Quality Executive  
 Phone: (602) 716-6891  
 A.R.S., Title 42

**Mission:**

*Provide visionary leadership and quality support services which promote and facilitate the realization of the missions and goals of the Department and its various programs. This includes assessing the effectiveness of various services to the taxpayer, ensuring all projects assigned to the divisions and sections are completed within prescribed time frames and according to agency policies, fostering an optimal working environment for employees, and providing administrators with the leadership and support they need to best serve our customers.*

**Description:**

The Support Services subprogram provides leadership, management and direction to all employees of the Department; agency planning, resource allocation, and budgeting; accounting and distributions of all revenues received; purchasing and internal financial and inventory accounting; management and maintenance of all department facilities; continuous quality review and assessment of the effectiveness of various services to the taxpayer; ensures all projects assigned to divisions are completed within prescribed time frames and according to agency policies.

This subprogram also provides legal counsel to the Director, including appeals of audit cases to the Director; develops programs to foster an optimal working environment for employees; provides administrators with the leadership and support they need to best serve our customers; and tracks and monitors the progress of all special projects, employee personnel actions prior to human resources processing, and all controlled correspondence.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,729.8	8,515.7	8,515.7
Other Appropriated Funds	20,335.8	20,617.4	20,617.4
Other Non Appropriated Funds	2.3	0.0	0.0
<b>Total Funding</b>	<b>23,067.9</b>	<b>29,133.1</b>	<b>29,133.1</b>
<b>FTE Positions</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>

◆ **Goal 1** To pay all invoices in a timely manner within 30 calendar days of receipt.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of invoices paid within 30 calendar days.	94	95	97	95	95

◆ **Goal 2** To respond to 90% of all building maintenance calls within 24 hours of receipt.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of building maintenance calls responded to within 24 hours of receipt of the call.	99.0	99.0	98.0	99.0	99.0

◆ **Goal 3** To process Payroll accurately by the end of each payroll cycle.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of payroll records processed error free by the close of the payroll cycle.	99.99	100.00	99.0	100.0	100.0

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◆ **Goal 4** To process purchase orders within two business days of receipt of requisition.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of business days to process requisitions.	1.00	2.00	2.00	2.00	2.00

### Agency Summary

#### SCHOOL FACILITIES BOARD

Dean Gray, Executive Director  
Phone: (602) 542-6143  
A.R.S. §§ 15-2001 et seq

#### Mission:

*To provide financial and technical support to Arizona school districts by forming partnerships to help ensure that the education facilities are constructed to and maintained at State standards so K-12 students can achieve academic success.*

#### Description:

The School Facilities Board is charged with the administration of four capital programs: a) New School Facilities, b) Building Renewal Grant, c) Preventative Maintenance, and d) Emergency Deficiencies Corrections.

In order to effectively evaluate the State's school capital needs, the Board maintains a facilities database consisting of information reported by each school district that aids the Board in determining the funding level for the construction of new facilities. Through periodic inspections, the Board is mandated to ensure compliance with building adequacy standards and routine preventative maintenance guidelines with respect to the new construction of buildings and maintenance of existing buildings. The Board also administers an Emergency Deficiencies Corrections program in the event that a school district has a serious need for materials, services, construction, or expenses in excess of the district's adopted budget that seriously threatens the functioning of the school district, the preservation or protection of property or public health, safety, and welfare.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	191,658.6	189,358.4	189,718.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	280,063.0	299,940.9	282,321.0
<b>Total Funding</b>	<b>471,721.6</b>	<b>489,299.3</b>	<b>472,039.6</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>14.0</b>	<b>17.0</b>

**Issue 1** New Construction

**Description** From the program's inception until 2003, the New School Construction program was funded on a cash basis from transaction privilege tax transfers. Beginning in FY 2003 and continuing through FY 2005, the Legislature replaced the School Facilities Board's authority to request transaction privilege tax transfers directly from the State Treasurer with the authority to enter into lease-to-own (LTO) transactions and provided appropriations to pay for the new school facilities debt service. Laws 2005, Ch. 287, section 5 repealed the School Facilities Board's authority to instruct the Treasurer, and the Legislature instead directed the Treasurer to transfer a specific sum in the amount of \$250 million for FY 2006 along with an advance appropriation of \$50 million for FY 2007. Laws 2006, Chapter 344 appropriated \$200 million from the General Fund to the New School Facilities Fund, of which \$4 million was for Full-Day Kindergarten. Finally, Laws 2006, Chapter 353 eliminated the School Facilities Board ability to enter into lease-to-own transactions, as it was the Legislature's desire to permanently fund new school construction on a pay-as-you-go basis.

Due to the fiscal downturn, in FY 2009, the Legislature returned to lease-to-own financing. The FY 2009 budget authorized the SFB to not only fund FY 2009 new construction costs with LTO financing, but also to refund the majority of FY 2008 new school construction costs. In addition, the budget bill placed a moratorium on all new school construction starts for FY 2009. While the New School Construction moratorium remained in effect for FY 2010 through FY 2013, the Legislature provided \$100 million in lease-to-own authority for the construction of new schools in FY 2010. Land acquisition and new school construction funded from this authority are exempt from the moratorium. For FY 2013 the authority continued through a Qualified School Construction Bond program.

The School Facilities Board's five-year outlook for new construction shows a continued need for new schools.

**Solutions:**

In an effort to effectively manage the new school construction program, the School Facilities Board staff is involved in the following efforts.

**Long-Term Planning** – Upon conceptual approval of new school construction projects, the SFB is making an effort to find land to site future schools in locations that will best serve the emerging growth of the district. In addition, many school districts are working closely with developers to get donations for school sites. If a school district acquires real property by donation, the SFB is required to distribute an amount equal to 20% of the fair market value of the donated property to the school district, which may be used by the district for unrestricted capital outlay. All school sites, whether donated, leased, purchased or partially purchased must be approved by the Board. The SFB staff, in making recommendations to the Board, ensures that the site will be viable with respect to items such as size, environmental issues, utility routes, etc. The SFB is also encouraging districts to work closely with local governments and planning departments to ensure that district needs for school sites are considered in the planning process prior to the issuance of permits to developers. Some districts have even been successful in getting cities to waive charges for permits and fees for school construction, which saves on the overall cost of the project. Additionally, the SFB is helping districts develop long-term projections that will assist them in appropriately sizing and locating future facilities.

**Energy Efficiency and Sustainability** – The Board has been working with the architectural community to implement and identify methods in the design of new schools as well as the design of renovations that will incorporate numerous Executive Orders regarding energy efficiency. Currently the new school designs the Board is reviewing and approving will earn in excess of 40 LEED (Leadership in Energy and Environmental Design) points. The Board is working toward the 50 points that are required to meet the LEED Silver standard. The Board is also working with utilities to incorporate solar arrays into the design of new buildings, both helping the districts reduce energy costs and helping the utilities meet renewable energy standard requirements.

**School Safety** – The Board is continuing to review safety best practices to ensure as safe an environment at our school sites as possible. The Board has compiled best practice recommendations from state and federal law enforcement agencies, various state departments of education, school security experts, architects and planners to further our pursuit for safe schools.

**21st Century Schools** – The Board worked with local architects to help author and distribute the "Arizona School Design Primer", published in 2012. The primer is written to help districts program and ask appropriate questions of their designers. The Board has also prepared a report that recommends how the State can build new schools as we move into the 21st century.

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**Issue 2** Continue Development and Implementation of District Preventative Maintenance Programs

**Description** In order to more efficiently meet the State's responsibility to maintain in excess of 121 million square feet of academic space, the Legislature directed the School Facilities Board to help school districts establish preventative maintenance (PM) programs and then perform inspections to review the implementation of those programs. The School Facilities Board has adopted a general set of preventative maintenance guidelines and districts are required to perform the guideline tasks for the various building systems. In addition, the SFB is required to inspect 20 districts for preventative maintenance every 30 months.

**Solutions:**

1. Demonstrate to the Legislature the need and benefits of funding improved facilities management in school districts.
2. Assist school districts in implementation of preventative maintenance programs.
3. Track success of districts that use facilities management software to inventory building systems and equipment and to track preventative maintenance tasks.
4. Assist school districts in the preparation and submittal of required preventative maintenance plans.
5. Review annual preventative maintenance school district reports.
6. Inspect schools on a regular basis to ensure that 20 districts are inspected over a 30 month time frame, using the SFB Preventative Maintenance Plan and Task Sheets as a guide.
7. Work with districts to ensure that the resources available are properly used to maintain the State's schools.
8. Assist districts with the development of maps and spreadsheets that contain the location and essential information (manufacturer, age, capacity, etc.) of each piece of equipment, roof, etc.
9. Assist districts with the development of maps of underground utilities and emergency shut-offs and provide training for administrative and maintenance personnel on their locations (well marked and easy to identify) and functions.
10. Help districts understand their preventative maintenance program as a facilities management tool.
11. Assist districts with scheduling quarterly preventative maintenance inspections of their facilities.

**Issue 3** Strengthen Relationship and Communication with School Districts

**Description** In order for the SFB to secure funding for new construction, the building renewal grant program, and to efficiently analyze school district requests for emergency deficiencies, it is important to understand the districts' needs from their perspective. District input will play an important role in the development of action plans that will be put in place to realize SFB objectives. By inviting open dialogue and exchange of ideas, the SFB will be fostering a collaborative relationship with districts. This alliance is crucial to the success of the Strategic Plan.

**Solutions:**

1. Meet regularly with districts to ascertain their needs and solicit their feedback.
2. Review districts' State reporting requirements and explore possibility of streamlining them by partnering with other agencies and organizations (ADE, AASBO, GPEMC, ASBA, etc.)
3. Market the SFB to stakeholders.
4. Use SFB website and mass e-mail capabilities more effectively.

**Issue 4** Improve Knowledge Transfer

**Description** The SFB staff embodies a diverse array of expertise, which school districts can use as a resource for many day-to-day school functions (i.e. preventative maintenance, construction, procurement, demography, plan review, etc.) Likewise, many districts have independently implemented positive changes and cost saving measures that could be utilized by other districts.

**Solutions:**

1. Establish a vehicle for communicating regularly with all stakeholders (i.e. regional seminars, workshops, newsletters, a blog, etc.).
2. Network with other state agencies and other organizations to generate synergy.
3. Act as a clearinghouse for ideas, procedures, etc. that can be beneficial to districts

**Issue 5** Improve Administration and Operations Support

**Description** Current funding constraints require state agencies to produce greater output from the investment of fewer resources. This condition requires SFB to define goals and to implement strategies that will support effective management decisions and improve the efficiency of business and administrative operations.

**Solutions:**

1. Integrate local finance system with the State's financial system.
2. Make use of new technology systems and tools.
3. Deploy decision support tools



## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	17.0	17.0	17.0
<b>General Fund</b>	227,818.0	201,786.0	196,717.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	89,047.0	89,041.0	64,120.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To secure funding for new construction.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Average number of months from receipt of school district application for new school facility fund monies to School Facilities Board final determination (Capital Plan cycle time).	4	4	3	4	4
Number of new school construction projects completed	5	3	0	1	1

◆ **Goal 2** To serve as a resource to school districts to help ensure compliance with minimum school facility guidelines and preventative maintenance requirements.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Number of schools	1,530	1,530	1,530	1,530	1,530
Percent of all school district schools inspected to ensure minimum adequacy guidelines	5	20	6	20	20

**Explanation:** The staff of the School Facilities Board was unable to meet its performance target due to lack of staff. Due to budget reductions, two (2) of the four (4) staff positions that perform inspections have been cut.

Average number of issues per school inspected that do not meet minimum adequacy standards	4	5	5	6	6
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**Explanation:** The majority of districts report that lack of funding is prevents them from maintaining buildings and sites which causes them to be out of compliance with minimum guidelines.

Percent of inspected schools determined to have an adequate preventative maintenance program	23	20	58	50	50
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◆ **Goal 3** To strengthen relationship and communication with school districts.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of all school districts rating the Boards' services as satisfactory, good, or excellent in annual survey	86	90	94	95	96
Percent of school districts that responded to customer satisfaction survey	34	48	32	37	41

## Agency Summary

### SECRETARY OF STATE - DEPARTMENT OF STATE

Ken Bennett, Secretary of State

Phone: (602) 542-0681

A.R.S. §§ 41-121 et seq; 29-301 et seq; 44-1271 et seq; 44-1441

#### Mission:

*To help all Arizonans enjoy a better quality of life through participation, understanding, and confidence in state government by providing fair, honest, and accurate elections; keeping complete and accurate records that are accessible to the public; and providing excellent service to enhance business formation, protect business property, and enable business transactions.*

*As a division of the Department of State, the mission of the Arizona State Library, Archives and Public Records is to serve Arizona government and Arizonans by providing access to public information, fostering historical/cultural collaborative research and information projects, and ensuring that Arizona's history is documented and preserved.*

#### Description:

The Department of State is headed by a publicly elected Secretary of State, who serves as Acting Governor in the absence of the Governor and succeeds the Governor should a vacancy occur. The Secretary of State is the keeper of the Great Seal of the State of Arizona and is also the Chief State Election Officer who administers election functions, including canvass and certification of statewide elections, and coordinates statewide voter registration. The Secretary of State's office receives and records various filings, including Uniform Commercial Code transactions, trademark and trade name registrations, and limited partnership and limited liability partnership filings. The Office also registers lobbyists and accepts periodic lobbyist and campaign finance filings; publishes all official acts of the State of Arizona including laws, the Arizona Administrative Code, and the Arizona Administrative Register; files the notices of the Governor's appointments to State boards and commissions; appoints notaries public; and applies apostilles to all international transactions.

The Arizona State Library, Archives and Public Records division provides general information services as well as research and reference services in the subject areas of law, government, public policy, genealogy, and Arizona. The division administers state and federal grants for public libraries and offers consultant services to both public libraries and government agencies. The division also offers special library and information services for anyone who is unable to read or use standard printed materials as a result of temporary or permanent visual or physical limitations, manages public record archival retention programs, and creates exhibits to educate the public regarding governmental and Arizona history and the legislative process.

#### Agency Summary: (\$ Thousands)

Program	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
➤ ADMINISTRATION	1,814.3	1,885.6	1,885.6
➤ BUSINESS SERVICES	962.6	962.5	962.5
➤ PUBLIC SERVICES	341.8	341.8	341.8
➤ ELECTION SERVICES	3,695.2	7,372.8	28,360.1
➤ ARIZONA STATE LIBRARY, ARCHIVES, AND PUBLIC RECORDS	14,318.6	13,341.0	14,776.5
<b>Agency Total:</b>	<b>21,132.5</b>	<b>23,903.7</b>	<b>46,326.5</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	11,459.2	15,027.8	37,543.5
Other Appropriated Funds	3,438.9	3,682.4	3,682.4
Other Non Appropriated Funds	6,234.4	5,193.5	5,100.6
<b>Total Funding</b>	<b>21,132.5</b>	<b>23,903.7</b>	<b>46,326.5</b>
<b>FTE Positions</b>	<b>169.0</b>	<b>173.0</b>	<b>178.0</b>

## 5 Year Plan

**Issue 1** Provide enhanced voting services to military and overseas voters

**Description** Arizona is home to a significant military population. The Secretary of State's office is looking for ways to increase the participation of UOCAVA voters in Arizona elections.

**Solutions:**

This increased effort will include outreach to voters and military families and the development of a pilot program to create greater ease in sending and receiving military ballots. We hope this secure pilot program will allow military personnel to still feel engaged to home while serving overseas.

**Issue 2** Pending litigation

**Description** the Secretary of State's Office, is in the midst of significant and costly litigation, to support and defend campaign finance laws and Proposition 200. Additionally, the Secretary of State's Office has joined with Kansas in following Justice Scalia's roadmap outlined in *Inter Tribal Council of Arizona v. Bennett*, to challenge the lack of action by the Elections Assistance Commission (EAC) with regard to Arizona's voter-approved registration requirements.

**Solutions:**

Litigation expenses of \$6M to be added to the Secretary's budget.

**Issue 3** Build additional improvements in meeting our business services mandates

**Description** The Secretary of State's Business Services Division seeks to increase on-line resources particularly in the UCC area to better meet workload demands and properly address overall state mandates regarding business services.

**Solutions:**

The Department will seek to improve accuracy, efficiency and timeliness of public filings for all general partnerships and trade names; improve customer service by reducing time delays at the counter; update all forms and literature with current, user-friendly information; cross-train staff to better assist customers regardless of the request; and reduce the processing time of all business service applications.

**Issue 4** Continue to be fiscally responsible and efficient in delivering services

**Description** The Secretary of State's office is constantly striving to ensure that public dollars are well spent. The Secretary of State's office budget has been significantly reduced over the past few years. The key to continued success is making government work smarter, using sound fiscal standards and efficiencies, and implementing strong ethical standards.

**Solutions:**

The Office intends to optimize productivity through enhanced employee skills, improve efficiency and timeliness of customer service, review best practices of other state and local jurisdictions, consolidate work assignments to adequately address mandated responsibilities, and make every effort to provide taxpayers with the best return on their investment in state government as it specifically relates to the Secretary of State.

**Issue 5** VRAZ II - Voter registration database and the expiration of HAVA funds

**Description** The funding from the Help America Vote Act (HAVA) is running out. There are many critical programs that have been funded, for example the statewide voter registration data base (VRAZ II), with HAVA monies that will soon need to be borne solely by state monies.

**Solutions:**

Instead of running off a fiscal cliff with regard to the maintenance and operation of the database, the Secretary of State's office is proposing a graduated assumption of the obligations. In FY 2016, we believe that the general fund should assume 25% of the cost, increasing by 25% over the next four years until complete assumption in FY 2019.

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**Issue 6** Meet current statutory obligations of administering statewide elections

**Description** Given adequate funding and resources, the Secretary of State's office intends to adequately meet all current statutory obligations of administering statewide elections.

**Solutions:**

As required by the Arizona Constitution and Arizona Revised Statutes, the Secretary of State will accurately certify all ballot candidates, certify and canvass results of statewide elections in a timely manner, appropriately test and certify voting devices for use by counties, implement testing for logic and accuracy of counties' election equipment, responsibly certify initiatives and referenda for the ballot, publish and mail the publicity pamphlet to every household with a registered voter, seek to educate the voting public by conducting Town Halls in all fifteen counties on ballot measures, and provide pamphlets in Spanish and Native American translation.

**Issue 7** Resource Development

**Description** In the future, despite the downturn of the economy and the difficulties of fund raising, Library and Archives will continue its efforts to seek outside funds.

**Solutions:**

The State Library and Archives has raised over \$61 million dollars in grant funds for Arizona cultural institutions and for its own services. Although general operating funds must come from governmental sources (state general fund and federal IMLS funds), private and other governmental funds will be sought for special projects and pilot projects. The agency will seek new ways to expand fiscal resources and make more effective use of existing resources.

**Issue 8** Digital Government

**Description** Library and Archives has a broad range of responsibility for governmental materials in all formats from all levels of government. With the increasing digitization of federal, state and local government, e-government will be one of our most important areas of concentration.

**Solutions:**

Digital government will require all staff to learn new technical skills to ensure public records are usable today and preserved for tomorrow. The Division will consider ways to ensure publications and archival electronic records can be preserved permanently, meet public demands for access, and increase records management in electronic information systems throughout state government. Library and Archives is still advancing the Persistent Digital Archives and Library System (PeDALS) project, which is an effort to build a leading edge digital preservation system. Additional funding from other federal sources and state appropriations is now being sought.

**Issue 9** Replace Election machines

**Description** it is time to recognize that the election machines in Arizona are nearly the end of their stated "useful lives" and that it is getting harder to find parts to repair the existing equipment.

**Solutions:**

While this historically had been a county expense, it makes sense for the state to be involved in order to achieve beneficial economies when buying equipment. Legislation should be passed and a non-lapsing fund established (with a county match provision) so that the state is prepared in advance to provide our Arizona citizens with an up-to-date, reliable and secure voting experience.

**Issue 10** Voter Registration Database and Election-night Reporting System

**Description** The Secretary of State Office should carefully look at, and the executive and legislature should fund, growing the statewide voter registration database in its own IT department and the Office should also explore creating an in-house election night reporting system.

**Solutions:**

Hire 4 FTE for implementation and maintenance plus four contract workers who will remain for the first two years. Initial system start up costs expected to be \$2.2 Million with \$500K annually in maintenance expenses.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	178.0	178.0	178.0
<b>General Fund</b>	17,338.9	13,944.3	17,604.1
<b>Other Appropriated Funds</b>	1,464.8	741.3	741.3
<b>Non-Appropriated Funds</b>	1,253.0	1,253.0	1,253.0
<b>Federal Funds</b>	3,727.7	3,727.7	3,727.7

### Program Summary

#### ADMINISTRATION

Jim Drake, Asst. Secretary of State  
 Phone: (602) 542-4919  
 Constitution & A.R.S. § 41-121 et seq.

#### Mission:

*To provide guidance, leadership and support to the staff of the Secretary of State's Office.*

#### Description:

The Administration Program anticipates requests of services from public citizens, candidates, elected officials, media and business community members to increase. In order to accommodate these requests, the Department shall provide timely, efficient filing and retrieval of information by offering advanced automation to agency customers. The Administration Program provides technology support and monitors financial management, accounting (accounts receivable, accounts payable, payroll), budgeting, procurement, human resources and training services for Administration; Business Services; Public Services; Arizona State Library, Archives and Public Records and Election Services Divisions. The agency director and the financial officer support the leadership in policy making duties with responsibility for obtaining, enhancing and sustaining all office resources; e.g. procurement, accounting, strategic technology, computer networks, SOS website, human resources and office facilities.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,435.4	1,466.0	1,466.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	378.9	419.6	419.6
<b>Total Funding</b>	<b>1,814.3</b>	<b>1,885.6</b>	<b>1,885.6</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>

- ◆ **Goal 1** To develop and implement an effective automation information system to enhance public interaction with the Secretary of State's office.

Performance Measures	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percentage of project completion to enhance Secretary of State's website by integrating with other government services for e-government approaches.	100	100	100	100	100

**Program Summary**

**BUSINESS SERVICES**

Joann Cota, Director  
Phone: (602) 542-3060

A.R.S. §§ 29-301 et seq.; 44-1271 et seq.; 44-1441 et seq...

**Mission:**

*To offer a wide variety of information, resources and services. Promoting transparency by offering online searches of the public records we maintain.*

**Description:**

The Business Services Division is a diverse section within the Secretary of State’s Office which exists to centralize statewide registration of Trademarks, Trade names, Limited Partnerships, Foreign Partnerships, Advance Directives and Telephonic sellers; to prefect Uniform Commercial Code (UCC) financing statements; to commission Notaries Public; to provide Notary services; to issue Apostilles and Certificates going to foreign countries.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	862.6	862.5	862.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	100.0	100.0	100.0
<b>Total Funding</b>	<b>962.6</b>	<b>962.5</b>	<b>962.5</b>
<b>FTE Positions</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>

◆ **Goal 1** To serve the public by filing records accurately and expeditiously.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of business days to process trademark applications	5	4	4	4	4
Average number of business days to process Uniform Commercial Code filings	3	3	4	3	3
Average number of business days to process athlete agents registrations	1	1	1	1	1
Average number of business days to process telephonic seller registrations	3	6	1	5	1
Average number of business days to process partnership filings	3	3	4	4	4
Average number of business days to process tradename applications	0	0	4	4	4
Average number of business days to process apostilles	0	0	2	1	1

- ◆ **Goal 2** To provide public disclosure through easy, accessible information and public documents, and on-line database search capabilities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Trade names and Trademarks filed per month	2,200	3,000	2,976	3,000	3,000
Number of partnerships on file per month	99	100	71	100	100
Number of UCC records filed per month	6,000	5,500	5,474	5,500	5,500
Number of Advanced Directives filed per month	438	400	533	400	500
Number of new telephonic seller registrations filed	0	0	36	40	40

- ◆ **Goal 3** To provide service to allow Notaries Public to perform their duties accurately and efficiently in the state.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of notaries commissioned	18,100	18,000	1,449	1,500	1,500
Number of notary seminars	36	50	43	45	45
Average number of days to process notary applications	4	4	4	3	3
Number of notary handbooks printed	3,100	3,000	2,989	3,000	3,000

**Program Summary**

PUBLIC SERVICES

Scott Cancelosi, Director

Phone: (602) 542-0223

A.R.S. §§ 41-311 et seq.; 41-1001 et seq.

**Mission:**

*To provide public information, process applications, file agency rules and publish the Arizona Administrative Code and the Arizona Administrative Register, publish statutorily mandated and other informational publications and documents, and serve the public efficiently and professionally.*

**Description:**

The Public Services Division files and publishes the rules of state agencies quarterly in the Arizona Administrative Code and weekly in the Arizona Administrative Register; publishes documents for the Office of the Secretary of State including the State and United States Constitutions, the Residential and Mobile Home Park Landlord and Tenant Acts, the Arizona Notary Public Handbook, the Arizona Blue Book and numerous other documents, pamphlets, booklets, etc.; and reproduces for public distribution the Chapter Laws as passed by the legislature and signed by the Governor.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	341.8	341.8	341.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>341.8</b>	<b>341.8</b>	<b>341.8</b>
<b>FTE Positions</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

◆ **Goal 1** To serve the public by providing printed materials accurately and expeditiously.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of publications printed and distributed (Code Price List, Notary Workbooks, Notary Handbooks, General Office Brochures, Elections materials, Trade Name/ Trademark Books, Uniform Commercial Code, Bingo Law & Rules and other miscellaneous publications)	50,465	50,000	22,344	24,000	24,000
Percentage of information printed and ready for distribution within 5 days	95	95	95	95	95
Number of Arizona Administrative Code subscribers	53	50	45	40	40
Number of Arizona Administrative Register subscribers	103	110	29	25	25
Number of Executive Orders (EO) filed	7	10	9	10	10

◆ **Goal 2** To develop new brochures, booklets and other publications as mandated by law or requested by the public; to produce and print them in-house.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Chapter Laws publications distributed; misc. legislative filings, veto letters	295	300	328	300	300



◆ **Goal 3** To provide service that allows agencies, boards and commissions to develop rules accurately and efficiently.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of rules and rule-related items filed	258	300	245	250	250

◆ **Goal 4** To serve the public by providing materials on-line accurately and expeditiously.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of Administrative Code available via the Internet within 21 days of release date	100	100	100	100	100
Percentage of Administrative Register available via the Internet in conjunction with publication date	100	100	100	100	100
Percent of time division publications are published online within one week of release of paper publication	100	100	100	100	100
Percent of Chaptered Bills/Memorials/Resolutions posted online within 48 hours of receipt	100	100	100	100	100

◆ **Goal 5** To provide public information and publications.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of customers indicating they found the public information they were seeking	95	100	95	100	100
Percent of statutory publications provided	100	100	100	100	100

**Program Summary**

**ELECTION SERVICES**

Christina Estes-Werther, Director

Phone: (602) 542-6167

A.R.S. §§ 16-101 et seq.; 19-101 et seq.; 38-541 et seq.

**Mission:**

*To provide professional, courteous service in the administration of campaign finance and lobbyist laws; process candidate and ballot measure filings; provide training and certification of county recorders and election officials; develop and implement coordination of statewide voter registration; review and certify election equipment used by the counties; conduct logic and accuracy tests prior to each election on counties' vote counting devices; conduct a voter outreach program; provide information to the public on ballot measures through publication of the publicity pamphlet and Town Hall meetings; provide uniform election procedures through publication of the Election Procedures Manual; retrieve filings for the public upon request. To successfully implement provisions of the Help America Vote Act of 2002 to improve the administration of Federal elections. To provide new and innovative technology to ensure federally-mandated statewide election reform through coordination, cooperation, and collaboration with County Recorders and Election Officials.*

**Description:**

The Election Services Division complies with its statutory mandates by registering lobbyists and accepting their filings, accepting campaign finance filings, coordinating state responsibilities for voter registration under the National Voter Registration Act of 1993, receiving documents from and certifying for the ballot candidates for state office, canvassing and certifying the results of statewide elections, testing and certifying voting devices for use by counties, testing the logic and accuracy of counties' election equipment, training and certifying county election officials, certifying initiatives and referendums for the ballot, publishing and mailing the publicity pamphlet to every household with a registered voter, conducting Town Halls on ballot measures, drafting and publishing the Election Procedures Manual, creating and implementing a voter outreach program, establishing and maintaining a uniform statewide voter registration system, certifying new and existing voting systems according to national standards, improving voting device accessibility, maintaining uniform election procedures and certification of election officials and poll workers, increasing voter education for new voting systems, and providing a statewide complaint system for a uniform nondiscriminatory response to grievances. All filings and data mentioned above are available to the public. The Help America Vote Act of 2002 (HAVA) increases the responsibility for election administration at the state level in order to establish consistency across the State.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	997.2	4,431.6	25,511.8
Other Appropriated Funds	2,697.9	2,941.1	2,941.1
Other Non Appropriated Funds	0.1	0.1	-92.8
<b>Total Funding</b>	<b>3,695.2</b>	<b>7,372.8</b>	<b>28,360.1</b>
<b>FTE Positions</b>	<b>14.0</b>	<b>18.0</b>	<b>18.0</b>

- ◆ **Goal 1** To increase the ability of the Secretary of State's Office to make information filed in the office accessible to the public in electronic format and via Internet access.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Campaign Finance data available on-line	100	100	100	100	100
Percent of timely review and action on election law complaints	100	100	100	100	100
Number of Campaign Finance reports filed	7,530	6,000	7,614	7,500	7,500
Number of Political Committees registered	979	1,000	1,084	1,000	1,000
Number of Standing Political Committees registered	70	70	74	70	70

◆ **Goal 2** To coordinate statewide voter registration as provided under the National Voter Registration Act of 1993.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Use electronic format and information provided by county offices and MVD to maintain voter registration rolls (percent completed)	100	100	100	100	100
Number of publicity pamphlets printed and distributed (in thousands)	1,823	0	N/A	2,000	N/A
Number of registered voters (in thousands)	3,125	3,150	3,245	3,200	3,300
Number of Town Hall meetings per year for explanation of initiatives	25	0	N/A	25	N/A

◆ **Goal 3** To provide statewide voter registration election, voter outreach, and HAVA.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total voter registration	3,125,000	3,200,000	3,244,793	3,200,000	3,300,000
Percent of delinquent campaign finance filings	8.9	9.0	8.8	9.0	9.0
Percent of delinquent elected official financial disclosure statements	3.0	2.0	3.0	2.0	2.0

◆ **Goal 4** To train and certify election officers in accordance with A.R.S. § 16-407.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of election officers certified	0	350	371	0	380
Total combined hours of classroom training	0	150	122	31	122

**Program Summary**

ARIZONA STATE LIBRARY, ARCHIVES, AND PUBLIC RECORDS

Joan Clark, State Librarian  
 Phone: (602) 926-4035  
 A.R.S. §§ 41-151 through 41-151.24

**Mission:**

*To serve Arizona's citizens and government agencies by providing access to public information, fostering historical/cultural collaborative research and information projects, and ensuring that Arizona's history is documented and preserved.*

**Description:**

The Arizona State Library, Archives and Public Records Division provides information services as authorized by law. Research and reference services are provided in the subject areas of law, government, public policy, genealogy, and Arizona. Consultant services are offered to public libraries to strengthen county and local library services and to government agencies of the cities, counties, and state to assist them in the management of official records. State and federal grants for public libraries and other authorized services are administered and monitored. Special library and information services are offered for anyone who is unable to read or use standard printed materials as a result of temporary or permanent visual or physical limitations. Public records are identified, preserved, and when appropriate, disposed of through archival retention programs. Exhibits are created to educate the public regarding Arizona government and the legislative process. The Division also has responsibility for the Arizona Board of Library Examiners; the Arizona County Librarians; Arizona Historical Records Advisory Board; the Arizona State Board on Geographic and Historic Names; and the Arizona Historical Advisory Commission.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,822.2	7,925.9	9,361.4
Other Appropriated Funds	741.0	741.3	741.3
Other Non Appropriated Funds	5,755.4	4,673.8	4,673.8
<b>Total Funding</b>	<b>14,318.6</b>	<b>13,341.0</b>	<b>14,776.5</b>
<b>FTE Positions</b>	<b>122.0</b>	<b>122.0</b>	<b>127.0</b>

- ◆ **Goal 1** To connect people with Arizona's government – past and present, and to illustrate how history was made and continues to be made in Arizona through the Arizona Capitol Museum. We connect the past to the present using a variety of resources to cultivate informed government participation.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction (1=low to 8=high)	7	7	7	7	7
Museum visitors (total number)	56,740	60,000	55,711	57,000	58,000

**Explanation:** Decrease in overall visitation due to economy and unavailability of funds for school buses for field trips in many school districts.

Student Education Hours	37,763	37,853	33,407	34,000	35,000
Collection (total items)	8,070	8,070	8,285	8,285	8,285

- ◆ **Goal 2** To provide alternate format library materials for Arizona residents who have difficulty reading standard print because of blindness, visual impairment or a physical disability. The Braille and Talking Book Library provides at no charge, audio and Braille books by mail and for download, plus machines to play audio materials.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Holdings (Total Audio and Braille books, audio described movies, talking book machines and accessories)	372,188	375,000	314,016	194,000	194,000

**Explanation:** The National Library Service for the Blind and Physically Handicapped (NLS) decided that regional libraries should essentially eliminate local cassette book and machine collections by mid 2015.

Materials Provided (Items circulated and downloaded)	601,014	615,000	607,018	610,000	612,000
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**Explanation:** In FY2014 most patrons stopped cassette book service in favor of digital books. Therefore book and machine circulation did not increase as much as expected.

Patrons and Institutions Served	9,410	9,700	9,048	9,050	9,050
Volunteer Hours Donated	20,107	20,500	21,567	21,500	21,600

**Explanation:** FY 14 value = \$485,689

- ◆ **Goal 3** To collect, preserve and make available permanent public records, historical manuscripts, photographs, newspapers and other materials that contribute to the understanding of Arizona history through the History and Archives.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Permanent records ingested, processed, preserved and catalogued	200,835	200,835	63,214	65,000	65,000
Records accessed for research (boxes, volumes, maps, photographs, microfilm, books)	17,847	17,847	16,313	15,500	15,500
Records and preservation consults (government agencies and public)	479	479	473	475	475
Workshop and Tour attendees	1,591	1,591	1,205	1,200	1,200

- ◆ **Goal 4** To provide information and access relating to law, government information, and genealogy to the Legislature, state government and the public through the State Library of Arizona (formerly Law and Research Library).

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Education programs (number of training hours)	15,180	9,000	29,970	20,960	10,000

**Explanation:** In FY 2014, there was an increase in education and training events with new programs organized, in house and outside our Library and conference/meeting presentations.

Arizona Memory Project usage, includes state agency publications	388,105	400,000	416,618	437,448	458,278
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**Explanation:** Site visits

Collection usage by all users (e.g., circulation, Interlibrary Loan, full-text downloads)	52,983	52,983	85,723	86,000	87,000
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**Explanation:** Increase in Database usage- Documents downloaded

State Publications Collection	103,384	112,384	108,279	109,500	110,800
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- ◆ **Goal 5** To help local libraries and librarians offer improved services to the people of Arizona by providing support, consulting services, training and grant funding to local libraries, and to make training space and meeting rooms in the historic Carnegie Center available to government agencies and non-profits at no charge through Library Development.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Participants in statewide projects	38,008,374	23,647,825	35,596,014	25,000,000	30,000,000
Training hours offered in continuing education programs	32,489	9,872	14,544	14,550	14,550
Sub-grants awarded	63	60	70	60	60

**Explanation:** More smaller grants were awarded in FY 2014.

Carnegie Center usage	7,609	8,500	6,261	8,500	8,500
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**Explanation:** During FY 2014 Carnegie was unavailable for public use for one month due to window restoration and recarpeting projects.

- ◆ **Goal 6** To establish the standards, procedures and techniques for effective management of state and local government public records, and to store inactive state agency records through Records Management.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Attendees for training classes	3,099	2,000	4,391	3,500	3,500
Number of Records management customer service contacts with public bodies	0	0	11,126	10,000	10,000
Number of pages of documents microfilmed, scanned, or output to microfilm by Preservation Imaging	0	0	440,611	442,000	442,000
Number of Records Storage customer service contacts with public bodies	0	0	141,581	141,000	141,000

**Explanation:** Includes refiles, retrievals, pick-ups, deliveries, etc.

## Agency Summary

### STATE BOARD OF TAX APPEALS

Alisha L. Woodring, Executive Director  
 Phone: (602) 364-1102  
 A.R.S. § 42-1252

**Mission:**

*To provide an independent appeals process for taxpayers with adverse decisions from the Department of Revenue and/or the Office of Administrative Hearings, and to resolve jurisdictional disputes between municipalities regarding the imposition of transaction privilege and use taxes.*

**Description:**

The State Board of Tax Appeals hears and decides appeals filed by taxpayers and Arizona municipalities concerning income, transaction privilege, use, luxury, and estate taxes.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	262.8	265.6	265.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>262.8</b>	<b>265.6</b>	<b>265.6</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

## 5 Year Plan

**Issue 1** To strive to expedite tax appeals in a manner that minimizes delays in the appeals process.

**Description** The State Board of Tax Appeals hears and decides appeals filed by taxpayers and Arizona municipalities concerning income, transaction privilege, use, luxury, and estate taxes.

**Solutions:**

Maintaining a current appeals process continues to be the Board's chief priority. The timely issuance and publication of decisions not only benefits the parties involved in the appeals, but also provides much-needed guidance to tax attorneys, CPAs and tax partitioners, as well as others involved in the field of State taxation. Budget constraints over the past several years have forced the Board to compress the number of appeals heard into fewer scheduled hearing dates. This translates into a significant increase in the number of months to complete the appeals process because of the additional time between proposed decisions rendered by the Board and the final approval of the formal decisions. Over the past years the Department of Revenue has added a significant number of new auditors to its staff. Because the Board's caseload is directly related to the number of appeals generated at the Department of Revenue, more audits will certainly increase the number of appeals filed with the Board, and with no corresponding increase to the Board's budget, this will directly impact the Board's caseload. In the future, the Board may be compelled to request additional funding.

## Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	4.0	4.0	4.0
<b>General Fund</b>	272.8	275.3	275.3
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

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◆ **Goal 1** To receive and process tax appeals expeditiously to avoid any delays in the appeals process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Caseload processing (and number of issues)	31(72)	50(125)	27(71)	48(120)	55(135)
Number of tax appeals resolved	19	35	6	30	35
Number backlogged requiring written decision	8	10	8	8	9
Number of months to process appeal	9	9	9	9	9



## Agency Summary

### BOARD OF TECHNICAL REGISTRATION

Melissa Cornelius, Executive Director  
Phone: (602) 364-4930  
A.R.S. §§ 32-101, 32-106, 32-107

**Mission:**

*To protect the public by setting appropriate registration qualifications and efficiently and fairly enforcing all state statutes relating to the practice of Board regulated professions and occupations by registered and non-registered persons and firms.*

**Description:**

The Board is a regulatory agency that is funded by fees charged to applicants and registrants.

The Board is responsible for the licensing and regulation of Alarm Company Personnel, Architects, Assayers, Certified Remediation Specialists, Drug Laboratory Remediation Personnel, Engineers, Geologists, Home Inspectors, Landscape Architects, and Land Surveyors.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	1,774.7	2,124.6	2,124.6
Other Non Appropriated Funds	13.1	22.9	22.9
<b>Total Funding</b>	<b>1,787.8</b>	<b>2,147.5</b>	<b>2,147.5</b>
<b>FTE Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

## 5 Year Plan

**Issue 1** National and state trends and decisions will impact Board operations.

**Description** National economic trends; State economic trends, and Legislative Decisions.

**Solutions:**

The Board upgraded its computer system to a Structured Query Language (SQL) Server based program that will allow enhanced and less expensive communication with applicants, registrants and other stakeholders. The Board uses a software program designed for electronic newsletter distribution to send out a number of email notices of renewal to registrants in lieu of the postal service. This program alone will greatly reduce the cost of communication with applicants and registrants.

The Board is currently examining new computer systems to provide for internet application filing and fee submission, which will enhance services it provides to its stakeholders.

Resource Assumptions: The Board operations are funded by fees assessed in association with the licensing and regulation of the regulated professions and occupations and court assessments on persons convicted of crimes associated with illegal drugs and narcotics.

The Board has an active volunteer program and the volunteers are used to keep the costs of investigation down. The largest group of volunteers comprises the Enforcement Advisory Committee, a group of 125 professionals and lay persons used to assist investigators in making determinations of the validity of complaints filed alleging violations of statutes and rules. Two members of the group are asked to do independent evaluations of allegations of unprofessional conduct involving the technical aspects of professional practice; then five members are picked as a panel to sit down with the respondent and witnesses and documents to discuss and evaluate the complaint before making a recommendation to the investigative staff on possible violations and the seriousness of the allegations.

While national and state economic trends will have some impact on the number of persons applying for registration and renewing their registrations, the demand for additional engineers and architects, which represent approximately 75% of the Board's registrants, should remain strong as advances in technology open up opportunities for engineers and population growth increases the demand for architects.

The Board's fees for registration of architects and engineers are currently approximately 25% below the national average.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	25.0	25.0	25.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	2,124.6	2,124.6	2,124.6
<b>Non-Appropriated Funds</b>	30.0	30.0	30.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To rapidly and accurately process applications for registration.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of denial decisions without appeal	50	50	25	25	25
Percent of new registrants grading application processing as good or better	70	75	90	90	90
Percent of applications transmitted to Board Members for action within 15 days of receipt of last needed item	100	100	80	95	97
Applications processed	1,516	3,272	3,832	3,800	3,800
Applications received	1,516	3,272	3,832	3,800	3,800
Professional applications received	1,233	1,250	1,114	1,200	1,200
Total number of In-Training Certificate holders	9,748	9,553	9,966	9,900	9,900
In-Training applications received	265	234	234	200	200
Licensing Renewals	9,544	8,217	9,501	9,500	9,500
Total number of professional licensees	43,505	44,000	46,235	46,300	46,300

◆ **Goal 2** To rapidly and accurately respond to requests for information relating to registration. To develop a comprehensive program to provide rapid and accurate responses to requests for information relating to registration.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of persons grading response to request for information as good or better	100	100	100	100	100
Number of information requests	53,000	55,000	56,000	57,000	57,000

◆ **Goal 3** To actively investigate all instances of possible illegal conduct related to professional practice.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of complaints resolved by informal methods	99	100	97	99	99
Number of investigations completed	170	146	157	160	160
Number of complaints received	98	154	166	170	170
Number of complaints against non-registrants	37	38	75	75	75
Complaints against non-registrants resulting in disciplinary action	51	50	25	30	30

**Explanation:** Reporting Actual number instead of percentage

Complaints filed against licensees	61	80	91	101	101
Average time in calendar days from receipt of complaint to resolution	709	250	335	250	200
Complaints against registrants resulting in disciplinary action	22	25	39	42	42

**Explanation:** Reporting actual numbers instead of percentage

## Agency Summary

### OFFICE OF TOURISM

Sherry Henry, Director

Phone: (602) 364-3717

A.R.S. §§ 41.2301 to 41.2306

#### Mission:

*To strengthen and expand Arizona's economy through travel and tourism promotion.*

#### Description:

The Office of Tourism develops and implements a travel and tourism marketing plan directed at strengthening and expanding Arizona's economy. The Office has defined a brand image for Arizona that is reflected in all marketing efforts, such as national, international and in-state marketing plans. The Office serves as a central clearinghouse for tourism-related data and manages research that guides statewide tourism development such as new and emerging markets. The Office collaborates extensively with statewide communities and tribes, providing educational programs and technical assistance on matters related to travel and tourism and the promotion of Arizona's tourism related businesses. The Office works closely with public land agencies to promote the national parks, state parks, public lands and tribal lands that constitute 70% of the state's geography.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ ADMINISTRATION	14,607.1	14,207.4	19,207.4
➤ TOURISM PROMOTION	13,979.7	13,580.2	13,580.2
<b>Agency Total:</b>	<b>28,586.8</b>	<b>27,787.6</b>	<b>32,787.6</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	7,102.6	7,103.7	12,103.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	21,484.2	20,683.9	20,683.9
<b>Total Funding</b>	<b>28,586.8</b>	<b>27,787.6</b>	<b>32,787.6</b>
<b>FTE Positions</b>	<b>28.0</b>	<b>28.0</b>	<b>32.0</b>

**Issue 1** Global Market Competitiveness

**Description** Accelerated competition at the global and national level continues to impact Arizona's tourism industry. This makes it imperative for AOT to increase the state's competitiveness to secure valuable visitor dollars, as these dollars are directly attributed to strengthening and expanding Arizona's economic and social vitality. Travel and tourism is an aggressive industry with global competition increasing daily. It is vital for AOT to have a stable and robust budget to further expand the state's travel destination brand against other national and international destinations that are currently outspending Arizona on travel promotion.

According to the US Travel Association, "while advertising and promotion spending may be seen as easy targets in a time of tight budgets, experience shows that failing to invest in promotion reduces a destination's competitiveness in the travel marketplace. States and cities that neglect their promotion budgets weaken their destination brands and lose market share."

As a major consequence of limited travel and tourism promotion resources, Arizona's travel market share, from 2007-2013, experienced a cumulative loss of \$1.2 billion in visitor spending, according to industry researcher Dean Runyan Associates. This loss is further reflected in the potential loss of \$325 million in employment earnings, 10,000 travel industry related jobs and \$160 million in federal, state and local tax revenues.

Tourism is the number one export-oriented industry in Arizona, making it a critical component of Arizona's economy and the 15 counties it directly impacts. To compete for market share among our competitor states, it is critical that Arizona has a major presence through national and targeted consumer campaigns and that it expands its international consumer campaign via Brand USA to rebuild its global brand presence.

**Solutions:**

1. Request additional funding to regain Arizona's loss of market share and to ultimately gain new market share regionally, nationally and internationally.
2. Expand the Arizona brand at the national level by purchasing a network television schedule buy on key networks such as the Travel Channel or HGTV, which are prime networks in reaching Arizona's target audience.
3. Double the national earned media coverage by procuring a US public relations firm in New York City to assist AOT's media relations staff.
4. Leverage the national advertising campaign further by reaching designated metropolitan areas (DMAs) that have the most likely potential travelers via AOT's target cities campaign. For FY15, AOT selected three target cities markets: Chicago, Minneapolis and Seattle. With increased funding, AOT could target additional lucrative top markets such as Los Angeles, New York City and San Francisco.
5. Expand the Arizona brand at the international level by increasing our advertising cooperative partnership with Brand USA. Leveraging each dollar AOT invests with Brand USA, Arizona receives an added spend of 15%-30% to market within Mexico and Canada, our most lucrative international markets. Arizona would benefit even more by leveraging and investing additional dollars with Brand USA in marketing to our top European markets as well as emerging markets such as China and Brazil.
6. Restore trade efforts in Europe, specifically the UK, France and Germany, by hiring representatives in each of these markets to proactively reach out to the travel trade (tour operators and travel agents) on a regular basis. Without AOT's presence, Arizona communities have found it impossible to conduct the same level of outreach on their own. This requires additional funding to re-establish efforts in Europe as well as a Full Time Employee (FTE) to oversee these efforts.
7. Extend the reach of AOT's advertising program and bring greater visibility to Arizona's rural communities, by increasing the agency's dollar to dollar matching Marketing Cooperative program.

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**Issue 2** Technology

**Description** Increasingly, in order to be successful in attracting and engaging a visitor depends on the ability to understand and leverage consumer technologies. Arizona is competing to identify, reach, and convert consumers in an increasingly complex digital ad environment. As data-driven technology — the ability to not only capture visitor data but also to target offers and follow-up pitches — continues, AOT must have a strategy to provide relevant, personal and instant information on a spectrum of devices and platforms.

AOT has a significant need to increase its video and rich media content to inspire consumers to travel to Arizona. Video allows us to share multiple key messages about an Arizona travel experience to our consumers in a way in which they prefer to receive travel information. Data analysis by YouTube revealed that travel-related content views are up 118 percent year over year. This increasing demand creates an incredible opportunity for AOT to portray all the possibilities Arizona has to offer, or a detriment if we do not provide this information to travelers in the way they wish to consume this information.

An ever-growing need of the travel industry is to focus more on travel behaviors to encompass niche travel interests and travel motivations, which differentiate us from our competitors. The current traveler is more discerning than ever, has a higher expectation level and wants to create life-long experiences and memories of their vacations. To effectively market niche experiences, we must provide detailed information.

AOT has an on-going and critical need for meaningful website and mobile strategies, applications and services that provide real time information to travelers and recreationists.

**Solutions:**

1. Request additional funding to become current with online technology as well as continually develop technology that remains relevant for planning and experiencing travel to Arizona.
2. Research shows that online video is rapidly eclipsing television as the most effective channel for travel marketing, especially for targeting younger demographics. Video is the closest thing to an immersive experience that marketers can deliver. With increased funding, AOT would create videos on various topics related to traveler's interests in both English and other languages to promote our state as effectively as possible.
3. Produce digital mini guides that promote niche travel experiences such as Arizona Wine Guide, Dining Guide, American Indian Guide, etc. These guides would be available for download on the VisitArizona.com website as well as mobile friendly.
4. Trends show continued huge growth in the use of Mobile apps. Not only have apps changed the way we communicate but also how travelers plan their trips and maximize their time when traveling. Apps are the most effective and efficient way for AOT to communicate to travelers because they are easy to use and allow us to keep connected to our customer. Travelers rely on mobile apps as they used to rely on printed maps and guide books. Efficiency is driving growth and, in order to stay competitive and current in the market, AOT must be able to create relevant apps about what our travelers are seeking when they are researching and planning their visit to Arizona.

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**Issue 3** Research

**Description** Research has served as the foundation of all that AOT does to market Arizona since its inception in 1976. In fact, A.R.S. §§ 41-2305 requires AOT to undertake a comprehensive research program designed to establish the office as the central repository and clearinghouse for all data which relates to tourism, perform research necessary to determine a long-range tourism development plan for this state and conduct research at the request of the governor, the legislature or state or local agencies, pertaining to any of its objectives.

AOT must continue to provide necessary research on advertising effectiveness, economic impact of the travel industry and tourism indicators through traditional research methods. However, in an evolving travel and research environment, more cutting-edge research techniques utilizing new methods and tools are required in order to provide more strategic insights to increase Arizona's international and domestic market share.

AOT's ability to target prospective visitors based on psychographic segments (values, attitudes and lifestyle), rather than solely demographic factors (e.g. age, gender, education, income) will enable digital targeting opportunities via the Internet and email messages.

The Internet has become an essential part of our daily lives, and as consumers navigate within and between websites and social networks, they leave behind an unprecedented amount of data. By leveraging that data, AOT has the ability to learn more about potential visitor interests, intents and stages within the buying process than ever before.

**Solutions:**

1. Request additional funding to conduct studies imperative to our marketing efforts.

2. AOT's research program will utilize a combination of both traditional and cutting-edge research techniques in order to produce the highest quality insights such as studies including both psychographics (values, attitudes and lifestyle) and demographic factors (e.g. age, gender, education, income) about consumers that have visited Arizona, which will guide AOT in identifying potential visitors.

3. Conduct a conversion study and a return-on-investment (ROI) study to evaluate the effectiveness of AOT's national advertising campaign. In addition to measuring advertising that leads to inquiry/fulfillment (customers' response to acquire information), research will be done to show actual conversion from the advertising that leads to inquiry/purchase (customers who inquire for information and then actually travel to Arizona).

4. International travel to the USA is set to grow faster than domestic travel. In order to capitalize on this trend, AOT requires more data about our international travelers to Arizona. AOT will conduct and/or purchase research such as International Travel Trade Forecasts, studies that focus on visitor intent to travel (booking window and methods), in-depth reports on overseas visitors, and profiles and trip characteristics from key primary and secondary international markets.

5. In comparison to many State and City Destination Marketing Organizations (DMO), AOT has limited reach in terms of advertising dollars. In order to maximize our dollars, we must obtain detailed information about those who have visited Arizona and find like-minded prospective consumers who, if made aware of Arizona, are more likely to travel here. To identify new prospects, AOT will use precise targeting and segmentation tools to better understand who our visitors are in terms of their visitation habits, behavior and traits.

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**Issue 4** Resources

**Description** In FY15, AOT requested two additional FTEs for expanding the Trade and Media Relations and the Community Relations programs, which were not allocated. AOT is requesting appropriations for two additional FTEs to meet the State Procurement Office (SPO) directive and to expand communications and our tribal tourism strategic planning initiatives for a total of four FTE requests in FY16.

Pursuant to A.R.S. § 41-2305(B)(3), one FTE is needed to oversee efforts to restore AOT's trade relations efforts in key European countries (France, Germany and the United Kingdom). Restoring even a limited presence in Europe will assist AOT in attracting more leisure travelers from these key European markets.

Pursuant to A.R.S. § 41-2305(A)(1) and (B)(7), AOT will continue to provide community and tribal relations programs designed to assist, educate and empower statewide communities on tourism marketing opportunities. One of the requested FTEs will enable AOT to provide further technical assistance to communities to ensure their individual tourism product offering remains available to global visitors. An additional FTE will focus on communications as well as expanding our tribal tourism strategic planning initiatives.

AOT faces the challenge of limited procurement resources to deliver the responsibilities and duties in the transition to the new state accounting system, Advantage, which will interface with ProcureAZ. AOT is required to establish an internal process with segregated responsibilities that will ensure the integration of credible data and its maintenance within both Advantage and ProcureAZ systems. To meet the directive set forth by the State Procurement Office (SPO), one certified procurement FTE is required.

**Solutions:**

1. Because the agency's request for two FTEs in FY15 was not allocated, AOT is requesting a total of four FTEs in FY16 to fulfill its increasing workload.
2. In order to meet the State Procurement Office (SPO) directive, one certified procurement FTE is necessary to carry out all procurement responsibilities in addition to various duties supporting the agency's operation. Securing an additional certified procurement FTE will also allow for the transfer of managing procurement contracts from divisions solely to the administration division.
3. One FTE to re-establish and oversee trade efforts and expand overall marketing efforts in mature European markets including the UK, Germany and France. The FTE will also collaborate with statewide constituents to identify goals and tactics for European marketing efforts.
4. One FTE to increase Community Relations programs. This include annual regional meetings that incorporate aspects of AOT work and promote tourism in each of the regions, analyzing and determining future of AOT's Local Visitor Information Center (LVIC) program, and working one-on-one with more communities to develop their tourism promotion programs to increase visitors thereby generating more taxes.
5. One shared FTE to accommodate for expanding communication needs, which include increasing public relations efforts for the promotion of AOT's multiple marketing campaigns and to further promote/educate about the importance of the Arizona tourism industry to Arizona's economy. The shared FTE will also work on expanding AOT's tribal tourism relations program, which includes more strategic planning initiatives with Tribal entities to ensure AOT and Arizona Tribes are collaborating to promote of Tribal travel assets.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	34.0	36.0	38.0
<b>General Fund</b>	17,000.0	19,000.0	21,000.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	15,433.0	15,982.0	16,555.0
<b>Federal Funds</b>	0.0	0.0	0.0



**Program Summary**

**ADMINISTRATION**

Sherry Henry, Director  
 Phone: (602) 364-3717  
 A.R.S. §§ 41.2302 to 41.2305

**Mission:**

*To plan, coordinate and direct administrative and fiscal activities to support and enable AOT to achieve its mission and vision.*

**Description:**

Administration supports the planning and operational needs of AOT by providing administrative guidance, services, and technical assistance to executive management and all divisions. These services include accounting, human resources, information technology, planning and budget, procurement, and intergovernmental information disclosure as well as ensuring statutory and regulatory compliance for the agency.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,102.6	7,103.7	12,103.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,504.5	7,103.7	7,103.7
<b>Total Funding</b>	<b>14,607.1</b>	<b>14,207.4</b>	<b>19,207.4</b>
<b>FTE Positions</b>	<b>28.0</b>	<b>28.0</b>	<b>32.0</b>

◆ **Goal 1** To ensure the efficient, timely, and accurate administration of AOT's financial and business affairs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of invoices paid within 30 days	92	92	92	94	94
Average number of days for processing invoices received	13	13	13	13	20

◆ **Goal 2** To ensure all AOT operating activities comply with State Procurement Code and provide and maintain centralized records accessible for review.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Hours of certified training in procurement	16	16	16	16	16

**Program Summary**

**TOURISM PROMOTION**

Sherry Henry, Director  
Phone: (602) 364-3717  
A.R.S. §§ 41.2302 to 41.2305

**Mission:**

*To expand the Arizona brand, increase its connection to consumers worldwide, and create the desire to travel to Arizona.*

**Description:**

Tourism Promotion encompasses advertising, consumer fulfillment, media communications, travel industry marketing, market research, cooperative programs, and visitor services. Together with strategic partners and tourism businesses across the state, AOT works to increase travel to and within Arizona. AOT supports Destination Marketing Organizations and the expansion of tourism in the tribal, rural and urban communities through thoughtful tourism development and focused marketing strategies.

**This Program Contains the following Subprograms:**

- ▶ State Tourism Promotion
- ▶ In-State Tourism Promotion (Prop 202)
- ▶ Maricopa County Tourism Promotion

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13,979.7	13,580.2	13,580.2
<b>Total Funding</b>	<b>13,979.7</b>	<b>13,580.2</b>	<b>13,580.2</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Subprogram Summary**

**STATE TOURISM PROMOTION**

Sherry Henry, Director  
Phone: (602) 364-3717  
A.R.S. §§ 41.2302 to 41.2305

**Mission:**

*To promote all of Arizona and create a platform that supports Destination Marketing Organizations (DMO) and the travel and tourism industry.*

**Description:**

Through marketing, technical assistance, visitor services programs and innovative partnerships, this subprogram seeks to enhance the image and awareness of Arizona. The subprogram further supports the development and promotion of new Arizona travel products and packages in urban and rural areas, in partnership with public and private entities. The subprogram also encourages visitors to extend their stay and promotes positive awareness of Arizona’s authentic attributes through fulfillment and the state Welcome Center.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,808.8	6,375.1	6,375.1
<b>Total Funding</b>	<b>6,808.8</b>	<b>6,375.1</b>	<b>6,375.1</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To expand the volume of tourism activity through tourism promotion and development.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of domestic tourists (in millions)	38.1	38.5	39.1	39.5	39.8

◆ **Goal 2** To efficiently use advertising resources (both online and offline) to generate demand for Arizona tourism information.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Cost per inquiry for advertising-generated requests for Arizona travel planning information (in dollars)	29.4	29.4	25.9	25.0	24.5
Number of inquiries for Arizona travel packet (in thousands)	202.1	243.0	173.0	172.0	174.0
Number of visitors to AOT's consumer web sites for Arizona travel planning information (in thousands)	2,394	2,490	3,137	3,451	3,796

◆ **Goal 3** To offer the Arizona tourism industry the opportunity to participate in cost-efficient and effective advertising programs with AOT.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of partners who participate in the Marketing Cooperative Program with AOT.	19	25	30	32	34

◆ **Goal 4** To work with the travel trade and media to generate increased interest in Arizona amongst target consumers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Contacts at trade shows and on sales missions	1,363	1,600	1,996	1,800	1,800
Participants on familiarization tours and site inspections	33	50	98	50	50
Participants on group press trips and individual media visits	107	115	120	100	100
Advertising value of domestic and international coverage generated by AOT efforts for every \$1 expended on media promotions (ROI in dollars)	52	50	49	50	50

◆ **Goal 5** To generate positive media coverage for the Arizona Office of Tourism and the tourism industry.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Circulation of print, TV, radio and online coverage about AOT and the tourism industry (in millions)	133	225	186	200	220
Advertising value of print, TV, radio and online coverage about AOT and the tourism industry (in dollars)	118,600	120,000	221,269	230,000	250,000

◆ **Goal 6** To provide tourism-related technical assistance to communities and Native American tribes throughout Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of constituents participating in workshops and meetings	141	200	220	230	240

- ◆ **Goal 7** To provide information to visitors at the Painted Cliffs Welcome Center to provide tourism-related information about Arizona and encourage them to extend their travel throughout Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of visitors to the Welcome Center	111,649	112,000	92,282	86,600	85,000

<b>Subprogram Summary</b>					
IN-STATE TOURISM PROMOTION (PROP 202)					
Sherry Henry, Director Phone: (602) 364-3717 A.R.S. § 41.2306					

**Mission:**  
To appropriately utilize funds from the Indian Gaming Compact that promotes and elevates Arizona top-of-mind as a world-class travel destination.

**Description:**  
This subprogram is dedicated to enhancing tourism promotion of Arizona, supports the national and international marketing campaign, and helps fund expanded, new and emerging markets. Without this subprogram, AOT would not have the reach and frequency for its marketing efforts to strengthen and expand Arizona’s economy.

- ◆ **Goal 1** To maintain reach and frequency through AOT’s national/domestic marketing programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase the number of gross impressions (in millions)	403	435	355	380	390

- ◆ **Goal 2** To expand the reach and frequency in select target markets and/or in select target audiences.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Increase the number of gross impressions in select target cities (in millions)	238	248	243	257	267

<b>Subprogram Summary</b>					
MARICOPA COUNTY TOURISM PROMOTION					
Sherry Henry, Director Phone: (602) 364-3717 A.R.S. § 41.2306					

**Mission:**  
To provide quality assistance, management and financial incentives to Destination Marketing Organizations (DMOs) within Maricopa County to promote tourism.

**Description:**  
This program provides for the funding of tourism marketing activities such as advertising, public relations, and travel industry marketing to eligible Destination Marketing Organizations (DMOs) within Maricopa County as well as AOT. The purpose of this funding to Maricopa County DMOs is to promote the individual city or town, and for AOT to promote Maricopa County, as destinations with a variety of tourism-related products and activities. AOT, in consultation with the Prop 302 Maricopa County Grant Program Committee, oversees the guidelines, application process and level of funding to be awarded to each eligible Maricopa County DMO. AOT’s allocation of funding is capped at 5% of the total fund annually.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,170.9	7,205.1	7,205.1
<b>Total Funding</b>	<b>7,170.9</b>	<b>7,205.1</b>	<b>7,205.1</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

◆ **Goal 1** To distribute Proposition 302 money in a timely manner

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average number of days from Treasurer's Office notification to disbursement of funds	3	3	3	3	3

## Agency Summary

### DEPARTMENT OF TRANSPORTATION

John Halikowski, Director  
 Phone: (602) 712-7227  
 A.R.S. Title 28

**Mission:**

*To provide products and services for a safe, efficient, cost-effective transportation system.*

**Description:**

The Arizona Department of Transportation (ADOT) is responsible for collecting transportation revenues and for planning, constructing, and maintaining Arizona's highway infrastructure. In addition, ADOT issues development grants to public airports for improvement projects, and owns and maintains the Grand Canyon National Park Airport.

The Arizona Long-Range Transportation Plan builds on numerous studies and plans that guide ADOT in identifying future needs, developing solutions, and delivering projects that address the transportation challenges Arizona will face over the next 20 years.

The Motor Vehicle Division (MVD) is responsible for providing motor vehicle title and registration services, issuing driver credentials, e-government (ServiceArizona) services and commercial motor carrier services. The division also operates several information call centers.

The Enforcement and Compliance Division is responsible for commercial vehicle enforcement, registration compliance, and conducting administrative hearings involving DUI-related offenses and driver license suspension/revocation. It also oversees the Agency's Office of the Inspector General.

Revenues collected from fuel taxes, motor carrier fees, motor vehicle registration fees, vehicle license taxes (VLT), and other miscellaneous fees build and operate the state's transportation systems and fund other related expenditures.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	102,564.4	99,494.8	94,694.8
➤ INTERMODAL TRANSPORTATION	2,309,290.4	2,948,264.7	2,953,524.7
➤ MOTOR VEHICLE	87,100.2	85,200.0	85,200.0
<b>Agency Total:</b>	<b>2,498,955.0</b>	<b>3,132,959.5</b>	<b>3,133,419.5</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4.1	50.4	224.4
Other Appropriated Funds	357,973.3	366,314.7	366,600.7
Other Non Appropriated Funds	2,140,977.5	2,766,594.4	2,766,594.4
<b>Total Funding</b>	<b>2,498,955.0</b>	<b>3,132,959.5</b>	<b>3,133,419.5</b>
<b>FTE Positions</b>	<b>4,424.0</b>	<b>4,613.0</b>	<b>4,613.0</b>

## 5 Year Plan

**Issue 1** Maximize performance of the existing transportation system.

**Description** In November 2011, the State Transportation Board adopted the update to the state's long-range transportation plan, called "What Moves You Arizona", which identified investment choices based upon projected transportation revenues during the next 25 years. Our priorities for the future will focus our limited resources on preserving and modernizing what we already have to protect taxpayers' investment and to maximize performance on the existing transportation system. Continuing resource limitations may affect our ability to deliver a safe, efficient and effective transportation system that facilitates business development and job creation, while contributing to a vibrant state economy as one of the nation's emerging population centers.

**Solutions:**

1. Prioritize and focus on the products and services most critical to serving the public, collecting revenue and maintaining the transportation infrastructure.
2. Align the organizational structure to optimize effectiveness and reduce costs.
3. Increase efficiency of service delivery processes and systems.
4. Refine ADOT's performance measures.
5. Research, evaluate and explain alternative funding sources to help finance and maintain a multimodal transportation system.

### Resource Assumptions

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	4,611.0	4,611.0	4,611.0
<b>General Fund</b>	225.0	225.0	225.0
<b>Other Appropriated Funds</b>	375,000.0	380,000.0	385,000.0
<b>Non-Appropriated Funds</b>	2,100,000.0	2,100,000.0	2,100,000.0
<b>Federal Funds</b>	650,000.0	650,000.0	650,000.0

## Program Summary

### ADMINISTRATION

John Halikowski, Director  
Phone: (602) 712-7227  
A.R.S. Title 28

#### Mission:

*To provide leadership and operational and financial support to help achieve the agency mission.*

#### Description:

The Administration Program provides overall coordination, management and support functions for the Department. As described in A.R.S. § 28-104, the exclusive control and jurisdiction over state highways, state routes, state airports and all state-owned transportation systems or modes is vested in the Department of Transportation.

#### This Program Contains the following Subprograms:

- ▶ Director's Office / Transportation Board
- ▶ Transportation Support Services
- ▶ Arizona Highways Magazine

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	90,713.3	94,667.4	89,867.4
Other Non Appropriated Funds	11,851.1	4,827.4	4,827.4
<b>Total Funding</b>	<b>102,564.4</b>	<b>99,494.8</b>	<b>94,694.8</b>
<b>FTE Positions</b>	<b>575.0</b>	<b>587.0</b>	<b>587.0</b>

## Subprogram Summary

### DIRECTOR'S OFFICE / TRANSPORTATION BOARD

John Halikowski, Director  
Phone: (602) 712-7227  
A.R.S. Title 28

#### Mission:

*To serve the employees, suppliers and customers of the Arizona Department of Transportation by exemplifying leadership and a commitment to achieve the agency guiding vision. The Transportation Board's mission is to administer the functions outlined in A.R.S. § 28-106 with respect to development or modification of the five-year transportation facilities construction program, the awarding of all construction contracts for transportation facilities and monitoring the status of such projects.*

#### Description:

The Director and staff exist to provide strategic direction and guidance to agency personnel in achieving the organizational mission in an atmosphere of continuous improvement.

The Transportation Board distributes monies from the aviation fund for public airport planning, design and construction; establishes a complete set of state highway routes; determines which routes shall be accepted into the system and which shall be improved; establishes or otherwise alters the status of any portion of a state route or highway or other transportation facility; and determines priority programming with respect to transportation facilities.



<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	901.3	1,000.0	1,000.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>901.3</b>	<b>1,000.0</b>	<b>1,000.0</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our products and services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Highway User Revenue Fund revenue forecast range (percent)	-0.7	+2.0/-1.0	1.4	+2.0/-1.0	+2.0/-1.0
Regional Area Revolving Fund revenue forecast range (percent)	0.3	+2.0/-1.0	1.0	+2.0/-1.0	+2.0/-1.0
Administrative expenses as percentage of total budget	1.2	1.0	0.9	1.0	1.0

◆ **Goal 2** To develop a high performing and successful workforce.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Agency turnover rate (percentage)	13.6	10.0	16	10.0	10

#### Subprogram Summary

##### TRANSPORTATION SUPPORT SERVICES

John Nichols, Deputy Director of Business Operations  
 Phone: (602) 712-7228  
 A.R.S. Title 28

**Mission:**

*To provide effective and efficient support services to those who serve our customers and stakeholders.*

**Description:**

Transportation Support Services provides many of the essential business services necessary for the Department to carry out its mission. It delivers these services to diverse customers located throughout the state. Service areas include: human resources, financial management, civil rights, audit, community relations, employee development, safety and health, procurement, information technology, facilities maintenance, planning and budgeting, and management of the Grand Canyon National Park Airport.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	89,812.0	93,667.4	88,867.4
Other Non Appropriated Funds	7,265.8	0.0	0.0
<b>Total Funding</b>	<b>97,077.7</b>	<b>93,667.4</b>	<b>88,867.4</b>
<b>FTE Positions</b>	<b>549.0</b>	<b>561.0</b>	<b>561.0</b>

**Subprogram Summary**

ARIZONA HIGHWAYS MAGAZINE

Win Holden, Publisher  
 Phone: (602) 712-2023  
 A.R.S. §§ 28-1881 to 28-1884

**Mission:**

*To encourage travel within Arizona by publishing magazines and products about the state and its people while achieving the highest level of quality in production and customer service.*

**Description:**

The first issue of Arizona Highways was published in April 1925. The current monthly circulation, including newsstand, averages 120,000 and includes subscribers from every state and 87 foreign countries. Fifty percent of the magazine's subscribers live outside Arizona, many of them receiving gift subscriptions from Arizonans. A one year subscription is \$24.00. Arizona Highways is an enterprise fund and generates revenue from two major sources:(1) subscription and newsstand sales of the magazine; and (2) related product sales. The magazine is 56 full-color pages per issue. Most of the writing and photography included is provided by freelance contributors who are paid fees for one-time rights to publish their material.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	4,585.3	4,827.4	4,827.4
<b>Total Funding</b>	<b>4,585.3</b>	<b>4,827.4</b>	<b>4,827.4</b>
<b>FTE Positions</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

◆ **Goal 1** To remain financially self-sufficient while promoting travel and tourism to and through the state of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average paid subscriptions	115,436	113,627	114,407	111,218	110,000
Average monthly newsstand sales	9,813	8,668	7,611	7,200	7,200

**Program Summary**

**INTERMODAL TRANSPORTATION**

Jennifer Toth, State Engineer  
Phone: (602) 712-7391  
A.R.S. § 28-104

**Mission:**

*To improve and sustain the safety, efficiency and environmental stewardship of Arizona’s transportation infrastructure.*

**Description:**

The Intermodal Transportation Division (ITD) serves as the state’s public entity to design, construct and maintain a quality highway system. It ensures that the Department’s mission is fulfilled through an extensive public participation process and technical evaluation effort which results in the Five-Year Transportation Facilities Construction Program for highways and airports. This program is revised each year to reflect the completion of projects, addition of new projects and changes in scheduling for underway projects.

**This Program Contains the following Subprograms:**

- ▶ Maintenance
- ▶ Construction
- ▶ Intermodal Transportation Planning
- ▶ Vehicles and Heavy Equipment

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4.1	50.4	224.4
Other Appropriated Funds	186,358.0	188,267.3	193,353.3
Other Non Appropriated Funds	2,122,928.2	2,759,947.0	2,759,947.0
<b>Total Funding</b>	<b>2,309,290.4</b>	<b>2,948,264.7</b>	<b>2,953,524.7</b>
<b>FTE Positions</b>	<b>2,480.0</b>	<b>2,583.0</b>	<b>2,583.0</b>

**Subprogram Summary**

**MAINTENANCE**

Jennifer Toth, State Engineer  
Phone: (602) 712-7391  
A.R.S. § 28-104

**Mission:**

*To provide courteous, efficient and effective maintenance contract support services.*

**Description:**

The Maintenance Group is responsible for maintaining Arizona’s existing transportation infrastructure through activities including roadway and shoulder maintenance, signage, repairs, striping, emergency response, snow removal and preservation projects.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	136,301.1	136,202.0	141,288.0
Other Non Appropriated Funds	12,911.3	0.0	0.0
<b>Total Funding</b>	<b>149,212.4</b>	<b>136,202.0</b>	<b>141,288.0</b>
<b>FTE Positions</b>	<b>902.0</b>	<b>942.0</b>	<b>942.0</b>

◆ **Goal 1** To improve the movement of people and products throughout Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total maintenance lane miles	29,048	29,309	29,308	29,480	29,550

**Explanation:** Maintenance lane miles include passing lanes, shoulders, ramps, etc.

◆ **Goal 2** To increase the quality, timeliness and cost effectiveness of our products and services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of highway system with pavement smoothness rating <171	95	95	96	95	95

**Explanation:** Based on International Roughness Index

**Subprogram Summary**

CONSTRUCTION

Jennifer Toth, State Engineer  
Phone: (602) 712-7391  
A.R.S. § 28-104

**Mission:**

*To monitor and implement statewide construction policies and procedures that continually improve project cost effectiveness and quality.*

**Description:**

This Construction Group is responsible for the administration of the statewide annual construction program of over \$1 billion. The Five-Year Construction Program is revised each year to reflect the completion of some projects, the addition of new projects and changes in scheduling for other projects.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	32,510.0	33,000.0	33,000.0
Other Non Appropriated Funds	2,075,355.9	2,706,104.9	2,706,104.9
<b>Total Funding</b>	<b>2,107,865.8</b>	<b>2,739,104.9</b>	<b>2,739,104.9</b>
<b>FTE Positions</b>	<b>1,301.0</b>	<b>1,338.0</b>	<b>1,338.0</b>

◆ **Goal 1** To enhance the movement of people and products throughout Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of dollars awarded vs. planned	100	100	100	100	100
Total travel lane miles	21,229	21,250	21,390	21,450	21,500
Percent of highway construction projects completed on schedule	91	95	95	95	95

**Subprogram Summary**

## INTERMODAL TRANSPORTATION PLANNING

Scott Omer, Division Director  
 Phone: (602) 712-6790  
 A.R.S. § 28-104

**Mission:**

*To develop the transportation foundation for Arizona's future.*

**Description:**

The Multimodal Planning Division (MPD) works with its customers and stakeholders in a collaborative effort to develop and implement statewide transportation policy and facilitate multimodal, performance-based transportation planning and programming efforts at the state, regional and local level, including the statewide airport system. The Division helps to identify the important present and future transportation issues facing Arizona and assists in the development of supporting strategies needed to preserve and expand the state's transportation system for all modes.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4.1	50.4	224.4
Other Appropriated Funds	434.5	558.3	558.3
Other Non Appropriated Funds	34,661.1	53,842.1	53,842.1
<b>Total Funding</b>	<b>35,099.7</b>	<b>54,450.8</b>	<b>54,624.8</b>
<b>FTE Positions</b>	<b>73.0</b>	<b>78.0</b>	<b>78.0</b>

◆ **Goal 1** To increase the quality, timeliness and cost effectiveness of our aviation services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent projects completed on schedule	95	95	95	95	95

**Subprogram Summary**

## VEHICLES AND HEAVY EQUIPMENT

Sonya Herrera, Division Director  
 Phone: (602) 712-6255  
 A.R.S. § 28-7006

**Mission:**

*To purchase, maintain, repair and dispose of light and heavy duty vehicle and fleet equipment for ADOT and perform contract services for selected state agencies and county/municipal governments.*

**Description:**

It is the responsibility of Equipment Services to: provide and maintain the equipment fleet for ADOT users; maintain equipment fleets for other agencies and county/municipalities governments under contract; collect revenue to finance capital replacement and operational expenses; provide management and financial information through an equipment management system; provide fuel resources statewide in compliance with federal/ state EPA regulations; and maintain state port-of-entry scales.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	17,112.5	18,507.0	18,507.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>17,112.5</b>	<b>18,507.0</b>	<b>18,507.0</b>
<b>FTE Positions</b>	<b>204.0</b>	<b>225.0</b>	<b>225.0</b>

**Program Summary**

**MOTOR VEHICLE**

Stacey K. Stanton, Division Director  
 Phone: (602) 712-8152  
 A.R.S. Title 28

**Mission:**

*To support Arizona through licensing, vehicle credentialing, revenue collection, safety programs, and by promoting compliance with transportation laws.*

**Description:**

The Motor Vehicle Division (MVD) provides services in the following areas: motor vehicle title and registration, issuance of driver credentials, vehicle inspection, e-government (ServiceArizona), motor carrier, dealer licensing, aircraft registration and customer service through the division's public information call centers. MVD is the primary source of motor vehicle information to law enforcement agencies, other governmental entities, motor carrier and vehicle dealer industries, the news media and the general public.

**This Program Contains the following Subprograms:**

- ▶ Customer Services
- ▶ Motor Vehicle Enforcement Services

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	80,902.1	83,380.0	83,380.0
Other Non Appropriated Funds	6,198.2	1,820.0	1,820.0
<b>Total Funding</b>	<b>87,100.2</b>	<b>85,200.0</b>	<b>85,200.0</b>
<b>FTE Positions</b>	<b>1,369.0</b>	<b>1,443.0</b>	<b>1,443.0</b>

**Subprogram Summary**

**CUSTOMER SERVICES**

Stacey K. Stanton, Division Director  
 Phone: (602) 712-8152  
 A.R.S. Title 28

**Mission:**

*To provide exemplary motor vehicle and driver license customer services and improve motor vehicle related products, services and, revenue collection through effective application of private and public sector resources.*

**Description:**

The Customer Service Program provides motor vehicle title and registration services and issues driver credentials (including CDLs). Responsibilities include: review for compliance with state statutes and federal guidelines, fraud detection, collection and reconciliation of fees, vehicle inspections, driver knowledge and skill testing, medical review, motor carrier licensing and permit issuance. The program strives to provide the highest degree of quality customer service through statewide field offices, information call centers, and electronic service delivery.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	57,623.7	59,121.9	60,093.4
Other Non Appropriated Funds	4,326.8	1,820.0	1,820.0
<b>Total Funding</b>	<b>61,950.5</b>	<b>60,941.9</b>	<b>61,913.4</b>
<b>FTE Positions</b>	<b>1,006.0</b>	<b>1,054.0</b>	<b>1,075.0</b>

◆ **Goal 1** To improve customer service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of all vehicle registration renewals completed through alternate methods	84.4	84.5	86	85	85
Average Level II telephone wait time (minutes)	27.5	23.4	14	20	20
Average customer visit time in MVD field offices	31.9	30.0	29	30	30
Percent of office customers rating service as good or excellent	71	85	96	85	85

◆ **Goal 2** To increase the use of electronic service delivery.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Internet transactions and activities (in thousands).	8,965	8,500	9,042	8,500	8,500

**Subprogram Summary**

MOTOR VEHICLE ENFORCEMENT SERVICES

Terry Conner, Division Director  
 Phone: (602) 712-7328  
 A.R.S. Title 28

**Mission:**

*To accomplish mandated enforcement and regulatory responsibilities and provide a system that ensures public safety.*

**Description:**

The Enforcement and Compliance Division is responsible for vehicle registration compliance and ensuring that commercial vehicles adhere to size, weight, and safety laws at the state's ports-of-entry, including the six southern border ports. The Executive Hearing Office is primarily responsible for conducting administrative hearings related to DUI offenses and driver license suspension/revocations. The Office of the Inspector General (OIG) enforces laws relevant to licensed and illegal car dealers, title and driver license fraud, and the use of fraudulent documents in acquiring ADOT products and services.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	23,278.4	24,258.1	23,286.6
Other Non Appropriated Funds	1,871.4	0.0	0.0
<b>Total Funding</b>	<b>25,149.8</b>	<b>24,258.1</b>	<b>23,286.6</b>
<b>FTE Positions</b>	<b>363.0</b>	<b>389.0</b>	<b>368.0</b>

◆ **Goal 1** To promote public safety and protection through regulation, licensing, and the administration of transportation laws.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of commercial vehicles processing activities at Fixed Ports of Entry (in thousands)	0	2,600	2,686	2,600	2,600

## Agency Summary

### STATE TREASURER

Doug Ducey, State Treasurer  
Phone: (602) 542-7800  
A.R.S. § 41-171

#### Mission:

*To protect taxpayer money by serving as the State's Bank and fiduciary agent, providing investment management, financial information and services.*

#### Description:

The primary responsibilities of the elected State Treasurer are to receive and keep custody over all monies belonging to the State that are not required to be kept by some other entity; to pay warrants of the Department of Administration; and to keep an account of all monies received and disbursed. The Office also invests state monies and operates the local government investment pool for public entities throughout the State.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,205.1	1,205.1	1,205.1
Other Appropriated Funds	4,653.8	5,005.7	5,005.7
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>5,858.9</b>	<b>6,210.8</b>	<b>6,210.8</b>
<b>FTE Positions</b>	<b>30.4</b>	<b>30.4</b>	<b>30.4</b>



**Issue 1** Develop and deploy an Employee Capital Enhancement System.

**Description** The Office of the Arizona State Treasurer has historically been a very small agency, and this fact adds to the importance of building and maintaining a strong group of employees. Specialized training and experience is vital to the successful operation of the office. This is why developing and maintaining a system to hire, train, and retain great employees is at the top of the strategic plan. As a large portion of the staff advances toward retirement age, systems must be in place that will create a dependable and evolving succession planning process.

**Solutions:**

1. Support a culture of leadership and continuous learning

Objectives:

- a. Identify tools and processes to define the competencies that the Arizona State Treasurer must develop and retain to ensure that the agency has the right skills it needs to meet organizational goals.
  - B.The Office will conduct an annual training assessment to ensure there is training in place that is designed to improve organizational and individual performance.
  - C.Develop a leadership succession plan that includes a leadership gap analysis.
  - D.The Office will pilot the implementation of at least one knowledge management tool to support knowledge sharing across the organization.
- 2.Sustain a productive workforce and achieve results by recognizing performance in an environment in which all employees are encouraged to contribute.

Objectives:

- a.Develop, in conjunction with the new personnel reform policies, a performance management system and award program using a new performance evaluation method (MAP).
- B.Implement at least one reward based program that will encourage employees to share ideas that further strengthen the agency's mission and vision.

3.Maximize employee talent through recruitment, outreach, hiring and retention.

Objectives:

- a.Conduct a formal review of the Office's orientation process and develop and implement a plan to streamline and improve employee on-boarding.
  - B.Review the classification and qualification standards for mission critical positions within the office.
  - C.Provide ongoing Human Resources training to administration personnel to build experience and knowledge within the statewide HRIS system.
- 4.Monitor, evaluate and follow-up on results relating to the statewide personnel reform and the Office's management policies, practices, and programs.

Objectives:

- a. The office will work to develop an employee accountability system in line with the statewide HRIS personnel rules.
- B.The office will proactively engage external customers in the analysis of their workforce and identify weaknesses and address concerns.

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**Issue 2** Leverage technology changes to improve efficiency and effectiveness of The State of Arizona Treasurer’s office and government agencies statewide.

**Description** Technology has had an impact in the financial industry over the last several years and Arizona must position itself to take advantage of this change. The financial industry is moving away from any paper producing processes and making image and file transmission the standard practice. The Check Clearing for the 21st Century (Check 21 Act) was signed into law in October of 2003, and this enabled banks to handle more checks electronically, which continues to make check processing faster and more efficient.

**Solutions:**

1. Complete development and implementation of a new financial operations system.

Objectives:

- a. Complete design of application modules.
- b. Test and evaluate modules in real world test environment.
- c. Implement transition to new operating system.

2. Facilitate the State of Arizona transition to electronic processing of financial revenue transactions.

Objectives:

- a. Implement a statewide image deposit process for all state agencies.
- b. In cooperation with the Arizona Department of Administration, develop an electronic check collection system.
- c. Facilitate the integration of these electronic processes into the Treasurer’s new operating system.

3. Facilitate the integration of the new Treasurer’s operating financial system with the planned statewide enterprise resource planning solution.

Objectives:

- a. Coordinate with state agencies to develop a paperless system to process financial data into both the statewide ERP system and the Treasurer’s operational system with a single transaction.
- b. Develop synergies with financial partners to incorporate online report access capability.
- c. Increase security and fraud controls on financial transactions.

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**Issue 3** Provide proper risk-adjusted returns on investments.

**Description** The investment environment is ever changing with new regulations, products and ideas being continually introduced. The challenge for the Treasurer's office is to navigate through these changes and continue to provide proper risk adjusted returns across the three investment mandates given to the office. Those mandates include: the State Land Endowment; state agency funds, including the general fund; and voluntary local government deposits.

**Solutions:**

1. Provide optimal risk-adjusted returns for the Arizona Land Endowment funds with a goal of increasing returns above inflation and required distributions.

**Objectives:**

- a. Conduct an asset allocation study every 3 to 5 years to ensure the assets of the Endowment are invested in asset classes that provide the most optimal returns given the constraints of the Arizona Constitution and state law.
  - b. Implement recommendations of asset allocation studies after proper due diligence, research and evaluation by staff and the Board of Investment.
  - c. Determine if internal management staff can implement new asset classes or if external management is required.
  - d. Provide proper monitoring of performance of new asset classes and investment management
2. Provide proper liquidity for the state's cash flow needs while maximizing returns of idle cash.

**Objectives:**

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.
  - b. Ensure that the State of Arizona has enough cash available each day to pay its bills through cash flow forecasting.
  - c. Invest surplus cash that meets the daily, monthly, and quarterly liquidity needs for the State of Arizona and provides the appropriate investment return.
  - d. Adopt and monitoring appropriate investment benchmarks for state's operating cash as it relates to safety and liquidity.
  - e. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
3. Provide appropriate risk adjusted returns for longer term funding needs of state agencies.

**Objectives:**

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.
  - b. Adopt and monitoring appropriate investment benchmarks for state agencies longer term funds.
  - c. Invest longer term funds in a safe manner that meets the monthly, quarterly and annual liquidity needs for various state agencies.
  - d. Provide risk-adjusted returns on an annual basis that are no less than 25 basis points below the benchmark's annual return.
4. Offer as a continued service investment management services to local governments.

**Objectives:**

- a. Ensure the management of these funds adheres to the principals of safety first, followed by liquidity and then yield.

**Issue 4** Deliver excellent customer service and financial transparency to taxpayers of Arizona.

**Description** Customer service is an important part in every division of the State of Arizona Treasurer’s office. Our employees deliver services to state agencies, municipal and county governments, distribution recipients, and taxpayers to the State of Arizona. Our Mission and Vision speaks directly to the importance of this strategic issue.

**Solutions:**

1.Strengthen our customer service survey process to include all division touch points relating to customer service.

Objectives:

a.Develop and complete a meaningful survey of customers on an annual basis that measures customer satisfaction with all touch points with the office.

b.Use survey to establish baseline and continual improvement annually.

2.Improve the Office’s web page to provide more transparency of financial information.

Objectives:

a. Ensure financial information created by the office is posted timely and in a manner easily understandable by the general public.

b. Improve the graphical representation of AZCheckbook.

c. Facilitate a one stop point for the public to access financial information of the State of Arizona.

**Issue 5** Promote Economic Development in the State of Arizona

**Description** The Treasurer of the State of Arizona is a statewide elected official that oversees tens of billions of dollars of transactions annually with an aggregate investment portfolio of \$13 billion. The Treasurer is in a unique position to leverage existing relationships with current investment partners and companies looking to expand or growth their operations in the state.

**Solutions:**

1.Work closely with elected officials, private-sector leaders and economic associations to promote business friendly policies.

Objectives:

a.Attract new business and grow existing businesses across the state.

b.Maintain good working relationships with the Governor, Commerce Authority, Chambers of Commerce, etc.

c.Visit Local Government Investment Pool clients on a regular basis to gain insight and perspective on what opportunities exist at the local level.

2.Communicate with key persons in the firms we invest with to promote growth opportunities for the state.

Objectives:

a.Develop outreach plan to target investor relations contacts

b.Research potential expansion opportunities of companies the state invests in.

c.Conduct phone and in-person relationship building meetings as opportunities present themselves.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	30.4	30.4	30.4
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	2,821,900.0	2,821,900.0	2,821,900.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

- ◆ **Goal 1** To receipt all funds and securities, as required by law, and process these transactions in an accurate, timely manner that ensures safety, availability, and accountability of all assets entrusted with the office.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for State Agency depositors (scale 1-8).	7.68	7.10	7.56	7.10	7.10

- ◆ **Goal 2** To disburse funds as required by law in a manner that ensures accuracy and timeliness, while maintaining adequate internal controls and auditable records.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Customer satisfaction rating for State Agency banking customers (scale 1-8).	7.20	7.10	7.40	7.10	7.10
Customer satisfaction rating for distribution recipients (scale 1-8).	7.20	7.10	7.11	7.10	7.10
Percent of distributions sent successfully and accurately.	99	98	99	98	98
Percent of outgoing wires sent successfully and accurately.	99	99	99	99	99
Percent of distributions sent on time.	100	98	100	98	98
Percent of outgoing wires sent on time.	98	99	99	99	99

- ◆ **Goal 3** To operate, in real-time, an investment tracking portfolio management system that allows greater flexibility and enhances management as well as trade/position reporting.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of non-compliant trades.	0	3	0	3	3
Average days to correct non-compliant trades.	0	1	0	1	1

**Agency Summary**

UNIFORM STATE LAWS

,  
Phone:

**Mission:**

*Uniform State Laws*

**Description:**

The Arizona Commission on Uniform State Laws investigates subjects concerning which uniform legislation throughout the United States is desirable and works with like commissions in other states. The commissioners are, by virtue of their appointment, also members of the National Conference on Commissioners on Uniform State Laws and work in committees with commissioners from other states in drafting legislation where uniformity is desirable. It recommends laws promulgated by the National Conference as are deemed appropriate for Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	75.0	0.0	75.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>75.0</b>	<b>0.0</b>	<b>75.0</b>
<b>FTE Positions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Agency Summary

### BOARD OF REGENTS

Eileen Klein, President  
Phone: (602) 229-2500  
A.R.S. § 15-1621

#### Mission:

*To increase the educational attainment of Arizona citizens by producing enough high-quality university degrees for the State to be nationally competitive by the year 2020; to increase the prominence of the system's research enterprise so that it can contribute to the knowledge economy and improve the quality of life in Arizona; and to provide the educated workforce needed to fill shortages and to stimulate demand for higher paying jobs in Arizona.*

#### Description:

The Arizona Board of Regents is the governing body for Arizona's three state universities. Consistent with its constitutional authority, the Board makes planning and policy decisions regarding the state universities. The Board hires the university presidents and the president for the Board, to whom the Board assigns the responsibility of management. The Board is the legal entity responsible for the universities and accounts to the legislative and executive branches of government for the resources appropriated to the universities and the Board.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ GOVERNANCE	114,716.6	148,381.7	166,463.6
➤ STUDENT ASSISTANCE	14,940.9	15,660.9	30,942.9
<b>Agency Total:</b>	<b>129,657.5</b>	<b>164,042.6</b>	<b>197,406.5</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	16,902.6	16,928.4	32,355.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	112,754.9	147,114.2	165,050.8
<b>Total Funding</b>	<b>129,657.5</b>	<b>164,042.6</b>	<b>197,406.5</b>
<b>FTE Positions</b>	<b>27.5</b>	<b>33.0</b>	<b>33.0</b>

**Program Summary**

**GOVERNANCE**

Gale Tebeau, Director Financial Policies  
 Phone: (602) 229-2500  
 A.R.S. § 15-1621

**Mission:**

*To assist the Board and the universities in setting policy and establishing planning criteria for the Arizona University System and in overseeing and evaluating programmatic and fiscal areas.*

**Description:**

The governance function of the Board serves the universities and the public in the following major programmatic areas: strategic planning activities, financial policy and oversight, including the review and analysis of tuition and university budgets; capital development process management; administration of financial assistance programs; human resource policy oversight; oversight of Arizona Universities Network (AZUN) activities; coordination and recommendations on academic and student service requirements and standards; internal audits of the universities; oversight of Information Technology projects; review of public outreach strategies for the Board; legal oversight and, participation in public meetings.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,349.3	2,352.5	2,352.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	112,367.3	146,029.2	164,111.1
<b>Total Funding</b>	<b>114,716.6</b>	<b>148,381.7</b>	<b>166,463.6</b>
<b>FTE Positions</b>	<b>27.2</b>	<b>32.8</b>	<b>32.8</b>

◆ **Goal 1** To raise the educational attainment level of Arizona to national competitiveness by 2020.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Bachelor's degrees produced annually in the system.	23,456	24,147	26,250	24,279	26,120

**Explanation:** \*FY13 Actual is an estimated number. Final number is not yet available.

Number of Math, Science, Special Education Teacher (MSSE) Loan Forgiveness Program loans made.	0	0	0	0	0
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**Explanation:** \*In spring 2011, program oversight fell under the jurisdiction of the AZ Commission for Postsecondary Education.

◆ **Goal 2** To allocate and monitor Proposition 301 TRIF funds

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of projects funded	26	28	41	41	41
Performance measures monitored	77	80	89	89	89

◆ **Goal 3** To communicate with universities and their constituents and stakeholders on Board policies and initiatives.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of media/individual/group briefings conducted	1787	1800	1800	2000	2200
Number of stakeholder briefings conducted	425	550	540	600	660



◆ **Goal 4** To perform Internal Audits of the universities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Audits scheduled	55	50	41	39	40
<b>Explanation:</b> Numbers reflect systemwide activities					
Audits performed on universities	42	50	26	39	40

<b>Program Summary</b>					
STUDENT ASSISTANCE					
Gale Tebeau, Director Financial Policies					
Phone: (602) 229-2522					
A.R.S. §§ 15-1642, 15-1742, 15-1746					

**Mission:**

To provide financial assistance to students and to strengthen the teaching skills of teachers in elementary and secondary mathematics and science education.

**Description:**

The Arizona Board of Regents directly administers two financial assistance programs: (1) Western Interstate Commission on Higher Education (WICHE)--for students who choose careers in Osteopathy, Dentistry, Veterinary Medicine, Occupational Therapy, Optometry, and Physicians Assistants; and (2) Improving Teacher Quality Grants - for projects whose aim is to support the development of highly qualified principals and K-12 teachers in the content areas of language arts-English, science, mathematics, social studies, and technology in the content areas. Also, two student assistance programs are appropriated to the ABOR but are administered by the universities: 1) Arizona Financial Aid Trust-- immediate aid to students who are underrepresented in the population of the university or students who demonstrate a clear need for financial aid and creates an endowment for future aid; and (2) Arizona Teacher Incentive Program--loans to students in teaching training programs in deaf and blind education at the University of Arizona.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	14,553.3	14,575.9	30,003.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	387.6	1,085.0	939.7
<b>Total Funding</b>	<b>14,940.9</b>	<b>15,660.9</b>	<b>30,942.9</b>
<b>FTE Positions</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>

◆ **Goal 1** To continue extending access to a university education by providing and administering various financial assistance programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total number of Western Interstate Commission for Higher Education awards	181	174	173	171	203
Number of first year Western Interstate Commission for Higher Education awards	46	40	41	44	87
Number of first year WICHE applications meeting eligibility requirements	235	233	233	202	215
Number of first year WICHE applications processed	251	255	255	234	220
Percent of recipients returning to practice in Arizona	77	83	78	79	80
Number of Improving Teacher Quality (ITQ) grants awarded (depend on funding)	1	1	1	1	1
Number of students awarded financial aid through the Arizona Financial Aid Trust	6400	6500	7100	7100	7100

## Agency Summary

ASU - TEMPE

Dr. Michael Crow, President  
 Phone: (480) 965-8972  
 A.R.S. § 15-1601

**Mission:**

*To provide outstanding programs of undergraduate and graduate education, cutting-edge research, and public service for the citizens of the State of Arizona with special emphasis on the Phoenix metropolitan area.*

**Description:**

Arizona State University at the Tempe Campus, which includes the Downtown Phoenix campus, is a major public research university offering programs from the baccalaureate through the doctorate to nearly 67,500 Tempe campus and 22,000 Downtown campus full-time and part-time students and applying the strongest features of the traditional major research university to the rapidly evolving needs of the metropolitan Phoenix area and Arizona. The Tempe campus plays an extensive role within Arizona State University by providing high quality graduate training at the doctoral level and serving as the only Carnegie Foundation-designated Doctoral/Research-Extensive campus in the metropolitan Phoenix area.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ INSTRUCTION	683,610.5	746,537.7	805,583.4
➤ ORGANIZED RESEARCH	188,170.2	209,350.7	212,029.3
➤ PUBLIC SERVICE	36,150.1	37,851.9	39,151.9
➤ ACADEMIC SUPPORT	116,817.2	115,338.6	93,647.2
➤ STUDENT SERVICES	329,785.4	340,591.3	257,820.8
➤ INSTITUTIONAL SUPPORT	531,569.3	595,867.4	761,696.5
<b>Agency Total:</b>	<b>1,886,102.7</b>	<b>2,045,537.6</b>	<b>2,169,929.1</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	272,575.6	292,453.1	325,671.6
Other Appropriated Funds	453,505.9	516,830.5	516,830.5
Other Non Appropriated Funds	1,160,021.2	1,236,254.0	1,327,427.0
<b>Total Funding</b>	<b>1,886,102.7</b>	<b>2,045,537.6</b>	<b>2,169,929.1</b>
<b>FTE Positions</b>	<b>10,715.9</b>	<b>11,482.5</b>	<b>11,926.9</b>

**Issue 1** Increase participation in postsecondary education and ultimately increase baccalaureate degree production

**Description** To broaden access to a quality education for all segments of the population, ASU must be positioned to accommodate the expected growth in high school graduates, particularly minority populations and a growing pool of older students requiring new job skills. Never in the history of Arizona has a university education been more important. Our knowledge-based economy and an ever-increasing trend toward globalization are changing the skills needed for success in the labor force. Yet, rising costs, need for financial aid, and years of under-funding for higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

**Solutions:**

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

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**Issue 2** Improve the quality of undergraduate and graduate education

**Description** Undergraduate and graduate education are the cornerstones of the university enterprise. Students seek a high quality education that prepares them to be successful in their careers, to contribute to society, and to become lifelong learners. Today's graduates must have strong communication, team building, and critical thinking skills as well as a global perspective to be successful.

A continued emphasis on providing a quality educational experience requires examining and evolving how the university designs and delivers its instructional programs to maximize the impact of education. Improvements can be accomplished through new pedagogical techniques, such as adaptive learning, collaborative learning, service learning, and other learner-centered approaches; through the appropriate use of technology to enhance the learning environment; through undergraduate education that focuses on the student as an individual; by providing seamless access to the services and resources required for learning and creative and intellectual inquiry; and by providing an environment that fosters student scholarship. ASU continues to conceptualize and create a wide range of new interdisciplinary schools, institutes, centers, and programs that will foster the development of new knowledge. In addition, ASU is enhancing learning environments that facilitate learner-centered delivery with improved instructional technologies and flexible room design. Necessary funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

**Solutions:**

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

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**Issue 3** Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

**Description** Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

**Solutions:**

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.

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**Issue 4** Expand research capabilities

**Description** ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, security and defense systems, renewable energy and sustainability, learning sciences, informatics and communications. Over the five year period from 2007 to 2012, ASU was one of the ten fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and meet our 2020 research expenditure goal.

**Solutions:**

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, urban sustainability, flexible electronic systems, light-inspired energy, personalized learning, security and defense, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, aerospace, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's \$50,000-\$750,000 projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, expansion of faculty opportunity search capabilities and providing assistance to the research deans for opportunity identification and development.

Strategy 4: Continue to expand research funding from foundations and individual donors by working closely with the Foundation to support its activities.

Strategy 5: Expand our collaborative research activities with industry to take advantage of their desire to shift basic and applied research requirements to university labs.

Strategy 6: Continue to pursue angel and venture investment in emerging companies. Activities will include developing a best-in-class intellectual property team and extension of Sky Song's entrepreneurship agenda.

Strategy 7: Provide sufficient research infrastructure.

**Key Focus Area #1: Incorporate new approaches, including increased focus on interdisciplinary research**

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

**Key Focus Area #2: Increase participation in multi-institutional grants and consortiums**

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar (\$4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop \$4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortium will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

**Key Focus Area #3: Accelerate technology transfer initiatives**

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

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- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
  - Increase technology exposure through cross marketing activities with other universities
  - Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

#### Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. A recent Space Analysis found that an impending research space shortage threatens to limit the University's ability to meet its research goals. The University must develop plans to repurpose existing space and construct new facilities. To develop these plans the University has undertaken an effort to survey unused and underused space, determine return on investment of allocated space and consistently revisit space allocation to respond to the dynamic research needs. Results will be shared with all stakeholders and plans to refurbish and repurpose will be developed to meet current and future needs. Funds for construction of new buildings will involve State, Federal and Philanthropic entities. The University will work with the State to clearly define research priorities and communicate current and future space requirements. Federal and Philanthropic funding opportunities will also be explored where appropriate to address the current and future space requirements.

The University's information technology infrastructure is continuously challenged to keep pace with the rapid increase in externally funded research. To meet the demands of research growth and to plan for future growth, new tools must be designed and implemented across the Research Enterprise in a way that leverages existing IT infrastructure and increases functionality for the entire Research community. Implementation of an end-to-end research administration system will allow for immediate process improvements and continued research expenditure growth. The improvement of the information technology infrastructure will be executed concurrently with the reorganization of research administration personnel and business processes.

#### **Issue 5** Enhance and improve local impact and social embeddedness

**Description** Development of ASU requires the university to be a fully engaged and integral part of the social, cultural, and economic fabric of the metropolitan area and the state of Arizona. ASU will demonstrate its social embeddedness to the extent that the faculty and staff are supporting and sustaining communities and solving problems through applied research, service, and partnerships in the P-12 education system, business and industry, government, and the community. ASU must assist in building a socially diverse and economically viable community, in developing civic and community leadership, and in addressing challenges such as poverty, growth, economic development and diversification, social infrastructure, and quality of life. Achieving a higher degree of social embeddedness requires a change in the internal culture of the university as well as a change in the role of the university in the eyes of the community. The university must continue to expect employees to contribute to community life through their expertise, intellect, and engagement. And the community must come to see the university as the key resource and place to get advice about community issues and solutions to community problems.

#### **Solutions:**

Strategy 1: Address the interests and workforce needs of the metropolitan area and state in times of diminishing economic resources.

Strategy 2: Enhance partnerships with the community and the state.

Strategy 3: Increase the number of qualified teachers to meet the K-12 educational demands of a growing population and provide opportunities for continuing development

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**Issue 6** Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

**Description** In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a workgroup to extensively study and propose a methodology to address the General Fund per FTE student funding disparity among the three Arizona universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the past three fiscal years (FY 2013-FY 2015). ASU considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity and providing equitable competitive funding structures, ABOR has endorsed the legislatively mandated funding model that calls for performance funding based on metrics and goals set for each of the universities. The ASU metrics focus on degree completion, class enrollments, and research growth. In addition to performance in these three elements, the funding model lends added weight to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics), and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. The ASU budget request for performance funding is based on increases in each of these metrics. ASU's FY 2016 request includes \$38.3 million for performance funding based on its performance on the ABOR approved metrics over the FY 2012-2014 timeframe.

**Solutions:**

Strategy 1: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 2: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	237.5	237.5	237.5
<b>General Fund</b>	34,961.0	34,961.0	34,961.0
<b>Other Appropriated Funds</b>	38,762.3	27,779.7	29,168.6
<b>Non-Appropriated Funds</b>	28,010.0	28,850.3	29,715.8
<b>Federal Funds</b>	20,808.4	22,056.9	23,380.3



**Program Summary**

INSTRUCTION

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To offer high quality academic degrees, general studies, and honors programs that prepare graduates for personal growth, fulfilling careers, and lifelong contributions to the quality of intellectual life in the community, state, region, and nation.*

**Description:**

Instruction is comprised of activities carried out during the academic year, summer sessions, and other periods outside the regular term and associated with degree credit and non-credit academic courses. This program also includes faculty departmental research and public service activities that are not separately budgeted and academic administration where instruction plays an important role, such as at the dean and department chair levels.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	26,415.6
Other Appropriated Funds	425,371.2	474,124.8	474,124.8
Other Non Appropriated Funds	258,239.3	272,412.9	305,043.0
<b>Total Funding</b>	<b>683,610.5</b>	<b>746,537.7</b>	<b>805,583.4</b>
<b>FTE Positions</b>	<b>5,286.0</b>	<b>5,715.2</b>	<b>5,942.3</b>

◆ **Goal 1** To improve the quality of undergraduate education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average years taken by freshman students to complete a baccalaureate degree program	4.5	4.4	4.5	4.4	4.4
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	94	94	91	92	93
Percent of graduating seniors who rate their overall university experience as good or excellent	87	88	87	88	88
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	79	80	84	84	84
Number of Bachelors degrees granted	12,065	12,487	12,587	13,028	13,484

◆ **Goal 2** To enhance the number and diversity of the most highly qualified students entering Arizona State University and the Barrett Honors College.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Honors undergraduate headcount students	4,281	5,000	4,803	5,300	5,700
BHC degree recipients (i.e., with honors)	730	800	691	770	810
Courses offered for honors credit	3,000	3,200	2,797	3,000	3,200

- ◆ **Goal 3** To provide support services and courses that assist students in achieving academic success and planning programs of study within their chosen degree curricula.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of tutorials conducted by University Academic Success Programs	117,498	122,200	118,884	123,044	127,350
Number of students enrolled in UNI Academic Success courses to transition successfully to college and achieve academic success	1,497	2,359	2,857	3,000	3,300
Major and Career Exploration (UNI and ASU 101) course sections for exploratory students	145	186	190	200	220
Number of degree program course audits run by students and staff	2,801,344	2,941,411	1,395,549	1,674,658	2,009,589
Number of eAdvisor tracking audits run by students and staff	867,079	910,433	1,973,262	2,367,914	2,841,497

- ◆ **Goal 4** To provide enriched educational opportunities to students by expanding accessibility and delivery of courses.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Summer sessions headcount students	22,787	23,698	23,762	25,522	26,543
<b>Explanation:</b> --REFLECTS TOTAL UNIVERSITY--					
Internet course registrations during the fall semester (duplicated enrollments)	74,618	80,939	80,939	93,811	105,244
<b>Explanation:</b> --REFLECTS TOTAL UNIVERSITY--					
Internet course sections offered during the fall semester	1,854	2,022	2,022	2,304	2,569
<b>Explanation:</b> --REFLECTS TOTAL UNIVERSITY--					

- ◆ **Goal 5** To improve graduate education by enhancing programs central to the University's mission, promoting retention and graduation, and increasing the diversity of students.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students enrolled in interdisciplinary degree programs	1,140	1,250	1,230	1,300	1,350
Masters degrees granted	3,663	3,755	4,094	4,196	4,301
Doctorate degrees granted	619	631	578	590	601
First professional degrees granted	204	208	200	204	208
Minority graduate enrollment as percentage of total enrollment	21.3	22.0	21.1	22.0	22.5

**Program Summary**

**ORGANIZED RESEARCH**

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**  
*To foster pre-eminent scholarship and creative activity that serves the citizens of Arizona through the development, application, and transfer of new knowledge especially beneficial to Arizona.*

**Description:**  
 Organized Research includes research activities taking place within centers, divisions, bureaus, institutes and experiment stations formally approved by the Arizona Board of Regents. These activities are specifically created and organized to produce research, whether separately budgeted within the university or commissioned by an external agency, as with federal grants and contracts.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	15,707.9	17,508.2	18,444.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	172,462.3	191,842.5	193,585.0
<b>Total Funding</b>	<b>188,170.2</b>	<b>209,350.7</b>	<b>212,029.3</b>
<b>FTE Positions</b>	<b>1,728.3</b>	<b>1,760.4</b>	<b>1,832.8</b>

◆ **Goal 1** To maintain and enhance the University's status as a major research institution.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Dollar value of proposals submitted (in millions)	1,142.1	1,618.0	1,518.7	1,787.9	1,966.7
External dollars received for research and creative activity (in millions of dollars)	292.4	315.8	296.5	323.2	350.1
Dollar value of total research expenditures (in millions)	389.6	399.1	403.3	428.0	461.7
Dollar value of externally funded, non-research expenditures (in millions)	32.1	32.8	34.1	35.7	37.7

◆ **Goal 2** To continue and improve University efforts to provide opportunities for undergraduate and graduate students to participate in research and creative activity.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Undergraduate students supported by sponsored funds	2,254	2,275	2,094	2,250	2,300

**Explanation:** --REFLECTS TOTAL UNIVERSITY--

Graduate students supported by sponsored funds	1,529	1,600	1,562	1,600	1,625
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**Explanation:** --REFLECTS TOTAL UNIVERSITY--

**Program Summary**

PUBLIC SERVICE

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To serve the public by offering a public telecommunications system, by providing the finest available artists and productions in music, theater and dance, by establishing partnerships with local industry and educational institutions to foster community engagement, and by serving as a resource and focal point in providing information about various university services to the business community and economic development professionals.*

**Description:**

Public Service includes those activities established primarily to provide services beneficial to individuals and groups external to the university to enhance corporate and community engagement. Public Service includes conferences, general advisory services, reference bureaus, public radio and television, consulting, continuing education and professional development programs, and similar services to particular sectors of the community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,103.4	1,229.9	1,229.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	35,046.7	36,622.0	37,922.0
<b>Total Funding</b>	<b>36,150.1</b>	<b>37,851.9</b>	<b>39,151.9</b>
<b>FTE Positions</b>	<b>257.1</b>	<b>265.3</b>	<b>276.1</b>

- ◆ **Goal 1** To provide quality educational and informative television programs and improve services provided to the community, especially in rural areas.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Persons viewing KAET-TV on a weekly basis (in thousands)	1,056	1,087	1,068	1,078	1,089
Teachers served through educational support programming	60,626	62,141	63,387	65,289	67,248
Students served through educational support programming	1,115,894	1,180,679	1,204,358	1,240,488	1,277,703

- ◆ **Goal 2** To continue to stage excellent cultural and other nonathletic special events for various diverse constituents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Persons attending University sponsored cultural events (in thousands)	409	488	474	511	533
Special events coordinated	404	440	420	440	460

**Program Summary**

ACADEMIC SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To provide services and programs to faculty, staff and students in support of the instructional, research, and service mission of the university.*

**Description:**

Academic Support services include the retention, preservation, and display of educational materials through libraries, museums and galleries; audio visual and other activities that aid in the transmission of information; separately budgeted course and curriculum development; and academic computing support.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	64,290.7	60,313.1	64,246.5
Other Appropriated Funds	28,134.7	42,705.7	42,705.7
Other Non Appropriated Funds	24,391.8	12,319.8	-13,305.0
<b>Total Funding</b>	<b>116,817.2</b>	<b>115,338.6</b>	<b>93,647.2</b>
<b>FTE Positions</b>	<b>1,021.0</b>	<b>1,097.3</b>	<b>1,151.9</b>

- ◆ **Goal 1** To maintain the number of books and periodical subscriptions owned by the university libraries, and increase access to these items.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Periodical subscriptions	58,547	61,500	60,842	62,000	64,000
Virtual/remote reference transactions	10,175	10,500	9,809	10,000	10,000
Visits to Libraries web site	4,826,043	4,900,000	3,959,093	4,500,000	4,900,000
Online catalog use (pageviews)	4,324,117	4,100,000	3,888,197	3,700,000	3,500,000
Online databases use (searches)	11,576,208	12,000,000	12,491,314	12,590,000	12,690,000

- ◆ **Goal 2** To increase impact and attendance by positioning the Museum as a center for research and discovery around new art forms and ideas for students and the public, utilizing strategies of presenting high quality exhibitions at ASU and international venues, international artist residencies, educational events for broad audiences including classes taught in the Museum, and transdisciplinary collaborative projects on and off campus.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Annual attendance at university art collections	200,000	220,000	98,000	120,000	150,000
<b>Explanation:</b> Beginning FY14, figures exclude attendance at offsite exhibitions.					
Annual attendees of lectures and special events	20,000	25,000	20,000	25,000	30,000

- ◆ **Goal 3** To employ, provide, and maintain sufficient reliable microcomputer, network, and server resources to support the academic needs of the University.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of mediated classrooms	410	421	417	420	425
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	845	840	827	827	827
Percentage of site equipment out dated (>4 years old)	6	10	1	0	0

**Program Summary**

STUDENT SERVICES

Melinda Gebel, Director  
Phone: (480) 965-2318  
A.R.S. § 15-1601

**Mission:**

*To foster the academic, social, emotional, and physical growth of learners by creating an inclusive holistic learning environment that offers services and opportunities for students to maximize their learning experience and become well-rounded productive citizens.*

**Description:**

Student Services includes functions and other activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program. These other activities include cultural events, student newspapers, intramural athletics, student organizations, nonacademic counseling and career guidance, student health services, and the administration at the senior vice presidential level.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	37,803.5	42,136.4	44,069.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	291,981.9	298,454.9	213,751.0
<b>Total Funding</b>	<b>329,785.4</b>	<b>340,591.3</b>	<b>257,820.8</b>
<b>FTE Positions</b>	<b>1,110.3</b>	<b>1,166.4</b>	<b>1,203.6</b>

- ◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students receiving health care at the Campus Health Service	46,307	48,300	48,216	49,600	50,650
Disabled students served	2,503	2,625	2,568	2,593	2,618

- ◆ **Goal 2** To enhance the quality of students' educational experience by providing programs and services which promote involvement in university activities and enhance opportunities for future employment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Registered campus clubs and organizations	817	830	855	860	870
Student participation in advising services, workshops, career events, job fairs, on-campus interviews and special events offered by Career Services to assist students seeking employment and/or career guidance	64,300	66,300	67,554	69,580	71,670
Organizations recruiting on campus	1,600	1,680	4,629	4,768	4,911

**Explanation:** Beginning FY14, figures reflect both online and on-campus recruitment.

- ◆ **Goal 3** To provide services that enhance the likelihood of students' academic success.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students participating in orientation	8,520	8,750	9,500	9,750	10,000
Students living in first-year residential communities	6,940	7,600	8,678	9,000	9,200
Students receiving financial assistance in an academic year	66,551	68,548	69,283	71,361	73,502

**Explanation:** --REFLECTS TOTAL UNIVERSITY--

Dollar volume for all financial assistance programs (dollars in thousands)	1,007,793	1,038,027	1,064,271	1,096,199	1,129,085
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**Explanation:** --REFLECTS TOTAL UNIVERSITY--

- ◆ **Goal 4** To provide opportunities for men and women by developing and sustaining programs which help student athletes achieve success, both academically and athletically.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average GPA of student athletes (4.0 highest)	3.02	3.00	3.05	3.05	3.10
Percent of student athletes graduating in six years based on NCAA Graduation Success Rate	80	82	82	82	84

**Program Summary**

INSTITUTIONAL SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To provide timely, efficient, and effective support for the university's mission of instruction, research, and public service goals through executive management, administrative information and services, adequate and well maintained facilities, and strong partnerships with alumni, community leaders, and State decision makers.*

**Description:**

Institutional Support includes central executive level activities concerned with management and long-range planning for the entire university and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, space management, employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fundraising.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	153,670.1	171,265.5	171,265.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	377,899.2	424,601.9	590,431.0
<b>Total Funding</b>	<b>531,569.3</b>	<b>595,867.4</b>	<b>761,696.5</b>
<b>FTE Positions</b>	<b>1,313.2</b>	<b>1,477.9</b>	<b>1,520.2</b>

◆ **Goal 1** To provide efficient and comprehensive human resources programs and services to the university community in areas such as employment, training, employee relations, and other human resource activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Accounting documents processed (in thousands)	1,625	1,641	1,655	1,686	1,718
Administration as a percentage of total cost	1.38	1.24	1.18	1.15	1.10
Job applications processed	76,711	84,382	48,358	53,194	58,513

**Explanation:** In FY14, a new applicant tracking system was implemented.

Positions filled	1,480	1,554	1,768	1,945	2,139
Percent of agency staff turnover (classified staff only)	16.6	15.8	14.2	13.5	12.8

◆ **Goal 2** To provide customer-focused, high quality facilities and services to enhance a safe and secure environment in support of the University's mission.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Maintenance work order man-hours on buildings/tunnels/structures	205,143	209,245	204,908	209,006	213,186
Number of faculty, staff, and students participating in fire and safety training classes	8,333	9,000	10,275	11,275	12,500
Annual Parking Permit Sales to students and staff	20,086	20,000	19,000	20,000	20,000
Community-based police assignments	335	345	360	365	370



◆ **Goal 3** To maintain support for all telecommunications systems throughout the University.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Centrally supported Ethernet connections	119,000	117,000	124,000	128,000	128,000
<b>Explanation:</b> --REFLECTS TOTAL UNIVERSITY--					
Internet bandwidth available (in Gigabits)	11.5	13.5	13.5	20.0	20.0
Internet bandwidth burstable (in Gigabits)	15	17	17	20	20
Wireless hours (in millions)	39.0	43.0	46.5	53.5	58.8

**Program Summary**

AUXILIARY PROGRAM

Phone:  
Not applicable

**Mission:**

To

**Description:**

Not applicable

## Agency Summary

ASU - POLYTECHNIC

Dr. Michael Crow, President  
Phone: (480) 965-8972  
A.R.S. § 15-1601

### Mission:

*To emphasize professional and technological programs based in the liberal arts and sciences and engage in intellectual inquiry focused on addressing societal needs by offering undergraduate and graduate programs primarily in professional and technological fields and in selected areas of the liberal arts and sciences; engaging in forms of scholarship involved with discovering, integrating, applying, and transmitting knowledge to address the conditions and concerns of society; and working with community partners in accomplishing all aspects of this mission.*

### Description:

Arizona State University at the Polytechnic campus serves over 11,000 students and the metropolitan area through baccalaureate and graduate degree programs as well as through applied research and service. All programs at ASU at the Polytechnic campus provide students with the knowledge and extensive technological competence to succeed in their chosen professions and further learning. ASU at the Polytechnic campus offers a campus environment that places students at the center, embraces diversity and interdisciplinary inquiry, and strives to integrate the academic and social lives of students. ASU at the Polytechnic campus offers programs with outcomes directly relevant to the needs of society and the community, emphasizing collaboration and partnership to foster the educational, economic, and cultural development of local communities, the metropolitan area, the state, and the nation.

### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ INSTRUCTION	45,059.7	45,459.8	48,067.3
➤ ORGANIZED RESEARCH	7,579.2	7,224.9	7,530.0
➤ PUBLIC SERVICE	1,693.0	1,668.2	1,723.0
➤ ACADEMIC SUPPORT	8,016.8	7,461.3	7,574.0
➤ STUDENT SERVICES	5,141.5	4,558.2	4,820.4
➤ INSTITUTIONAL SUPPORT	42,877.6	45,367.3	47,356.5
<b>Agency Total:</b>	<b>110,367.8</b>	<b>111,739.7</b>	<b>117,071.2</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	22,869.5	26,018.7	28,355.7
Other Appropriated Funds	37,701.3	31,509.5	31,509.5
Other Non Appropriated Funds	49,797.0	54,211.5	57,206.0
<b>Total Funding</b>	<b>110,367.8</b>	<b>111,739.7</b>	<b>117,071.2</b>
<b>FTE Positions</b>	<b>572.2</b>	<b>543.2</b>	<b>566.0</b>

**Issue 1** Increase participation in postsecondary education and ultimately increase baccalaureate degree production

**Description** To broaden access to a quality education for all segments of the population, ASU must be positioned to accommodate the expected growth in high school graduates, particularly minority populations and a growing pool of older students requiring new job skills. Never in the history of Arizona has a university education been more important. Our knowledge-based economy and an ever-increasing trend toward globalization are changing the skills needed for success in the labor force. Yet, rising costs, need for financial aid, and years of under-funding for higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

**Solutions:**

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs.

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**Issue 2** Improve the quality of undergraduate and graduate education

**Description** Undergraduate and graduate education are the cornerstones of the university enterprise. Students seek a high quality education that prepares them to be successful in their careers, to contribute to society, and to become lifelong learners. Today's graduates must have strong communication, team building, and critical thinking skills as well as a global perspective to be successful.

A continued emphasis on providing a quality educational experience requires examining and evolving how the university designs and delivers its instructional programs to maximize the impact of education. Improvements can be accomplished through new pedagogical techniques, such as adaptive learning, collaborative learning, service learning, and other learner-centered approaches; through the appropriate use of technology to enhance the learning environment; through undergraduate education that focuses on the student as an individual; by providing seamless access to the services and resources required for learning and creative and intellectual inquiry; and by providing an environment that fosters student scholarship. ASU continues to conceptualize and create a wide range of new interdisciplinary schools, institutes, centers, and programs that will foster the development of new knowledge. In addition, ASU is enhancing learning environments that facilitate learner-centered delivery with improved instructional technologies and flexible room design. Necessary funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

**Solutions:**

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

**Issue 3** Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

**Description** Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

**Solutions:**

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.

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**Issue 4** Expand research capabilities

**Description** ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, security and defense systems, renewable energy and sustainability, learning sciences, informatics and communications. Over the five year period from 2007 to 2012, ASU was one of the ten fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and meet our 2020 research expenditure goal.

**Solutions:**

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, urban sustainability, flexible electronic systems, light-inspired energy, personalized learning, security and defense, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, aerospace, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's \$50,000-\$750,000 projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, expansion of faculty opportunity search capabilities and providing assistance to the research deans for opportunity identification and development.

Strategy 4: Continue to expand research funding from foundations and individual donors by working closely with the Foundation to support its activities.

Strategy 5: Expand our collaborative research activities with industry to take advantage of their desire to shift basic and applied research requirements to university labs.

Strategy 6: Continue to pursue angel and venture investment in emerging companies. Activities will include developing a best-in-class intellectual property team and extension of Sky Song's entrepreneurship agenda.

Strategy 7: Provide sufficient research infrastructure.

**Key Focus Area #1: Incorporate new approaches, including increased focus on interdisciplinary research**

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

**Key Focus Area #2: Increase participation in multi-institutional grants and consortiums**

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar (\$4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop \$4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortium will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

**Key Focus Area #3: Accelerate technology transfer initiatives**

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

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- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
  - Increase technology exposure through cross marketing activities with other universities
  - Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

#### Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. A recent Space Analysis found that an impending research space shortage threatens to limit the University's ability to meet its research goals. The University must develop plans to repurpose existing space and construct new facilities. To develop these plans the University has undertaken an effort to survey unused and underused space, determine return on investment of allocated space and consistently revisit space allocation to respond to the dynamic research needs. Results will be shared with all stakeholders and plans to refurbish and repurpose will be developed to meet current and future needs. Funds for construction of new buildings will involve State, Federal and Philanthropic entities. The University will work with the State to clearly define research priorities and communicate current and future space requirements. Federal and Philanthropic funding opportunities will also be explored where appropriate to address the current and future space requirements.

The University's information technology infrastructure is continuously challenged to keep pace with the rapid increase in externally funded research. To meet the demands of research growth and to plan for future growth, new tools must be designed and implemented across the Research Enterprise in a way that leverages existing IT infrastructure and increases functionality for the entire Research community. Implementation of an end-to-end research administration system will allow for immediate process improvements and continued research expenditure growth. The improvement of the information technology infrastructure will be executed concurrently with the reorganization of research administration personnel and business processes.

#### **Issue 5** Enhance and improve local impact and social embeddedness

**Description** Development of ASU requires the university to be a fully engaged and integral part of the social, cultural, and economic fabric of the metropolitan area and the state of Arizona. ASU will demonstrate its social embeddedness to the extent that the faculty and staff are supporting and sustaining communities and solving problems through applied research, service, and partnerships in the P-12 education system, business and industry, government, and the community. ASU must assist in building a socially diverse and economically viable community, in developing civic and community leadership, and in addressing challenges such as poverty, growth, economic development and diversification, social infrastructure, and quality of life. Achieving a higher degree of social embeddedness requires a change in the internal culture of the university as well as a change in the role of the university in the eyes of the community. The university must continue to expect employees to contribute to community life through their expertise, intellect, and engagement. And the community must come to see the university as the key resource and place to get advice about community issues and solutions to community problems.

#### **Solutions:**

Strategy 1: Address the interests and workforce needs of the metropolitan area and state in times of diminishing economic resources.

Strategy 2: Enhance partnerships with the community and the state.

Strategy 3: Increase the number of qualified teachers to meet the K-12 educational demands of a growing population and provide opportunities for continuing development

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**Issue 6** Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

**Description** In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a workgroup to extensively study and propose a methodology to address the General Fund per FTE student funding disparity among the three Arizona universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the past three fiscal years (FY 2013-FY 2015). ASU considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity and providing equitable competitive funding structures, ABOR has endorsed the legislatively mandated funding model that calls for performance funding based on metrics and goals set for each of the universities. The ASU metrics focus on degree completion, class enrollments, and research growth. In addition to performance in these three elements, the funding model lends added weight to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics), and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. The ASU budget request for performance funding is based on increases in each of these metrics. ASU's FY 2016 request includes \$38.3 million for performance funding based on its performance on the ABOR approved metrics over the FY 2012-2014 timeframe.

**Solutions:**

Strategy 1: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 2: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	17.5	17.5	17.5
<b>General Fund</b>	2,337.0	2,337.0	2,337.0
<b>Other Appropriated Funds</b>	2,213.2	1,586.1	1,665.4
<b>Non-Appropriated Funds</b>	1,277.3	1,315.6	1,355.1
<b>Federal Funds</b>	480.8	509.6	540.2

**Program Summary**

INSTRUCTION

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To offer high quality academic degrees, general studies, and honors programs that prepare graduates for personal growth, fulfilling careers, and lifelong contributions to the quality of intellectual life in the community, state, region, and nation.*

**Description:**

Instruction is comprised of activities carried out during the academic year, summer sessions, and other periods outside the regular term and associated with degree credit and non-credit academic courses. This program also includes faculty departmental research and public service activities that are not separately budgeted and academic administration where instruction plays an important role, such as at the dean and department chair levels.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	1,714.2
Other Appropriated Funds	29,724.0	29,186.1	29,186.1
Other Non Appropriated Funds	15,335.7	16,273.7	17,167.0
<b>Total Funding</b>	<b>45,059.7</b>	<b>45,459.8</b>	<b>48,067.3</b>
<b>FTE Positions</b>	<b>360.5</b>	<b>304.2</b>	<b>319.8</b>

◆ **Goal 1** To improve undergraduate and graduate education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of graduating students who rate their overall experience at ASU Polytechnic as good or excellent	83	84	84	84	85
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	70	72	83	83	83
Number of degrees granted	947	977	945	974	1,006
Number of Bachelors degrees granted	758	785	765	792	819
Number of Masters degrees granted	188	193	178	182	187
Average number of years taken to graduate for student who began as freshmen	4.8	4.7	5.1	4.8	4.7
Fall semester enrollment (headcount)	11,164	11,302	11,302	12,290	13,212

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of graduating students who 'have done' or 'plan to do' a practicum, internship, co-op experience, or clinical assignment	53	54	59	60	61
Number of tutorials conducted by University Academic Success Programs	9,437	9,814	11,793	12,736	13,755



**Program Summary**

**ORGANIZED RESEARCH**

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**  
*To foster pre-eminent scholarship and creative activity that serves the citizens of Arizona through the development, application, and transfer of new knowledge especially beneficial to Arizona.*

**Description:**  
 Organized Research includes research activities taking place within centers, divisions, bureaus, institutes and experiment stations formally approved by the Arizona Board of Regents. These activities are specifically created and organized to produce research, whether separately budgeted within the university or commissioned by an external agency, as with federal grants and contracts.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,579.2	7,224.9	7,530.0
<b>Total Funding</b>	<b>7,579.2</b>	<b>7,224.9</b>	<b>7,530.0</b>
<b>FTE Positions</b>	<b>34.0</b>	<b>30.6</b>	<b>31.5</b>

◆ **Goal 1** To provide support mechanisms for ASU Polytechnic researchers in an effort to increase research and sponsored project activities.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Dollar value of sponsored project proposals submitted (in millions)	37.9	70.0	44.4	65.5	72.1
External dollars received for research and creative activity (in millions)	17.7	13.4	7.3	8.5	9.9
Dollar value of total research expenditures (in millions)	7.9	8.1	9.9	8.7	9.3
Dollar value of externally funded, non-research expenditures (in millions)	1.7	1.9	1.7	1.8	1.8

**Program Summary**

PUBLIC SERVICE

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To serve the public by offering a public telecommunications system, by providing the finest available artists and productions in music, theater and dance, by establishing partnerships with local industry and educational institutions to foster community engagement, and by serving as a resource and focal point in providing information about various university services to the business community and economic development professionals.*

**Description:**

Public Service includes those activities established primarily to provide services beneficial to individuals and groups external to the university to enhance corporate and community engagement. Public Service includes conferences, general advisory services, reference bureaus, public radio and television, consulting, continuing education and professional development programs, and similar services to particular sectors of the community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,693.0	1,668.2	1,723.0
<b>Total Funding</b>	<b>1,693.0</b>	<b>1,668.2</b>	<b>1,723.0</b>
<b>FTE Positions</b>	<b>9.3</b>	<b>9.4</b>	<b>9.7</b>

◆ **Goal 1** To partner with industry and the community to develop innovative solutions and to provide high quality continuing education courses and training programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of people served in professional activities.	1,577	1,800	1,766	2,000	2,200
Number of iProject and external (non-agency) research sponsors.	30	60	54	100	180

◆ **Goal 2** To provide meaningful community engagement opportunities through education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of attendees at K-12 outreach activities.	3,278	4,200	4,129	5,200	6,500

**Program Summary**

ACADEMIC SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To provide services and programs to faculty, staff and students in support of the instructional, research, and service mission of the university.*

**Description:**

Academic Support services include retention, preservation, and display of educational materials through libraries, museums and galleries; audio visual and other activities that aid in the transmission of information; separately budgeted course and curriculum development; and academic computing support.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,516.9	8,017.2	8,328.6
Other Appropriated Funds	5,977.3	323.4	323.4
Other Non Appropriated Funds	-477.4	-879.3	-1,078.0
<b>Total Funding</b>	<b>8,016.8</b>	<b>7,461.3</b>	<b>7,574.0</b>
<b>FTE Positions</b>	<b>67.8</b>	<b>66.0</b>	<b>69.4</b>

◆ **Goal 1** To provide Library Services as an integral and essential component in the academic success of students and faculty.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Library gate count	133,477	135,000	116,713	120,000	125,000
Workstations available for public use in library facilities	44	44	44	44	44
Number of hours the library is open each week	87	87	87	87	87

◆ **Goal 2** To provide students and faculty with the technological resources and services needed to support accomplishment of their academic goals.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of mediated classrooms	75	76	74	74	79
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	83	83	93	93	93
Percentage of site equipment outdated (>4 years old)	22	0	0	0	0

**Program Summary**

**STUDENT SERVICES**

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To foster the academic, social, emotional, and physical growth of learners by creating an inclusive holistic learning environment that offers services and opportunities for students to maximize their learning experience and become well-rounded productive citizens.*

**Description:**

Student Services includes functions and other activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program. These other activities include cultural events, student newspapers, intramural athletics, student organizations, nonacademic counseling and career guidance, student health services, and the administration at the senior vice presidential level.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	4,389.4	4,310.0	4,621.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	752.1	248.2	199.0
<b>Total Funding</b>	<b>5,141.5</b>	<b>4,558.2</b>	<b>4,820.4</b>
<b>FTE Positions</b>	<b>44.0</b>	<b>74.7</b>	<b>77.1</b>

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students receiving health care at the Student Health Center (provider/nurse visits)	1,685	1,850	2,069	2,275	2,500

◆ **Goal 2** To enhance the quality of students' educational experience by providing programs and services which promote involvement in university activities and enhance opportunities for future employment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Events and activities held for students each year	481	550	602	650	700
Registered campus clubs and organizations	73	80	74	79	84
Organizations physically recruiting on campus	70	77	106	109	112

◆ **Goal 3** To provide services that enhance the likelihood of students' academic success.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students participating in student advisement/registration workshops	453	500	550	600	650
Students living in first-year residential communities	241	320	420	500	550

**Program Summary**

INSTITUTIONAL SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**  
*To provide timely, efficient, and effective support for the university's mission of instruction, research, and public service goals through executive management, administrative information and services, adequate and well maintained facilities, and strong partnerships with alumni, community leaders, and State decision makers.*

**Description:**  
 Institutional Support includes central executive level activities concerned with management and long-range planning for the entire university and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, space management, employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fundraising.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	15,963.2	13,691.5	13,691.5
Other Appropriated Funds	2,000.0	2,000.0	2,000.0
Other Non Appropriated Funds	24,914.4	29,675.8	31,665.0
<b>Total Funding</b>	<b>42,877.6</b>	<b>45,367.3</b>	<b>47,356.5</b>
<b>FTE Positions</b>	<b>56.6</b>	<b>58.3</b>	<b>58.5</b>

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Job applications processed	4,170	5,338	1,820	2,002	2,202
<b>Explanation:</b> In FY14, a new applicant tracking system was implemented.					
Positions filled	95	114	66	73	80
Percent of agency staff turnover (classified staff only)	15.4	14.6	13.9	13.2	12.5
Administration as a percentage of total cost	1.12	1.19	1.12	0.93	0.90

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff as the campus grows.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Crime reports	123	143	125	133	141
Calls for service	1,436	1,507	1,303	1,368	1,436

**Program Summary**

AUXILIARY PROGRAM

Phone:  
 Not available

**Mission:**

**Description:**

## Agency Summary

ASU - WEST

Dr. Michael Crow, President  
 Phone: (480) 965-8972  
 A.R.S. § 15-1601

**Mission:**

*To become a comprehensive campus that balances the traditions of liberal arts education with responsiveness to the dynamics of workforce requirements. The West campus colleges and schools are committed to teaching and research that are innovative, interdisciplinary, collaborative and problem-based.*

**Description:**

ASU at the West campus is located in Phoenix and serves over 14,500 residential and commuter students of diverse ages, ethnicity, and experience through baccalaureate programs, master’s programs, doctoral programs and certificate programs. The West campus focuses on developing a learning community that addresses the needs of a diverse metropolitan environment. It does this by offering learner-centered academic programs that enhance learning through teaching, service and enrichment opportunities; promoting discovery and innovation; pursuing new knowledge; introducing insights and creative ideas through instruction; encouraging direct involvement in new fields of inquiry; investigating important community-based issues; and integrating with the community through service based on scholarship.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ INSTRUCTION	52,615.0	49,673.0	52,602.6
➤ ORGANIZED RESEARCH	6,911.1	6,896.3	7,453.0
➤ PUBLIC SERVICE	7,792.7	7,927.4	8,183.0
➤ ACADEMIC SUPPORT	21,021.5	21,275.0	21,626.2
➤ STUDENT SERVICES	9,821.6	9,623.6	9,911.2
➤ INSTITUTIONAL SUPPORT	44,986.3	43,187.5	47,065.5
<b>Agency Total:</b>	<b>143,148.2</b>	<b>138,582.8</b>	<b>146,841.5</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	33,519.0	33,519.0	36,221.0
Other Appropriated Funds	42,550.8	42,575.5	42,575.5
Other Non Appropriated Funds	67,078.4	62,488.3	68,045.0
<b>Total Funding</b>	<b>143,148.2</b>	<b>138,582.8</b>	<b>146,841.5</b>
<b>FTE Positions</b>	<b>755.5</b>	<b>792.8</b>	<b>817.6</b>

**Issue 1** Increase participation in postsecondary education and ultimately increase baccalaureate degree production

**Description** To broaden access to a quality education for all segments of the population, ASU must be positioned to accommodate the expected growth in high school graduates, particularly minority populations and a growing pool of older students requiring new job skills. Never in the history of Arizona has a university education been more important. Our knowledge-based economy and an ever-increasing trend toward globalization are changing the skills needed for success in the labor force. Yet, rising costs, need for financial aid, and years of under-funding for higher education place the idea of access at risk. Tuition rates approved by the Board of Regents in recent years and future changes consistent with Board policy will help to meet some of the increasing need for financial aid and improve affordability for a greater number of students.

ASU is strongly committed to providing access to college for all qualified students. Furtherance of this goal requires bold and sustained planning to provide for the projected increases in enrollments, primarily of undergraduate students. Continued investment will be necessary to provide the infrastructure for the enrollment growth envisioned at each of the campuses.

**Solutions:**

Strategy 1: Increase efforts to enroll more Arizona high school graduates.

Strategy 2: Increase the diversity of the student population.

Strategy 3: Enhance partnerships with the community colleges to facilitate more effective transfer processes.

Strategy 4: Increase ASU Online program offerings to increase access for students seeking ASU degrees.

Strategy 5: Provide flexibility in course offerings and educational modalities.

Strategy 6: Increase financial assistance available to needy students.

Strategy 7: Establish Colleges@ASU sites that will provide an opportunity for students to complete baccalaureate degrees at lower costs

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**Issue 2** Improve the quality of undergraduate and graduate education

**Description** Undergraduate and graduate education are the cornerstones of the university enterprise. Students seek a high quality education that prepares them to be successful in their careers, to contribute to society, and to become lifelong learners. Today's graduates must have strong communication, team building, and critical thinking skills as well as a global perspective to be successful.

A continued emphasis on providing a quality educational experience requires examining and evolving how the university designs and delivers its instructional programs to maximize the impact of education. Improvements can be accomplished through new pedagogical techniques, such as adaptive learning, collaborative learning, service learning, and other learner-centered approaches; through the appropriate use of technology to enhance the learning environment; through undergraduate education that focuses on the student as an individual; by providing seamless access to the services and resources required for learning and creative and intellectual inquiry; and by providing an environment that fosters student scholarship. ASU continues to conceptualize and create a wide range of new interdisciplinary schools, institutes, centers, and programs that will foster the development of new knowledge. In addition, ASU is enhancing learning environments that facilitate learner-centered delivery with improved instructional technologies and flexible room design. Necessary funding will provide the resources needed to improve the learning environments, to accommodate the increased student population, and to hire the faculty necessary to establish national standing for colleges and schools in every field.

**Solutions:**

Strategy 1: Increase the number of tenured and tenure-track faculty.

Strategy 2: Enhance the electronic systems that provide students with information to assist their academic planning and progress.

Strategy 3: Emphasize learning experiences that are outcomes-focused.

Strategy 4: Expand the use of alternative instructional methodologies and delivery methods.

**Issue 3** Recruit and retain faculty and staff in highly competitive national and local markets during a period of limited resources

**Description** Quality faculty members are fundamental to a quality university education. Without the best faculty members, providing Arizona citizens the superior quality higher education they deserve and the output of research innovations they expect is impossible, and Arizona will not be able to achieve the necessary cultural and economic vitality required for the state to thrive. At ASU, hiring and retaining outstanding faculty members continues to be a concern. Like the other Arizona universities, ASU struggles to consistently compete in the demanding marketplace of top institutions. With the funding provided by the state for salaries between FY05 and FY08, ASU made some progress in improving faculty salaries, enabling the University to recruit and retain highly recognized and respected academics in a variety of fields. But the average salary for faculty members continues to fall below most of its peer institutions. Staff salaries also continue to fall further behind comparable jobs in the relevant markets. Turnover among staff continues to be a significant problem, in part due to salaries that are not competitive with the local market.

**Solutions:**

Strategy 1: Close the gap on salaries as defined in the Faculty Peer Salary Analysis through an ongoing commitment of performance salary adjustments. State investment in faculty salaries is critical at this time to retain key faculty members as well as enabling ASU to continue attracting and successfully competing for the highest qualified new faculty members.

Strategy 2: Adopt and implement an ongoing commitment of salary improvement to address the significantly negative market position of staff (non-academic) salaries by targeting budgetary funds at a level anticipating salary movement of 3 - 4% per year, with allocations tied directly to outcome driven performance measures.

Strategy 3: Develop and maintain the laboratory facilities and the network and computational resources required by the research community. Maintaining competitiveness in research, faculty and student recruitment and retention requires well-equipped modern facilities as well as secure access to high capacity network connectivity; computational, data, and analytic resources required to support researchers; and the systems and application support staffing required by individual researchers, clusters, and research teams.

Strategy 4: Maintain the program to improve salary and benefits for graduate research and teaching assistants. Other universities with whom ASU competes for top-quality graduate students have better salary and benefits packages. Excellent graduate students are essential for improving the quality of both graduate programs and the broader research enterprise.



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**Issue 4** Expand research capabilities

**Description** ASU continues to vigorously pursue long-term initiatives in such areas as health and biosciences, advanced materials, security and defense systems, renewable energy and sustainability, learning sciences, informatics and communications. Over the five year period from 2007 to 2012, ASU was one of the ten fastest growing research enterprises, among U.S. universities with research portfolios exceeding \$100M in research expenditures [NSF Surveys]. ASU's goal is to establish itself as a global center for interdisciplinary research, discovery and development by growing its research expenditures to more than \$700M annually by 2020. To support our aspirations, ASU has defined seven strategies and four key focus areas that will allow us to continue our exceptional growth, serve the surrounding community and meet our 2020 research expenditure goal.

**Solutions:**

Strategy 1: Differentiate ASU from the competition through the procurement of large projects (> \$10 million) in several key target areas; health and biosciences, urban sustainability, flexible electronic systems, light-inspired energy, personalized learning, security and defense, and complex adaptive systems.

Strategy 2: Pursue a University Affiliated Research Center (UARC)-like entity (a research laboratory) on the scale of \$50-\$100 million per year, in energy, sustainability, aerospace, national security, or biosciences.

Strategy 3: Continue to promote and support ASU's \$50,000-\$750,000 projects from across the university through the improvement of the Office for Research and Sponsored Project Administration infrastructure, expansion of faculty opportunity search capabilities and providing assistance to the research deans for opportunity identification and development.

Strategy 4: Continue to expand research funding from foundations and individual donors by working closely with the Foundation to support its activities.

Strategy 5: Expand our collaborative research activities with industry to take advantage of their desire to shift basic and applied research requirements to university labs.

Strategy 6: Continue to pursue angel and venture investment in emerging companies. Activities will include developing a best-in-class intellectual property team and extension of Sky Song's entrepreneurship agenda.

Strategy 7: Provide sufficient research infrastructure.

**Key Focus Area #1: Incorporate new approaches, including increased focus on interdisciplinary research**

In keeping with the spirit of the New American University vision, we will continue to expand our research capabilities through an interdisciplinary approach. Interdisciplinary research involves not only drawing upon the expertise across the University but also includes partners such as industry, national laboratories, academia and clinical entities. We are focusing our efforts in bringing together researchers from disparate disciplines to tackle complex questions central to the areas of strategic interest. The Biodesign Institute and its research centers exemplify this approach. We are working on new industry-university consortium models that bring together industry and University researchers working collaboratively to address national challenges and result in significant educational and economic impact. We are increasingly focusing our research on global problems with local relevancy. We are also creating the ecosystems for promotion of innovation and entrepreneurship activities.

**Key Focus Area #2: Increase participation in multi-institutional grants and consortiums**

It is a strategic goal of ASU to be successful in securing several multi-institution, multi-disciplinary, multi-year, multi-million dollar (\$4M) research projects. A specific goal is to secure a national research laboratory or its equivalent by 2020. To achieve this objective, we will cultivate, identify, target and develop \$4M research opportunities leveraging ASU strengths in strategic research areas. Competitive teams and consortium will be constructed by bringing in complementary strengths through partnerships with national laboratories, academia, industry and government partners to successfully secure these grants.

**Key Focus Area #3: Accelerate technology transfer initiatives**

As ASU's research enterprise has expanded over the past several years, AzTE has undertaken a variety of activities in furtherance of its mission to facilitate advancement of University technology into the marketplace.

- Closely align AzTE functions and support with established and new research initiatives
- Continue focus and support of existing initiatives and programs
- Increase connectivity with investors and industry through conferences and other outreach activities

- Form a seed stage venture capital fund led by ASU to accelerate the number of faculty related spin-outs
- Increase technology exposure through cross marketing activities with other universities
- Increase faculty interaction and outreach, including the establishment of an AzTE office on campus to foster faculty relationships and commercialization activities

#### Key Focus Area #4: Improve infrastructure to support research

Achieving our research expenditure goals will require additional research space. A recent Space Analysis found that an impending research space shortage threatens to limit the University's ability to meet its research goals. The University must develop plans to repurpose existing space and construct new facilities. To develop these plans the University has undertaken an effort to survey unused and underused space, determine return on investment of allocated space and consistently revisit space allocation to respond to the dynamic research needs. Results will be shared with all stakeholders and plans to refurbish and repurpose will be developed to meet current and future needs. Funds for construction of new buildings will involve State, Federal and Philanthropic entities. The University will work with the State to clearly define research priorities and communicate current and future space requirements. Federal and Philanthropic funding opportunities will also be explored where appropriate to address the current and future space requirements.

The University's information technology infrastructure is continuously challenged to keep pace with the rapid increase in externally funded research. To meet the demands of research growth and to plan for future growth, new tools must be designed and implemented across the Research Enterprise in a way that leverages existing IT infrastructure and increases functionality for the entire Research community. Implementation of an end-to-end research administration system will allow for immediate process improvements and continued research expenditure growth. The improvement of the information technology infrastructure will be executed concurrently with the reorganization of research administration personnel and business processes.

#### **Issue 5** Enhance and improve local impact and social embeddedness

**Description** Development of ASU requires the university to be a fully engaged and integral part of the social, cultural, and economic fabric of the metropolitan area and the state of Arizona. ASU will demonstrate its social embeddedness to the extent that the faculty and staff are supporting and sustaining communities and solving problems through applied research, service, and partnerships in the P-12 education system, business and industry, government, and the community. ASU must assist in building a socially diverse and economically viable community, in developing civic and community leadership, and in addressing challenges such as poverty, growth, economic development and diversification, social infrastructure, and quality of life. Achieving a higher degree of social embeddedness requires a change in the internal culture of the university as well as a change in the role of the university in the eyes of the community. The university must continue to expect employees to contribute to community life through their expertise, intellect, and engagement. And the community must come to see the university as the key resource and place to get advice about community issues and solutions to community problems.

#### **Solutions:**

Strategy 1: Address the interests and workforce needs of the metropolitan area and state in times of diminishing economic resources.

Strategy 2: Enhance partnerships with the community and the state.

Strategy 3: Increase the number of qualified teachers to meet the K-12 educational demands of a growing population and provide opportunities for continuing development

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**Issue 6** Maintain quality and breadth of baccalaureate degree programs in an environment of diminished resources and plans for cost constraints

**Description** In 2011, in response to the FY 2012 Higher Education Budget Reconciliation Bill, the Arizona Board of Regents convened a workgroup to extensively study and propose a methodology to address the General Fund per FTE student funding disparity among the three Arizona universities. As an outcome of the study, ASU requested and received a total of \$45.5 million over the past three fiscal years (FY 2013-FY 2015). ASU considers the legislative obligation to appropriate parity funding to be complete.

In addition to addressing the aforementioned funding disparity and providing equitable competitive funding structures, ABOR has endorsed the legislatively mandated funding model that calls for performance funding based on metrics and goals set for each of the universities. The ASU metrics focus on degree completion, class enrollments, and research growth. In addition to performance in these three elements, the funding model lends added weight to degrees related to the STEM fields (Science, Technology, Engineering and Mathematics), and other higher-value degrees that are in short supply or identified as essential to the State of Arizona's economic development strategy. The ASU budget request for performance funding is based on increases in each of these metrics. ASU's FY 2016 request includes \$38.3 million for performance funding based on its performance on the ABOR approved metrics over the FY 2012-2014 timeframe.

**Solutions:**

Strategy 1: Restructure funding mechanisms to fund performance based upon achieving specific metrics and deliverables.

Strategy 1: Continue to introduce innovative curricula structures and student advising programs to improve outcomes within an efficient cost structure

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	20.0	20.0	20.0
<b>General Fund</b>	2,702.0	2,702.0	2,702.0
<b>Other Appropriated Funds</b>	3,073.1	2,202.4	2,312.6
<b>Non-Appropriated Funds</b>	1,479.9	1,524.3	1,570.0
<b>Federal Funds</b>	811.7	860.4	912.1

**Program Summary**

INSTRUCTION

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To offer high quality academic degrees, general studies, and honors programs that prepare graduates for personal growth, fulfilling careers, and lifelong contributions to the quality of intellectual life in the community, state, region, and nation.*

**Description:**

Instruction is comprised of activities carried out during the academic year, summer sessions, and other periods outside the regular term and associated with degree credit and non-credit academic courses. This program also includes faculty departmental research and public service activities that are not separately budgeted and academic administration where instruction plays an important role, such as at the dean and department chair levels.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	2,029.2
Other Appropriated Funds	30,393.2	31,056.4	31,056.4
Other Non Appropriated Funds	22,221.8	18,616.6	19,517.0
<b>Total Funding</b>	<b>52,615.0</b>	<b>49,673.0</b>	<b>52,602.6</b>
<b>FTE Positions</b>	<b>428.8</b>	<b>452.3</b>	<b>469.7</b>

◆ **Goal 1** To improve undergraduate and graduate education.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of undergraduate degree recipients participating in research related or capstone (case study) experience	97	97	92	92	93
Percent of graduating seniors who rate their overall university experience as good or excellent	88	89	88	89	89
Percent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	74	75	73	74	75
Fall semester enrollment (full-time equivalent)	6,202	6,364	6,364	6,609	6,856
Minority graduate students as a percentage of total enrollment	24.4	25.0	26.2	26.5	27.0

◆ **Goal 2** To provide support services and courses that assist students in achieving academic success.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of undergraduate students graduating with internships and field experiences	39	40	31	33	35
Number of tutorials offered by Academic Success Programs	7,410	7,710	10,248	11,785	13,553

◆ **Goal 3** To retain students and help them graduate.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of first-time, full-time freshman persisting after one year	78.1	80.0	84.2	84.5	85.0
Percent of first-time, full-time, upper-division, degree-seeking undergraduate students graduating in four years	82	83	85	86	87
Number of degrees granted	1,418	1,448	1,357	1,385	1,430
Number of Bachelors degrees granted	1,090	1,128	1,029	1,065	1,102
Number of Masters degrees granted	312	320	312	320	328

**Program Summary**

ORGANIZED RESEARCH

Melinda Gebel, Director  
Phone: (480) 965-2318  
A.R.S. § 15-1601

**Mission:**

*To foster pre-eminent scholarship and creative activity that serves the citizens of Arizona through the development, application, and transfer of new knowledge especially beneficial to Arizona.*

**Description:**

Organized Research includes research activities taking place within centers, divisions, bureaus, institutes and experiment stations formally approved by the Arizona Board of Regents. These activities are specifically created and organized to produce research, whether separately budgeted within the university or commissioned by an external agency, as with federal grants and contracts.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	6,911.1	6,896.3	7,453.0
<b>Total Funding</b>	<b>6,911.1</b>	<b>6,896.3</b>	<b>7,453.0</b>
<b>FTE Positions</b>	<b>22.5</b>	<b>23.2</b>	<b>23.8</b>

◆ **Goal 1** To provide a variety of research related opportunities for faculty so that they can improve their teaching and research activity skills.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Dollar value of proposals submitted (in millions)	64.9	77.5	59.0	85.6	94.2
External dollars received for research and creative activity (in millions)	11.4	12.3	26.0	13.3	20.0
Dollar value of total research expenditures (in millions)	7.6	7.8	12.0	8.3	9.0
Dollar value of externally funded, non-research expenditures (in millions)	15.9	16.5	17.0	17.5	18.0

**Program Summary**

PUBLIC SERVICE

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To serve the public by offering a public telecommunications system, by providing the finest available artists and productions in music, theater and dance, by establishing partnerships with local industry and educational institutions to foster community engagement, and by serving as a resource and focal point in providing information about various university services to the business community and economic development professionals.*

**Description:**

Public Service includes those activities established primarily to provide services beneficial to individuals and groups external to the university to enhance corporate and community engagement. Public Service includes conferences, general advisory services, reference bureaus, public radio and television, consulting, continuing education and professional development programs, and similar services to particular sectors of the community.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	7,792.7	7,927.4	8,183.0
<b>Total Funding</b>	<b>7,792.7</b>	<b>7,927.4</b>	<b>8,183.0</b>
<b>FTE Positions</b>	<b>34.8</b>	<b>35.8</b>	<b>36.8</b>

◆ **Goal 1** To serve local businesses and communities through various partnerships, events, and activities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of community/business participatory events both on and off campus.	TBD	TBD	TBD	TBD	TBD

**Program Summary**

ACADEMIC SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To provide services and programs to faculty, staff and students in support of the instructional, research, and service mission of the university.*

**Description:**

Academic Support services include retention, preservation, and display of educational materials through libraries, museums and galleries; audio visual and other activities that aid in the transmission of information; separately budgeted course and curriculum development; and academic computing support.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	7,382.7	8,412.7	8,774.1
Other Appropriated Funds	10,557.6	9,919.1	9,919.1
Other Non Appropriated Funds	3,081.2	2,943.2	2,933.0
<b>Total Funding</b>	<b>21,021.5</b>	<b>21,275.0</b>	<b>21,626.2</b>
<b>FTE Positions</b>	<b>106.0</b>	<b>103.3</b>	<b>106.7</b>

◆ **Goal 1** To develop a cohesive integrated tiered reference/research support service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Library volumes	327,520	327,800	323,505	320,500	318,500
Items checked out including renewals	18,617	18,000	12,760	13,000	13,000
Items borrowed from other ASU libraries	2,250	2,500	1,548	1,300	1,300
Items borrowed from libraries outside ASU	1,135	1,200	1,101	1,150	1,200

◆ **Goal 2** To improve technology equipment access, training, and support for students.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of mediated classrooms	45	46	55	55	58
Percentage of classrooms with mediation	100	100	100	100	100
Number of common computing site seats	144	144	144	144	125
Percentage of site equipment out dated (>4 years old)	0	0	0	0	0

**Program Summary**

**STUDENT SERVICES**

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**

*To foster the academic, social, emotional, and physical growth of learners by creating an inclusive holistic learning environment that offers services and opportunities for students to maximize their learning experience and become well-rounded productive citizens.*

**Description:**

Student Services includes functions and other activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program. These other activities include cultural events, student newspapers, intramural athletics, student organizations, nonacademic counseling and career guidance, student health services, and the administration at the senior vice presidential level.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	9,174.7	9,374.8	9,686.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	646.9	248.8	225.0
<b>Total Funding</b>	<b>9,821.6</b>	<b>9,623.6</b>	<b>9,911.2</b>
<b>FTE Positions</b>	<b>79.7</b>	<b>94.6</b>	<b>97.0</b>

◆ **Goal 1** To promote the emotional and physical well-being of students by providing quality health care services.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Students receiving health care on campus	1,621	1,686	1,530	1,606	1,686
Disabled students served	180	215	117	150	190

◆ **Goal 2** To enhance the quality of students' educational experience by providing programs and services which promote involvement in university activities and enhance opportunities for future employment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Registered campus clubs and organizations	48	55	67	72	77
Student participation in advising services, workshops, career events, job fairs, on-campus interviews and specials events offered by Career Services to assist students seeking employment and/or career guidance	5,496	5,596	5,184	5,340	5,500
Organizations physically recruiting on campus	199	209	168	173	178



**Program Summary**

INSTITUTIONAL SUPPORT

Melinda Gebel, Director  
 Phone: (480) 965-2318  
 A.R.S. § 15-1601

**Mission:**  
*To provide timely, efficient, and effective support for the university's mission of instruction, research, and public service goals through executive management, administrative information and services, adequate and well maintained facilities, and strong partnerships with alumni, community leaders, and State decision makers.*

**Description:**  
 Institutional Support includes central executive level activities concerned with management and long-range planning for the entire university and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, space management, employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fundraising.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	16,961.6	15,731.5	15,731.5
Other Appropriated Funds	1,600.0	1,600.0	1,600.0
Other Non Appropriated Funds	26,424.7	25,856.0	29,734.0
<b>Total Funding</b>	<b>44,986.3</b>	<b>43,187.5</b>	<b>47,065.5</b>
<b>FTE Positions</b>	<b>83.7</b>	<b>83.6</b>	<b>83.6</b>

◆ **Goal 1** To provide comprehensive administrative and human resource services to the campus community.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Job applications processed	4,498	5,398	2,629	2,892	3,181
<b>Explanation:</b> In FY14, a new applicant tracking system was implemented.					
Positions filled	81	101	68	75	82
Percent of agency staff turnover (classified staff only)	15.0	14.3	12.7	12.1	11.5
Administration as a percent of total cost	1.75	1.66	1.63	1.57	1.52

◆ **Goal 2** To provide a safe and secure environment that responds to the needs of students, faculty, and staff.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Crime reports	107	114	106	118	126
Calls for Service	1,114	1,120	1,103	1,158	1,215

**Program Summary**

AUXILIARY PROGRAM

Phone:  
 Not available

**Mission:**  
**Description:**

## Agency Summary

### NORTHERN ARIZONA UNIVERSITY

Dr. Rita Cheng, President  
 Phone: (928) 523-3232  
 A.R.S. §§ 15-1601 et seq.

**Mission:**

*To provide an outstanding undergraduate residential education strengthened by research, graduate and professional programs, distance delivery, and innovative new campuses and programs throughout the state.*

**Description:**

Founded in 1899, Northern Arizona University is a vibrant community committed to teaching as learning, research as innovation, and service as shared leadership.

Accredited by the Higher Learning Commission/North Central Association of Colleges and Schools, the university embraces diversity and promotes inclusion across the university community as a means to prepare graduates to contribute to the social, economic, and environmental needs of a culturally rich society. It inspires students to become active citizens, leaders, visionaries, and problem solvers with an understanding of global issues.

Northern Arizona University is a part of the Arizona University System and embraces its vision of being a “top-performing state university system, nationally recognized for excellence in academic and research pursuits that support and stimulate a growing vibrant economy and a high quality of life for Arizonans.”

In addition to integrating sustainability themes across curriculum, Northern Arizona University’s beautiful 740 acre campus models sustainable operations through multi-modal transportation, environmentally responsible waste disposal, energy-efficient green construction, and sustainability in food procurement. In August 2011, the university was awarded a silver rating from the Sustainability, Tracking, Assessment and Rating System (STARS).

With a growing enrollment over 27,000 students from all states including the District of Columbia and 73 countries, Northern Arizona University reaches out to students regionally with satellite campuses and opportunities for distance learning. From its inception, NAU has implemented innovative and accountable teaching practices, including the effective use of technology.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
➤ INSTRUCTION	171,697.9	183,118.5	184,407.8
➤ ORGANIZED RESEARCH	28,417.1	32,095.2	32,550.2
➤ PUBLIC SERVICE	2,417.9	2,290.6	2,290.6
➤ ACADEMIC SUPPORT	30,973.6	35,440.4	39,590.7
➤ STUDENT SERVICES	135,894.2	140,771.0	144,376.5
➤ INSTITUTIONAL SUPPORT	72,953.8	89,018.5	85,041.8
➤ AUXILIARY PROGRAM	63,696.4	68,129.8	75,550.0
<b>Agency Total:</b>	<b>506,050.9</b>	<b>550,864.0</b>	<b>563,807.6</b>

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	108,334.2	117,107.1	131,072.9
Other Appropriated Funds	120,281.1	132,857.5	132,857.5
Other Non Appropriated Funds	277,435.6	300,899.4	299,877.2
<b>Total Funding</b>	<b>506,050.9</b>	<b>550,864.0</b>	<b>563,807.6</b>
<b>FTE Positions</b>	<b>3,238.9</b>	<b>3,370.7</b>	<b>3,525.4</b>

## 5 Year Plan

### Issue 1 Undergraduate Education

**Description** The core of the university mission is to provide outstanding undergraduate residential education through high-engagement, high-impact instruction. Northern Arizona University serves students from all socio-economic backgrounds, but with the lowest tuition rates among the three state institutions, the university is especially attractive to many Pell-grant recipients and first generation students.

**Solutions:**

- Improve retention and student success through impactful practices
- Invest in distinctive, high demand programs in healthcare fields and STEM
- Leverage technology to pursue degree quality and cost containment

### Issue 2 Access

**Description** The institution’s extensive network of community campuses and a long history of delivering online degree programs to non-traditional students across the state result in a significant off-main campus student enrollment. Lower-cost options, such as Personalized Learning, NAU Yavapai with its three-year baccalaureate degrees, and NAU Yuma expand access to higher education to time- and place-bound students whose options are otherwise limited.

**Solutions:**

- Expand transfer student pipeline
- Build out Personalize Learning
- Maintain lower cost options for baccalaureate degrees

### Issue 3 Research

**Description** The university’s research funded mostly through federal and state grants and contracts is nationally recognized in selective areas of excellence. While not as extensive as at the other state institutions, research and public service activities have deep regional roots and global impact.

**Solutions:**

- Increase number of research-active faculty and post-doctoral scholars
- Incentivize participation in technology transfer and increase technology marketing efforts
- Foster biomedical research partnerships
- Support research centers and institutes focusing on regionally-relevant public service

### Issue 4 Financial Stability

**Description** With a relatively young Foundation and lower overall endowment levels, the university is mostly dependent on tuition revenue and state funding to serve Arizona’s higher education and workforce needs. With high enrollments, moderate tuition rates, and a limited ability to offer competitive financial aid awards, the university is carefully balancing enrollment management goals with financial sustainability of the entire enterprise.

**Solutions:**

- Maintain high productivity of degrees awarded
- Continue to pursue tuition differentiation
- Balance enrollment growth and mix with fiscal goals
- Optimize investments in facility maintenance and new infrastructure

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	110.0	115.0	120.0
<b>General Fund</b>	9,786.0	10,030.0	11,200.0
<b>Other Appropriated Funds</b>	4,980.0	5,529.0	5,681.0
<b>Non-Appropriated Funds</b>	318.0	3,878.0	4,072.0
<b>Federal Funds</b>	3,456.0	3,977.0	4,335.0

## Program Summary

### INSTRUCTION

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To increase the educational attainment of Arizona citizens by producing enough high-quality university degrees for the state to be nationally competitive by the year 2020.*

#### Description:

Northern Arizona University, a public, high-research activity university, serves nearly 20,000 students at its main campus in Flagstaff and at more than 38 sites across the state.

With its solid reputation as a university with all the features of a large institution but with a personal touch, NAU carefully balances teaching, scholarship and service with a faculty and staff dedicated to each student's success.

The emphasis is on undergraduate education, but you'll also find a wide range of graduate programs and research that extend to such national concerns as forest health and bioterrorism. NAU has carefully integrated on-campus education with educational opportunities online and at campuses and sites throughout Arizona, forming seamless avenues for students to earn degrees.

#### This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Instruction
- ▶ Yuma Instruction

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,275.6	3,899.0	12,622.7
Other Appropriated Funds	114,781.1	117,857.5	117,857.5
Other Non Appropriated Funds	53,641.2	61,362.0	53,927.6
<b>Total Funding</b>	<b>171,697.9</b>	<b>183,118.5</b>	<b>184,407.8</b>
<b>FTE Positions</b>	<b>1,305.0</b>	<b>1,365.9</b>	<b>1,442.9</b>

## Subprogram Summary

### FLAGSTAFF AND STATEWIDE INSTRUCTION

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To increase the educational attainment of Arizona citizens by producing enough high-quality university degrees for the state to be nationally competitive by the year 2020.*

#### Description:

Improving student learning environment and college experience, focusing on student success, involving students in research opportunities, and promoting interdisciplinary pedagogy are key initiatives supporting university's strategic goal of being a learning-centered university. Additionally, enhancing technology-enabled learning environment, accelerating graduation time, and providing new access initiatives are important toward achieving student access, learning, persistence, and affordability.

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<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	1,081.6	1,469.0	10,192.7
Other Appropriated Funds	114,781.1	117,857.5	117,857.5
Other Non Appropriated Funds	53,685.1	61,300.9	53,802.6
<b>Total Funding</b>	<b>169,547.8</b>	<b>180,627.4</b>	<b>181,852.8</b>
<b>FTE Positions</b>	<b>1,278.1</b>	<b>1,340.5</b>	<b>1,417.5</b>

◆ **Goal 1** To provide access to educational opportunities for undergraduate and graduate students.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of students enrolling in study abroad programs.	3	3	3	3	4
Increase the number of historically underrepresented ethnic students.	8,213	8,250	8,576	8,600	8,650
Increase the number of International students.	1,158	1,170	1,275	1,300	1,350
Increase the number of Native American students.	1,250	1,275	1,693	1,695	1,700
<b>Explanation:</b> Change in measure.					
Bachelor degrees granted to statewide students, (includes community campuses and online only).	1,303	1,305	1,477	1,485	1,500
<b>Explanation:</b> Bachelor degrees granted to statewide students, (includes community campuses and online only).					
Total degrees and certificates granted (includes all campuses).	6,525	6,575	7,250	7,255	7,255
<b>Explanation:</b> Total degrees and certificates granted (includes all campuses).					
Percentage of full-time, undergraduate students enrolled per semester in three or more primary courses with ranked faculty	73	73	79	79	80
Number of Bachelor degrees granted	4,417	4,450	4,456	4,460	4,485
Percent of graduating seniors who rate their overall university experience as good or excellent	97	97	92	92	93
<b>Explanation:</b> Data reflects a minor change in the survey population. Going forward values should be approximately 92%.					
Average number of years taken to graduate for students who began as first-time, full-time freshmen.	4.6	4.6	4.5	4.5	4.5
<b>Explanation:</b> First-time, full-time freshmen					
Graduate degrees awarded at the master's level	1,416	1,450	1,441	1,450	1,450
<b>Explanation:</b> Graduate degrees/certificates awarded at the master's level (All campuses)					
Graduate degrees awarded at the doctoral level	51	55	68	69	69
<b>Explanation:</b> Graduate degrees awarded at the doctoral level (All campuses)					
Doctorate degrees awarded in the DPT category.	47	49	45	46	46
<b>Explanation:</b> Doctorate degrees awarded in the DPT category.					
Graduate degrees granted (Statewide and Online only)	979	990	993	995	995
<b>Explanation:</b> Graduate degrees granted (Statewide and Online only, includes masters and doctorates.)					

**Subprogram Summary**

YUMA INSTRUCTION

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To serve the higher educational learning needs of Yuma and the lower Colorado River Region.*

**Description:**

NAU-Yuma offers a growing number of baccalaureate and master's degree programs. Areas of study include biology, business, criminal justice, education, environmental science, nursing, psychology, sociology, social work and Spanish. In partnership with our Flagstaff campus we offer additional course options online. Co-located on the beautiful campus with Arizona Western College, NAU-Yuma is a student-oriented educational community, offering schedules designed for working students, smaller classes and individualized academic advising. NAU-Yuma now has a free Writing Center available to students, services include: consultation on writing issues, classroom visits, writing workshops, writing materials, and online resources.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,194.0	2,430.0	2,430.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-43.9	61.1	125.0
<b>Total Funding</b>	<b>2,150.1</b>	<b>2,491.1</b>	<b>2,555.0</b>
<b>FTE Positions</b>	<b>26.9</b>	<b>25.4</b>	<b>25.4</b>

◆ **Goal 1** To provide access to higher education learning experiences for Yuma Arizona students.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Arizona residents enrolled in undergraduate programs.	521	575	478	500	500
Bachelor degrees/certificates granted to Yuma students.	157	160	150	155	155
Undergraduate degree programs offered, per ABOR Academic Program Inventory.	14	14	9	10	10
<b>Explanation:</b> Change in counting method.					
Graduate degree programs offered, <a href="http://yuma.nau.edu/DegreeSearch.aspx#Type=M,D&amp;Mode=B&amp;Loc=YUMA">http://yuma.nau.edu/DegreeSearch.aspx#Type=M,D&amp;Mode=B&amp;Loc=YUMA</a>	15	15	16	16	16
Percent of students graduating (6-year for first time, freshmen.)	67	69	67	68	68
Percent of students graduating (5 year rate for lower-division, full-time transfer students.)	81	82	81	82	82
Percent of students graduating (4 year rate for upper division, full-time transfer students.)	77	78	77	77	77

◆ **Goal 2** To provide a rich learning environment with exposure to diverse populations and cultures for all Yuma students.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent Hispanic graduate students enrolled at the Yuma campus.	58	59	56	57	57
Hispanic student degrees awarded at YUMA (includes certificates).	153	155	133	135	135
Percent of Hispanic undergraduate students at the Yuma campus.	69	70	69	70	70

**Program Summary**

**ORGANIZED RESEARCH**

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To foster opportunities for research, scholarship, and creative activity, and to ensure accountable and increase the prominence of the system's research enterprise so that it can contribute to the knowledge economy and improve the quality of life in Arizona.*

**Description:**

Faculty, students, and staff at Northern Arizona University are actively engaged in their disciplines and in scholarly work, and NAU is known and recognized as the major research university producing basic and applied knowledge addressing the challenges of the interior western US. NAU graduates understand the nature of research, investigation, and original work, and are prepared to contribute such work to their communities and employers. NAU is nationally known as a center for first-rate undergraduate research and creative work.

**This Program Contains the following Subprograms:**

- ▶ Flagstaff and Statewide Organized Research
- ▶ Yuma Organized Research

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	2,256.0	5,901.8	5,901.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	26,161.1	26,193.4	26,648.4
<b>Total Funding</b>	<b>28,417.1</b>	<b>32,095.2</b>	<b>32,550.2</b>
<b>FTE Positions</b>	<b>232.9</b>	<b>239.8</b>	<b>243.5</b>



**Subprogram Summary**

FLAGSTAFF AND STATEWIDE ORGANIZED RESEARCH

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To advance knowledge and economic development through integrated, intentional research and scholarship on the Flagstaff campus and other Arizona communities.*

**Description:**

Northern Arizona University's research and creative activities result in new knowledge and innovation that:

- strengthens the outstanding education provided by the university;
- fosters the continued learning of faculty, staff and students;
- and benefits the environmental, economic, and cultural vitality of our region and society.

The Flagstaff campus is where you will find linked graduate education and scholarship – strong master's degree programming with a clear professional and applied focus, select doctoral programs and primarily applied research. NAU will undertake initiatives in areas and platforms of recognized and developing excellence such as bioscience, sustainability systems, and Native American programs.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,256.0	5,901.8	5,901.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	26,161.1	26,193.4	26,648.4
<b>Total Funding</b>	<b>28,417.1</b>	<b>32,095.2</b>	<b>32,550.2</b>
<b>FTE Positions</b>	<b>232.9</b>	<b>239.8</b>	<b>243.5</b>

◆ **Goal 1** To offer graduate programs contributing to research and innovation in Arizona

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Graduate students enrolled in Flagstaff's Master's level programs.	1,330	1,400	1,236	1,300	1,300
Graduate students enrolled in Flagstaff's Doctoral level programs.	384	385	373	385	385
Graduate degrees granted to Flagstaff students, (masters and doctorates).	485	500	489	495	495

◆ **Goal 2** To offer graduate programs which meet needs for graduate level instruction, such as teacher education or advanced professional training.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Graduate students enrolled in statewide Master's level programs.	3,380	4,000	3,057	3,100	3,100
Graduate students enrolled in statewide Doctoral level programs.	172	175	202	190	190

## Subprogram Summary

### YUMA ORGANIZED RESEARCH

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To advance knowledge through integrated, intentional research and scholarship at NAU-Yuma.*

#### Description:

NAU-Yuma, a branch campus is committed to developing resources related to its mission to provide baccalaureate and graduate programming for Yuma students, and growing knowledge that contributes to the growth and development of Yuma students and the southwestern Arizona economy and quality of life.

NAU-Yuma is offering a federally funded grant called "Preparing Rural Inclusive Special Educators" (PRISE) that pays participants for 5 out of 6 semesters for students focusing on special education. Sufficient funding to support 15 students was received.

- ◆ **Goal 1** To offer graduate programs which meet needs for graduate level instruction, and expand integrated, intentional research and scholarship.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Yuma Graduate students enrolled in Master's level programs.	127	130	124	130	130
Yuma Graduate students enrolled in Doctoral level programs	5	5	2	3	3

**Program Summary**

**PUBLIC SERVICE**

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

**Mission:**

*To elevate the environmental, economic, social, and cultural vitality of our communities through collaborative stewardship of place.*

**Description:**

Northern Arizona University engages in a significant level of applied research and public service focused on the peoples and areas served. Examples of public service programs include the Arizona K-12 Center, KNAU-FM radio, the Institute for Human Development, the Civic Service Institute, the Institute for Tribal Environmental Professionals, the Institute for Native Americans, the Art Museum, and other programs benefiting Arizona.

**This Program Contains the following Subprograms:**

- ▶ Flagstaff and Statewide Public Service
- ▶ Yuma Public Service

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,417.9	2,290.6	2,290.6
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,417.9</b>	<b>2,290.6</b>	<b>2,290.6</b>
<b>FTE Positions</b>	<b>7.9</b>	<b>7.9</b>	<b>7.9</b>

**Subprogram Summary**

**FLAGSTAFF AND STATEWIDE PUBLIC SERVICE**

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

**Mission:**

*To support innovation, volunteerism, and engagement in our communities and to use the university's abundant artistic and civic service resources to enhance our engagement with the community and the world.*

**Description:**

Northern Arizona University promotes scholarship that increases engagement with local communities and addresses key global challenges and partners with individuals, institutions, and communities to advance renewable resources and sustainable practices. Northern Arizona University also serves as the cultural center for northern Arizona through its 100,000-watt public radio station, including 13 transmitters and by providing public access to theatrical, musical, and artistic events.

The Civic Service Institute (CSI) enhances the quality of life in Arizona and the Southwest Region by engaging volunteers, contributing their time which enhances their skills, serving others with needs and helping non-profit organizations meet critical community needs.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,000.8	2,264.1	2,264.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	23,956.2	24,913.1	24,581.7
<b>Total Funding</b>	<b>25,957.0</b>	<b>27,177.2</b>	<b>26,845.8</b>
<b>FTE Positions</b>	<b>192.1</b>	<b>200.3</b>	<b>203.1</b>

◆ **Goal 1** To be a partner in the cultural climate of Arizona and the Southwest region.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Department of Theater season performances.	38	38	38	38	38
Music concerts and film series scheduled.	55	55	60	60	60

◆ **Goal 2** To enhance the quality of life in Arizona and the Southwest region.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Total Civic Service Institute Volunteer Hours.	397,760	400,000	350,095	400,000	400,000
To mobilize generations to give service assisting community agencies to meet critical community need.					
Collaborating Agencies under the Civic Service Institute.	370	350	319	325	325
To strengthen public and private community agencies throughout Arizona by increasing volunteer capacity in the following focus areas: disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families.					
Number of participating volunteers.	2,438	2,500	2,993	2,500	2,500
To mobilize generations, including youth, young adults, students, and older adults to give meaningful service in communities throughout Arizona and make a difference in the lives of others.					
Number of individuals benefited by CSI services.	76,259	45,000	130,863	50,000	50,000
To make a difference in the lives of others by mobilizing volunteers to assist individuals via community agencies throughout Arizona.					

## Subprogram Summary

### YUMA PUBLIC SERVICE

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To develop structures and practices that promote ties between NAU-Yuma and local business, industry, and cultural connections.*

#### Description:

NAU-Yuma is highly engaged in the community. They are continually developing undergraduate research projects that address issues relative to the region, as well as internships and service learning opportunities with local companies and agencies. NAU-Yuma works in collaboration with other institutions of higher education and the community to ensure that workforce and civic educational needs of the community are met.

A community effort that began in November 2006 called "One Book Yuma" chose Margot Mifflin's, "The Blue Tattoo" book as the community pick for the academic year 2014. This joint literacy effort encourages people to read and contemplate the same book, and come together to discuss it in a variety of settings.

[http://www.yumasun.com/news/blue-tattoo-the-one-book-yuma-selection/article\\_5e68a59e-6848-11e3-978f-0019bb30f31a.html](http://www.yumasun.com/news/blue-tattoo-the-one-book-yuma-selection/article_5e68a59e-6848-11e3-978f-0019bb30f31a.html)

Sponsors include: NAU, AWC, Yuma County Library District, Yuma Reading Council, The Yuma Arizona Sun and Yuma Friends of Yuma County Libraries.

◆ **Goal 1** To increase the workforce development with local business and NAU-YUMA.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Arizona Town Hall series Meetings held in Yuma. <a href="http://www.aztownhall.org/Events_Calendar">http://www.aztownhall.org/Events_Calendar</a>	2	2	2	2	2
Number of undergraduate programs offered.	23	23	20	21	21
Number of Arizona Western College transfer students who attend NAU	376	400	397	400	400

## Program Summary

### ACADEMIC SUPPORT

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To support quality student learning and to foster excellence in educational practices.*

#### Description:

The primary goals of academic support services are to ensure a commitment to student success and high expectations for student learning by all faculty, staff, and students. Academic support services support instruction through functions such as:

- (1) effective instructional design and pedagogy;
- (2) coordinating, assessing, and supporting academic programs to ensure close articulation of the offerings from various colleges and departments to ensure students fulfill general education and program learning expectations;
- (3) providing access to scholarly materials and other learning tools developed by the library;
- (4) providing for technology enhanced learning, and
- (5) internationalizing the campus.

In Fall 2011 NAU launched its ePlanning student portal that will significantly improve student access to vital academic and administrative information. As part of the ePlanning project students will receive timely and meaningful feedback on academic performance and progression to degree. Early intervention built into the project is designed to help students succeed and graduate on time.

#### This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Academic Support
- ▶ Yuma Academic Support

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	21,241.9	17,431.5	19,700.0
Other Appropriated Funds	5,500.0	15,000.0	15,000.0
Other Non Appropriated Funds	4,231.7	3,008.9	4,890.7
<b>Total Funding</b>	<b>30,973.6</b>	<b>35,440.4</b>	<b>39,590.7</b>
<b>FTE Positions</b>	<b>363.4</b>	<b>357.0</b>	<b>378.5</b>

## Subprogram Summary

### FLAGSTAFF AND STATEWIDE ACADEMIC SUPPORT

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

#### Mission:

*To offer exemplary academic support services to the Flagstaff campus and statewide communities.*

#### Description:

In order to respond effectively to the expected growth in the number of both traditional and nontraditional prospective Arizona students, Northern Arizona University is committed to providing support for Flagstaff students and students throughout the state.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	20,561.8	16,974.5	19,243.0
Other Appropriated Funds	5,500.0	15,000.0	15,000.0
Other Non Appropriated Funds	4,231.7	3,008.9	4,890.7
<b>Total Funding</b>	<b>30,293.5</b>	<b>34,983.4</b>	<b>39,133.7</b>
<b>FTE Positions</b>	<b>359.4</b>	<b>352.7</b>	<b>374.2</b>

◆ **Goal 1** To provide a physical and online environment that supports student and faculty learning, teaching and research.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of users in the library	460,193	500,000	524,822	535,000	550,000
Number of electronic journal titles available	63,276	63,500	69,300	71,000	73,000
Number of items provided for NAU students, faculty and staff via Document Delivery Services	31,814	32,500	23,579	25,000	28,000
Number of research consultations completed by library staff	924	1,000	510	525	550
Number of laptop check outs by students	30,228	34,000	27,551	38,000	34,000
Number of digital items available to end users in the Colorado Plateau Archives	101,324	106,000	105,727	111,000	111,000
Questions answered by Cline Library staff	10,137	11,000	10,585	11,000	11,000
Electronic books supplied by Cline Library	139,925	160,000	166,859	175,000	180,000
Study room and studio checkouts	16,693	18,000	21,402	20,000	23,500
Cline Library hours open per week	108.5	108.5	108.5	108.5	108.5

**Subprogram Summary**

YUMA ACADEMIC SUPPORT

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**  
*To provide leadership in the development, use, and assessment of technologies in administrative systems and educational programs.*

**Description:**  
 NAU – Yuma, a branch campus of North-Yuma’s partnerships with Arizona Western College (Yuma and La Paz Counties) and Imperial Valley College (Imperial County) provide students an innovative, direct path to complete four-year programs. NAU also shares an academic partnership with Imperial Valley College (IVC) in California. Under the Arizona Board of Regents' IVC students are able to take and transfer 6 credit hours at NAU-Yuma without having to pay out-of-state tuition fees.

Recently, the Accreditation Council for Business Schools and Programs Baccalaureate/Graduate Degree board of commissioners awarded the Yuma Branch Campus of Northern Arizona accreditation of its Bachelor of Business Administration (BBA) program.

The accreditation certifies that the teaching and learning processes within the business program meet the rigorous educational standards established by the council.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	680.1	457.0	457.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>680.1</b>	<b>457.0</b>	<b>457.0</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>4.3</b>	<b>4.3</b>

- ◆ **Goal 1** To improve statewide access to network services, general computing resources, and instructional technology for NAU YUMA faculty and students.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Computer lab internet hookups. The computer lab is available to all NAU and AWC students and is open more than 80 hours a week during the Fall and Spring semesters. <a href="http://yuma.nau.edu/StudentResources.aspx">Http://yuma.nau.edu/StudentResources.aspx</a>	186	190	125	130	130
<b>Explanation:</b> Change in Source					
NAU-YUMA and AWC academic libraries. As an NAU-Yuma student, you have access to two libraries for research resources and services. The AWC/NAU-Yuma Academic Library, located in the LR building (map), offers numerous class resources, as well as personal assistance from the NAU-Yuma Librarian. For library assistance, contact the library reference desk as 928-344-7777 or contact the NAU-Yuma Librarian directly at 928-317-6435.	2	2	2	2	2
The NAU Cline Library also provides NAU-Yuma students with tens of thousands electronic research resources. Cline librarians are ready to assist you via phone, email, chat, or text.					
Amount raised from the Yuma Chapter of the NAU Alumni Association for Scholarships.	16,000	16,500	20,523	17,500	18,000



**Program Summary**

**STUDENT SERVICES**

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To create a culture of inclusion that contributes to a rich learning experience and helps prepare students for a engaged social responsiveness in a global environment.*

**Description:**

A variety of innovative programs have been designed to attract students and help them persist at NAU. Student services are primarily provided by the division of Enrollment Management and Student Affairs, which includes the following campus service programs and activities: Student Affairs Administration, Student Life, Residence Life, Unions and Student Activities, Student Health, Counseling and Testing, Disability Resources, Native American Student Services, Financial Aid, Admissions, Inclusion and Multicultural Services (IMS) and Educational Support Programs.

The Office of Academic Affairs provides leadership for the following student service programs: Registrar’s, Gateway Student Success Center, First Year Seminar, University Advising, and Honors amongst others.

**This Program Contains the following Subprograms:**

- ▶ Flagstaff and Statewide Student Services
- ▶ Yuma Student Services

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	22,437.4	26,509.1	29,482.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	113,456.8	114,261.9	114,893.8
<b>Total Funding</b>	<b>135,894.2</b>	<b>140,771.0</b>	<b>144,376.5</b>
<b>FTE Positions</b>	<b>481.5</b>	<b>508.9</b>	<b>539.6</b>

**Subprogram Summary**

**FLAGSTAFF AND STATEWIDE STUDENT SERVICES**

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To recruit and retain students and provide services leading to student success.*

**Description:**

A variety of innovative programs have been designed to attract students and help them persist at NAU-Flagstaff. Residence Life and Dining Services collaborated to streamline business processes by combining housing and dining contracts. Enrollment Management Services provided 12 orientation sessions in fiscal year 2014 drew 4,390 students plus 6,421 parents and guests. In all, 29,544 students and guests participated in daily campus visits, Discover NAU and group tours, up from 23,660 in fiscal year 2013.

Union and Student Activities strive to offer the finest services, conveniences, and amenities for the students of NAU while providing cultural, social, leisure and recreational opportunities as part of a well-considered plan for the campus community. In addition the unit provides valuable experiential learning opportunities and leadership development.

Students studying in statewide programs also have access to a broad array of student services. Many services are delivered on line, such as reviewing the university catalogs, buying books, planning a career, viewing degree progress, or improving study skills through tutoring and tips. Statewide also offers in-person service, and local NAU campus staff are trained to help students get the support and access needed.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	22,291.3	26,329.4	29,303.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	113,281.4	114,261.9	114,893.8
<b>Total Funding</b>	<b>135,572.7</b>	<b>140,591.3</b>	<b>144,196.8</b>
<b>FTE Positions</b>	<b>477.5</b>	<b>505.9</b>	<b>536.6</b>

◆ **Goal 1** To assist Flagstaff students in cultural, physical, and social development/wellness by providing services, activities, and events.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Students use/participation: Counseling Services visits.	5,770	6,400	5,748	6,265	6,828
Inclusion and Multicultural Services (IMS) participants.	1233	1275	2,087	2,090	2,150
Total use of computer lab in Inclusion and Multicultural Services (IMS).	21,552	21,750	21,750	21,750	21,750
Number of Student Life registered organizations. <a href="https://nau.collegiatelink.net/organizations">https://nau.collegiatelink.net/organizations</a>	312	315	300	310	310

◆ **Goal 2** To support Flagstaff student learning by providing financial support services to qualified students within the specific limitations of the financial aid system.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Students receiving financial aid by categories: Scholarships	6,905	7,000	7,384	7,458	7,532
Students receiving financial aid by categories: Waivers	765	785	767	775	782
Students receiving financial aid by categories: Grants	7,655	7,800	7,784	7,862	7,940
Students receiving financial aid by categories: Employment	3,766	3,800	3,952	3,992	4,031
Students receiving financial aid by categories: Loans	9,930	10,000	9,828	9,926	10,026

◆ **Goal 3** To support Statewide student learning by providing financial support services to qualified students within the specific limitations of the financial aid system.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Students receiving financial aid by categories: Scholarships	464	465	507	512	517
Students receiving financial aid by categories: Waivers	199	200	161	163	164
Students receiving financial aid by categories: Grants	2,826	2,900	2,851	2,880	2,908
Students receiving financial aid by categories: Employment	86	100	51	52	52
Students receiving financial aid by categories: Loans	3,240	3,300	3,094	3,125	3,156

**Subprogram Summary**

YUMA STUDENT SERVICES

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. § 15-1601

**Mission:**

*To recruit and retain students and provide services leading to student success.*

**Description:**

NAU-Yuma is highly student centered and works with students to help them achieve educational and career goals. Student services staff are committed to making the learning experience easy to access and successful. Recently, NAU-Yuma has approved five student clubs/organizations: Psychology Club, Science Club, Social Work Student Association, Bien Hecho Volunteer Department and the Interdisciplinary Service Learning Organization (ISLO).

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	146.1	179.7	179.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	175.4	0.0	0.0
<b>Total Funding</b>	<b>321.5</b>	<b>179.7</b>	<b>179.7</b>
<b>FTE Positions</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>

◆ **Goal 1** To support NAU-Yuma student learning by providing financial support services to qualified students.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Students receiving financial aid by categories: Scholarships	147	150	141	142	144
Students receiving financial aid by categories: Waivers	6	10	4	4	4
Students receiving financial aid by categories: Grants	385	400	351	355	358
Students receiving financial aid by categories: Employment	24	25	18	18	18
Students receiving financial aid by categories: Loans	313	320	271	274	276

**Program Summary**

**INSTITUTIONAL SUPPORT**

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

**Mission:**

*To continuously improve institutional effectiveness and organizational performance.*

**Description:**

NAU-Yuma is in the early stages of development as a branch campus of Northern Arizona University. In the past, institutional support functions for NAU-Yuma were handled by the central Northern Arizona University offices. These functions will evolve at NAU-Yuma during the next two years.

As an Hispanic Serving Institution (HSI) branch campus, NAU-Yuma provides NAU faculty in Flagstaff and across the state with applied research opportunities in areas that facilitate trans-border studies, economic development, public safety and health, multicultural education, and environmental sustainability.

**This Program Contains the following Subprograms:**

- ▶ Flagstaff and Statewide Institutional Support
- ▶ Yuma Institutional Support

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	56,705.4	61,075.1	61,075.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,248.4	27,943.4	23,966.7
<b>Total Funding</b>	<b>72,953.8</b>	<b>89,018.5</b>	<b>85,041.8</b>
<b>FTE Positions</b>	<b>544.1</b>	<b>559.8</b>	<b>563.0</b>

**Subprogram Summary**

**FLAGSTAFF AND STATEWIDE INSTITUTIONAL SUPPORT**

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

**Mission:**

*To maximize faculty and staff commitment through workforce practices and services that contribute to the long-term viability of the university and to advance NAU's mission by anticipating and providing exceptional services to the Flagstaff campus and statewide communities.*

**Description:**

Institutional Support services include the Affirmative Action Office, Capital Assets, the Comptroller's office, Human Resources, and many other offices committed to ensuring the university functions effectively and efficiently.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	56,705.4	61,075.1	61,075.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	16,248.4	27,943.4	23,966.7
<b>Total Funding</b>	<b>72,953.8</b>	<b>89,018.5</b>	<b>85,041.8</b>
<b>FTE Positions</b>	<b>544.1</b>	<b>559.8</b>	<b>563.0</b>

◆ **Goal 1** To enhance the safety and the learning/working environment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
NAU numbers of: Affirmative Action formal and informal complaints, consultations and ADA issue contacts.	325	400	413	400	425
People trained proactively by the Office of Affirmative Action and Equal Opportunity, on-line and in person.	3,367	3,900	4,019	4,000	4,200
People served by the Office of Employee Assistance and Wellness	4,352	4,320	4,741	4,500	4,500
Programs offered by the Office of Employee Assistance and Wellness	125	137	109	125	125
Internal audits conducted	14	9	10	12	12
Percent of agency staff turnover	11	10	10	10	10

◆ **Goal 2** To improve the physical living, working, and learning environment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
State appropriations for building renewal (in millions.) No funds were received for FY12 or FY13.	0	0	.34	12.0	13.2
Operation and maintenance of plant, (in millions.)	23.3	24.6	26.7	27.7	28.7

**Subprogram Summary**

YUMA INSTITUTIONAL SUPPORT

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. § 15-1601

**Mission:**

*To extend the reach of Northern Arizona University by providing educational programs, developing student services, and fostering intellectual, cultural, and scholarly activity in a collaborative manner that meets the unique needs of the diverse and growing communities of the lower Colorado River region.*

**Description:**

NAU-Yuma is in the early stages of development as a branch campus of Northern Arizona University. In the past, institutional support functions for NAU-Yuma were handled by the central Northern Arizona University offices. These functions may evolve at NAU-Yuma during the next two years.

◆ **Goal 1** To improve the physical living, working, and learning environment.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Calculated building renewal need.	71,475	116,465	128,000	132,000	140,000

## Program Summary

### AUXILARY PROGRAM

Pat Haeuser, Vice President  
Phone: (928) 523-7777  
A.R.S. §§ 15-1601 et seq.

#### Mission:

*To promote operations of substantially self-supporting activities such as student housing, student unions, and intercollegiate athletics.*

#### Description:

Between the two Student Learning Centers-north and south, the SLC supply various forms of tutoring: One on One, Drop-In tutoring and Subject-Based tutoring in numerous academic areas. The SLC also offers 65 hours of Supplemental Instruction and 38 Academic Success Workshops covering 10 topics. In addition, the SLC also offers Peer Jacks Mentoring and test prep courses.

[Http://nau.edu/Student-Learning-Centers/](http://nau.edu/Student-Learning-Centers/)

In August 2011, the 272,000 square foot Health and Learning Center (HLC) opened its doors to engage students in holistic learning by integrating recreation, health services, athletics, and academics into one central location.

NAU, a member of the Big Sky Conference, sponsors 15 NCAA Division I level athletic programs. The Northern Arizona University athletics department recorded a cumulative grade point average of 3.17 among its more than 300 student-athletes during the 2013-14 academic year. In addition, for the second year in a row NAU's student athletes captured the Big Sky Conference President's Cup, which recognizes overall athletic program success by achieving a GPA of 3.00 or higher.

Golden Eagle Distributors, Inc., honored 169 Northern Arizona University student-athletes for their scholastic and athletic accomplishments at the 35th annual Golden Eagle Awards.

#### This Program Contains the following Subprograms:

- ▶ Flagstaff and Statewide Auxiliary Program
- ▶ Yuma Auxiliary Program

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	63,696.4	68,129.8	75,550.0
<b>Total Funding</b>	<b>63,696.4</b>	<b>68,129.8</b>	<b>75,550.0</b>
<b>FTE Positions</b>	<b>304.1</b>	<b>331.4</b>	<b>350.0</b>

**Subprogram Summary**

FLAGSTAFF AND STATEWIDE AUXILIARY PROGRAM

Pat Haeuser, Vice President  
 Phone: (928) 523-7777  
 A.R.S. §§ 15-1601 et seq.

**Mission:**

*To promote operations of substantially self-supporting activities such as student housing, student unions, and intercollegiate athletics.*

**Description:**

Auxiliary Programs includes expenses of organizational units that furnish services to students, faculty and staff, and the general public for a fee directly related to the cost of the service and are managed as essentially self-supporting activities.

Unions and Student Activities renovated space within the University Union to add a game room featuring billiards, video games and satellite television. Campus Recreation Services strengthened partnerships with academic departments to add new programs, enhance existing programs, and increase opportunities for student participation. In addition, NAU now has a total of 30 restaurants throughout campus from all-you-can-eat establishments to fine dining.

In addition, NAU hosts several options for housing facilities including Freshman Connections Halls (7), Traditional Halls (3), Suites (3), Apartments (8), Family Housing (1) and partner housing by American Campus Communities (2).

[Http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/](http://nau.edu/Residence-Life/Housing-Options/Residence-Halls/)

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	63,696.4	68,129.8	75,550.0
<b>Total Funding</b>	<b>63,696.4</b>	<b>68,129.8</b>	<b>75,550.0</b>
<b>FTE Positions</b>	<b>304.1</b>	<b>331.4</b>	<b>350.0</b>

◆ **Goal 1** To provide an excellent residential living experience for students choosing to live on the Flagstaff Mountain Campus.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of new, first time, full-time students living in residence halls.	90	85	88	85	85
Percent of new first time, full time, freshmen utilizing one of the Student Learning Centers (tutoring) one or more times.	44	40	58	40	40
Total number of students who were housed on campus	7,558	7,000	8,871	8,871	8,871
Total number of students utilizing the Student Learning Centers (tutoring).	6,404	5,500	8,024	8,000	8,000
Percent of new first-time, full-time students who live in Freshmen Connections housing.	87	83	84	83	83

◆ **Goal 2** To assist Flagstaff students in cultural, physical and social development/wellness by providing services, activities and events.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total use/participation: Recreation Center visits	429,710	445,000	589,350	500,000	510,000
Students use/participation: Outdoor Recreation	15,376	15,800	17,067	16,000	16,250
Students use/participation: Wall Aquatic Center	44,604	45,000	60,511	59,500	59,500
Students use/participation: Intramural participants	3,979	4,000	6,174	5,850	5,900
Students use/participation: Campus Health Services/Medical Services visits.	61,844	65,000	66,136	69,443	72,915

**Subprogram Summary**

YUMA AUXILIARY PROGRAM

Pat Haeuser, Planning & Institutional Research  
 Phone: (928) 523-7777  
 A.R.S. §§ 15-1601 et seq.

**Mission:**

*To strategically partner with Arizona Western College to offer students dining, health care and other typical auxiliary services.*

**Description:**

NAU-YUMA offers students auxiliary services such as dining, health care and child care through its partner Arizona Western College. Some auxiliary services are offered through the NAU Flagstaff campus.

◆ **Goal 1** To provide a support system for students at the Yuma Campus.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Auxiliary operations provided by Arizona Western College (AWC) includes: bookstore, dining services, childcare and transportation.	Yes	Yes	Yes	Yes	Yes



## Agency Summary

UNIVERSITY OF ARIZONA - MAIN CAMPUS

Ann Weaver Hart, President  
 Phone: (520) 621-5511  
 A.R.S. § 15-1601

**Mission:**

*To improve the prospects and enrich the lives of the people of Arizona and the world through education, research, creative expression, and community and business partnerships.*

**Description:**

The University of Arizona in Tucson, including branch campuses in Sierra Vista and downtown Phoenix, is a land-grant, doctoral research university. Its research and development expenditures place it among the nation's top public universities and it is a member of the Association of American Universities. It offers a broad array of programs leading to degrees from baccalaureate through the doctorate. It has a total student body enrollment of over 42,000 full-time and part-time students. As a land-grant university, it maintains programs in production agriculture, mining, and engineering and serves the State through its cooperative extension services, technology transfer, economic development assistance, distributed education, and cultural programming. The University provides distinguished undergraduate, graduate, and professional education; excels in basic and applied research and creative achievement; and promotes the integration of these activities and outcomes into advancement of Arizona's economy.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ INSTRUCTION	318,633.6	356,989.7	368,217.4
➤ ORGANIZED RESEARCH	321,744.4	328,605.1	342,761.9
➤ PUBLIC SERVICE	43,982.5	44,173.3	44,999.0
➤ ACADEMIC SUPPORT	95,346.5	105,282.3	106,612.7
➤ STUDENT SERVICES	91,833.1	94,502.7	90,822.8
➤ INSTITUTIONAL SUPPORT	467,890.7	466,541.8	471,437.0
➤ AUXILIARY PROGRAM	237,580.9	247,368.6	254,789.6
➤ COLLEGE OF AGRICULTURE AND LIFE SCIENCES	110,792.5	114,629.8	116,348.9
➤ UNIVERSITY OF ARIZONA SOUTH	6,280.1	8,057.3	8,070.5
<b>Agency Total:</b>	<b>1,694,084.3</b>	<b>1,766,150.6</b>	<b>1,804,059.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	209,706.0	210,546.2	224,998.9
Other Appropriated Funds	259,587.2	301,560.3	301,560.3
Other Non Appropriated Funds	1,224,791.1	1,254,044.1	1,277,500.6
<b>Total Funding</b>	<b>1,694,084.3</b>	<b>1,766,150.6</b>	<b>1,804,059.8</b>
<b>FTE Positions</b>	<b>11,049.3</b>	<b>11,324.8</b>	<b>11,552.6</b>

**Issue 1** Engaging

**Description** Design the Arizona experience so that 100 percent of our students have the opportunity to engage in integrating and applying their knowledge through real-world experiential learning.

Goal: Through a learning experience tailored to individual students' needs, the UA will graduate future leaders who have the skills to apply their knowledge and solve the world's grand challenges.

**Solutions:**

Strategies, Actions, and Initiatives:

E1. Recruit and retain a diverse student body of undergraduate, transfer, and graduate degree-seeking students who represent the state, national and global demographic landscape.

E1.1 Leverage merit- and need-based aid.

E2. Optimize student access and success.

E2.1 Enhance partnerships with high schools and community colleges nationally and internationally.

E2.2 Identify students early in their careers who can benefit from programmatic intervention and increase opportunities for academic recovery.

E2.3 Improve retention with greater support in advising, learning specialists, coordination, hardware, and software.

E2.4 Decrease graduate-level time to degree.

E3. Provide students with a dynamic educational experience.

E3.1 Promote actions that help us ensure 100 percent student engagement, including the addition of targeted program coordinators, evaluations, and operational support.

E3.2 Expand study-abroad options to contribute to the 100 percent student engagement goal.

E3.3 Support online course and program development.

E4. Graduate individuals who will be sought out by the best employers and postgraduate programs.

E4.1 Redesign courses incorporating workshops, new uses of information technology, specialized equipment, and facilities.

E4.2 Update classroom facilities to better support an active learning environment.

E4.3 Emphasize graduate workforce development in selected master's programs.

E5. Graduate individuals ready to engage in productive lives and personally satisfying work.

E5.1 Establish engagement credits in the areas of global, civic, and research activities.

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**Issue 2** Innovating

**Description** Expand our research and creative inquire to not only discover new knowledge and create new ideas, but also to innovate new ways of knowing and seeing that will ensure our continued leadership in interdisciplinary scholarship.  
Goal: While supporting our values, invite new resources into the University in support of innovative scholarship and research. Prioritize our scholarly and research activities to reflect both the grand challenges we face, and the expectations of our partners for integration and application.

**Solutions:**

## Strategies, Actions, and Initiatives

I1. Promote core strengths to address grand challenges.

I1.1 Capitalize on existing and growing research and clinical strengths in the UA's health sciences colleges in Tucson and Phoenix, other clinical entities

across the state, and relevant UA colleges.

I2. Expand opportunities for interdisciplinary collaboration.

I2.1 Increase institutional capacity for interdisciplinary and interprofessional community-engaged scholarship addressing the most urgent needs of

Arizona's diverse citizenry and generating solutions for the public good with global applications.

I2.2 Increase large multi-investigator, multi-site proposal submissions and awards.

I3. Hire, nurture, and retain a diverse, outstanding faculty.

I3.1 Create diverse new faculty candidate pools that approximate the national availability of talent.

I3.2 Improve faculty retention rates, with a particular emphasis on reducing retention disparities among assistant professors from underrepresented

groups.

I4. Attract, educate, and engage first-rate doctoral students.

I5. Diversity external sources of research support.

I5.1 Develop industry expertise to expand public-private partnerships.

I5.2 Increase research expenditures.

I6. Improve support for the development of major proposals and new initiatives.

I6.1 Provide optimum shared research instrumentation infrastructure to advance our capabilities and competitiveness for external research support.

I6.2 Create a world-class informatics infrastructure and research program that will revolutionize the capability to extract useful information from

massively large sets of data.

I6.3 Stabilize and increase the number of research-active faculty in key focus areas.

I6.4 Ensure that the capacity of central and college-based research support functions keeps pace with the growing volume and complexity of research,

thereby ensuring high-quality grants support as well as critically important compliance with federal and other regulations.

I7. Expand strategic external partnerships.

I7.1 Attract funding for and investment in start-up companies in Arizona, including University start-ups.

I8. Decrease pre-award preparation time and speed post-award access to funds.

I9. Improve recognition for interdisciplinary research in promotion and tenure process.

I9.1 Enhance our institutional infrastructure base to support research advancement.

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**Issue 3** Partnering

**Description** Create novel, substantive, and entrepreneurial partnerships with businesses, community groups, and governments to support and enhance our impact on the local and global community.  
Goal: The University will share our knowledge, research, and creativity and become a more active partner in creative enterprises and innovation to enhance the quality of life for the people of Arizona and the world.

**Solutions:**

Strategies, Actions, and Initiatives:

P1. Better adapt our land-grant mission for the 21st century, including a global strategy.

P1.1 Modify promotion and tenure guidelines and criteria to recognize engagement and community-based research and knowledge application to align University, College and Departmental criteria.

P1.2 Develop more and better service-learning and applied-research opportunities for students in Arizona and abroad.

P1.3 Position the UA to serve as a preferred consultant in innovating, developing, executing, and assessing critical knowledge-based and capacity development projects worldwide.

P2. Expand, develop, and sustain community and industry partnerships, locally and globally, via innovative programs.

P2.1 Improve internal business processes to facilitate and leverage community and industry relationships with the University.

P2.2 Expand the roles of community and business partners in Academic Program Reviews.

P2.3 Provide more opportunities for employers, educators, and families to become more deeply engaged with the University through events, roundtables, and boards.

P2.4 Encourage and support more partnerships among internal academic programs and with key external partners.

P3. Increase capacity in critical and emerging fields such as education, health sciences, STEM, and cultural competence.

P3.1 Better engage business and community partners to expand internship opportunities.

P3.2 Define and develop appropriate pathways for competency-based evaluation and credit.

P3.3 Determine the best use of technology and other modes of delivering educational and informational content to best engage with learners and communities locally and abroad.

P3.4 Significantly grow our educational offerings face-to-face, online, and hybrid, to better address growing needs in crucial and emerging fields and to better define the UA's role in connecting learners to knowledge and to each other.

P4. Align output with workforce and knowledge needs, in our region and around the world.

P4.1 Expand opportunities to collaborate with schools, agencies, and industry on professional development and certificate programs statewide, nationally, and abroad.

P4.2 Coordinate with K-12 school districts to ensure that a curriculum adequately prepares students for postsecondary work and that students have clear and preferred pathways to the UA.

P4.3 Work with business and community leaders to develop integrated workforce and economic development plans.

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**Issue 4** Synergy

**Description** Build an infrastructure for change that cuts across all elements of our mission and all aspects of our plan, advancing our distinctiveness in interdisciplinarity, diversity, and sense of place while implementing business practices that are effective, efficient, and entrepreneurial.

Goal: Embedded in the University's fundamental commitment to knowledge, culture, art, and diverse disciplinary work, we will:

- Redesign the University to avoid isolation and specialization in ever-narrowing disciplines.
- Optimize our campus resources and virtual reach to engage students more fully.
- Create engaged University citizens who can apply our resources in pursuit of collective goals.
- Emphasize diversity as part of our institutional culture, at all levels.
- Adopt transparent practices that reward productivity, effectiveness, and entrepreneurship.

**Solutions:**

Strategies, Actions, and Initiatives:

S1. Elevate interdisciplinary collaborations.

S1.1 Develop promotion and tenure guidelines that ensure that collaborative efforts are identified and valued.

S2. Build on and strengthen the diversity of our community.

S2.1 Improve campus infrastructure for diversity at all levels, focusing on accountability.

S3. Expand global connections and deepen regional roots.

S3.1 Invest in interdisciplinary centers that address local issues with global applications.

S4. Optimize our physical resources and virtual reach.

S4.1 Expand and align IT capacity to meet instructional, research, outreach, and administrative requirements.

S4.2 Enhance the UA's reach through improved and cohesive branding and marketing.

S4.3 Develop programs for improving online teaching and course-building skills.

S5. Implement a business model that rewards productivity, effectiveness, and entrepreneurship.

S5.1 Align priorities with opportunities.

S5.2 Integrate RCM into the university's budgeting model to enhance research and instructional performance.

S5.3 Align the administrative structure to better support undergraduate and master's level programs.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	11,736.2	12,122.8	12,586.7
<b>General Fund</b>	231,873.0	239,510.8	248,676.2
<b>Other Appropriated Funds</b>	325,685.1	351,739.9	379,879.1
<b>Non-Appropriated Funds</b>	930,718.1	995,868.4	1,065,579.2
<b>Federal Funds</b>	320,828.5	349,703.1	381,176.4

**Program Summary**

INSTRUCTION

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To maximize the delivery of academically sound instruction in a coordinated manner with the University's academic colleges, schools, departments, and centers.*

**Description:**

This program coordinates the delivery of instruction throughout the University. Its other responsibilities include oversight of: academic support programs; transfer articulation; advising; major-exploration programs for undecided and transitional students; and the University's interdisciplinary degree programs.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	497.9	500.0	8,595.7
Other Appropriated Funds	192,775.9	213,118.6	213,118.6
Other Non Appropriated Funds	125,359.8	143,371.1	146,503.1
<b>Total Funding</b>	<b>318,633.6</b>	<b>356,989.7</b>	<b>368,217.4</b>
<b>FTE Positions</b>	<b>3,269.3</b>	<b>3,407.6</b>	<b>3,480.1</b>

◆ **Goal 1** To increase productivity, efficiency, and effectiveness

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Graduating seniors who rate their overall experience as good or excellent (percent)	95	96	94.0	94.1	94.2
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	75	76	76	77	78
Total number of degrees granted	8,011	7,962	7,814	8,130	8,397
Bachelors degrees granted	6,034	6,040	5,742	6,179	6,364
Masters degrees granted	1,420	1,306	1,402	1,335	1,377
First Professional degrees granted	147	162	146	161	171
<b>Explanation:</b> Perform. Measure Description change to reflect new IPEDS categories.					
Doctorate degrees granted	410	453	414	455	485
<b>Explanation:</b> Perform. Measure Description change to reflect new IPEDS categories.					
Average number of years taken to graduate for students who began as freshmen	4.3	4.3	4.25	4.3	4.3
Administration as a percent of total cost	2.0	2.3	2.1	2.3	2.3
Agency staff turnover (percent)	11.7	12.0	11.7	11.9	12.1
Gifts, grants, and contracts (millions)	339	342	340,485	343,890	347,329
Grants and contracts expenditures (millions)	329	333	287,480	290,355	293,258

◆ **Goal 2** To improve student persistence and graduation rates over time

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Freshmen returning for the second year (percent)	80.2	81.1	81.5	81.9	83.7
Four year graduation rate of Arizona community college transfers (percent)	65.7	66.7	62.9	67.2	67.7
Six-Year graduation rate (percent)	61.3	60.9	61.4	61.2	61.6

**Program Summary**

ORGANIZED RESEARCH

Angela Baldasare, Assistant Provost  
Phone: (520) 626-2885  
A.R.S. § 15-1601

**Mission:**

*To provide effective and transparent promotion and support for the research and graduate-education efforts of University of Arizona faculty and staff and to encourage practices that minimize risks to our investigator-scholars, to human and animal research subjects, and to the University.*

**Description:**

The University of Arizona through its organized research unit provides critical world-class research and discovery, intensive and relevant graduate education, and connects its activities with the community's needs especially as we aspire to become one of the ten best public research universities. The University's organized research unit also fosters technology transfer and connection to the business community, with a particular emphasis on promoting a thriving economy and high quality of life for Arizona. The organized research unit also serves as the administrative home for most of the University's public museums.

**Funding:**

	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	27,230.3	32,297.0	38,654.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	294,514.1	296,308.1	304,107.9
<b>Total Funding</b>	<b>321,744.4</b>	<b>328,605.1</b>	<b>342,761.9</b>
<b>FTE Positions</b>	<b>2,205.2</b>	<b>2,275.5</b>	<b>2,345.4</b>

◆ **Goal 1** To increase external funding for organized research programs relative to peer institutions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Research & Development Expenditures in thousands	475,043	550,500	429,046	579,750	609,750
National Science Foundation Research ranking (publics)	N/A	19	N/A	19	19

◆ **Goal 2** To form a bridge connecting the University with the private sector and expand its engagement with regional, national, and international business communities, and build philanthropic support for the University and its partners.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New Companies Started	3	9	11	10	10

**Program Summary**

PUBLIC SERVICE

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To make knowledge generated at the University of Arizona more accessible and more relevant to Arizona's citizens, to the nation at large and to the global community, and to inspire in each of these connections the parallel desires to learn and to create beneficial change, both in partnership with the University of Arizona.*

**Description:**

Global Initiatives and the College of Agriculture and Life Sciences through their extensive Cooperative Extension programs and Experiment Stations facilitate the efforts of University of Arizona faculty in integrating their teaching, research, and service missions, and in translating and advancing those efforts to broader audiences. Our outreach efforts facilitate programs and services that meet the academic access, economic, and regional development needs for communities throughout Arizona—a major tenet of the land grant mission. In addition to offering youth and senior programs, incubating programs and facilitating UA credit courses and continuing education, outreach collaborates with academic initiatives and student success and academic departments to aid and promote collaborations with partners around the world.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,367.2	2,887.4	2,887.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,615.3	41,285.9	42,111.6
<b>Total Funding</b>	<b>43,982.5</b>	<b>44,173.3</b>	<b>44,999.0</b>
<b>FTE Positions</b>	<b>194.2</b>	<b>192.0</b>	<b>196.8</b>

◆ **Goal 1** To leverage the strengths of international affairs programs and the efforts of our faculty by strategically enhancing efforts abroad in target geographies most relevant to the University.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students in Study Abroad and Exchange programs	1,165	1,200	1,187	1,222	1,259
Number of undergraduate international students	1,632	1,834	1,807	1,880	1,960
Number of graduate international students	1,445	1,450	1,494	1,600	1,700

◆ **Goal 2** To facilitate and assure the University's mandate of service, partnership, and the sharing of knowledge which most clearly expresses the distinguishing nature of land grant universities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of people served by Cooperative Extension (in thousands)	479	500	585,110	600,000	650,000
Number of volunteer hours generated in Agriculture	213,871	225,000	215,332	225,000	250,000



**Program Summary**

ACADEMIC SUPPORT

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To support and enhance a contemporary learning environment with tools that permit innovation in all learning spaces and assist students in bridging the relationship between research and teaching.*

**Description:**

The units that comprise Academic Support represent all of the ways the University supports its academic mission.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	14,407.6	3,932.6	3,932.6
Other Appropriated Funds	38,924.8	57,006.4	57,006.4
Other Non Appropriated Funds	42,014.1	44,343.3	45,673.7
<b>Total Funding</b>	<b>95,346.5</b>	<b>105,282.3</b>	<b>106,612.7</b>
<b>FTE Positions</b>	<b>889.0</b>	<b>888.0</b>	<b>896.3</b>

- ◆ **Goal 1** To enhance the academic quality and effectiveness of the institution through planning and budgeting, program review, personnel review, and data collection and analysis.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Academic programs reviewed for quality and effectiveness	19	19	18	16	21
Dollars internally reallocated to priority academic units (in thousands of dollars)	6,880	12,184	6,432	6,338	4,500

- ◆ **Goal 2** To acquire and/or provide access to information resources and services appropriate to research university users via the most cost-effective means.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Resources (print and non-print) circulated from the collection	237,860	200,000	234,316	225,000	215,000
Resources (print and non-print) used in the library	79,231	70,000	54,643	45,000	40,000
Electronic Resources used on-site and remotely (in millions)	12	12	12,143,376	12,400,000	12,600,000

- ◆ **Goal 3** To support alternative delivery modes of education for Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Online Undergraduate Degrees	29	30	48	50	80
Number of Online Graduate Degrees	212	254	233	272	303
Number of Online Graduate Certificates	33	69	47	89	113

**Program Summary**

**STUDENT SERVICES**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To recruit and retain a diverse and talented student body; to assist students in their efforts to achieve access, academic success, and efficient degree completion in conformance with prevailing regulation; to promote student development in a safe environment in which diversity is valued and embedded in daily operations; and to provide opportunities for personal and educational enrichment through the development of student, faculty, staff, and community partnerships.*

**Description:**

This program includes enrollment services and other student related programs and services designed to promote student success, by supporting students' personal, intellectual, cultural, and social development outside the context of the formal instructional program. Programming extends to the entire campus community to meet disability needs and to promote a healthy, diverse, engaged, and civil community. The activities include: early outreach, admissions, orientation, financial aid, registration, campus recreation, and health services, cultural events, student programs/organizations, bookstore, newspaper, housing and food service, academic support, career services, programs designed to promote faculty/student interaction outside the classroom, and programs dedicated to special needs, such as disability related services and the cultural resource centers.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	12,748.9	15,336.7	15,336.7
Other Non Appropriated Funds	79,084.2	79,166.0	75,486.1
<b>Total Funding</b>	<b>91,833.1</b>	<b>94,502.7</b>	<b>90,822.8</b>
<b>FTE Positions</b>	<b>464.6</b>	<b>490.0</b>	<b>495.4</b>

◆ **Goal 1** To admit a freshman class well-prepared for University work.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Quality of freshman class based on: High school grade point average	3.4	3.4	3.4	3.4	3.4
Quality of freshman class based on: SAT scores	1,116	1,116	1,114	1,113	1,114

◆ **Goal 2** To decrease, through education, media campaigns, and other programs, the use of alcohol and other drugs that put students at risk of accidents, violence, injuries, and unsafe sexual practices.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Students reporting binge drinking in last year (survey done biannually) (percent)	36	35	38	37	36
Students reporting tobacco use in the last 30 days (percent)	22	21	21	20	19

**Program Summary**

**INSTITUTIONAL SUPPORT**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**  
*To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.*

**Description:**  
 Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	121,644.3	124,870.5	124,870.5
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	346,246.4	341,671.3	346,566.5
<b>Total Funding</b>	<b>467,890.7</b>	<b>466,541.8</b>	<b>471,437.0</b>
<b>FTE Positions</b>	<b>1,530.8</b>	<b>1,524.2</b>	<b>1,537.0</b>

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Endowment Assets (in thousands)	399,902	408,300	466,599	482,230	498,385
Annual Giving (in thousands)	101,903	104,960	138,711	109,408	112,690

◆ **Goal 2** To attract and engage a diverse and high quality workforce

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Minority employees in administrative, faculty, professional and classified positions (percent)	28	28	28	28	28.5
UA Life & Work Connections contacts per year	21,982	21,000	19,305	20,500	22,000

**Program Summary**

**AUXILIARY PROGRAM**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide quality goods and services at the least possible cost to faculty, staff, students and University departments.*

**Description:**

Auxiliary units are most closely related to "real world" businesses in that they are expected to be self-supporting and charge fees that are related to the costs of providing goods or services. Major retail and service activities include the U of A Bookstore, Student Union food services, Residence Life student dormitories and family housing, Parking and Transportation parking permits and Sun Tran passes, UA Presents performances, U of A Press publications, and Intercollegiate Athletics events. Internal service departments that provide wholesale services to other departments on campus include Facilities Management's repair, maintenance, and custodial services; Printing and Publishing Support Services; Telecommunication's telephone services; and the University Research and Instrumentation Center's design and fabrication service.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	237,580.9	247,368.6	254,789.6
<b>Total Funding</b>	<b>237,580.9</b>	<b>247,368.6</b>	<b>254,789.6</b>
<b>FTE Positions</b>	<b>1,244.2</b>	<b>1,259.4</b>	<b>1,297.2</b>

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of new freshmen living in residence halls	73	74	73	73	73
Total number of students living in residence halls	4,960	5,000	4,563	4,600	4,800

◆ **Goal 2** To promote health, wellness and safety by providing quality medical, mental health care, and health education to the student community.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of visits to Campus Health's Main and McKale clinics (medical and counseling and psychological services)	72,338	70,000	76,951	75,000	75,000
Percent who indicate they would refer a friend to Campus Health	99.7	99.0	99.4	99.0	99.0
Overall rating of Campus Health (0-10, with 10 high)	8.6	8.8	8.8	8.8	8.9

◆ **Goal 3** To serve students with learning disabilities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	582	597	578	592	638

**Program Summary**

**COLLEGE OF AGRICULTURE AND LIFE SCIENCES**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To educate students and communities in ways that enable their future success in the regional and global economies and to develop new knowledge and new technologies to benefit society*

**Description:**

The College of Agriculture and Life Sciences coordinates undergraduate and professional education for a wide range of career opportunities within six general subject areas: animal systems; environment and natural resources; family, youth, and community; human nutrition; food safety and health; marketing, trade, and economics; and plant systems. Education in the professional knowledge area is combined with foundation courses in the natural and social sciences, communications, and the humanities to develop a well-rounded academic experience offering majors leading to careers associated with the college subject areas. Programs include on-campus instruction and distance education in cooperation with other institutions. The college awards B.S., M.S., and Ph.D. degrees. Though separate entities by Federal statute, the Arizona Cooperative Extension System and the Arizona Experiment Station are affiliated with and share senior administration with the college.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	39,788.4	43,288.4	43,288.4
Other Appropriated Funds	12,070.7	11,267.4	11,267.4
Other Non Appropriated Funds	58,933.4	60,074.0	61,793.1
<b>Total Funding</b>	<b>110,792.5</b>	<b>114,629.8</b>	<b>116,348.9</b>
<b>FTE Positions</b>	<b>1,168.8</b>	<b>1,204.7</b>	<b>1,220.7</b>

◆ **Goal 1** To attain a level of tenure/tenure eligible faculty that is effective in providing students with the high quality faculty they deserve and the college with the research productivity essential to premier research university.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Degrees/FTE faculty (T/TE)	6.0	6.3	6.1	6.1	6.3
External funding obtained/FTE Faculty (T/TE)	323,911	327,150	312,462	315,587	318,743
SCH/Faculty FTE (T/TE)	487	500	496	516	536

◆ **Goal 2** To graduate as many well qualified students as possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Undergraduate Degrees granted (Bachelors)	699	700	676	680	680
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	103	97	104	106	108

◆ **Goal 3** To partner with and serve the people of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of volunteer hours generated in Agriculture	213,871	225,000	215,332	225,000	250,000
Number of people served by Cooperative Extension	478,829	500,000	585,110	600,000	650,000

**Program Summary**

UNIVERSITY OF ARIZONA SOUTH

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide high quality, accessible educational opportunities to communities throughout Southern Arizona.*

**Description:**

UA South addresses the needs of individual who are place bound or who desire to fulfill their higher education goals in an atmosphere different than the Main Campus. UA South provides quality upper-division and graduate programs designed to fulfill the educational and career goals of its students. UA South offers undergraduate degree programs through “2 + 2” partnerships with Arizona community colleges, primarily Cochise College and Pima Community College. Two Masters Degree programs are available. Programs are offered at several locations in southeast Arizona. Specific community-based classes may be offered at other locations throughout southeastern Arizona. The Faculty at UA South has incorporated distance learning into the curriculum, offering courses via interactive television and through the Internet.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,770.3	2,770.3	2,770.3
Other Appropriated Funds	3,066.9	4,831.2	4,831.2
Other Non Appropriated Funds	442.9	455.8	469.0
<b>Total Funding</b>	<b>6,280.1</b>	<b>8,057.3</b>	<b>8,070.5</b>
<b>FTE Positions</b>	<b>83.2</b>	<b>83.4</b>	<b>83.7</b>

◆ **Goal 1** To increase student FTE and retention.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Student FTE	527	553	579	650	683

◆ **Goal 2** To attain a level of tenure/tenure eligible faculty that is effective in providing students with the high quality faculty they deserve and the college with the research productivity essential to premier research university.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Degrees/FTE faculty (T/TE)	12.9	13.5	15.4	15.6	15.9
SCH/Faculty FTE (T/TE)	1,638	1,816	1,745	1,773	1,801

◆ **Goal 3** To graduate as many well-qualified students as possible.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Undergraduate Degrees granted (Bachelors)	84	84	133	140	144
Number of Graduate degrees granted (Masters, Specialist, Ph.D)	32	30	36	36	37

## Agency Summary

### UNIVERSITY OF ARIZONA - HEALTH SCIENCES CENTER

Ann Weaver Hart, President  
 Phone: (520) 621-5511  
 A.R.S. § 15-601

**Mission:**

*To improve the prospects and enrich the lives of the people of Arizona and the world through education, research, creative expression, and community and business partnerships.*

**Description:**

The Arizona Health Sciences Center (AHSC) in Tucson is the State's only academic health sciences center. It provides the State and its people education, research, patient care, and services through its Colleges of Medicine, Nursing, Pharmacy, Public Health, Phoenix Bio-Medical Campus, University Medical Center, and university physicians. AHSC serves as the core of a broad network of State-wide health services, health education, health restoration, health promotion, and illness prevention.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ INSTRUCTION	104,222.3	38,631.6	36,352.8
➤ ORGANIZED RESEARCH	108,242.9	108,344.4	111,470.3
➤ PUBLIC SERVICE	22,848.7	23,235.5	23,851.9
➤ ACADEMIC SUPPORT	93,240.3	89,267.8	91,142.6
➤ STUDENT SERVICES	2,786.8	2,807.4	2,847.6
➤ INSTITUTIONAL SUPPORT	43,671.9	110,552.7	116,468.8
➤ AUXILIARY PROGRAM	9,769.6	8,721.5	10,603.2
➤ COLLEGE OF MEDICINE, PHOENIX CAMPUS	44,190.5	57,199.9	57,662.6
<b>Agency Total:</b>	<b>428,973.0</b>	<b>438,760.8</b>	<b>450,399.8</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	69,585.3	69,585.3	69,585.3
Other Appropriated Funds	44,503.3	43,434.9	43,434.9
Other Non Appropriated Funds	314,884.4	325,740.6	337,379.6
<b>Total Funding</b>	<b>428,973.0</b>	<b>438,760.8</b>	<b>450,399.8</b>
<b>FTE Positions</b>	<b>3,820.2</b>	<b>3,874.4</b>	<b>3,956.2</b>

**Issue 1** Engaging

**Description** Design the Arizona experience so that 100 percent of our students have the opportunity to engage in integrating and applying their knowledge through real-world experiential learning.

Goal: Through a learning experience tailored to individual students' needs, the UA will graduate future leaders who have the skills to apply their knowledge and solve the world's grand challenges.

**Solutions:**

Strategies, Actions, and Initiatives:

E1. Recruit and retain a diverse student body of undergraduate, transfer, and graduate degree-seeking students who represent the state, national and global demographic landscape.

E1.1 Leverage merit- and need-based aid.

E2. Optimize student access and success.

E2.1 Enhance partnerships with high schools and community colleges nationally and internationally.

E2.2 Identify students early in their careers who can benefit from programmatic intervention and increase opportunities for academic recovery.

E2.3 Improve retention with greater support in advising, learning specialists, coordination, hardware, and software.

E2.4 Decrease graduate-level time to degree.

E3. Provide students with a dynamic educational experience.

E3.1 Promote actions that help us ensure 100 percent student engagement, including the addition of targeted program coordinators, evaluations, and operational support.

E3.2 Expand study-abroad options to contribute to the 100 percent student engagement goal.

E3.3 Support online course and program development.

E4. Graduate individuals who will be sought out by the best employers and postgraduate programs.

E4.1 Redesign courses incorporating workshops, new uses of information technology, specialized equipment, and facilities.

E4.2 Update classroom facilities to better support an active learning environment.

E4.3 Emphasize graduate workforce development in selected master's programs.

E5. Graduate individuals ready to engage in productive lives and personally satisfying work.

E5.1 Establish engagement credits in the areas of global, civic, and research activities.



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**Issue 2** Innovating

**Description** Expand our research and creative inquire to not only discover new knowledge and create new ideas, but also to innovate new ways of knowing and seeing that will ensure our continued leadership in interdisciplinary scholarship.  
Goal: While supporting our values, invite new resources into the University in support of innovative scholarship and research. Prioritize our scholarly and research activities to reflect both the grand challenges we face, and the expectations of our partners for integration and application.

**Solutions:**

## Strategies, Actions, and Initiatives

I1. Promote core strengths to address grand challenges.

I1.1 Capitalize on existing and growing research and clinical strengths in the UA's health sciences colleges in Tucson and Phoenix, other clinical entities

across the state, and relevant UA colleges.

I2. Expand opportunities for interdisciplinary collaboration.

I2.1 Increase institutional capacity for interdisciplinary and interprofessional community-engaged scholarship addressing the most urgent needs of

Arizona's diverse citizenry and generating solutions for the public good with global applications.

I2.2 Increase large multi-investigator, multi-site proposal submissions and awards.

I3. Hire, nurture, and retain a diverse, outstanding faculty.

I3.1 Create diverse new faculty candidate pools that approximate the national availability of talent.

I3.2 Improve faculty retention rates, with a particular emphasis on reducing retention disparities among assistant professors from underrepresented

groups.

I4. Attract, educate, and engage first-rate doctoral students.

I5. Diversity external sources of research support.

I5.1 Develop industry expertise to expand public-private partnerships.

I5.2 Increase research expenditures.

I6. Improve support for the development of major proposals and new initiatives.

I6.1 Provide optimum shared research instrumentation infrastructure to advance our capabilities and competitiveness for external research support.

I6.2 Create a world-class informatics infrastructure and research program that will revolutionize the capability to extract useful information from

massively large sets of data.

I6.3 Stabilize and increase the number of research-active faculty in key focus areas.

I6.4 Ensure that the capacity of central and college-based research support functions keeps pace with the growing volume and complexity of research,

thereby ensuring high-quality grants support as well as critically important compliance with federal and other regulations.

I7. Expand strategic external partnerships.

I7.1 Attract funding for and investment in start-up companies in Arizona, including University start-ups.

I8. Decrease pre-award preparation time and speed post-award access to funds.

I9. Improve recognition for interdisciplinary research in promotion and tenure process.

I9.1 Enhance our institutional infrastructure base to support research advancement.

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**Issue 3** Partnering

**Description** Create novel, substantive, and entrepreneurial partnerships with businesses, community groups, and governments to support and enhance our impact on the local and global community.  
Goal: The University will share our knowledge, research, and creativity and become a more active partner in creative enterprises and innovation to enhance the quality of life for the people of Arizona and the world.

**Solutions:**

Strategies, Actions, and Initiatives:

P1. Better adapt our land-grant mission for the 21st century, including a global strategy.

P1.1 Modify promotion and tenure guidelines and criteria to recognize engagement and community-based research and knowledge application to align University, College and Departmental criteria.

P1.2 Develop more and better service-learning and applied-research opportunities for students in Arizona and abroad.

P1.3 Position the UA to serve as a preferred consultant in innovating, developing, executing, and assessing critical knowledge-based and capacity development projects worldwide.

P2. Expand, develop, and sustain community and industry partnerships, locally and globally, via innovative programs.

P2.1 Improve internal business processes to facilitate and leverage community and industry relationships with the University.

P2.2 Expand the roles of community and business partners in Academic Program Reviews.

P2.3 Provide more opportunities for employers, educators, and families to become more deeply engaged with the University through events, roundtables, and boards.

P2.4 Encourage and support more partnerships among internal academic programs and with key external partners.

P3. Increase capacity in critical and emerging fields such as education, health sciences, STEM, and cultural competence.

P3.1 Better engage business and community partners to expand internship opportunities.

P3.2 Define and develop appropriate pathways for competency-based evaluation and credit.

P3.3 Determine the best use of technology and other modes of delivering educational and informational content to best engage with learners and communities locally and abroad.

P3.4 Significantly grow our educational offerings face-to-face, online, and hybrid, to better address growing needs in crucial and emerging fields and to better define the UA's role in connecting learners to knowledge and to each other.

P4. Align output with workforce and knowledge needs, in our region and around the world.

P4.1 Expand opportunities to collaborate with schools, agencies, and industry on professional development and certificate programs statewide, nationally, and abroad.

P4.2 Coordinate with K-12 school districts to ensure that a curriculum adequately prepares students for postsecondary work and that students have clear and preferred pathways to the UA.

P4.3 Work with business and community leaders to develop integrated workforce and economic development plans.

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**Issue 4** Synergy

**Description** Build an infrastructure for change that cuts across all elements of our mission and all aspects of our plan, advancing our distinctiveness in interdisciplinarity, diversity, and sense of place while implementing business practices that are effective, efficient, and entrepreneurial.

Goal: Embedded in the University's fundamental commitment to knowledge, culture, art, and diverse disciplinary work, we will:

- Redesign the University to avoid isolation and specialization in ever-narrowing disciplines.
- Optimize our campus resources and virtual reach to engage students more fully.
- Create engaged University citizens who can apply our resources in pursuit of collective goals.
- Emphasize diversity as part of our institutional culture, at all levels.
- Adopt transparent practices that reward productivity, effectiveness, and entrepreneurship.

**Solutions:**

Strategies, Actions, and Initiatives:

S1. Elevate interdisciplinary collaborations.

S1.1 Develop promotion and tenure guidelines that ensure that collaborative efforts are identified and valued.

S2. Build on and strengthen the diversity of our community.

S2.1 Improve campus infrastructure for diversity at all levels, focusing on accountability.

S3. Expand global connections and deepen regional roots.

S3.1 Invest in interdisciplinary centers that address local issues with global applications.

S4. Optimize our physical resources and virtual reach.

S4.1 Expand and align IT capacity to meet instructional, research, outreach, and administrative requirements.

S4.2 Enhance the UA's reach through improved and cohesive branding and marketing.

S4.3 Develop programs for improving online teaching and course-building skills.

S5. Implement a business model that rewards productivity, effectiveness, and entrepreneurship.

S5.1 Align priorities with opportunities.

S5.2 Integrate RCM into the university's budgeting model to enhance research and instructional performance.

S5.3 Align the administrative structure to better support undergraduate and master's level programs.

### Resource Assumptions

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	3,992.9	4,124.4	4,282.2
<b>General Fund</b>	71,711.2	74,073.4	76,908.0
<b>Other Appropriated Funds</b>	46,909.7	50,662.5	54,715.5
<b>Non-Appropriated Funds</b>	252,468.1	270,140.9	289,050.8
<b>Federal Funds</b>	104,773.5	114,203.1	124,481.4

**Program Summary**

**INSTRUCTION**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide top-quality health sciences educational programs at the undergraduate, graduate, and professional levels that will attract and graduate an excellent and diverse student body.*

**Description:**

The Arizona Health Sciences Center (AHSC) offers professional programs leading to the M.D., graduate degrees in many of the medical sciences, B.S.N., M.S., Ph.D., ADN-MS, Pharm.D., Masters in Public Health (MPH), DrPH, and B.S. with a major in health education. The AHSC provides students with the knowledge, skills, and attitudes basic to the provision of health services. It also provides education and training programs for undergraduate students, graduate students, residents, fellows, and other health professionals.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,413.2	7,684.5	7,684.5
Other Appropriated Funds	38,892.0	35,116.4	35,116.4
Other Non Appropriated Funds	61,917.1	-4,169.3	-6,448.1
<b>Total Funding</b>	<b>104,222.3</b>	<b>38,631.6</b>	<b>36,352.8</b>
<b>FTE Positions</b>	<b>1,259.1</b>	<b>1,269.1</b>	<b>1,295.2</b>

- ◆ **Goal 1** To attain a level of tenured/tenure eligible faculty that is effective in providing students with the high quality of instruction they deserve. (We're unable to delete measures 1 & 2. They are duplicates of Goal 2 measures 1,5,6)

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Number of Degrees Granted BA/BS and MA/MS	703	684	759	766	789
Number of degrees granted-PhD	40	44	61	67	71

**Explanation:** Perform. Measure Description change to reflect new IPEDS categories.

SCH/Faculty FTE (T/TE)	312	328	318	331	344
External funding obtained/FTE Faculty (T/TE)	558,667	564,253	588,360	594,243	600,186
Degrees/FTE faculty (T/TE)	3.2	3.4	3.7	3.8	4.0

◆ **Goal 2** To increase productivity, efficiency, and effectiveness.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of degrees granted MA/MS	243	224	264	245	253
Full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty (percentage)	75	76	75	77	77
Total number of degrees granted	1,000	1,012	1,069	1,038	1,152
Bachelor degrees granted	460	460	495	521	536
Doctoral Professional Practice Degrees granted	257	284	249	274	292
Doctoral Research/Scholarship Degrees granted	40	44	61	67	71
Average number of years taken to graduate for students who began as freshman	4.2	4.4	4.1	4.1	4.1
Administration as a percent of total cost	2.0	2.3	2.1	2.3	2.3
Agency staff turnover	13.1	14.0	14.2	15	15.5
Gifts, grants, and contracts (millions)	222	225	208,418	210,502	212,607
Grants and contracts expenditures (millions)	173	175	170,686	172,393	174,117

**Program Summary**

**ORGANIZED RESEARCH**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide high quality multidisciplinary biomedical research in areas important to the health care community and public; to promote the application of economics and socio-behavioral sciences to pharmaceutical research, education and service; to make available to trainees leading edge knowledge and the most modern technology; to promote healthier lifestyles through education of the public; and to provide service to state and federal agencies and the private sector.*

**Description:**

The organized research centers are specifically organized to produce interdisciplinary clinical and basic biomedical research and to provide support for the undergraduate, graduate, and outreach educational programs. They are supported almost entirely by external federal and private sector funding. Their major areas of emphasis include: interdisciplinary research; education of the public, training of health professionals and scientists; patient services; provision of regional resources for research, disease diagnosis, patient care, education, and disease prevention and control; and technology development.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	4,627.6	4,156.8	4,156.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	103,615.3	104,187.6	107,313.5
<b>Total Funding</b>	<b>108,242.9</b>	<b>108,344.4</b>	<b>111,470.3</b>
<b>FTE Positions</b>	<b>1,001.1</b>	<b>1,015.8</b>	<b>1,045.0</b>

◆ **Goal 1** To promote excellence in basic and clinical research, patient care, education, and training.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	764	767	725	693	691
Patients rating physician skill as excellent in satisfaction survey (percent)	91.1	91.5	72.3	77	80

◆ **Goal 2** To establish a stable funding base to support research, education, and service activities

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Total Research & Development Expenditures in thousands	156,585	213,500	157,984	253,250	293,250

◆ **Goal 3** To provide education and training programs for regional, national, and international health care professionals, health care industry personnel, and the public.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Training programs/ workshops/lectures	1,577	1,601	2,913	1,838	1,800

**Program Summary**

PUBLIC SERVICE

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide the citizens of the State of Arizona access to poison and medication-related emergency treatment assistance and to develop a rural telemedicine network that can improve rural health care.*

**Description:**

The Arizona Poison and Drug Information Center serves as a repository of comprehensive information, knowledge and expertise regarding poisons and toxic exposures. A high priority is to provide access for rural and medically underserved Arizona residents and health care professionals who are without ready access to medical facilities. Telemedicine is the use of computers, video imaging, and telecommunications for diagnosis and treatment of persons in rural, geographically isolated communities and State institutions.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,721.9	2,690.2	2,690.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	20,126.8	20,545.3	21,161.7
<b>Total Funding</b>	<b>22,848.7</b>	<b>23,235.5</b>	<b>23,851.9</b>
<b>FTE Positions</b>	<b>206.8</b>	<b>206.3</b>	<b>211.9</b>

◆ **Goal 1** To provide quality, accessible poison and medication-related emergency treatment assistance 24 hours a day.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Poison Control call volume per year (in thousands)	50	50	40	40	40
Accredited by the American Association for Poison Control Center Certification as a Regional Poison Control Center.	Yes	Yes	Yes	Yes	Yes

◆ **Goal 2** To provide specialty patient care in rural communities and secure State institutions.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number served through Telemedicine (clinical consultations)	65,048	71,000	57,500	40,000	40,000

**Program Summary**

ACADEMIC SUPPORT

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To support and enhance a contemporary learning environment with tools that permit innovation in all learning spaces and assist students in bridging the relationship between research and teaching.*

**Description:**

The units that comprise Academic Support represent all of the ways the University of Arizona Health Sciences Center supports its academic mission.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	30,512.4	26,774.4	26,774.4
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	62,727.9	62,493.4	64,368.2
<b>Total Funding</b>	<b>93,240.3</b>	<b>89,267.8</b>	<b>91,142.6</b>
<b>FTE Positions</b>	<b>850.5</b>	<b>866.9</b>	<b>882.0</b>

◆ **Goal 1** To offer education programs that meet standards of excellence

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of students passing Step I of the US Medical Licensing Exam on the first try	95	95	94	92	92
Percent of Students passing Step II of the US Medical Licensing Exam on the first try.	98	98	93	91	91

◆ **Goal 2** To assure access to information resources in the health sciences on-site and off-site.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Resources (print and non-print) circulated from the collection.	5,297	4,500	3,932	3,500	3,300
Resources (print and non-print) used in the library (in thousands)	6.5	5.6	5.7	5.5	5.3

◆ **Goal 3** To teach students and faculty the most effective methods of accessing and managing health sciences information

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of Classes/workshops taught	172	185	140	170	200
Number of participants classes/workshops	3,328	3,500	3,355	3,800	4,200

◆ **Goal 4** To support alternative delivery modes of education for Arizona.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Number of Online Graduate Degrees	55	66	67	78	87
Number of Online Graduate Certificates	24	51	32	61	77



**Program Summary**

**STUDENT SERVICES**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-601

**Mission:**

*To recruit and retain a diverse and talented student body; to assist students in their efforts to achieve access, academic success, and efficient degree completion in conformance with prevailing regulation; to promote student development in a safe environment in which diversity is valued and embedded in daily operations; and to provide opportunities for personal and educational enrichment through the development of student, faculty, staff, and community partnerships.*

**Description:**

This program includes enrollment services and other student related programs and services designed to promote student success, by supporting students' personal, intellectual, cultural, and social development outside the context of the formal instructional program. Programming extends to the entire campus community to meet disability needs and to promote a healthy, diverse, engaged, and civil community. The activities include: early outreach, admissions, orientation, financial aid, registration, campus recreation, and health services, cultural events, student programs/organizations, bookstore, newspaper, housing and food service, academic support, career services, programs designed to promote faculty/student interaction outside the classroom, and programs dedicated to special needs, such as disability related services and the cultural resource centers.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,473.6	1,467.9	1,467.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	1,313.2	1,339.5	1,379.7
<b>Total Funding</b>	<b>2,786.8</b>	<b>2,807.4</b>	<b>2,847.6</b>
<b>FTE Positions</b>	<b>38.0</b>	<b>40.8</b>	<b>41.7</b>

◆ **Goal 1** To enroll students well prepared for AHSC work.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students enrolled in pre-pharmacy	491	500	474	493	513
Number of students enrolled in pre-nursing	156	310	292	307	322

◆ **Goal 2** To enroll diverse students using the diverse in its broadest meaning.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
% Undergraduate Minority Students	49	50	51	52	53
% Graduate & First Professional Minority Students	37	37	41	42	43

**Program Summary**

**INSTITUTIONAL SUPPORT**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-601

**Mission:**  
*To provide the University of Arizona with the support services necessary to enable it to effectively pursue the institutional mission of teaching, research, and outreach.*

**Description:**  
 Institutional support includes central executive-level activities concerned with management and long-range planning for the entire University, and the operation and maintenance of the physical plant. Administrative activities include planning and programming, legal services, fiscal operations, administrative data processing, telecommunications, space management, human resources including employee personnel and records, purchasing, stores, safety, security, printing, transportation services, community and alumni relations, and development and fund-raising.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	3,376.4	3,351.3	3,351.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	40,295.5	107,201.4	113,117.5
<b>Total Funding</b>	<b>43,671.9</b>	<b>110,552.7</b>	<b>116,468.8</b>
<b>FTE Positions</b>	<b>25.9</b>	<b>28.4</b>	<b>28.6</b>

◆ **Goal 1** To enhance community support for the work of the University in the larger community.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Endowment Assets (in thousands)	174,927	178,600	197,901	204,531	211,382
Annual Giving (in thousands)	39,583	40,770	39,410	40,592	41,810

◆ **Goal 2** To attract and engage a diverse and high quality workforce

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Minority employees in administrative, faculty, professional and classified positions (percent)	26	26	27	27	27.5

**Program Summary**

**AUXILIARY PROGRAM**

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide quality goods and services at the least possible cost to faculty, staff, students and University departments.*

**Description:**

Auxiliary units are most closely related to "real world" businesses in that they are expected to be self-supporting and charge fees that are related to the costs of providing goods or services. Major retail and service activities include the U of A Bookstore, Student Union food services, Residence Life student dormitories and family housing, Parking and Transportation parking permits and Sun Tran passes, UA Presents performances, U of A Press publications, and Intercollegiate Athletics events. Internal service departments that provide wholesale services to other departments on campus include Facilities Management's repair, maintenance, and custodial services; Printing and Publishing Support Services; Telecommunication's telephone services; and the University Research and Instrumentation Center's design and fabrication service. While many of the retail and service activity centers are located on Main Campus, they service AHSC as well. The College of Medicine has auxiliary units including Arizona Telemedicine and Biomedical Communications as well.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	9,769.6	8,721.5	10,603.2
<b>Total Funding</b>	<b>9,769.6</b>	<b>8,721.5</b>	<b>10,603.2</b>
<b>FTE Positions</b>	<b>120.0</b>	<b>125.6</b>	<b>126.2</b>

◆ **Goal 1** To provide affordable housing and a residential living experience conducive to academic success and social well-being.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of new freshmen living in residence halls	71	72	70	70	70
Total number of students living in residence halls	452	475	477	477	477

◆ **Goal 2** To promote health, wellness and safety by providing quality medical care to rural Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number served through Telemedicine (clinical consultations)	65,048	71,000	57,500	40,000	40,000

◆ **Goal 3** To serve students with learning disabilities.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of students served by the Strategic Alternative Learning Techniques (SALT) Center	52	53	56	58	62

**Program Summary**

COLLEGE OF MEDICINE, PHOENIX CAMPUS

Angela Baldasare, Assistant Provost  
 Phone: (520) 626-2885  
 A.R.S. § 15-1601

**Mission:**

*To provide medical students with the knowledge, skills, and attitudes basic to the practices of medicine; to provide education and training programs for residents, graduate students, fellows, and other health professionals and practicing physicians; to work with clinical affiliates to teach and model interprofessional health care delivery; to make contributions to biomedical research; to model and promote innovations in patient care and disease prevention and cure, including utilization of the multidiscipline health care team approach; and to use biomedical informatics and work with industry to address quality and cost of health care.*

**Description:**

The College of Medicine-Phoenix offers a professional program leading to the M.D. degree and graduate degree programs. The COM-PHX also supports the education of other health professionals and the public. The educational program leading to the M.D. degree is conducted at the Phoenix Biomedical Campus and at clinical sites located in Phoenix, Tucson, and throughout the State. The faculty members conduct research programs in molecular biology, clinical translational science, medical education, therapeutics, prevention, and clinical outcomes. It is a rapidly evolving leader in biomedical informatics and health care education and this will translate into a high quality education program regarding health care issues for all in the State and critically enhancing and improving on delivery of care to our citizens.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	23,460.2	23,460.2	23,460.2
Other Appropriated Funds	5,611.3	8,318.5	8,318.5
Other Non Appropriated Funds	15,119.0	25,421.2	25,883.9
<b>Total Funding</b>	<b>44,190.5</b>	<b>57,199.9</b>	<b>57,662.6</b>
<b>FTE Positions</b>	<b>318.8</b>	<b>321.5</b>	<b>325.6</b>

◆ **Goal 1** To develop, maintain, and continuously evaluate the educational program leading to the M.D. degree.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of students passing Step I of the United States Medical Licensing Exam on the first try	96	95	98	97	97
Percent of students passing Step II of the United States Medical Licensing Exam on the first try	100	98	95	96	96

◆ **Goal 2** To provide educational experiences that promote lifelong learning, critical thinking skills, and career decisions for the breadth of disciplines needed throughout our State, emphasizing cultural competency and diversity.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Regional, national, and international awards, honors, and prizes received by students, alumni, faculty, and staff	14	16	57	60	60
Total Research & Development Expenditures in thousands	10,279	30,000	11,052	60,000	90,000

- ◆ **Goal 3** To attract and maintain a diverse, highly qualified faculty that understands and delivers the complex training necessary for our next generation of physicians in addition to functioning as excellent leaders and collaborators with the diverse and excellent infrastructure of investigative research presently ongoing within the State and region.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Minority employees in administrative, faculty, professional and classified positions (percent)	26	26	26	26	26.5

- ◆ **Goal 4** To be the leader for the State's citizens in designing, mentoring, and monitoring all facets of health care delivery in society and to offer an education milieu to share this information with the populace

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Training programs/ workshops/lectures	162	160	270	300	300

## Agency Summary

### ARIZONA DEPARTMENT OF VETERANS' SERVICES

Ted Vogt, Director  
 Phone: (602) 255-3373  
 A.R.S. §§ 41-601 et seq.

**Mission:**

*To enrich and honor Arizona's veterans and their families through education, advocacy, and service.*

**Description:**

The Department of Veterans' Services assists veterans and their dependents obtain federal entitlements, such as claims for disability, pension, and insurance. All other agency services are derived from this central premise.

The Department operates the State Veteran Homes, with homes operating in Phoenix and Tucson. Both homes are self-funded, skilled-nursing facilities that provide long-term care services to veterans and their spouses.

The Department can serve as the guardian or conservator of incapacitated veterans and their dependents. The Department operates a state veteran cemetery in Sierra Vista and will begin operating two additional cemeteries, in Flagstaff and Marana, beginning January 1, 2016. The agency is designated as the State Approving Agency, working with institutions that provide education and training to veterans with educational benefits. It administers the Military Family Relief Fund to support Arizona veterans and their families with financial hardships due to their deployments to combat zones. A dedicated coordinator also monitors statewide services to eliminate homelessness amongst Arizona veterans.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ ADMINISTRATION	4,802.8	3,797.6	3,797.6
➤ VETERANS' CONSERVATORSHIP / GUARDIANSHIP	896.0	1,326.5	1,326.5
➤ VETERANS' SERVICES	2,712.4	2,848.1	3,065.2
➤ STATE VETERANS' HOMES	29,315.7	31,553.0	49,962.9
➤ STATE VETERANS' CEMETERIES	528.6	8,185.0	8,847.4
<b>Agency Total:</b>	<b>38,255.5</b>	<b>47,710.2</b>	<b>66,999.6</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	5,485.6	5,438.3	24,892.8
Other Appropriated Funds	29,842.4	32,001.6	32,011.5
Other Non Appropriated Funds	2,927.6	10,270.3	10,095.3
<b>Total Funding</b>	<b>38,255.5</b>	<b>47,710.2</b>	<b>66,999.6</b>
<b>FTE Positions</b>	<b>506.8</b>	<b>506.8</b>	<b>518.8</b>

**Issue 1** Cemeteries operating costs must be paid by the State.

**Description** Although the Federal Government pays for all costs associated with state veteran cemetery development and construction, cemetery operating costs are the State's responsibility. The Department projects that the Flagstaff and the Marana cemeteries should be ready to open on January 1, 2016. In order to have staff in place and trained by the scheduled opening day, the Department must be able to fund the costs of operating both cemeteries. Additionally, the Department should be able to fully fund the operation of the Sierra Vista Cemetery, which commenced operation in 2002, but has been only partially funded by the State. If the Department does not receive the General Fund monies requested, the new cemeteries may not begin to offer services because the Department will not be able to fund their operation.

**Solutions:**

**Goal:** Operate cemeteries scheduled to open and, in that manner, increase the number of no-cost interment spaces available to veterans and their families.

**Strategy:** Emphasize the need for and seek State funding to operate all State Veterans cemeteries; fully fund Sierra Vista Cemetery and fund operating costs of the new cemeteries in Flagstaff and Marana (scheduled to open on January 1, 2016).

**Performance Measures:**

Success of the abovementioned strategy will be evidenced by the State appropriation of General Fund monies to operate all State veterans cemeteries: firstly the two new cemeteries in Flagstaff and Marana and fully fund the Sierra Vista Cemetery.

**Issue 2** Burial benefits are available to veterans, but there are only three Arizona locations where veterans may be interred at no cost.

**Description** In-ground burials and columbaria niches (for cremated remains) are available at the National Cemetery in north Phoenix and at the State Cemetery in Sierra Vista. Only columbaria niches are available at the National Cemetery in Prescott. Veterans' families who aren't able to travel to one of the three locations must purchase cemetery plots or columbaria niches from local cemeteries, which is an avoidable cost to the family.

Development and construction of state veteran cemeteries is fully funded by the U.S. Department of Veterans Affairs (VA) National Cemetery Administration Grant Program. However, under this grant program, operating costs must be paid by the State.

Based on the number of resident veterans and currently available services, the Arizona Department of Veterans' Services (ADVS) has identified three geographical regions in Arizona with significant populations of underserved veterans: Northwest (tri-city area of Bullhead City, Kingman, and Lake Havasu), Southwest (Yuma), and North Central (Flagstaff). ADVS received approval and is beginning construction of two additional cemeteries; one in Flagstaff and one in Marana.

**Solutions:**

**Goal:** Increase the number of no-cost interment spaces available to veterans and their families.

**Strategy:** Prioritize efforts based on geographical location of underserved veterans in Arizona. Coordinate with high veteran population communities willing to donate land to ADVS for the purpose of building a state veteran cemetery. Upon acquisition of the land, apply for funding from the VA State Cemetery Grant Program to construct additional cemeteries.

**Performance Measures:**

Success of the abovementioned strategy will be evidenced by the transfer of land to ADVS by at least one high veteran population community for the purpose of constructing a state veteran cemetery and the subsequent submission of a VA State Veteran Cemetery Grant application.

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**Issue 3** Veteran population estimates indicate that over 48% of all veterans living in Arizona in the year 2020 will be older than 65.

**Description** Based on a formula developed by the United States Department of Veterans Affairs (VA), Arizona needs 1,520 long-term care beds in order to serve its veteran population in the year 2020.

**Solutions:**

Currently, the Arizona Department of Veterans' Services (ADVS) has 320 long-term care beds. ADVS opened a 200-bed skilled nursing care facility in Phoenix in 1995. A second 120-bed facility in Tucson opened on Veterans' Day 2011 and received its final approval to become fully operational in 2012.

The VA has acknowledged Arizona's need for additional nursing home beds based on the number of veterans living in the state. The VA provides grants to states to fund 65 percent of the cost to build state-operated veteran homes. Once operational, the VA also pays a per diem for veterans who are residents of the facility.

Based on the number of resident veterans and currently available services, ADVS has identified three geographical regions in Arizona with significant populations of underserved veterans: Northwest (tri-city area of Bullhead City, Kingman, and Lake Havasu), Southwest (Yuma), and North Central (Flagstaff). The State has appropriated \$9.2 million for the State's share of the construction costs of a facility in Yuma; however, the VA will not notify the State if it plans to fund that facility in the upcoming Federal fiscal year until October 2014.

Goal: Increase the number of state veteran home beds available to eligible veterans and their spouses.

Strategies: Prioritize efforts based on geographical location of underserved veterans in Arizona. Coordinate with high veteran population communities willing to donate land to ADVS for the purpose of building a state veteran home. Upon acquisition of the land, apply for 65 percent funding from the VA State Veteran Home Grant Program and coordinate state resources to fund the 35 percent state share.

**Performance Measures:**

Success of the above mentioned strategy will be evidenced by the transfer of land to ADVS by at least one high veteran population community for the purpose of constructing a state veteran home and the subsequent submission of a VA State Veteran Home Grant application.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	512.3	512.3	512.3
<b>General Fund</b>	6,600.6	6,600.6	6,600.6
<b>Other Appropriated Funds</b>	32,011.5	32,011.5	32,011.5
<b>Non-Appropriated Funds</b>	1,170.3	1,170.3	1,170.3
<b>Federal Funds</b>	735.0	735.0	735.0



**Program Summary**

ADMINISTRATION

Robert Barnes, Deputy Director  
 Phone: (602) 255-3373  
 A.R.S. §§ 41-601 et. seq.

**Mission:**

*To provide internal agency-wide support by managing financial, human and information technology resources. In addition to internal services, there is one unit that provides services outside the agency: the State Approving Agency's mission is to support veterans reaching their educational goals by using their Montgomery G.I. Bill benefits.*

**Description:**

Administration includes the Director's office, Financial Services, Information Technology, Human Resources, Purchasing, and the State Approving Agency (SAA).

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	2,128.2	1,894.7	1,894.7
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	2,674.6	1,902.9	1,902.9
<b>Total Funding</b>	<b>4,802.8</b>	<b>3,797.6</b>	<b>3,797.6</b>
<b>FTE Positions</b>	<b>42.8</b>	<b>42.8</b>	<b>42.8</b>

- ◆ **Goal 1** To assist, supervise, and monitor all Arizona educational institutions by providing quality and timely program approvals and technical assistance so that veterans can obtain their educational goals utilizing their Montgomery G.I. Bill benefits.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of Program approvals accepted by the VA	100	100	100	100	100

**Explanation:** Metrics are from the last complete federal FY (Oct 1 - Sept. 30)

The rating achieved on the State Approving Agency self-evaluation and from the Joint Peer Review Group. ("Satisfactory" is the highest possible rating the state can achieve.)

**Explanation:** Metrics are from the last complete federal FY (Oct 1 - Sept. 30)

◆ **Goal 2** To ensure the availability of appropriated funds to benefit veterans.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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The average expenditure of general funds per veteran living in the state. The measurement is expressed in dollars. The formula used is the total amount of general funds divided by the number of Arizona veterans projected by the US Department of Veterans Affairs (VA) as of 9/30 within the fiscal year.

**Explanation:** Using veteran population numbers from the VA Office of the Actuary.

Expenditures of federal dollars in Arizona by the U.S. Department of Veterans Affairs (in millions of dollars)	2,845.6	2,823.6	3,220.9	2,851.2	2,878.8
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**Explanation:** VA expenditures are reported as of 9/30 of the previous year (federal fiscal year end).

The number of federal dollars per veteran entering the Arizona economy (expressed as dollars per Veteran per year)	7871	7886	8650	8142	8398
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**Explanation:** Expressed in terms of actual dollars; no "multiplier effect" has been included in the reported figure.

Total federal dollars (military retiree pay for veterans residing in Arizona, VA expenditures in Arizona, and Veterans Employment Funding in Arizona from the Department of Labor) entering the Arizona economy. (expressed in BILLIONS of dollars.)	4.2	3.77	4.56	3.81	3.85
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**Explanation:** Reported federal funds are a direct result of veterans living in Arizona.

Administration as a percentage of total agency budget	3.3	3.2	2.6	3.2	3.0
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◆ **Goal 3** To recruit, develop, and retain a capable and responsible staff dedicated to excellent customer service. Projections are difficult at this time because statewide personnel reform measures are being implemented September 2012.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
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Percent of agency staff turnover (covered positions) as reported by the Arizona Department of Administration	26.8	30	24.4	30	30
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**Explanation:** Long-term care staff turnover has historically increased the agency's rate. The actual rate for FY 2014 is a combination of both covered and uncovered positions.

**Program Summary**

**VETERANS' CONSERVATORSHIP / GUARDIANSHIP**

Lori Braddock, Fiduciary Division Manager, Principal Fiduciary

Phone: (602) 248-1554

A.R.S. §§ 14-3601, 14-5311, 14-5410, 14-5651, and 41-601 et. seq.

**Mission:**

*To protect incapacitated veterans from exploitation and improve their quality of life.*

**Description:**

The Fiduciary Division serves as court-appointed guardian or conservator for incapacitated veterans, surviving spouses, and their dependent children and as personal representative for the estates of deceased veterans. The program is funded by a combination of General Fund appropriations and fees charged to clients for serving as their guardian, conservator, or personal representative. Monthly revenues are deposited with the State Treasurer into a conservator fund, which is returned annually to the Department through the budget appropriation process.

<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	369.3	419.9	419.9
Other Appropriated Funds	526.7	906.6	906.6
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>896.0</b>	<b>1,326.5</b>	<b>1,326.5</b>
<b>FTE Positions</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

◆ **Goal 1** To maximize our clients' quality of life through the delivery of fiduciary services to our clients.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Percent of annual reports of guardian submitted by the due dates	100	100	100	100	100
Number of client visits and contacts	2480	2596	2632	2772	3672

**Explanation:** Each client must have a visit at least quarterly and additional visits as needed.

◆ **Goal 2** To maintain fiduciary licensure from the Arizona Supreme Court.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Licensed fiduciary to client ratio.	1:28	1:32	1:33	1:30	1:28

**Explanation:** The division had 6 licensed fiduciaries at fiscal year end.

Human service specialist to client ratio	1:42	1:40	1:67	1:42	1:52
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**Explanation:** The caseload for social workers in the division.

◆ **Goal 3** To acquire and control client assets, invest and expend client funds prudently, and to accurately and timely report client financial transactions to the courts.

<b>Performance Measures</b>	<u><b>FY 2013 Actual</b></u>	<u><b>FY 2014 Estimate</b></u>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
Percent of annual accountings submitted by the due dates	100	100	100	100	100
Percent of annual accountings approved on first submission	100	100	95	100	100

◆ **Goal 4** To meet clients' needs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Active caseload at end of fiscal year	205	236	210	252	275
Decedent caseload at end of fiscal year	33	17	36	16	15

◆ **Goal 5** To manage and protect clients' assets held by ADVS.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Aggregate amount of protected clients' assets at end of fiscal year (in millions).	20.89	21.51	23.88	22.78	25.0

**Explanation:** Assuming \$85,000 per client.

<b>Program Summary</b>	
VETERANS' SERVICES	
Mike Klier, Asst. Deputy Director	
Phone: (602) 234-8416	
A.R.S. §§ 41-603 et. seq.	

**Mission:**

*To serve Arizona veterans and their families with information and assistance in securing their rightful benefits provided by state and federal law.*

**Description:**

The Veterans' Services Division provides a network of Veterans Benefits Counselors (VBCs) who give information, counsel, and assistance to veterans, their dependents, and survivors. There are 16 offices in Arizona providing information on federal and state benefits, which have been earned by honorable service in the armed forces of the United States. VBCs develop and file claims for federal and state benefits in areas of disability, pension, insurance, burial, education, home loan, social security, and other social services.

**Funding:**

	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	2,712.4	2,848.1	3,065.2
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>2,712.4</b>	<b>2,848.1</b>	<b>3,065.2</b>
<b>FTE Positions</b>	<b>57.0</b>	<b>57.0</b>	<b>57.0</b>

◆ **Goal 1** To increase the VA monetary awards generated by claims and appeals filed by Veterans Benefits Counselors.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Monetary awards reported on claims and appeals filed by the state veterans' benefits counselors on behalf of Arizona veterans (expressed in millions of dollars for award the Department expects to receive)	293.3	296.7	302.8	312.5	332.8

- ◆ **Goal 2** To achieve the highest level of customer satisfaction in regards to services being offered and how those services are delivered.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percentage of customers rating the overall delivery of service as 1 to 3, using a 1-5 scale where 1 represents "Extremely Satisfied" and 5 represents "Extremely Dissatisfied."	90	90	90	90	90

**Explanation:** The survey has been redesigned with a numeric score.

**Program Summary**

**STATE VETERANS' HOMES**

Robert Barnes, Deputy Director  
 Phone: (602) 255-3373  
 A.R.S. § 41-608.01

**Mission:**

*To serve America's heroes by providing compassionate, professional care in a comfortable home-like environment.*

**Description:**

The first Arizona State Veteran Home (ASVH) was opened in 1995 in Phoenix. The mission is to provide integrated health services that maximize the quality of life for each resident and allow residents to function at their highest level. That facility has designated 150 beds as skilled nursing care and 50 beds for a specialized wandering/dementia unit. The Tucson Home is a newly opened facility, which provides 120 additional skilled nursing care beds to veterans in southern Arizona. The final critically needed approval by the U.S. Department of Veterans Affairs (VA) for the Tucson Home was received June 12, 2012.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	18,400.0
Other Appropriated Funds	29,315.7	31,095.0	31,104.9
Other Non Appropriated Funds	0.0	458.0	458.0
<b>Total Funding</b>	<b>29,315.7</b>	<b>31,553.0</b>	<b>49,962.9</b>
<b>FTE Positions</b>	<b>380.0</b>	<b>380.0</b>	<b>380.0</b>

◆ **Goal 1** To achieve recognition for excellence in long term care.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
The Centers for Medicare & Medicaid Service (CMS) created the Five-Star Quality Rating System to help consumers, their families, and caregivers compare nursing homes more easily. The star rating provided is the Quality Measures Indicator for the Home, which considers information on 9 different physical and clinical measures for residents. It is an industry standard for assessing of how well it is caring for the residents. PHOENIX VETERAN'S HOME	4	4	3	4	4
JUSTIFICATION: The letter grade system is no longer available for every department within a skilled nursing facility and is not available in Tucson. The CMS Quality Rating is available to all facilities nationwide.					
The Centers for Medicare and Medicaid Service (CMS) created the Five-Star Quality Rating System to help consumers, their families and caregivers compare nursing homes more easily. TUCSON VETERAN'S HOME	5	5	5	5	5

◆ **Goal 2** To maintain financial self-sufficiency, operating the facility without the use of Arizona taxpayer funds.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Average annual occupancy rate (in percent)	82.7	80	85	80	85
Average cost per patient day (in dollars) for the Phoenix veteran home.	278.91	281.34	273.96	281.34	281.34

**Explanation:** Ancillary and salary costs for ASVH divided by the total census days.

Average cost per patient day for the Tucson Home.	388.29	383.15	378.93	383.15	383.15
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**Explanation:** Average cost per patient day (in dollars) for the Tucson Home.

Average annual occupancy rate (in percent)	40.2	85	90	97	97
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**Explanation:** Average annual occupancy rate (in percent) for the Tucson Veteran's Home

<b>Program Summary</b>	
STATE VETERANS' CEMETERIES	
Mike Klier, Asst. Deputy Director	
Phone: (602) 234-8416	
A.R.S. § 41-601.D	

**Mission:**

*To provide a final resting place that honors the memory of Arizona veterans and their dependents.*

**Description:**

The Southern Arizona Veterans Memorial Cemetery (SAVMC) opened in December 2002 and was designed to meet the needs of southern Arizona veterans for the next 40 years. The Arizona Department of Veterans' Services (ADVS) received approval and began construction of two additional cemeteries; one in Flagstaff and one in Marana. ADVS continues to actively work with the U.S. Department of Veterans Affairs (VA) to determine the most beneficial placements of future state veterans cemeteries.

<b>Funding:</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
General Funds	275.6	275.6	1,113.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	253.0	7,909.4	7,734.4
<b>Total Funding</b>	<b>528.6</b>	<b>8,185.0</b>	<b>8,847.4</b>
<b>FTE Positions</b>	<b>7.0</b>	<b>7.0</b>	<b>19.0</b>

◆ **Goal 1** To plan for cemetery construction required to meet the needs of Arizona veterans and their eligible dependents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of casketed burials for both veterans and dependents (expressed as vets/dependents)	123/45	131/40	124/55	135/50	62/25
Number of columbarium inurnments (expressed as veterans/dependents)	215/76	220/60	223/55	225/70	112/35

## Agency Summary

### VETERINARY MEDICAL EXAMINING BOARD

Victoria Whitmore, Executive Director  
Phone: (602) 542-8150  
A.R.S. § 32-2201

#### Mission:

*To protect the health, safety, and welfare of Arizona citizens as well as the welfare of animals by the regulation of veterinarians, veterinary technicians, veterinary premises, and animal crematories.*

#### Description:

The Board is responsible for licensing veterinarians, certifying veterinary technicians, licensing veterinary medical premises, and licensing animal crematories. The Board administers examinations for veterinarians and veterinary technicians, inspects all fixed locations for veterinary medical premises and animal crematories, investigates complaints and violations, and takes appropriate regulatory disciplinary action to ensure the public's protection.

#### Funding:

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	435.8	577.3	591.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>435.8</b>	<b>577.3</b>	<b>591.8</b>
<b>FTE Positions</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>



## 5 Year Plan

**Issue 1** Current license/certificate renewal process is completed via paper, which is a very labor and time intensive process. Licensees prefer easier, quicker method to renew and the agency would benefit by lessening staff time/operational costs.

**Description** Per statute, all licenses/certificates expire on Dec. 31st of every even year. Currently, this involves printing/ mailing renewal applications, then processing the checks, continuing education documents, and applications all within an approximate 2-3 month period. Each person's continuing education documents must be verified, payment processed, and all information, including making address/employment/email changes and inputting the date of payment and renewal and printing the renewal license to mail is all completed via our database system by staff. This paper-heavy process overwhelms agency resources and includes costs for hiring temporary staff or paying overtime as well as high postage costs to mail the renewal documents.

An online, credit-card based system would significantly improve the current process and system, including significantly lowering costs and response time to the licensees.

**Solutions:**

The agency began steps in FY14 to launch an online license renewal system. Because of budget constraints, the project has been divided into stages. The final stage in FY15 will include the programming, testing, and implementation of the new system.

The new system will allow licensees to renew online, which would include processing their credit card payments, automatically updating our database with address/email/employment changes, and electronically recording their continuing education documentation. Staff will no longer need to input all that data by hand into the database. As well, the agency plans to develop and implement a document imaging/management system that will link with the database and online renewal system, storing documents, such as continuing education certificates, in each licensee's electronic file.

The system will be capable of producing reports to enable credit card tracking and reconciliation with bank deposits, AFIS, etc.

**Issue 2** The agency has very limited office space for storing paper documents that must be kept for long timeframes. Keeping those documents safe from fire, flood, etc. is also a concern. The public and licensees increasingly expect instant access to public records via the website and other methods. Electronic management and easy retrieval of documents by staff will increase productivity, allowing more time for direct program-related activities.

**Description** As the agency continues to embrace advanced technologies in order to operate more efficiently and cost-effectively, while improving customer service, a project to procure and implement a document imaging/storage system is proposed.

Current files and public documents are stored primarily in the agency's office space, which has very limited storage space and is vulnerable to fire, water damage, etc.

Record retention management could be automated by use of an electronic system with storage/destruction capabilities.

Retrieving and organizing records would be simplified, creating more efficient internal operations as well as enhanced customer satisfaction, as it is expected that more public records could be provided electronically or posted on the agency's website. Currently, most public records requests involve staff manually pulling a record file, photocopying needed pages, then mailing to the requestor.

**Solutions:**

Procuring and implementing a document imaging/management system is planned to solve the issues noted and enhance the agency's capability to more quickly respond to public record and Board requests. As most organizations move to electronic documents as the norm, we expect that additional uses would follow in the next few years as well.

Options were researched in FY14. Efforts to procure and begin the first phases of implementation are planned for FY15-FY16.

**Issue 3** Current database which links with website for public information reporting capabilities, lacks features to effectively record and report some critical data items. License renewal notices are printed via the database. To conform with recently revised rules/statutes, the text on these notices must be modified; modifications must be done by IT experts.

**Description** Our current database does not capture all the fields/data that we need to best analyze and report all information, nor allow the capability to efficiently track due dates of premise inspections and other time-sensitive actions. As well, data captured across the types of licenses is not consistent and changes to make them consistent are needed.

The database also generates license renewal applications. The text on these forms needs to be modified to be up-to-date with current Administrative Rules. These changes can only be made by an IT professional.

**Solutions:**

A short-term IT project can be initiated and completed within approximately 3 months to correct functions and enhance our database system functionalities. It would involve (1) adding fields to some types of licenses (for example, email fields) to make them consistent across the types of licenses, (2) adding a field to the premise license section to record date of last inspection so that reports can be generated to identify scheduling inspection needs, and (3) modifying text on the renewal applications to reflect current Administrative Rules.

**Issue 4** Licensees need more online tools and information to manage their license requirements and be provided with pertinent news.

**Description** One of the agency's goals is to increase communication frequency and methods to support our mission by providing pertinent news and information as needed to our licensees.

Adding web-based capabilities for licensees to track their continuing education credits, notify the Board of address and employment changes, request license verifications, etc. would significantly improve customer satisfaction and save funds and staff resources. As more of our licensees embrace online activities, the Board wants to be able to address their needs with the most time-efficient and cost effective methods available.

Currently, paper newsletters are mailed 1-2 times per year to licensees, then posted on the website, where many types of information can be found as well.

Licensees are required to submit written address/employment changes within 20 days of the change. Staff receives those changes and must manually input the information into our database. Enhancements to our website/database would allow licensees to create an account online and make those changes themselves, thus ensuring that it is done in the required timeframe and saving staff resources to complete the task.

The agency does not have the capability to send mass emails. If this capability existed, news could be disseminated as needed and could include electronic newsletters and license renewal notices. Simply having the ability to mass email newsletters and renewal notices would translate into significant postage costs and staff preparation times.

**Solutions:**

Research will be conducted in FY15-FY16 to determine the most cost-effective and streamlined approach to providing news and information to our licensees via email, website and/or social media. This will likely involve IT solutions/modifications to our website and database as well as procuring and maintaining an email-blast type system. Implementation is expected in FY16-FY17, depending on available funding.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	6.0	6.0	6.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	591.8	591.8	591.8
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

◆ **Goal 1** To license veterinarians, veterinary technicians, and premises in accordance with mandated timeframes.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Premises licensed	130	100	141	100	100
Veterinary applications processed	141	150	143	150	130
Veterinary technicians certified	70	65	65	60	60
Administration as a % of total cost	8	8	9	9	9.5
Total number of premise renewals	739	0	0	700	0
Total number of veterinarians licensed annually, including renewals	2,047	2,000	2226	2000	2225

**Explanation:** number of licensed veterinarians at end of FY

Total number of veterinary renewals in biennial renewal process. Reinstatements included.	1,955	5	0	1,855	0
Total number of technician renewals in biennial process. Reinstatements included.	881	5	0	875	0
Total certified technicians	902	900	990	850	990

◆ **Goal 2** To rapidly investigate complaints and provide enforcement to protect the public from incompetent service and unprofessional and unethical conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of complaints docketed	125	140	100	110	110
Number of complaints resolved	93	95	122	100	100
Disciplinary actions	25	25	16	20	20
Average number of calendar days from receipt of complaint to resolution	124	130	109	125	125
Number of annual investigations conducted	122	130	109	110	110
Number of investigations resulting in enforcement action	25	25	16	20	20

◆ **Goal 3** To ensure that licenses are granted to competent professionals with high standards of professional and ethical conduct.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Disciplinary actions to number of licensed veterinarians	1.2	1	1	1	1
Percent of customers responding excellent or good on customer satisfaction survey	98	98	99	98	98

◆ **Goal 4** To ensure that the rules developed to license pet crematory facilities are met when licensing and thereafter.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of licenses issued for pet crematory facilities	0	0	0	1	0

## Agency Summary

### WATER INFRASTRUCTURE FINANCE AUTHORITY

Sandy Sutton, Director  
 Phone: (602) 364-1310  
 A.R.S. §§ 49-1201 to 49-1269

**Mission:**

*To maintain and improve water quality in Arizona by providing financial and technical assistance for basic water infrastructure.*

**Description:**

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent entity authorized to finance the construction, rehabilitation and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. As a "Bond Bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. Generally, WIFA offers borrowers below market interest rates on loans for 100% of eligible project costs.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ WATER INFRASTRUCTURE FINANCE AUTHORITY	146,558.4	147,814.2	147,814.2
➤ GREATER ARIZONA DEVELOPMENT AUTHORITY	85.5	228.0	228.0
<b>Agency Total:</b>	<b>146,643.9</b>	<b>148,042.2</b>	<b>148,042.2</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	0.0	1,000.0	1,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	146,643.9	147,042.2	147,042.2
<b>Total Funding</b>	<b>146,643.9</b>	<b>148,042.2</b>	<b>148,042.2</b>
<b>FTE Positions</b>	<b>18.0</b>	<b>19.0</b>	<b>19.0</b>

**Issue 1** Managing Priorities Through Changing Interest Rates

**Description** Because WIFA operates like a bond bank, low interest rates affect WIFA in two ways. Low interest rates result in low investment returns and reduced loan interest income, decreasing the income to Arizona's state revolving fund. WIFA sets new loan interest rates for borrowers based on current interest rates. However, WIFA's bond debt is tied to fixed interest rates based on the date of the bond sale. Historically the bond debt rates are higher than the current low interest rates.

**Solutions:**

WIFA is consulting with a Financial Manager in an effort to determine when additional bonding would be beneficial. The discussion will consist of when we should seek new bond funding, what refunding opportunities we may have and the net effect on the WIFA program.

**Issue 2** Clean Water Allocation

**Description** The Clean Water fund is capitalized by annual federal contributions. The present allocation is based on a 1977 formula that does not consider Arizona's population growth since that date.

**Solutions:**

WIFA's main strategy is to work with Congressional Staff to change the formula. Senator Kyle's office and now Senator McCain's office have worked tirelessly on this issue but changing the act would need to be a part of a reauthorization.

In May 2014 Congress amended Section 601(A) of the Federal Water Pollution Control Act (Title V Water Infrastructure Financing, Subtitle A State Water Pollution Control Revolving Funds). Section 5008, Report on the Allotment of Funds Reads, in part, "The Administrator of the Environmental Protection Agency shall conduct a review of the allotment formula in effect on the date of enactment of this Act for allocation of funds authorized under title VI of the Federal Water Pollution Control Act to determine whether that formula adequately addresses the water quality needs of eligible State, territories and Indian Tribes..."

EPA is required not later than 18 months after the date of enactment of the Act (October 1, 2014) to make a presentation to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

WIFA will continue to work with Senators Kyle and McCain and EPA to provide input concerning the formula change.

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**Issue 3** The Impact of Arizona's Economy on WIFA

**Description** Arizona's economy is affecting WIFA in that fewer organizations are obtaining loans.

**Solutions:**

WIFA has significantly increased marketing efforts in the following ways:

Wrote an editorial titled Ailing Water Infrastructure - WIFA Can Help, which was distributed to WIFA's listserv (over 400 people) and published in the Kachina News. Resulted in interest/leads from a new group, the Maricopa County Community Development Advisory Committee made up of Board of Supervisors, Hunter Contracting and a couple of drinking water systems.

Association of General Contractors (AGC) of America member profile – WIFA provided sponsorship to AGC and was profiled in the AGC E-bulletin. The AGC E-bulletin is sent to over 5,000 construction related companies, public/private owners and affiliated organizations.

WIFA held five funding workshops around the state to share information on the availability of financial assistance for drinking water, wastewater and stormwater projects. Outreached to over 80 potential customers.

Created a quarterly update, which covers all projects (loans and grants) completed during the quarter. The update highlights each of the project's successes, and demonstrates the results of the funding that WIFA provides to Arizona's communities. The updates are multi-purpose as they are sent to the WIFA Board of Directors, published in Kachina News and will be included in the annual report to the Governor.

Attended 15 conferences and numerous outreach events. Reached nearly 1,000 people.

Sponsored the League of Cities and Towns conference, and provided WIFA brochures in the conference bags distributed to attendees (~800). The Bronze level sponsorship includes public recognition of sponsorship on the conference program, signage, mobile app, website, and at the opening general session. WIFA was also able to attend the special sponsor reception attended by elected officials.

Sent out numerous e-mails (~25) throughout the year to WIFA's listserv (~400 people), containing information about upcoming events, trainings, resources and grant opportunities.

Organized and presented at the Rural Water Infrastructure Funding Forum attended by ~60 people.

Dire States Tour – WIFA partnered with Dan McNicol, best-selling author and former White House Appointee, and Case Construction to raise awareness of ailing water infrastructure. WIFA organized a tour with the City of Buckeye's to demonstrate water infrastructure projects going on in Arizona and also presented at the Dire States Tour event held in Phoenix and attended by ~50 people.

Developed a new video about WIFA funding with Case Construction and the City of Buckeye. Will be used as an outreach tool at conferences and on social media outlets.

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**Issue 4** Revitalize the Greater Arizona Development Authority (GADA)

**Description** Budgetary sweeps from FY2008 to FY2010 have substantially impeded GADA from carrying out its statutory mandate to support economic development in small, rural and tribal communities. The State has not reinvested in GADA since that time.

**Solutions:**

The GADA Board of Directors hired an outside consultant to assess the need for the continuation of GADA. A survey of past GADA financing participants was conducted. Overwhelmingly, survey respondents indicated the need for GADA as a funding source for ongoing and future infrastructure development.

GADA is moving forward with an effort to revitalize the fund by:

- 1) Hiring 1 full time manager;
- 2) Developing an outreach program to inform small, rural and tribal communities about GADA's economic development mission and how to utilize the fund;
- 3) Achieving organizational efficiencies by sharing executive management and analytical staffs with WIFA;
- 4) Providing informational support to the League of Arizona Cities and Town, sponsors of a resolution to provide \$20 million of State funding, as part of the 2015 Legislative agenda;
- 5) Updating the GADA website.

**Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	19.0	19.0	19.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	187,559.7	101,487.8	101,562.7
<b>Federal Funds</b>	31,540.2	31,540.2	31,540.2

**Program Summary**

**WATER INFRASTRUCTURE FINANCE AUTHORITY**

Sandy Sutton, Director  
 Phone: (602) 364-1310  
 A.R.S. §§ 49-1201 to 49-1269

**Mission:**

*To maintain and protect water quality and to ensure the affordability of basic community infrastructure.*

**Description:**

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent entity authorized to finance the construction, rehabilitation and/or improvement of drinking water, waste water, waste water reclamation, and other water quality facilities/projects. As a "Bond Bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	1,000.0	1,000.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	146,558.4	146,814.2	146,814.2
<b>Total Funding</b>	<b>146,558.4</b>	<b>147,814.2</b>	<b>147,814.2</b>
<b>FTE Positions</b>	<b>17.7</b>	<b>17.7</b>	<b>17.7</b>

◆ **Goal 1** To award WIFA's resources in accordance with the needs of Arizona's Citizens.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of projects addressing compliance	3	2.0	4.0	2.0	2.0

◆ **Goal 2** To maintain the fiscal integrity of the Funds administered by WIFA and ensure continuous enhancement for future generations.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Percent of total available funds invested	96.57	95.0	95.94	95.0	95.0
Interest income from Investments	7,566.6	8,000.0	7,155.1	7,500.0	7,500.0

◆ **Goal 3** To effectively and efficiently deliver financial and technical assistance.

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of weeks to process a loan	.91	1.5	.83	1.5	1.5

◆ **Goal 4** To coordinate with other funding sources, technical resources, and regulatory authorities

<b>Performance Measures</b>	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
Number of co-financings	5	4.0	5.0	4.0	4.0



**Program Summary**

GREATER ARIZONA DEVELOPMENT AUTHORITY

Michael Clark, Controller  
 Phone: (602) 364-1324  
 A.R.S. § 41-1554

**Mission:**

*To provide technical assistance and low-cost financing solutions to assist Arizona communities and tribal governments with development of public infrastructure projects that enhance communities and economic development.*

**Description:**

The Greater Arizona Development Authority assists local communities and tribal governments in developing and financing public infrastructure projects.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	85.5	228.0	228.0
<b>Total Funding</b>	<b>85.5</b>	<b>228.0</b>	<b>228.0</b>
<b>FTE Positions</b>	<b>0.3</b>	<b>1.3</b>	<b>1.3</b>

◆ **Goal 1** To increase development of public infrastructure projects.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Amount of financial assistance (in millions) loaned to cities, towns, counties, and special districts.	0	0	0	0	0

**Explanation:** GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding.

Amount of savings (in millions) for cities, towns, counties, tribes, and special districts from participation in the GADA program over private financing.	0	0	940.0	0	0
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**Explanation:** GADA Fund has experienced budget sweeps and is close to an inability to pursue bonding.

The savings in FY 14 was from a refunding action by the Cities of Coolidge, Guadalupe, Queen Creek, & Williams.

## Agency Summary

### DEPARTMENT OF WATER RESOURCES

Michael Lacey, Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-101 et seq.

**Mission:**

*To ensure a long-term, safe, sufficient, and secure water supply for the State; to develop public policies which promote the efficient use and equitable distribution of water in an environmentally and economically sound manner; and to promote the management of floodplains and dams to reduce loss of life and damage to property.*

**Description:**

The Department of Water Resources administers all state water laws except those laws relating to water quality. Primary responsibilities include implementing the Groundwater Code, supporting the adjudication of water rights, ensuring the safety of dams, managing floods, implementing surface water laws, surveying water resources statewide, and assessing water quality in conjunction with the Department of Environmental Quality.

**Agency Summary:** (\$ Thousands)

<b>Program</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
➤ AGENCY SUPPORT	4,332.6	4,926.0	5,147.4
➤ WATER RESOURCES AND STATEWIDE PLANNING	330.9	500.0	500.0
➤ DAM SAFETY AND FLOOD WARNING	1,244.3	2,260.6	2,260.6
<b>Agency Total:</b>	<b>5,907.7</b>	<b>7,686.6</b>	<b>7,908.0</b>
<b>Funding:</b>	<u><b>FY 2014 Actual</b></u>	<u><b>FY 2015 Estimate</b></u>	<u><b>FY 2016 Estimate</b></u>
General Funds	5,218.5	5,274.0	5,495.4
Other Appropriated Funds	82.2	638.4	638.4
Other Non Appropriated Funds	607.0	1,774.2	1,774.2
<b>Total Funding</b>	<b>5,907.7</b>	<b>7,686.6</b>	<b>7,908.0</b>
<b>FTE Positions</b>	<b>32.5</b>	<b>38.5</b>	<b>38.5</b>

**Issue 1** Colorado River and Adjudication Issues

**Description** ADWR is experiencing increasing interest and need in statewide water supply planning as a result of factors including, but not limited to, the following:

- Drought conditions that have persisted across the State and the Colorado River Basin over the last decade;
- Completion of the Strategic Vision for Water Supply Sustainability, prepared in partial response to the legislatively-created Water Resource Development Commission (WRDC), which projected imbalances between supplies and demands of between 1 and 2 million acre-feet (MAF) by the year 2110;
- Publication of the Basin Study by the US Bureau of Reclamation (BOR), which projected imbalances between supplies and demands averaging 2.3 MAF in the Colorado River Basin by 2060;
- Publication of the 24 Month Outlook by the BOR, which will result in reductions in releases between Lake Powell and Lake Mead from 8.23 to 7.48 MAF this year and which projects a 23 and 60% probability of shortage on the Colorado River in 2016 and 2017, respectively;
- Drought Contingency negotiations with the US and Basin States;
- Follow up to the execution of Minute 319 to the Treaty between the United States and Mexico governing use of the Colorado River. Minute 319 is a five-year agreement that establishes a cooperative framework between US parties, including the State of Arizona, and Mexico for shortage sharing, revised reservoir operations, and environmental restoration. The work to be conducted under Minute 319 is envisioned to provide a basis for longer term, mutually beneficial arrangements between the US and Mexico. Review of the actions taken under Minute 319 and consideration of future actions that may be taken with Mexico and the US are underway ;
- American River's declaration of the Colorado River as America's Most Endangered River in 2013;
- Long-Term Environmental Monitoring Program (LTEMP) in the Grand Canyon, the accompanying EIS, is under negotiations;
- ADWR's development of the 4th Management Plans in the five Active management Areas, including determinations of progress toward meeting the legislatively established Management Goals;
- Increased interest in water transfers throughout the State, including transfer of Big Chino Basin groundwater to the Prescott AMA, and CAP's efforts to increase its supplies by transfer of water from the main stem of the Colorado River;
- Continued recovery of Arizona's economy, including the real estate sector throughout the State;
- Reduction in the Federal funds that have historically been available for data collection and assistance to rural communities in water supply planning;
- Declining water levels (and associated land subsidence and earth fissuring) in groundwater basins throughout the State;
- Increased legal challenges to ADWR's administrative decisions; and
- The pace of progress in the General Adjudications of the Gila and Little Colorado River Watersheds, resulting in water supply uncertainty for both surface water and groundwater users within these river systems, which encompass over 70% of the land mass and 95% of the population within the State.

Adjudication support activities require extensive training and specialized skills and experience. Examples of the necessary knowledge, training and skills are listed below:

- Data entry and management;
- Field reconnaissance, survey and data collection;
- Geographical positioning and information systems (GPS & GIS) analysis;
- Agricultural practices, past and present;
- Stock watering and other water use practices, past and present;
- Geographical, geologic, hydrologic and engineering analysis;
- Understanding of history and relevance of prior court proceedings;
- Understanding of procedures for filing, amending and assigning SOC's;
- Project management;
- Graphical design and report preparation; and
- Other case specific knowledge, skills or abilities as required.

Because of the complicated and specialized nature of these proceedings and the varied set of skills required to perform the work, hiring and training additional staff requires significant time and resources.

As technical and administrative advisor to the Superior Court in the General Adjudication proceedings for the Gila River

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and the Little Colorado River (LCR) watersheds, ADWR seeks to accomplish three mission statements:

1. Establish and maintain accurate, useful information registries and databases.
2. Produce high quality, timely work products as directed by Court or Special Master.
3. Provide technically sound advice as requested by Court or Special Master.

#### **Solutions:**

The complexity of the issues and the planning necessary to adequately represent the State's water interests has increased. Issues that historically have been isolated in geographic scope are now interwoven across the State and across ADWR's regulatory and planning units.

Restructuring of the Department following the RIFs in 2010 reduced ADWR's planning staff from over 40 employees in six operational units to less than three FTEs in a single unit. Data management is currently largely conducted by the individual operational units and results in inconsistency across the Department's internal functions, which limits access to, and the utility of, this data to the regulated community and the public. Consolidation of data management and planning into a single operational unit will increase the interconnectivity of these functions across the agency. This will, in turn, increase efficiency, improve the quality and capacity of planning and the level of protection provided to water users and water supplies throughout the State. Additional IT and program resources are required to properly staff this effort.

There are "Next Steps" processes that have been established following both the publication of the Basin Study and the execution of Minute 319 for further study and implementation. The scope of these efforts, and the appropriate level of participation required to coordinate and protect Arizona's interests, are unprecedented in recent times. ADWR is diverting management and program staff to support these vital efforts and requires additional staff and resources to ensure appropriate coverage and advocacy in these proceedings, to coordinate these efforts with Arizona's leadership, water users, and ADWR's other functional units, while ensuring appropriate resources are available to other mission critical matters.

Some of the activities performed in support of the adjudication proceedings are fairly routine administrative functions completed on a daily basis. Other activities involve small to moderately sized projects with part to full-time involvement of four or fewer staff, while some activities are large projects requiring mobilization of significant Department resources. An example of a large project was the publication of the Preliminary Hopi HSR involving 15 or more employees working full-time during an extended period circa 2005-2008. ADWR completed several extensive large projects during the 1980's, when as many as 66 (on average about 40) full-time employees worked on the adjudications.

It is important to note that ADWR is now able to do more with fewer resources than in the past due to advances in technology. ADWR has continually upgraded its electronic communication, database management and GIS capabilities. Integration of Information Technology directly into its regulatory programs and other work efforts has greatly improved efficiency and allows results to be achieved with fewer resources than have historically been available.

Currently available resources allow ADWR to effectively make progress on one large court-directed project at a time, while completing one to three small to moderate projects a year and performing routine functions of administrative support. ADWR just completed a revised subflow zone delineation report for the San Pedro River watershed, which is expected to lead to more technical work after the court considers objections filed by the parties. ADWR also just finished a factual analysis and technical assessment for the White Mountain Apache Tribe settlement agreement, which may also lead to additional work for ADWR in the next few months. At the request of the adjudication court, ADWR must file a report in October with suggestions for moving the adjudication forward. In addition, before the end of the year, ADWR must submit reports to the adjudication court related to implementation of the Gila River Indian Community settlement agreement. By September 2015, ADWR must complete the Final Hydrographic Survey Report for the Hopi Reservation, which is a major undertaking. Although some preliminary work could be started on a number of different project needs, major progress on other large projects will likely await completion of the Final Hopi HSR.

Additional resources allocated to ADWR for supporting the adjudications would increase ADWR's work output, less at first and then more over time. Upon attracting and hiring qualified job candidates and providing training and on the job experience over a period of one to three years, a direct increase in work productivity for the size of the increase in funding would be expected. In other words, if, for example, resources were doubled, following a training period of one to three years, the overall work output would expect to be doubled as well and contribute to more timely resolution of the adjudications.

Many of the adjudication skills and resources are applicable to the other agency functions. Given increased funding, and depending on the needs and status of court proceedings, ADWR could increase its ability to make major progress on more than one

large project at a time, complete additional numbers of small to moderate projects each year, or provide other additional support as necessary. In order for increased funding to be truly effective in advancing the progress of these proceedings towards their resolution, it must be sustained for the long-term foreseeable future. Should the courts not consistently task the Department with multiple large projects, this staff will be deployed to provide assistance to the statewide planning function and support the water resource planning efforts of communities throughout Arizona.

Planned expenditures include:

- 5.0 additional FTE. We anticipate hiring an additional attorney due to increased caseload, as well as a combination of Water Resource Specialists, Hydrologists, Environmental Planners and IT staff as we prepare additional information that will be required by the Courts for both the normal adjudication process and the additional work that will be required to mitigate any consequences to the State of Arizona due to the Declaration of Shortage for Colorado River Water. Due to the complexity of the issues involved, these employees will probably be grade 23 and above.
- Professional & Outside Services will include costs of Court Transcripts and other incidental legal expenses, to include research costs. It will also include the cost of subcontractors hired to augment ADWR staff for field work required for short-term studies instead of hiring additional employees. We will also incur costs for IGA's with other State and local governments for water-related studies.
- Travel In- and Out-Of-State – Numerous trips are expected both to Washington, DC and to the other Basin States for negotiations on Colorado River Water issues. Most will have extremely short notice and advance bookings will not always be possible, raising the cost of both airfare and accommodations. Travel required for investigations and hearings would increase significantly, as would limited travel to Mexico.
- Other Operating Expenditures – This would include additional postage costs for greatly increased mailings (certified, return receipt), basic office furniture (chairs, calculators, desk accessories) for new staff, increased need for office supplies for both new and existing staff, basic training classes for new staff as well as advanced classes for existing staff and greatly increased copying, printing and advertising costs.
- Equipment includes the cost of new modular furniture as well as computer equipment and specialized software required for those positions. Additional printing/copying capability will also be required, as well as digital storage space.

### **Resource Assumptions**

	<b>FY2017 Estimate</b>	<b>FY2018 Estimate</b>	<b>FY2019 Estimate</b>
<b>Full-Time Equivalent Positions</b>	144.3	144.3	144.3
<b>General Fund</b>	13,330.3	13,330.3	13,330.3
<b>Other Appropriated Funds</b>	906.9	906.9	906.9
<b>Non-Appropriated Funds</b>	8,905.6	8,905.6	8,905.6
<b>Federal Funds</b>	469.4	469.4	469.4

**Program Summary**

AGENCY SUPPORT

Syndi Reeder, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-103, 45-105

**Mission:**

*To provide the Agency with efficient and cost effective centralized services to assist the Agency in meeting its goals.*

**Description:**

General Services provides the management support necessary to manage the Agency efficiently. This program includes the following functional areas: budget, personnel, fiscal services, payroll, purchasing, mail delivery, copying, facilities and sub motor pool. The Agency's centralized data management functions provided through the Management Information Services subprogram are also a component of this program.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,966.1	3,606.0	3,827.4
Other Appropriated Funds	82.2	638.4	638.4
Other Non Appropriated Funds	284.3	681.6	681.6
<b>Total Funding</b>	<b>4,332.6</b>	<b>4,926.0</b>	<b>5,147.4</b>
<b>FTE Positions</b>	<b>22.0</b>	<b>23.0</b>	<b>23.0</b>

◆ **Goal 1** To provide timely, accurate and courteous ancillary management services to all customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of employees compliant with OSHA training and State loss control guideline requirements	100	100	100	100	100
Percent of agency staff indicating satisfaction with the availability and condition of motor pool equipment	100	100	100	100	100
Percent of customers indicating satisfaction with the accuracy, timeliness and courtesy of mail distribution	97	97	97	97	97

◆ **Goal 2** To assure that vendors and employees receive proper payments in a timely manner.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of vendors indicating satisfaction with the accuracy and timeliness of payments processed	96	96	96	96	96

◆ **Goal 3** To provide the Agency with timely financial reports that comply with State and federal regulations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of financial reports distributed to users within seven days after month-end cut-off	88	88	88	88	88

- ◆ **Goal 4** To provide all Agency managers and supervisors with human resources support in the areas of personnel recruiting, training and employee relations.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of managers and supervisors indicating satisfaction with the services provided	87	98	98	98	98

- ◆ **Goal 5** To provide employees with direction in recruitment, training and employee relations counseling.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of employees indicating satisfaction with the services provided	98	98	98	98	98

- ◆ **Goal 6** To develop business database systems and applications capable of collecting, organizing, maintaining and displaying the data required to meet the needs of the Agency and its constituents.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of users satisfied with Relational Database Management System client-server applications	100	100	100	100	100

- ◆ **Goal 7** To provide a stable and secure network and desktop computing environment, reliable telecommunication services and technical support on all Agency hardware and software used by our customers.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of time servers are available during normal business hours	99	99	99	99	99
Average number of minutes per month that customers cannot access data because the system is not functioning properly	60	60	60	60	60
Computer systems developed/maintained	96	96	96	96	96

**Program Summary**

**WATER RESOURCES AND STATEWIDE PLANNING**

Tom Buschatzke, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. Title 45

**Mission:**

*To ensure a long-term, safe, sufficient and secure water supply for the State; to develop public policies which promote the efficient use and equitable distribution of water in an environmentally and economically sound manner.*

**Description:**

This program is responsible for managing all surface water rights and groundwater rights. Included in this program are the development and implementation of water management plans and regulation of water use, collection of data necessary for management of the water supply, and support in the adjudication of water rights. Representation of the State on interstate water issues and provision of technical assistance to water users in the State are important program functions.

**This Program Contains the following Subprograms:**

- ▶ Groundwater Management
- ▶ Surface Water Administration and Adjudication
- ▶ Colorado River Management
- ▶ Statewide Planning
- ▶ Hydrology

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	330.9	500.0	500.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>330.9</b>	<b>500.0</b>	<b>500.0</b>
<b>FTE Positions</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>

**Subprogram Summary**

**GROUNDWATER MANAGEMENT**

Tom Buschatzke, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-104, 45-401 et. seq.

**Mission:**

*To achieve a long-term balance of water supply and demand on behalf of the citizens of Arizona by comprehensively managing, preserving and enhancing the groundwater supplies of the State.*

**Description:**

This subprogram is responsible for development and implementation of groundwater management plans, regulations and grant programs designed to reduce groundwater use to meet the goals of the Active Management Areas (AMAs). This subprogram includes the management of groundwater rights, well drillers, well construction and registries, and the measurement and monitoring of groundwater use and supplies throughout the State.



<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,229.6	1,397.7	1,397.7
Other Appropriated Funds	1.6	2.0	2.0
Other Non Appropriated Funds	764.0	1,154.4	1,154.4
<b>Total Funding</b>	<b>1,995.2</b>	<b>2,554.1</b>	<b>2,554.1</b>
<b>FTE Positions</b>	<b>16.3</b>	<b>20.8</b>	<b>20.8</b>

- ◆ **Goal 1** To conduct special investigations of critical groundwater areas to ensure that management decisions have a sound technical justification.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Permits reviewed and issued for assured and adequate water supply within statutory deadlines	250	250	115	150	185

- ◆ **Goal 2** To promote water conservation, groundwater recharge and the use of renewable resources in a fair and equitable manner, and to prevent unauthorized uses by developing groundwater rules and management plans in conjunction with stakeholders to make progress toward the goals of the Active Management Areas (AMAs).

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Per capita water use in the Active Management Areas (in acre feet)	2.74	2.74	0.72	0.72	0.72
Percent of water stored to groundwater pumped within the AMAs	25	25	51	51	51
Cumulative annual capacity of recharge projects permitted (in thousands)	1,700	1,700	1,983	2,013	2,043
Percent of surface water to total water used in CAP service area	75	75	55	55	55

- ◆ **Goal 3** To maintain a complete and accurate record of groundwater rights and uses in AMAs, irrigation non-expansion areas (INAs) and a registry of wells statewide.

<b>Performance Measures</b>	<b><u>FY 2013 Actual</u></b>	<b><u>FY 2014 Estimate</u></b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
Percent of annual withdrawal reports voluntarily returned	96	96	96	96	96
Requests for new production wells (Notices of Intent) granted	7,100	7,100	2,299	2,500	2,700

## Subprogram Summary

### SURFACE WATER ADMINISTRATION AND ADJUDICATION

Michael Johnson, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-104, 45-151 et. seq.

**Mission:**

*To ensure a long-term, sufficient and secure water supply for the State by promoting, allocating and comprehensively managing in an environmentally and economically sound manner the rights and interests of the state's surface water resources for the citizens of Arizona.*

**Description:**

This subprogram is responsible for issuing permits for the right to use surface water (excluding the Colorado River). The subprogram also maintains accurate water rights registries, and records of hydrologic conditions to aid in effective management and planning of the state's surface water supplies. This subprogram also provides technical and administrative support to the Arizona courts presiding over the general adjudication of water rights in Arizona.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,666.2	2,165.1	2,794.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	13.1	10.0	10.0
<b>Total Funding</b>	<b>1,679.3</b>	<b>2,175.1</b>	<b>2,804.9</b>
<b>FTE Positions</b>	<b>18.8</b>	<b>26.0</b>	<b>29.0</b>

- ◆ **Goal 1** To maintain a complete and accurate registry of surface water claims and rights and to process new applications to appropriate surface water. To support Agency priorities by providing timely responses to public and intra-agency requests for information regarding surface water rights.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Applications processed to appropriate surface water	0	0	20	20	20
Percent of public and intra-agency information requests met within Agency time frames	0	0	100	100	100
Reduction of protested surface water permit applications	0	0	9	9	9

- ◆ **Goal 2** To provide accurate and timely analysis of water rights claims and to provide high quality statewide water resource data, reports and assessments in support of the adjudication courts, high priority Agency projects and statewide planning.

Performance Measures	FY 2013 Actual	FY 2014 Estimate	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Percent of adjudication court assigned studies completed by established deadlines	0	0	100	100	100

**Subprogram Summary**

COLORADO RIVER MANAGEMENT

Tom Buschatzke, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-104, 45-105(A)(2), 45-107

**Mission:**

*To promote, allocate, protect and comprehensively manage in an environmentally and economically sound manner the rights and interests of Arizona to Colorado River water resources for the citizens of Arizona.*

**Description:**

The subprogram is responsible for negotiating with other states, Indian tribes and the federal government on issues relating to the allocation, uses and protection of Arizona's entitlement of Colorado River water. The subprogram collects and evaluates data and information to support the preparation of recommendations regarding the protection and allocation of Colorado River water. The subprogram monitors and participates in the resolution of environmental issues arising out of the Endangered Species Act designations within the Lower Colorado River Basin.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	599.6	741.5	1,366.3
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	-74.4	9.5	9.5
<b>Total Funding</b>	<b>525.2</b>	<b>751.0</b>	<b>1,375.8</b>
<b>FTE Positions</b>	<b>6.0</b>	<b>8.0</b>	<b>11.0</b>

◆ **Goal 1** To recharge Arizona's unused Colorado River water entitlement as funding and facilities permit.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of unused entitlement recharged	95	95	95	95	95

◆ **Goal 2** To analyze and recommend to the Department of the Interior (DOI) the allocation and provisions for contracting of Colorado River water and Central Arizona Project (CAP) water.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of recommendations for water allocations presented to and accepted by the DOI	100	100	100	100	100
Percent of recommendations for provisions for contracting presented to and accepted by the DOI	90	90	90	90	90

◆ **Goal 3** To protect the interest of Arizona Colorado River water users by advocating policies that promote maximum short-term and long-term beneficial use of Colorado River supplies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of satisfaction of the Agency's internal and external clients with regard to the quality and success of water management policies advocated by the State	95	95	95	95	95
Percent of Arizona's annual entitlement to Colorado River water beneficially used	100	100	100	100	100

**Subprogram Summary**

STATEWIDE PLANNING

Tom Buschatzke, Assistant Director  
 Phone: (602) 771-8500  
 A.R.S. §§ 45-104, 45-105

**Mission:**  
*To propose water management strategies to preserve and enhance water supplies of the State in an environmentally and economically sound manner on behalf of, and in partnership with, the citizens of Arizona.*

**Description:**  
 This subprogram includes data collection and analysis to describe water supply and demand conditions throughout Arizona. Planning investigations performed in this subprogram lead to actions to develop, protect and preserve the water supplies for the State.

<b>Funding:</b>	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	3,112.3	3,305.2	3,922.4
Other Appropriated Funds	5.1	266.5	266.5
Other Non Appropriated Funds	5,947.8	6,376.9	6,376.9
<b>Total Funding</b>	<b>9,065.2</b>	<b>9,948.6</b>	<b>10,565.8</b>
<b>FTE Positions</b>	<b>39.7</b>	<b>44.0</b>	<b>47.0</b>

◆ **Goal 1** To assess and report information on statewide water resource demands and supplies.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Groundwater basin reports produced that profile current and future water supplies and demands, that describe the geologic and hydrologic conditions and that analyze the chemical quality of the water supplies	18	18	17	17	17

◆ **Goal 2** To develop strategies that address water resource issues statewide.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Technical assistance projects provided to areas outside AMAs that request support in quantifying and improving management of the area's water resources	12	12	14	14	14
Number of rural water studies initiated	4	4	1	1	1

◆ **Goal 3** To manage contaminated water at groundwater contamination sites in Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Permit applications reviewed	1,000	1,000	1,617	1,600	1,700
Draft and final well inspection rule packages submitted	0	0	0	0	0

◆ **Goal 4** To support Authority members by providing accurate, timely information on credits earned and available, Water Bank activity, amounts of water recharged, available funds and other matters that affect operation of the Water Bank.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of Authority members expressing satisfaction with staff activity	100	100	100	100	100

- ◆ **Goal 5** To target and expend Water Protection Funds to protect and preserve the flow and quality of water in the streams of Arizona.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
New projects funded and contracts written.	3	3	4	4	4
Percentage of grants that achieve the stated objectives of the Water Protection Fund Commission	100	100	100	100	100

<b>Subprogram Summary</b>
HYDROLOGY
Frank Corkhill, Assistant Director Phone: (602) 771-8500 A.R.S. §§ 45-104, 45-105

**Mission:**  
*To provide the Agency and citizenry with accurate data collection, professional analyses and timely dissemination of water resources information to ensure that public policy is based on sound technical analysis.*

**Description:**  
 This subprogram is responsible for the collection of surface and groundwater data statewide. Information is analyzed and disseminated in the form of technical documents, report publication and special studies of critical areas. Technical assistance and hydrological reviews are provided to all areas of the Agency, local water users and state and federal governments.

<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	138.5	446.8	446.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	59.6	50.0	50.0
<b>Total Funding</b>	<b>198.1</b>	<b>496.8</b>	<b>496.8</b>
<b>FTE Positions</b>	<b>2.8</b>	<b>7.0</b>	<b>7.0</b>

- ◆ **Goal 1** To ensure that the Agency and the general public have access to the most accurate and current water resources information available.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Hydrologic Map Series data and modeling reports generated with accurate and timely dissemination	8	8	5	4	4
Customer satisfaction rating for Hydrology (scale of 1-8)	8	8	8	8	8

- ◆ **Goal 2** To develop spatial database systems and applications capable of collecting, organizing, maintaining and displaying the data required to meet the needs of the Agency and its constituents

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of users satisfied with the use of map products	100	100	100	100	100
Percent of users satisfied with desktop GIS tools support	100	100	100	100	100

**Program Summary**

**DAM SAFETY AND FLOOD WARNING**

Mike Johnson, Assistant Director

Phone: (602) 771-8500

A.R.S. §§ 45-1401 et. seq., 45-1501 et. seq.

**Mission:**

*To promote the management of floodplains and dams to reduce loss of life and damage to property.*

**Description:**

This program is responsible for inspection and review of non-federal jurisdictional dams for compliance with safety standards, providing assistance to local flood management programs in the administration of the federal National Flood Insurance Program and designing statewide flood warning systems.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	921.5	1,168.0	1,168.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	322.8	1,092.6	1,092.6
<b>Total Funding</b>	<b>1,244.3</b>	<b>2,260.6</b>	<b>2,260.6</b>
<b>FTE Positions</b>	<b>10.0</b>	<b>14.5</b>	<b>14.5</b>

- ◆ **Goal 1** To promote appropriate management of floodplains by evaluating the compliance of the 105 subscribing communities with NFIP and State statutes at least once every five years and by providing technical assistance as requested.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of community assistance visits completed	15	15	3	5	6

- ◆ **Goal 2** To design and construct a statewide high-speed data collection and dissemination network.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent completeness of the construction (and/or operational status) of the communications network	100	100	100	100	100

- ◆ **Goal 3** To bring dams into compliance with State laws and dam safety guidelines.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of dams classified in a non-emergency unsafe condition	13	13	13	13	13
Number of dams within jurisdiction	265	265	252	252	252
Determination of jurisdictional status of unregistered dams	5	5	6	5	5

- ◆ **Goal 4** To assure that dam design, construction, operation and maintenance are in compliance with State laws and current dam safety guidelines.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of High Hazard Potential Dam Inspections as a percent of standard	100	100	90	90	90
Number of Significant Hazard Potential Dam Inspections as a percent of standard	100	100	90	90	90
Number of Low Hazard Potential Dam Inspections as a percent of standard	100	100	50	90	90
Cost per O&M inspection (in dollars)	950	950	1,500	1,400	1,400
Number of Construction Inspections	100	100	100	100	100

## Agency Summary

### DEPARTMENT OF WEIGHTS AND MEASURES

Shawn Marquez, Acting Director  
Phone: (602) 771-4929  
A.R.S. § 41-2051

#### Mission:

*To protect the integrity of Arizona's marketplace by ensuring that equity and accuracy are preserved in commerce through fair and equitable regulation and the effective communication of weight and measurement standards.*

#### Description:

The Department of Weights and Measures ensures that every commercial device used for the sale of commodities by either weight, measure or count is licensed and accurate for its intended use. Random inspections ensure that such commodities are properly labeled and priced in conformance with state rules and regulations. The Department maintains custody of the state's primary standards and keeps an accurate record of all standards and equipment; collects samples of motor fuel that is stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards; and inspects all mandated Stage I and Stage II vapor recovery systems in the state to determine if such systems are in compliance with the law.

#### Agency Summary: (\$ Thousands)

<b>Program</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
➤ GENERAL SERVICES	1,611.6	1,805.8	2,405.8
➤ AIR QUALITY OXYGENATED FUEL	837.9	789.8	789.8
➤ VAPOR RECOVERY	587.0	653.4	653.4
<b>Agency Total:</b>	<b>3,036.5</b>	<b>3,249.0</b>	<b>3,849.0</b>
<b>Funding:</b>	<b><u>FY 2014 Actual</u></b>	<b><u>FY 2015 Estimate</u></b>	<b><u>FY 2016 Estimate</u></b>
General Funds	1,281.6	1,475.7	2,075.7
Other Appropriated Funds	1,754.9	1,773.3	1,773.3
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>3,036.5</b>	<b>3,249.0</b>	<b>3,849.0</b>
<b>FTE Positions</b>	<b>33.9</b>	<b>38.4</b>	<b>44.4</b>



**Issue 1** Better Efficiency

**Description** In FY2010, at a time when all state government was struggling to meet mandated services despite the economic challenges, the Department introduced an innovative way to keep compliance program productive despite a 20% staff cut and limited resources available.

**Solutions:**

The Department implemented a new mobile resource management program to keep complete and comprehensive daily inspection records, and track work flow each month. This state-of-the-art system combined GPS tracking of the fleet vehicles assigned to Department field investigators, with real time accounting for daily functions such as inspection time, travel time, data entry, and other work related duties. The new system has had a dramatic affect on productivity in which the Department has transitioned from a primary method of tracking and dispatching field investigators via phone (or waiting for investigators to return to the office), to a GPS-enabled system where investigators use the phone application to record job activities and other job duties while in the field. The result: the Department now knows precisely how long it takes to conduct specific inspections, and is able to better allocate resources, improve scheduling, minimize costs, lower wear and tear on equipment via less travel, and maximize the percentage of time spent each day performing inspections. Going forward the objective is to fully utilize this innovative technology to improve performance and better manage resources.

**Issue 2** Consumer Protection

**Description**

**Solutions:**

After introducing the first coordinated network system in the country that notifies local gas stations of recent skimmer incidents in an effort to defend consumers from these criminal activities; the Department will look to build up this system to further communicate with those petroleum industries and law enforcement agencies that have not yet been included in this important consumer protection program.

**Issue 3** Provide Quality Service

**Description** The Department already enjoys an outstanding reputation as a state agency known for its strong customer satisfaction; striving to always provide accurate information and quick turnarounds on customer inquiries.

**Solutions:**

The Department looks to improve on this by offering more educational information to consumers, providing additional training to industry, and creating innovative new online services.

**Issue 4** New legislative mandates

**Description** During the last two legislative sessions, new laws were added to further regulate taxi, livery, and limousine vehicles.

**Solutions:**

The Department will work diligently to conduct these new inspections over this next year and work with industry to address any outstanding legislative issues.

**Issue 5** Shift Inspection Resources

**Description** The Department is known for regularly inspecting gas stations, grocery stores, taxi cabs, and ensuring retail scales and measuring devices are licensed and certified. As a result, many of the major chains are now maintaining very good and consistent compliance rates.

**Solutions:**

These next few years, the Department intends to expand inspections to focus on where it is needed most by branching out to other areas that show poor compliance or have not been visited in many years. For example, in 2011 and 2012, the Department inspected "We Buy Gold" stores and found an abysmal 39 out of 43 stores inspected had scales with non-compliance issues.

**Issue 6** Update all Standard Operating Procedures ("SOP")

**Description** SOPs are detailed written instructions to achieve uniformity of how the Department investigators perform duties in the field. It has been many years since these procedures have been updated, yet technology and other improvements have led to changes in practice of conducting such inspections.

**Solutions:**

In the interest of maximizing safety and operational efficiency, the Department staff is hoping to soon Department of Weights and Measures finish the full scale review and analysis of procedures to ensure compliance with state and federal guidelines.

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**Issue 7** Public/Private Partnership

**Description** Arizona businesses and retail industry have been supportive of the Department’s overall role as regulators because they too want to discourage unfair and dishonest commerce.

**Solutions:**

The Department will continue efforts to train and test the licensed RSRs and other licensed businesses that install, service, repair, or recondition a commercial measuring device such as gas pumps or scales. By working together directly with the private sector, the marketplace will have more eyes reviewing it for accuracy so Arizona can ensure true equity.

**Issue 8** Corporate Education

**Description**

**Solutions:**

Over the next few years, the Department will increase efforts to schedule corporate education programs where the Department goes into a market or retail store and shows industry representatives exactly what field investigators are looking for. The Department has found this to be an invaluable assistance to enhance compliance by industry, and helps retail management and their workforce better understand the rules and regulations that everyone must follow.

**Issue 9** Media Outreach

**Description** The Department is first and foremost a consumer-oriented agency working to establish a level playing field in the marketplace. As such, the Department feels consumers need to be aware of pricing, fuel quality, smart shopping, and safety tips.

**Solutions:**

An aggressive media outreach is planned, with a proactive approach to participate in local media venues like talk shows and distribute media alerts when necessary.

**Issue 10** Partner with Law Enforcement

**Description** Department investigators came to the rescue of 57 families helping them recover their personal belongings while saving nearly \$100,000 in unwarranted charges. The Department worked directly with federal officials to combat credit card fraud in gas pumps, and participated in a drug operation focused on drug smuggling by taxi drivers. These are proven and successful partnerships that the Department can and should continue to assist with.

**Solutions:**

**Issue 11** Ensure Quality Fuel for Arizona

**Description** Recently, consumers have reported incidents of bad gasoline and contaminants found in engines as a result of non-compliant fuel being sold. One incident involved fuel being blended at a transmix facility on tribal land in Northeast Arizona.

**Solutions:**

The Department intends to partner with local tribes to train and assist them in tracking down such non-compliance and illegal activity.

### Resource Assumptions

	FY2017 Estimate	FY2018 Estimate	FY2019 Estimate
<b>Full-Time Equivalent Positions</b>	0.0	0.0	0.0
<b>General Fund</b>	0.0	0.0	0.0
<b>Other Appropriated Funds</b>	0.0	0.0	0.0
<b>Non-Appropriated Funds</b>	0.0	0.0	0.0
<b>Federal Funds</b>	0.0	0.0	0.0

**Program Summary**

GENERAL SERVICES

Liz Atkinson, Administrative Division Director  
 Phone: (602) 771-4927  
 A.R.S. §§ 41-2051 et. seq.

**Mission:**

*To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace.*

**Description:**

The Department of Weights and Measures ensures that every commercial device used for the sale of commodities by either weight, measure or count is licensed and accurate for its intended use; ensures, by way of random inspections, that such commodities are properly labeled and priced in conformance with state rules and regulations; maintains custody of the state's primary standards and keeps an accurate record of all standards and equipment.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	1,281.6	1,475.7	2,075.7
Other Appropriated Funds	330.0	330.1	330.1
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>1,611.6</b>	<b>1,805.8</b>	<b>2,405.8</b>
<b>FTE Positions</b>	<b>19.6</b>	<b>24.1</b>	<b>30.1</b>

◆ **Goal 1** To meet targeted compliance rates for all major inspection programs.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of Fuel Dispensing device inspections.	27,838	28,000	17,470	28,000	28,000
Number of Fuel Dispensing device in compliance.	82.9	90	80.7	90	90

◆ **Goal 2** To license all retailers who use commercial weighing devices; all companies who install, service, or test weighing and measuring devices.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Total Devices.	123,506	124,000	121,519	124,000	124,000
Average number of days to process applications.	5	5	5	5	5

◆ **Goal 3** To improve customer service.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of days to respond to consumers that place a complaint with the Department.	8	10	10	10	10

**Program Summary**

**AIR QUALITY OXYGENATED FUEL**

Liz Atkinson, Administrative Division Director

Phone: (602) 771-4927

A.R.S. §§ 41-2065.(A)(14)(15), (D), (E), 41-2082, and 2121

**Mission:**

*To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace and to promote clean air by regulating petroleum products and dispensing systems throughout the state.*

**Description:**

The Department of Weights and Measures collects samples of motor fuel that are stored, sold, exposed or offered for sale to determine if such motor fuel meets the required standards.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	837.9	789.8	789.8
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>837.9</b>	<b>789.8</b>	<b>789.8</b>
<b>FTE Positions</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

◆ **Goal 1** To monitor the quality of gasoline and diesel products through the collection and analysis of fuel samples.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Non-CBG samples tested.	321	695	391	695	695
AzCBG samples tested.	429	550	1,049	550	1,100

◆ **Goal 2** To expand the use of technology in the fuel sampling and testing process.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Number of samples sent to the laboratory for analysis.	352	370	527	345	550
Number of samples tested by Zeltex field instrument	1,648	1,700	1452	1,700	1700

**Explanation:** Number of samples tested using Zeltex field instrument

**Program Summary**

**VAPOR RECOVERY**

Liz Atkinson, Administrative Division Director  
 Phone: (602) 771-4927  
 A.R.S. §§ 41-2065(A)(4), 41-2131 to 41-2134

**Mission:**

*To protect consumers and businesses alike by ensuring a fair and equitable Arizona marketplace, and to promote clean air by regulating petroleum products and dispensing systems throughout the state.*

**Description:**

The Department of Weights and Measures inspects all mandated Stage I and Stage II vapor recovery systems in the state to determine if such systems are in compliance with the law.

**Funding:**

	<u>FY 2014 Actual</u>	<u>FY 2015 Estimate</u>	<u>FY 2016 Estimate</u>
General Funds	0.0	0.0	0.0
Other Appropriated Funds	587.0	653.4	653.4
Other Non Appropriated Funds	0.0	0.0	0.0
<b>Total Funding</b>	<b>587.0</b>	<b>653.4</b>	<b>653.4</b>
<b>FTE Positions</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>

◆ **Goal 1** To ensure that new vapor recovery systems meet equipment and performance requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
At least 50% of all the vapor recovery annual test will be witnessed by the Department.	50	50	50	50	50

◆ **Goal 2** To ensure that existing vapor recovery systems meet operation and maintenance requirements.

<b>Performance Measures</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Estimate</b>	<b>FY 2016 Estimate</b>
Percent of facilities inspected annually that are in compliance.	94.1	90	93.4	90	90

# Glossary

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## Part 1: Budget Terms

**90/10** Professional and occupational regulatory agencies funded through the collection of fees and the issuance of licenses. These agencies retain 90% of the fees collected annually in separate agency fund accounts and deposit 10% of the fees collected into the *General Fund*.<sup>1</sup>

### A

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**accountability** Monitoring, measuring, and evaluating the performance and progress of policies, plans and programs to ensure that results are achieved.

**actual expenditure** An expenditure made in the prior *fiscal year* as reported in the State of Arizona Annual Financial Report, including *Personal Services*, *Employee-Related Expenditures*, *All Other Operating Expenditures* and all *below-the-line items* as authorized by the Legislature.

**administrative adjustment** Adjustments made to reflect expenditures made by an agency after the close of the *fiscal year*. Administrative adjustments include the time period from the close of the 13th month to June 30 of the next fiscal year.

**administrative cost** An expense associated with the support, management and oversight of services delivered pursuant to the agency or program *mission*. Typical administrative costs include those associated with accounting, human resources, budgeting, strategic planning, public information, auditing, executive management, etc.

**AFIS** The Arizona Financial Information System is the statewide accounting system maintained by the Department of Administration.

**AHCCCS** The Arizona Health Care Cost Containment System is the State's Medicaid program designed to deliver quality managed healthcare to qualifying individuals.

**All Other Operating Expenditures (AOOE)** Category of expenditure accounts that include Professional and Outside Services, In-State Travel, Out-of-State Travel, Food, *Other Operating Expenditures*, and *Equipment*.

**annualization** An adjustment, made to the current year funding base, that will allow a partially-funded program to operate for a full year or accounts for a full-year of budget savings due to mid-year reductions.

**appropriated fund** The Legislatively mandated segregation of funds. It is used and monitored by the *General Accounting Office* as a separate self-balancing set of accounts.

**Arizona Administrative Code** State agency rules of practice setting forth the nature and requirements of all formal procedures available to the public.

**Arizona Revised Statutes (A.R.S.)** The laws governing the State of Arizona.

### B

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**base budget** An adjusted budget base that reflects the current year appropriation, amended to include changes for *standard operating adjustments*.

**below-the-line item** A specific expenditure or budgetary account that has been singled out through the appropriation process to provide high visibility of expenditure. Also known as "special line item."

**biennial budgeting** A process that estimates revenues and expenditures for a two-year period.

**block grant** Allocations of federal money to a state or its subdivisions in accordance with a distribution formula prescribed by law or administrative regulation, for activities of a continuing nature within a restricted subject area (e.g., social services, maternal and child health, and childcare).

**budget** A financial plan that estimates the revenues and expenditures for a given period of time. (SEE ALSO: *capital outlay* and *operating budget*).

**budget program** Functions and activities of a *budget unit* or within a budget unit that are pre-planned to fulfill a distinct *mission*.

**budget reform legislation** Refers to the provisions contained in Laws 1993, Chapter 252; Laws 1994, Chapter 218; Laws 1995, Chapter 283; Laws 1996, Chapter 339; Laws 1997, Chapter 210, and Laws 2002, Chapter 210.

**budget unit** A department, commission, board, institution or other State organization receiving, expending, disbursing or incurring obligations against State funds.

### C

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**capital outlay** Expenditures for upkeep, preservation, development, improvement or acquisition of lands, buildings or certain associated equipment.

**Capital Outlay Stabilization Fund (COSF)** A fund into which rent monies collected from agencies occupying State-owned rental space are deposited. The monies partially offset building operating and maintenance costs.

**categorical eligibility** Automatic eligibility for certain federal-State matched public assistance programs, based on criteria established in federal law. Admission to a program (e.g., Medicaid) is mandatory to certain groups of beneficiaries who meet the legal criteria for eligibility to the specified program.

**categorical program** A broad category of joint federal-State public assistance programs that provide financial assistance to individuals or that may subsidize a particular activity (e.g., Medicaid pays for medical services on behalf of certain groups of low-income persons).

**certificate of participation (COP)** A financing tool used by the State for the acquisition and construction of State facilities.

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<sup>1</sup> Italicized terms are defined in this Glossary.

**comptroller object code** A four-digit code used within the statewide accounting system to identify the detailed revenue or expenditure account affected by a transaction; the lowest level in the object structure.

**continuing appropriation** An appropriation that is automatically renewed without further Legislative action, period after period, until altered, revoked or liquidated by expenditure.

**current services budget** A financial plan that incorporates the *base budget* needs of an agency and the addition of funding to support demographic growth in client caseloads and workload functions.

## D

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**decision package** A funding request made by State agencies.

**detail fund** A fund designation used in the statewide accounting system to segregate agency-specific activity. The balance of an *appropriated fund* is comprised of the sum of all of its detail funds.

**Disproportionate Share Hospital (DSH)** A hospital that serves a disproportionate share of low-income and Medicaid patients, thereby qualifying for federal aid pursuant to Section 1923 of the Social Security Act. The federal basis for payments is either a reflection of a hospital's number of Title XIX in-patient days or a "low-income" utilization rate. States may also establish optional payment categories. Arizona has established optional groups that include county, State and private hospitals.

## E

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**Employee-Related Expenditures (ERE)** The State's contribution to an employee's benefit package. ERE include FICA; retirement; Worker's Compensation; health, dental, and life insurance; unemployment insurance; Personnel Division charges; Government Information Technology Agency charges; and uniforms for certain classes of employees.

**entitlement program** A broad category of *categorical* public assistance programs that provide services (e.g., cash assistance, medical services, etc.) to certain population groups (e.g., low-income families with minor children). Admission is often mandatory for qualified individuals who meet the legal eligibility criteria (e.g., individuals who are low-income and aged, blind or disabled), hence the reference "entitlement."

**Equipment** In the operating budget, a specific item of expenditure divided into capitalized equipment (purchased for \$5,000 or more) and non-capitalized equipment (usually between \$300 and \$4,999).

**ERE rate** The quotient of *Employee-Related Expenditures* and *Personal Services* expressed as a percentage.

**Executive Issue** An adjustment to the prior-year appropriation to change the scope of current programs or service levels.

**expenditures** See actual expenditures.

## F

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**federal funds** Amounts collected and made available to the State by the federal government, usually in the form of *categorical* or *block grants* and *entitlement programs*.

**Federal Insurance Contribution Act (FICA)** Requires employees and employers to make matching contributions into the Social Security fund.

**Federal Waiver Program** Experimental, pilot or demonstration projects that, in the judgment of the Secretary of the U.S. Department of Health and Human Services, are likely to assist in promoting the objectives of the Medicaid Statute. Projects approved under this authority are referred to as "waiver" programs.

**fiscal year** The State's yearly accounting period beginning July 1 and ending June 30. (The federal fiscal year begins October 1 and ends September 30.)

**FPL (Federal Poverty Level)** Refers to the poverty guidelines, in relation to income standards, as updated annually in the FEDERAL REGISTER by the U.S. Department of Health and Human Services.

**full-time equivalent (FTE) position** A position budgeted at 2,080 hours per year.

**fund** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying on specific activities in accordance with limitations, restrictions or regulations.

**fund balance** The excess of the assets of a fund over its liabilities and reserves.

## G

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**General Accounting Office (GAO)** A division of the Department of Administration that provides diverse statewide financial services and ensures compliance with related *statutes* and rules.

**General Fund** The primary State account into which monies are collected for the general purposes of government. The primary sources of revenues for the General Fund include sales taxes, income taxes and property taxes. The General Fund is also the major expenditure source from which agencies make payments for specified purposes.

**grant anticipation note (GAN)** A federal finance tool involving bonding that can be issued by the State Transportation Board. The issuance of a GAN allows the State to fund and accelerate highway construction projects with anticipated federal monies.

## I

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**inflation** An allowance made for an increase in price levels of operating expenditures from one *fiscal year* to the next.

**input** A *performance measure* that identifies the amount of resources needed to provide particular products or services.

## J

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**JLBC Staff** The Legislative counterpart to the Governor's *Office of Strategic Planning and Budgeting (OSP)*. The Joint Legislative Budget Committee Staff is often referred to as the JLBC but should not be confused with the Legislative committee of the same name. The JLBC Staff prepares an analysis of the Executive Budget as soon as it is presented to the Legislature. The analysis includes the JLBC Staff's recommendations for revisions in expenditures.

**Joint Committee on Capital Review (JCCR)** Created by Laws 1986, Chapter 85, to establish the Building Renewal Formula, approve the creation of Building Systems, and review the State Capital Improvement Plan. The JCCR is also responsible for reviewing all



construction projects before commencement of the project. The JCCR consists of the following 14 members of the Legislature: Chairs of the House and Senate Appropriations Committees, majority and minority leaders from the House and Senate, four members of the House Appropriations Committee, and four members of the Senate Appropriations Committee.

**Joint Legislative Budget Committee (JLBC)** A Legislative committee consisting of the following 16 members of the Legislature: Majority Leaders of both the House and Senate; Chairs of both the House and Senate Appropriations Committees; Chair of the Senate Finance Committee; Chair of the House Ways and Means Committee; five members of the House Appropriations Committee; and five members of the Senate Appropriations Committee. The JLBC meets as often as is necessary to transact business related to fiscal management of the State's resources.

**Joint Substance Abuse Treatment Program (JSAT)** Also known as "Arizona Families First," JSAT is a substance abuse program jointly administered by the Department of Child Safety and the Department of Health Services. The program pays for services to parents, guardians or custodians whose substance abuse is a significant barrier to preserving the family. Services can also be provided to federal Temporary Assistance for Needy Families (TANF) Block Grant recipients whose substance abuse is a significant barrier to obtaining or maintaining employment.

## L

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**lapsing appropriation** An appropriation that terminates automatically. Except for a *continuing appropriation*, an appropriation is made for a certain period of time, generally one year. At the end of this period (including an *administrative adjustment* period), unexpended or unencumbered balances revert to the fund from which the appropriation was made. Also known as a "reverting appropriation."

**line item appropriation** A method of appropriation that separates the budget into specific objects of expenditure. The specific items include *Personal Services*, *ERE*, *Professional and Outside Services*, *In-State Travel*, *Out-of-State Travel*, *Food*, *Other Operating Expenditures*, and *Equipment*.

**lump-sum appropriation** An appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for specific activities or for particular objects of expenditure.

## M

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**Master List of State Government Programs** *Budget reform legislation* requires *OSPB* to publish a "Master List" of programs run by or overseen by State government. Laws 2002, Chapter 210 slightly changed the format of the Master List and designated this annual submittal as the operational plan for State agencies and conformed to the budget cycles. Required information for each agency, program and subprogram includes the agency description, *mission* statement, strategic issues, and financial and *FTE* position information, as well as the description, *mission* statements, goals, and *performance measures* for all programs and subprograms.

**means-tested program** Eligibility to a public assistance program restricted by an applicant's income or other resources specified by law. Resources include bank accounts and similar liquid assets as

well as real estate, automobiles and other personal property whose value exceeds specified financial limits.

**mission** A brief, comprehensive statement of purpose of an agency, program, or subprogram.

**modified lump-sum appropriation** A method of appropriation in which *Personal Services*, *Employee-Related Expenditures*, *All Other Operating Expenditures* and *below-the-line items* are specified in the appropriations bill.

**modified standard adjustment** The difference, as calculated by the agency, between the actual *Personal Services* base and the amount allocated for *Personal Services* by the agency in its expenditure plan. Any amount identified as a modified standard adjustment must be explained by the agency requesting the adjustment.

## N

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**non-appropriated funds** Generally, funds set up as Enterprise or revolving funds. These funds are considered statutorily appropriated and are not subject to the annual or biennial appropriation process.

**non-lapsing appropriation** An appropriation that does not revert to the fund from which it was appropriated at the end of the *fiscal year*, as provided by law. (SEE *continuing appropriation*).

## O

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**object code** Refers to the accounting code structure of the Arizona Accounting Manual.

**objective** A specific and measurable target for accomplishing goals.

**one-time adjustment** A budget adjustment that must be made because of a one-time circumstance that is not continued through the next *fiscal year*. The end of a project would bring about a one-time decrease the following year.

**operating budget** A plan of all proposed expenditures other than capital expenditures (SEE *capital outlay*). An operating budget is composed of various objects of expenditure, such as *Personal Services*, *Employee-Related Expenditures*, *In-State Travel*, etc.

**operational plan** A practical, action-oriented guide that directs goal-setting to achieve meaningful results with the existing resources through the shorter budget cycle period. The operational plan should provide incremental steps towards achieving the strategic long-range plan. SEE ALSO: *Master List*

**OSPB (Office of Strategic Planning and Budgeting)** A State agency charged with preparing the Governor's budget guidelines and the Executive Budget recommendation for review by the Governor. The Office also facilitates a strategic planning process for State government and is responsible for implementing many of the provisions of *budget reform legislation*. The OSPB staff is the Executive counterpart to the *JLBC Staff*.

**Other Appropriated Funds** All amounts, excluding *General Fund* amounts, appropriated by the Legislature for predetermined uses. These include Special Revenue Funds, revolving funds, etc.

**Other Operating Expenditure** According to the ARIZONA ACCOUNTING MANUAL, everything using an object code of 7000. This refers to operating expenditures necessary to operate a budget unit, e.g., office supplies, utilities, communication, etc.



**outcome** A *performance measure* that reflects the actual results achieved, as well as the impact or benefit, of a program.

**output** A *performance measure* that focuses on the level of activity in a particular program or subprogram.

## P

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**per diem compensation** Compensation paid to board or commission members for their work. Per diem compensation is a daily rate set statutorily.

**per diem travel** Cost of meals and incidentals reimbursed to employees and board or commission members.

**performance accountability** A means of judging policies and programs by measuring their progress toward achieving agreed-on *performance targets*. Performance accountability systems are composed of three components: defining performance measures (including outcomes), measuring performance and reporting results.

**performance measure** Used to measure results and ensure accountability. (SEE ALSO: *input, output, outcome, and quality*).

**performance target** Quantifiable estimate of results expected for a given period of time.

**personal services** Line item of expenditure for salaries and wages paid to employees, elected officials and board or commission members. Payments for leave categories, overtime and other miscellaneous earnings are also recorded in this line item.

**privately owned vehicle (POV)** Those miles to be used in calculating reimbursement of staff for use of private vehicles on State business.

**privatization** The opening of government markets allowing for equitable competition between the private and public sectors for the privilege of delivering services to the public.

**program budgeting** A budget system that focuses on program *missions*, program achievements, and program cost effectiveness. Pursuant to *statute*, the *program structure* for program budgeting is governed by the *Master List* structure. Program budgeting is linked to planning and *accountability* through alignment of the structures and merging of the planning and budget information.

**program enhancement** An upward revision in the funding level of a specific program in order to enhance the level of services being provided by that program.

**program structure** An orderly, logical arrangement of an organization's programs and subprograms. This structure provides the framework for planning, budgeting and strategic program authorization review.

**Proposition 204 Medical Program** A voter-approved AHCCCS program that expands eligibility to include individuals whose annual incomes are at or below 100% of the FPL. The program is funded through monies received by the State from the tobacco litigation settlement, tobacco tax funds, and the Hospital Assessment Fund.

## Q

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**quality** A *performance measure* that reflects the effectiveness in meeting the expectations of customers and stakeholders.

## R

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**receipt** Unless otherwise defined, cash received. There are five general categories of receipts: taxes, licenses and permits, charges for services, fines and forfeitures, and other receipts that do not fall into another category.

**resource allocation** Determination and allotment of resources or assets necessary to carry out strategies within the priority framework established in the goal-setting process.

**revenue** Additions to assets that do not increase any liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets, or do not represent contributions of fund capital in Enterprise and Intergovernmental Service Funds.

**risk management** The charges assessed by the Department of Administration to guard against the risk of loss by an employee or agency acting on behalf of the State of Arizona.

## S

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**special line item** See *below-the-line item*

**standard adjustment** Change to the current year's appropriation to arrive at the new year's *base budget*. Examples include *annualization* of programs partially funded during the current year, annualization of the pay package, restoration of *vacancy savings*, and one-time increases and decreases.

**standard operating adjustment** An adjustment to the *base budget* that includes *annualization* of programs partially funded by the Legislative appropriation during the current year; annualization of Legislatively authorized pay packages; restoration of *vacancy savings*; and a one-time increase or decrease to the *operating budget*.

**State service** All offices and positions of employment in State government except offices and positions specifically exempted by law from the State personnel system.

**statute** A written law, either new or revised, enacted by the Legislature and signed by the Governor.

**strategic management** Process of positioning an organization so it can prosper in the future. The overall framework within which policy development, strategic, operational, *quality* planning, budgeting, *capital outlay* planning, information technology planning, program implementation, and evaluation and *accountability* take place.

**strategic plan** A visionary guide, based on an examination of internal and external environmental and political factors, that directs goal-setting and future resource requirements to achieve meaningful results over time. Strategic projections are long-range and usually cover a five-year period.

**subprogram** An integral component of a program that can be separately analyzed to gain a better understanding of the larger program.

## T

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**tracking system** A system that monitors progress, compiles management information and keeps goals on track.

## U

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**uniform allowance** An amount budgeted for specific agencies for the cost of uniforms required by the agency.

## V

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**vacancy savings** Savings generated by not filling vacant positions, by not filling newly authorized positions, or by filling a vacant position at a lower grade or step. Vacancy savings cannot be

expended for any of the following purposes without the approval of the Director of the Department of Administration: merit increases for State employees; funding for reclassified positions; or the creation of new positions.

# Glossary

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## Part 2: Acronyms

<b>A.R.S.</b> Arizona Revised Statutes	<b>AZGS</b> Arizona Geological Survey
<b>AAC</b> Arizona Administrative Code	<b>BIFO</b> Border Infrastructure Finance Office
<b>ABOR</b> Arizona Board of Regents	<b>CAE</b> Commission on the Arizona Environment
<b>ACJC</b> Arizona Criminal Justice Commission	<b>CAP</b> Central Arizona Project
<b>ACJIS</b> Arizona Criminal Justice Information System	<b>CAP</b> Child Abuse Prevention
<b>ACW</b> Arizona Center for Women	<b>CBHS</b> Children's Behavioral Health Services
<b>ADA</b> Americans with Disabilities Act	<b>CCDF</b> Child Care Development Fund
<b>ADC</b> Arizona Department of Corrections	<b>CEDC</b> Commerce and Economic Development Commission
<b>ADE</b> Arizona Department of Education	<b>CERF</b> Collection Enforcement Revolving Fund
<b>ADJC</b> Arizona Department of Juvenile Corrections	<b>CHC</b> Community Health Center
<b>ADM</b> Average Daily Membership	<b>CHILDS</b> Children's Information Library and Data Source
<b>ADMIN</b> Administration	<b>CIS</b> Client Information System
<b>ADOA</b> Arizona Department of Administration	<b>CJEF</b> Criminal Justice Enhancement Fund
<b>ADOT</b> Arizona Department of Transportation	<b>CLIA</b> Clinical Lab Inspections Act
<b>ADP</b> Average Daily Population	<b>CMDP</b> Comprehensive Medical and Dental Plan
<b>AERB</b> Agriculture Employment Relations Board	<b>CMR</b> Classification Maintenance Review
<b>AFDC</b> Aid for Families with Dependent Children	<b>COP</b> Certificate of Participation
<b>AFIS</b> Arizona Financial Information System	<b>COSF</b> Capital Outlay Stabilization Fund
<b>AFUND</b> Appropriated Fund	<b>CPS</b> Child Protective Services
<b>AG</b> Attorney General	<b>CRIPA</b> Civil Rights of Institutionalized Persons Act
<b>AGFD</b> Arizona Game and Fish Department	<b>CRS</b> Children's Rehabilitative Services
<b>AHCCCS</b> Arizona Health Care Cost Containment System	<b>CSMS</b> Combined Support Maintenance Shop
<b>AHS</b> Arizona Historical Society	<b>CSO</b> Correctional Service Officer
<b>AIDA</b> Arizona International Development Authority	<b>CWA</b> Clean Water Act
<b>ALTCS</b> Arizona Long-Term Care System	<b>CWRF</b> Clean Water Revolving Fund
<b>AMA</b> Active Management Area	<b>DAAS</b> Division of Aging and Adult Services
<b>ANSAC</b> Arizona Navigable Streams Commission	<b>DBME</b> Division of Benefits and Medical Eligibility
<b>AOOE</b> All Other-Operating Expenditures	<b>DCS</b> Department of Child Safety
<b>APP</b> Aquifer Protection Permit	<b>DCYF</b> Division of Children, Youth and Families
<b>APS</b> Adult Protective Services	<b>DD</b> Dually Diagnosed or Developmentally Disabled
<b>ARF</b> Automation Revolving Fund	<b>DDD</b> Division of Developmental Disabilities
<b>ARRT</b> American Registry of Radiological Technologists	<b>DDSA</b> Disability Determination Services Administration
<b>ASDB</b> Arizona School for the Deaf and the Blind	<b>DEA</b> Drug Enforcement Account
<b>ASET</b> Arizona Strategic Enterprise Technology	<b>DEMA</b> Department of Emergency and Military Affairs
<b>ASH</b> Arizona State Hospital	<b>DEQ</b> Department of Environmental Quality
<b>ASPC</b> Arizona State Prison Complex	<b>DERS</b> Division of Employment and Rehabilitative Services
<b>ASRS</b> Arizona State Retirement System	<b>DES</b> Department of Economic Security
<b>ASU</b> Arizona State University	<b>DHS</b> Department of Health Services
<b>ATA</b> Automobile Theft Authority	<b>DJC</b> Department of Juvenile Corrections
<b>ATDA</b> Arizona Technology Development Authority	<b>DOA</b> Department of Administration
<b>AVSC</b> Arizona Veterans' Service Commission	<b>DOI</b> Department of Insurance
<b>AZAFIS</b> Arizona Automated Fingerprint Identification System	<b>DOR</b> Department of Revenue

**DPS** Department of Public Safety  
**DSH** Disproportionate Share Hospital  
**DUI** Driving Under the Influence  
**DWR** Department of Water Resources  
**EAC** Eligible Assistance Children  
**EDP** Electronic Data Processing  
**EEO** Equal Employment Opportunity  
**ELIC** Eligible Low-Income Children  
**EMS** Emergency Medical Services  
**EMSCOM** Emergency Medical Services Communications  
**EMSOE** Emergency Medical Services Operating Fund  
**EPA** Environmental Protection Agency  
**EPSDT** Early Periodic Screening, Diagnostic, and Testing  
**ERE** Employee-Related Expenditures  
**FES** Federal Emergency Services  
**FFP** Federal Financial Participation  
**FHAMIS** Family Health Administration Management Information System  
**FICA** Federal Insurance Contribution Act  
**FMAP** Federal Matching Assistance Payments  
**FMCS** Financial Management Control System  
**FPL** Federal Poverty Level  
**FTE** Full-Time Equivalent  
**GAAP** Generally Accepted Accounting Principles  
**GADA** Greater Arizona Development Authority  
**GAO** General Accounting Office  
**GDP** Gross Domestic Product  
**GIITEM** Gang and Immigration Intelligence Team Enforcement Mission  
**GITA** Government Information Technology Agency  
**H.B.** House Bill  
**HAP** Hazardous Air Pollutant  
**HCBS** Home and Community Based Services  
**HI** Hearing Impaired  
**HMO** Health Maintenance Organization  
**HRMS** Human Resource Management System  
**HURF** Highway User Revenue Fund  
**IGA** Intergovernmental Agreement  
**IHS** Indian Health Service  
**IM 240** Inspection and Maintenance 240 Second Emission Test  
**IOCC** Inter-State Oil Compact Commission  
**IRM** Information Resource Management  
**IRMG** Information Resource Management Group  
**ISA** Intergovernmental Service Agreement  
**ISD** Information Services Division  
**ISP** Institutional Support Payments  
**IT** Information Technology  
**ITAC** Information Technology Authorization Committee  
**JCCR** Joint Committee on Capital Review  
**JCEF** Judicial Collection Enhancement Fund  
**JLBC** Joint Legislative Budget Committee  
**JOBS** Job Opportunity and Basic Skills  
**LAN** Local Area Network  
**LES** Licensing and Enforcement Section  
**LGIP** Local Government Investment Pool  
**LTC** Long Term Care  
**MAG** Maricopa Association of Governments  
**MAO** Medical Assistance Only  
**MARS** Management and Reporting System  
**MD** Multiply Disabled  
**MDSSI** Multiply Disabled Severely Sensory Impaired  
**MEDICS** Medical Eligibility Determinations and Information Control System  
**MIPS** Million Instructions per Second  
**MIS** Management Information System  
**MNMI** Medically Needy Medically Indigent  
**MVD** Motor Vehicle Division  
**NADB** North American Development Bank  
**NAFTA** North American Free Trade Agreement  
**NAIC** National Association of Insurance Commissioners  
**NAU** Northern Arizona University  
**NLCIFT** National Law Center for Inter-American Free Trade  
**NRCD** Natural Resource Conservation District  
**OAH** Office of Administrative Hearings  
**OGCC** Oil and Gas Conservation Commission  
**OPM** Office of Pest Management  
**OSHA** Occupational Safety and Health Administration  
**OSPB** Office of Strategic Planning and Budgeting  
**PAS** Prior Authorization Screening  
**PASARR** Pre-admission Screening and Annual Resident Review  
**PDSO** Phoenix Day School for the Deaf  
**PERIS** Public Employee Retirement Information System  
**POV** Privately Owned Vehicle  
**PRWORA** Personal Responsibility and Work Opportunity Reconciliation Act of 1986  
**PS** Personal Services  
**PSPRS** Public Safety Personnel Retirement System  
**QMB** Qualified Medicare Beneficiary  
**RARF** Regional Area Road Fund  
**RCF** Registrar of Contractors Fund  
**REDI** Rural Economic Development Initiative  
**REM** Retain, Eliminate or Modify  
**RIF** Reduction-in-Force  
**RMIS** Risk Management Information System  
**RMRF** Risk Management Revolving Fund  
**RTC** Residential Treatment Center or Return to Custody  
**RUCO** Residential Utility Consumer Office  
**S.B.** Senate Bill

**SAMHC** Southern Arizona Mental Health Center  
**SAVE** Systematic Alien Verification for Entitlements  
**SBAC** Small Business Assistance Center  
**SBCS** State Board for Charter Schools  
**SBE** State Board of Education  
**SBIR** Small Business Innovative Research  
**SBOE** State Board of Equalization  
**SCHIP** State Children's Health Insurance Program  
**SDWA** Safe Drinking Water Act  
**SDWRF** Safe Drinking Water Revolving Fund  
**SES** State Emergency Services  
**SLI** Special Line Item  
**SLIAG** State Legalization Impact Assistance Grant  
**SMI** Serious Mental Illness or Seriously Mentally Ill  
**SOBRA** Sixth Omnibus Budget Reconciliation Act  
**SPAR** Strategic Program Authorization Review  
**SPO** State Purchasing Office  
**SPRF** State Parks Revenue Fund  
**SPU** Special Population Unit  
**SR&E** Securities Regulation and Enforcement  
**SSI** Supplemental Security Income  
**SSIG** State Student Incentive Grant  
**SSRE** State Share of Retained Earnings  
**SWCAP** State-wide Cost Allocation Plan  
**T&R** Title and Registration  
**TANF** Temporary Assistance for Needy Families  
**TB** Tuberculosis  
**TCC** Transitional Child Care  
**TDD** Telecommunication Devices for the Deaf  
**TIFS** Tourism Investment Fund Sharing  
**TLMF** Trust Land Management Fund  
**TPO** Telecommunications Policy Office  
**UA** University of Arizona  
**UAHSC** University of Arizona Health Sciences Center  
**USAS** Uniform State-wide Accounting System  
**USGS** United States Geological Survey  
**UST** Underground Storage Tank  
**VA** Veterans Affairs  
**VEI** Vehicle Emission Inspections  
**VI** Visually Impaired  
**VR** Vocational Rehabilitation  
**VRIRF** Victims' Rights Implementation Revolving fund  
**WAN** Wide Area Network  
**WATS** Wide Area Telephone System  
**WFRJT** Work Force Recruitment and Job Training  
**WICHE** Western Inter-State Commission on Higher Education  
**WIFA** Water Infrastructure Finance Authority  
**WIPP** Work Incentive Pay Plan  
**WPF** Water Protection Fund  
**WQAB** Water Quality Appeals Board  
**WQARF** Water Quality Assurance Revolving Fund